

Policy update: training and development in a downturn

The UK has generally been characterized by a 'voluntaristic' approach to training with primary responsibility for training being placed in the hands of employers and employees, with a facilitator's role being played by the government. Over the past decade, the government has sought to increase participation in further and higher education, largely motivated by a desire to ensure the sustained competitiveness of UK in comparison with other developed global economies, but still retaining their support for voluntary approaches to training and development.

Evidence from a range of sources (e.g. Kersley et al 2006) suggests that the provision of workplace based training has increased in recent years. However, those years have largely coincided with a period of economic prosperity allied to the promulgation of the rhetoric of the knowledge economy. What might be the fate of training and development during a recession when many organizations might reasonably look to trim budgets – if not cut them altogether – in order to survive? Indeed, given the stark warning given by the Leitch Review of Skills outlined in the chapter, government attempts to persuade organizations to invest in this area could be fatally flawed should companies perceive training as a nonessential item.

In a report commissioned by Learndirect (Parry 2009), researchers found that investing in employees skills saved the organization money via savings made in the areas of recruitment and retention. Three quarters of the 1,189 companies involved in the study felt that training their own staff was more beneficial to their business than recruiting people from outside. Additionally, half the companies discovered that training staff made them more likely to stay. One-third found it increased staff motivation, and almost half actually saved money in the process. The report reinforces a plea by some of Britain's business leaders for employers to resist the temptation to cut spending on staff training. In an open letter, business people including Sir Mike Rake, chairman of BT, Sir Stuart Rose, chairman of Marks & Spencer, Richard Lambert, director-general of the CBI, together with Brendan Barber, general secretary of the TUC, urged employers to sustain or even increase their investment in training.

The letter coincided with the launch of the Simplification of Skills in England plan, developed by the UK Commission for Employment and Skills. It aims to make publicly funded training provision more flexible and responsive to business needs by providing employers with one point of contact – a single team of brokers who will advise on the business and training support best suited to their businesses. A new web-based tool will complement the work of the brokers. Through it, employers will be able to create a skills development plan for their organization and find out what courses are available (UKCES 2008).

However, it is pertinent to place alternative findings which paint a somewhat different view being taken towards training and shows that employers are not necessarily mindful of exhortations to sustain investment here. HE@Work's annual Employee Training Index (Roodhouse 2009) found that employers are delivering less training with almost all forms of training posting a year-on-year decline. Only 48 per cent of employers offer on the job training specific to job roles, revealing a 24 per cent reduction since last year's results. Just under half (40 per cent) of employees said they believed that employee training and development was important to their employer, a six per cent drop compared to last year's results. However, from the 4,500 private sector employees questioned, 92 per cent reported that ongoing learning and development was important to them and more than 75 per cent would like to have more opportunities to develop at work and believe they have yet to achieve their full potential in the workplace. Such findings suggest that government arguably has to do more to ensure that training and development activity continues even as organizations experience difficult times. But given the voluntaristic approach taken by successive UK governments in this area, what options are open to them – especially within private sector organizations where government influence is less powerful and direct?

Sources

Kersley, B., Alpin, C., Forth, J., Bryson, A., Bewley, H., Dix., G., and Oxenbridge, S. (2006). *Inside the Workplace: findings from the 2004 Workplace Employment Relations Survey*. London: Routledge.

Parry, E. (2009) 'Nurturing Talent: A Research Report', Cranfield University School of Management & Learndirect. http://www.learndirect.co.uk/media/pdfs/nurturing_talent.pdf.

Roodhouse, S. (2009) 'HE@Work: Second Survey of Large Private Businesses, 2009'. Paper presented to the conference of *Work-Based Learning Futures III*, Derby.

UKCES (2008) 'Simplification of Skills in England', www.ukces.org.uk/simplification-of-skills-in-england.