

SKOPE

ISSUES PAPER 28

June 2012

Reforming Vocational Qualifications Some Problems Ahead?

Ewart Keep
SKOPE, Cardiff University

Summary

Is England's current system of vocational qualifications (VQs) fit for purpose? The conclusion that the Wolf Review of Vocational Education (2011) came to is that, at least in parts, it is not. The Review's recommendations for reform were accepted in full by the Department for Education (DfE), but little subsequent attention has been given to the long-term implications of this decision.

This Issues paper will argue that policy makers now face two large-scale and strongly inter-related problems. First, the system of VQs has design flaws and weaknesses that mean that learners in England receive a shallower and narrower package of learning than their counterparts in many other parts of the developed world. Second, the labour market has significant structural problems that make it extremely hard for many VQs to generate any significant wage premia or support job progression. The interplay between these two factors, where one helps sustain the other and vice-versa, creates what policy analysts sometimes refer to as a 'wicked problem' or a form of systems failure.

Where Are We Now – An Overview?

As with many other areas of education and training policy, the last 30 years has been littered with attempts to produce a system of VQs that would engage and motivate young people not destined to go down the 'royal route' of GCSEs, A Levels and entry into higher education (Pring *et al.* 2009). If, as many have argued

(see contributors to Stanton and Richardson 1997, Hodgson and Spurs 2003), English conceptions of qualifications have tended to distil out into three routes or tracks, academic, vocational and a middle track, then the alarming situation we now find ourselves in is one where only the academic route seems to be performing to anything like the expectations embedded in policy (and even here there are ongoing concerns about standards, grade inflation and so on).

For many years the official story was that we had the vocational route reasonably well sorted, and that English VQs operated effectively to meet the needs of employers and the labour market. Despite repeated warning signs coming from research on the rates of return/average wage premia that were being generated by lower level VQ, policy insisted that all was well and that the model of competence-based VQs ushered in by the De Ville Review in 1986 had proved to be an outstanding success. The chief dissenters from this happy story were academic researchers.

Unfortunately, as the Wolf Review (2011) finally confirmed, the policy makers' world view was, at least in part, a convenient illusion. In reality, large numbers, perhaps a third of the 16-19 age cohort, have found themselves studying for qualifications that neither have much impact on subsequent earnings, nor offer a substantive platform for progression, either in the labour market or within the education system. In effect, these courses are dead ends, warehousing the students within education and training (participation) but offering



few and limited lasting benefits (outcomes). The causes of this are discussed further below.

The middle strand, route or track, of general vocational courses has been a long-standing source of concern and has witnessed successive waves of reform as new qualifications have been piloted and found wanting. Examples include the Certificate of Extended Education (CEE), the Certificate of Pre-Vocational Education (CPVE), General National Vocational Qualifications (GNVQs), the Advanced Vocational Certificate of Education (AVCE), Vocational A Levels and then the 14-19 Diplomas. Again, the policy narrative around the Diplomas was that these offered a final solution that would make general vocational learning attractive, within both the compulsory and post-compulsory phases. Now they have been scheduled to fade away, ostensibly due to their high cost, and what replaces them as a coherent and attractive 'middle track' offering is remarkably unclear.

The situation is thus that only the 'royal route' now seems to be working reasonably well, with perhaps some types of vocational qualification at some (mainly higher) levels. For the rest, we know what does not appear to work (many low level VQs, especially NVQs) and what government no longer believes we can afford (the Diplomas), but what is supposed to fill the resultant gaps is much less clear. This seems a disappointing place to be in after so much time, energy and public money has been expended over so many years on ceaseless 'reform' of the qualifications system.

To date, the main official reaction has been to remove or downgrade the weighting given to VQs within the school league tables in order to prevent the problems of 'gaming' pointed to by Wolf (2011). In essence, this was the easy bit. The hard part follows. It is to the challenges that face reform that we now turn.

The Absence of Broader Learning

As suggested above, once they can be identified and engaged on the task, reformers have at least two major problems to grapple with. The first is the lack of breadth and quality in some VQs. There is now a significant body of research that shows that British models of vocational learning are narrower and fundamentally different in purpose from those found in other European countries (Brockmann *et al.* 2011). Put simply, elsewhere there are expectations that VQs serve wider social and economic purposes in ways that are not understood or acted upon in England.

One is to prepare young people for entry into a relatively broad occupational pathway and identity, and to provide them with the skills and knowledge to develop and progress. It is not simply about equipping them with the skills immediately required to perform an entry level job.

A second purpose for vocational learning is to equip the young person for their role as a citizen and as a lifelong learner and to offer a sufficiently broad and deep diet of general education to help support that goal (Brockmann *et al.* 2011).

Wolf's response, endorsed by the government, was twofold. First, that:

It should be recognised that some qualifications may be appropriate for young people, others for adults and others for both. But beyond that, the learning programme for a young person can and should be different from occupationally specific training for adult workers (Wolf 2011: 115).

In other words, courses are now expected to go beyond giving the young person a VQ and nothing else. In support of this, in future learners who do possess a Level 2 award in maths and English will be required to pursue this alongside their VQ (a recommendation that is also being applied within apprenticeships).

Leaving aside how schools, colleges and other providers respond to the challenge of implementing this at a time when the unit of resource is being reduced, though it offers a start in closing the gap, it hardly takes us to a point where we match what is on offer in many other countries. In Norway, for example, students take a broad range of subjects including maths, Norwegian, recent history and the natural sciences. Moreover, the degree to which employers in England are willing to contemplate reconfiguring either qualifications or programmes of vocational learning for young people in ways that might support a broader approach is open to question.

Indications from employers' and training providers' responses to earlier attempts to enhance the breadth and quality of apprenticeships are not particularly encouraging. Evidence of this comes from the government's 2009 consultation on *The Specification of Apprenticeship Standards for England* (SASE) (DBIS 2010). There were 357 responses from a range of stakeholders, including trade unions, employers and training providers. As the government's response to the consultation indicates (DBIS 2010):

- Only 30 per cent of respondents agreed that Functional Skills in English and Maths should be required in all apprenticeship frameworks.
- A substantial majority (68 per cent) did not want an ICT qualification to be mandatory for all apprenticeships.
- Only 53 per cent of respondents agreed that all six of the Personal Learning and Thinking Skills (independent enquiry and decision making, creative thinking and collective problem solving,

reflective learning, team working, self management, effective participation) were actually necessary in all apprenticeships.

- In terms of the government's original proposal that there be a minimum of 250 hours off-the-job/workstation training, only 35 per cent of respondents agreed that this was an acceptable minimum. The rest wanted greater 'flexibility' - i.e. fewer hours – to which the government agreed, setting the minimum at just 100 hours.

Besides suggesting that many employers and training providers do not understand the concept of apprenticeship in the same way as their European counterparts, these responses also underline the fact that many employers in England have very narrow and shallow concepts of the skills base needed by large numbers of their workforces, particularly where they are aiming to recruit at Level 2 or below. Unless and until these start to change, it will be difficult to get employers to spearhead any drive to design and deliver a broader-based vocational offering for young people that encompasses a meaningful and substantive element of general learning.

Making VQs 'Pay' in the Labour Market

This brings us to the second challenge set by the Wolf Review: making VQs produce better wage returns and more effectively support labour market progression. On both wages and progression the challenges of inducing change are substantial.

On wages, there is a well-established problem with the relatively limited average wage premia being generated by certain types of lower level VQs, particularly NVQs. The latest evidence from DBIS, using data from learner identification numbers and from tax returns to generate vast samples of the workforce (17 million in one case) to explore in great detail the wage returns to different types and levels of qualification, yet again confirms this picture. In terms of vocational awards, NVQs usually trail other forms of VQ quite badly, and at Level 2 average returns are not impressive (Patrignani and Conlon 2011, London Economics 2011).

As the author has suggested elsewhere (Keep 2009), these findings have significant implications for patterns of post-compulsory participation, particularly among lower qualified young people and adult workers. Put simply, the evidence on the returns to lower level VQs suggests that these are uncertain (with large variations around the average), complex (for different people, at different ages, and for different qualification levels and types), and therefore risky. As a result, the incentives to invest time, energy and money in acquiring them are often weak. This conclusion is supported by recent research (McQuaid *et al.* 2012) which uses a 'stated

preference' experiment to test out intentions to learn among low paid workers. It shows that people's attitudes towards training are generally positive and that they have realistic expectations of their current jobs and the training it provides. The bad news is that to motivate them to invest large amounts of time and money in a whole qualification there would need to be the promise of significant and reasonably certain wage gains.

In terms of reforming lower level VQs in order to boost wage returns, the key question is what is causing the problem? There are three possible explanations:

1. The problem rests with poor specification and/or weak design of the content of the VQs.
2. The problem resides in the structure of the labour market, recruitment and selection practices and the levels of pay and limited skill requirements of many lower end jobs.
3. The problem is a combination of 1 and 2.

If the cause is 1, solutions might be available. If it is either 2 or 3, finding ways to change things, within current policy constraints (not least enhanced enthusiasm for an even more deregulated labour market than hitherto) may not be easy. Given what we know (Lloyd and Mayhew 2010) about many low wage sectors (e.g. retail, cleaning, hospitality), it is an open question whether any Level 2 VQ can be designed that will show a significant and sustained boost to wages.

In terms of improving progression, there are two elements as to how this might be conceived. The first relates to progression within education and training, i.e. inside the system of skills acquisition. As noted above, in contrast to the UK, many other developed countries have sought to design and develop vocational provision, especially for initial VET that helps support the learner in any subsequent return to academic education. Although there are plainly difficulties with upgrading our vocational offering in order to start to close this gap, this task ought to be possible in the longer term, not least as the structure of opportunities within the publicly-funded education and training system is amenable to direct influence via public policy decisions.

When it comes to progression within the labour market, the problems become much larger in scale and more intractable. The evidence we have on labour market progression out of lower end jobs suggests that there is an underlying absence of progression opportunities within many organisations and within many occupational labour markets. Moreover, skills and qualifications often have only a limited role to play in progression (Cheung and McKay 2010, Lloyd and Mayhew 2010, Lloyd and Payne 2012). Finding ways that public policy can influence this situation may not be easy.

Where Next?

One of the reasons that qualifications reform has not generated the intended outcomes is that perhaps too much attention has been paid to qualifications as a supposedly critical point of leverage in generating change, and not enough to issues to do with the curriculum, course design, or to wider questions about the shape, nature and regulation of our labour market (Unwin *et al.* 2004).

Even if we can manage to redesign vocational courses and qualifications to incorporate a greater element of general education and to raise the overall skill requirements in ways that could help individuals progress in either the labour market or within education and training, the fact remains that we have an economy that has:

1. large swathes of low waged work where skill demands are limited;
2. internal labour markets that are often weak and fragmented leading to progression opportunities that are small and uncertain;
3. recruitment and selection practices that often mean that qualifications have a limited impact on decisions to hire; and,
4. a lack of any widespread labour market regulation around licence to practice that would underpin qualification acquisition and valuation.

Given this inter-relationship between the VQ system and the labour market, the key problem comes with deciding where to try to cut the Gordian Knot.

References

Brockmann, M., Clarke, L. and Winch, C. (eds.) (2011) *Knowledge, Skills and Competence in the European Labour Market: What's in a Vocational Qualification?* Abingdon: Routledge.

Cheung, S. Y. and McKay, S. (2010) 'Training and progression in the labour market', *DWP Research Paper* No. 680, London: DWP.

Department for Business Innovation and Skills (2010) *Consultation on the Specification of Apprenticeship Standards for England (SASE) – Government Response*, London: DBIS/NAS/DCSF.

Department for Education (2011) *Wolf Review of Vocational Education Government Response*, London: DfE

Hodgson, A. and Spours, K. (2003) *Beyond A Levels: Curriculum 2000 and the Reform of 14-19 Qualifications*, London: Kogan Page.

Keep, E. (2009) 'Internal and external incentives to engage in education and training', *SKOPE Monograph* No. 12, Cardiff: Cardiff University, SKOPE.

Lloyd, C. and Mayhew, K. (2010) 'Skills: the solution to low waged work?' *Industrial Relations Journal*, 41, 5, 429-445.

Lloyd, C. and Payne, J. (2012) 'Flat whites: who gets progression in the UK café sector', *Industrial Relations Journal*, 43, 1, 38-52.

London Economics (2011) 'Returns to intermediate and low level vocational qualifications', *BIS Research Paper* Number 53, London: BIS.

McQuaid, R., Raeside, R., Canduela, J., Egdell, V. and Lindsay, C. (2012) 'Engaging low skilled employees in workplace learning', *UKCES Evidence Report* 43, Wath-upon-Deane: UKCES.

Patrignani, P. and Conlon, G. (2011) 'The long term effects of vocational qualifications on labour market outcomes', *BIS Research Paper* No 47, London: BIS.

Unwin, L., Fuller, A., Turbin, J. and Young, M. (2004) 'What determines the impact of vocational qualifications? A literature review', *DfES Research Report* RR522, Nottingham: DfES.

Stanton, G. and Richardson, W. (eds.) (1997) *Qualifications for the Future: a Study of Tripartite and Other Divisions in Post-16 Education and Training*, London: Further Education Development Agency.

Wolf, A. (2011) *Review of Vocational Education: the Wolf Report*, London: Department for Education.

SKOPE Issues Paper Series

The purpose of the Issue Paper Series is to highlight some key areas of SKOPE's research and identify key findings that can inform policy makers, academics and practitioners.

For further information on SKOPE's work, see the website: www.skope.ox.ac.uk

Published at the ESRC Centre on Skills, Knowledge and Organisational Performance, School of Social Sciences, Cardiff University, Cardiff, CF10 3WT.