

A research report prepared for
Learning and Skills Council Shropshire

Investors in People in Shropshire

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Responsibility for the report and its contents rests with the authors.

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EXECUTIVE SUMMARY

The research

The aim of the study was to:

- i. ascertain the attitudes and perceptions of local businesses towards liP;
- ii. provide an assessment of the value of liP for local businesses;
- iii. provide an assessment of the local awareness and knowledge of liP or other workforce development initiatives including an assessment of the usage of various media channels by local businesses to assist Shropshire LSC's marketing strategy.

These objectives were addressed through a survey of 500 organisations in Shropshire and a re-analysis of national data.

Investors in People was designed to improve the competitiveness of companies in the UK. The success of the initiative ultimately depends upon it being able to demonstrate that it has a positive impact on organisational behaviour and performance. As a now somewhat mature package the future take up of liP by organisations will be dependent upon robust evidence being available that proves that investment in achieving the liP standard has a positive return. Since those organisations that have an inherent belief in the ideals contained in liP are likely to have been accredited for some time, the population of employers left to be accredited is likely to be more sceptical of what liP potentially holds in store for them.

liP take up in England, West Midlands, and Shropshire

- Analysis of national data derived from the Employer Skill survey 2001 suggests that the take up of liP varied little between England and the West Midlands. Around 9 per cent of workplaces in England were liP accredited in 2001, a further 2 per cent were implementing it and 7 per cent were considering it. The data for Shropshire reveals that 6 per cent were accredited.
- ESS2001 suggests that liP accredited companies were disproportionately located in either the public sector, larger workplaces, and foreign owned companies. The data indicate that Shropshire has a relatively low accreditation rate.

liP accredited organisations in Shropshire

- The survey of employers in Shropshire found a fairly high level of awareness of liP with 65 per cent of businesses reporting that they had heard of the initiative.
- The survey found that around 21 per cent of employers were involved with the liP initiative, a figure close to that derived from ESS2001. The survey evidence indicated a rather higher level of accreditation than ESS2001. This might be because some employers who were committed to achieving liP accreditation in 2001 had achieved this status by 2002. The survey confirmed earlier indications that liP accredited employers tended to be those in larger establishments, often in the public and voluntary sectors.
- liP accreditation was relatively low in the private sector. However, in manufacturing and distribution not only was accreditation low but commitment to future liP accreditation was also low. In financial and business services, the level of accreditation was low but accompanied with a high level of commitment to achieving liP accreditation in the future.

- Shropshire employers employed a variety of methods of assessing workforce quality. Shortfalls in the competent of the workforce were greatest in respect of technicians, skilled trades, personal service workers and sales occupations. Many employers were sanguine regarding any shortfalls in the competence in their workforce, believing there to be no adverse consequences for their business.
- Almost all employers, regardless of liP status, provided some form of training to their workforce. liP accredited employers were more likely to provide off-the-job training than those not involved with liP.

Implementation of liP

- The main reasons why companies sought liP status were to improve staff motivation, improve productivity and to use liP status as a marketing tool. Small employers appeared more attracted by concerns over motivating staff and improving the quality of training, whereas large employers were more concerned about improving productivity and using liP as a marketing tool.
- Few accredited companies regarded the process of accreditation as overly bureaucratic but many regarded the process a very time consuming. Almost all indicated they would seek accreditation again.
- The most common organisational contact for employers seeking liP status was Business Link and the Chamber of Commerce. Small employers were more likely to use the Chamber of Commerce while large employers were more likely to use the TEC/LSC. Private sector employers were more likely to use the Chamber of Commerce while those in the public sector tended to use Business Link. Unusually, many voluntary sector employers used their local authority in regard to liP.
- Few accredited employers reported any difficulty in obtaining information about liP accreditation.
- The most commonly suggested improvement to the liP process was to make it less time consuming. Few accredited employers mentioned cost as an adverse factor.
- Where employers were aware of liP but were not involved, the most common reasons cited were a lack of time and commitment and the expected cost.

Impact of liP on organisations in Shropshire

- liP was associated with measures to improve staff motivation and reduce absenteeism, but its ability to reduce the potential for recruitment problems was less clear.
- liP accreditation was associated with organisations in more competitive, dynamic product markets. There was little or no relationship between liP accreditation and business/financial measures of performance such as turnover growth. These types of performance indicator were likely to be influenced by a number of factors internal and external to an organisation such that liP was likely to play only a small role, if any, in improving these types of indicator.
- Large proportions of respondents reported that liP had led to important improvements – such as increases in productivity and profitability.
- Bringing all the evidence together provides, at the very least, *prima facie* evidence that liP was associated with improved organisational performance in the round.

1. INTRODUCTION

1.1 Aims and objectives

The aims of the study were threefold as outlined below.

- I To ascertain the attitudes and perceptions of local businesses towards liP, including:
 - the motivation for and decisions made prior to undertaking liP;
 - the reasons for not undertaking liP;
 - the change in attitudes of local businesses towards workforce development following commitment to working towards the standard;
 - local businesses opinions of the process they are going/have gone through with respect to their involvement in liP;
 - identification of any misconceptions regarding liP;
 - identify improvements that could be made in the liP process.
- i. To provide an assessment of the value of liP for local businesses, including:
 - an assessment of good practice undertaken by appropriate businesses;
 - the value of training/further educating the workforce held by local businesses;
 - the benefits that the liP process has brought to appropriate businesses.
- ii. To provide an assessment of the local awareness and knowledge of liP or other workforce development initiatives including an assessment of the usage of various media channels by local businesses to assist the Learning and Skills Council Shropshire's marketing strategy.

These objectives have been addressed through a survey of 500 organisations in Shropshire and a re-analysis of national data. The study addressed, first, how the profile of recognised Investors (or those who have made a commitment) differed from non-participants. Second, identification of whether those who had gained liP status in Shropshire differed from those who had obtained accreditation nationally. Third, what has been the impact of liP status on organisational performance, however that is defined. Fourth, what has been the experience of those who have gained liP status in obtaining accreditation and maintaining that status.

1.2 liP in practice

Within a policy context Investors in People is an important means of workforce development. LSC Shropshire's draft strategic plan¹ outlines the skills, participation, and learning strategies to be implemented and mentions Investors in People (liP) specifically in relation to the following objectives:

- S1.3** develop relevant approaches to encourage and enable all organisations to identify their skill needs;
- S5.2** promotion of the take up of liP especially in public sector bodies and wealth creating sectors;
- S5.6** encourage organisations to participate in workforce development by promoting good practice;
- S5.7** encourage companies to offer work-based learning opportunities;

¹ Learning and Skills Council Shropshire, *Local Strategic Plan 2002-05*, LSC 2002

L1.7 develop and roll out methods of learning to deliver basic skills to employees in the business community through work related activities.

Previous research has identified liP as a useful tool for promoting training and development within organisations, but has been less successful in definitively demonstrating that it has had an impact on the performance of an organisation². Though available evidence draws attention to the problems of measurement - of training activity, of organisational performance, and so on – to some extent this is something of a distraction from the real issue. Whilst one should not detract from the complexity of the issue, one would nevertheless expect liP to have some impact on observable measures of organisational performance, such as productivity, labour turnover, recruitment costs, and so on.

Investors in People was introduced in 1991 to assist companies improve their competitiveness and was based around four key principles:

- i. commitment to develop all staff to achieve business goals;
- ii. plan and review of staff development and training needs;
- iii. take action to train and develop employees throughout their employment; and
- iv. evaluation of training expenditure to improve future investments.

In 2000 the standard was revised with a greater emphasis placed on outcomes rather than processes³. By 2001, approximately 24,000 organisations held the standard⁴, with survey evidence indicating that around 9 per cent of all workplaces were accredited to the standard⁵.

In economics there has been much research of late addressing rates of return to education and training, typically assessing the marginal impact on earnings of an extra year of schooling or the impact of qualifications on earnings⁶. More recent research has addressed the impact of company training on profitability and productivity and has begun to show positive effects. In the organisational behaviour field there is a tradition of research dating back to 1930s which has addressed the relationship between worker satisfaction and motivation on the one hand and organisational performance on the other. Much of this research has revealed a positive link between workers' satisfaction with their jobs and the efficiency with which they work⁷. More recent evidence has suggested a link between employer provided training and worker job satisfaction⁸. On the basis of the many studies that reveal a link between either (i) worker motivation or (ii) training and development on organisational performance one would expect, other things being equal, that an initiative such as liP would have an impact on business performance beyond improving human resource systems. To date the evidence has been mixed. Early studies found little evidence of a relationship between liP and profitability, labour turnover, or absenteeism⁹, although more recent evidence purports to show a positive relationship between liP and export

² P. Tamkin *et al* *Doing Business Better: the long-term impact of Investors and People*, Report to Focus Central London, 2000; NOP *World People and Productivity*, Report to Investors in People, London, 2001; PR Grayling, *Putting People at the Heart of Business*, NOP Business, 2000;

³ DfES *Review of Research Evaluation on Investors in People*, Research Brief, RBX 18-10

⁴ *Investors in People Company Report 2000-2001: Reaching for the Future*

⁵ T. Hogarth *et al.*, *The Employers Skill Survey 2001*, Department for Education and Skills Research Report, Nottingham, 2001.

⁶ L. Dearden, S. McIntosh, M. Myck, A. Vignoles, *The Returns to Academic, Vocational, and Basic Skills in Britain*, Skills Task Force Research Paper, 2000

⁷ L. Coch, and J. R. P. French 'Overcoming Resistance to Change', *Human Relations*, 1, 4, 512-532, 1948; F. Herzberg, B. Masner, and B. B. Synderman, *The Motivation to Work*, New York: Wiley, 1968.

⁸ Cully, M. S. Woodland, A. O'Neil, and G. Dix *Britain at Work: As Depicted by the 1998 Workplace Industrial Relations Survey*, Routledge, London, 1999

⁹ J. Hillage and J. Moralee, *The Return on Investors*, Institute for Employment Studies, Brighton, 1996.

performance, return on capital, *etc.*¹⁰. It must be admitted that attempts to isolate the effect of liP on organisational performance indicators such as profitability or expert performance faces formidable statistical problems. The best of the evaluations to date – based on survey evidence and case studies - revealed the complexity of the relationship between liP and organisational performance. *Doing Business Better*¹¹ concluded that:

- organisations that get the most out of liP are those that compete on quality rather than price;
- considerable effort is required to implement liP if the most is to be obtained from it;
- liP assists companies making a transition in either size or complexity of their organisation;
- liP is part of a chain whereby good management of people leads eventually through a variety of links, to improved profitability, but this takes time to develop;
- liP cannot deliver a good business strategy but it allows a good business strategy to be delivered more effectively.

Investors in People was designed to improve the competitiveness of companies in the UK. The success of the venture ultimately depends upon it being able to demonstrate that it has a positive impact on organisational behaviour and performance. As a now somewhat mature package its future take up by organisations will be dependent upon the availability of robust evidence that proves the investment in liP has a net positive return. It stands to reason that those workplaces that have an inherent belief in the ideals contained in liP are likely to have been accredited for some time. Accordingly, the population of employers left to be accredited is likely to be more sceptical of the benefits liP potentially holds in store for them.

The research method outlined below specifies how the study met the aims and objectives described above.

1.3 Research Method

Scope of the survey

The survey took the form of 500 telephone interviews conducted with organisations employing ten or more staff, at sites within Shropshire. The main fieldwork took place between 26th April and 29th May 2002. Interviews were conducted telephone using Computer Aided Telephone Interviews (CATI) from IFF's telephone centre. The average interview length was a little over 20 minutes. Interviews were conducted with the person in charge of human resource and training issues at the site, or someone recommended by this person.

Sample source and sample structure

Within the overall target of 500 interviews, the aim was to achieve 125 interviews with Investors in People (liP) accredited employers and 75 with those committed to the standard. A sample list of accredited and committed companies was supplied by LSC Shropshire (195 names of accredited companies, 103 committed). The sample for the remaining interviews was sourced from BT's Business Database, a sample source of some 1.7 million business locations across the UK with a business telephone line. This sample was then cross-checked against the sample for accredited and committed liP establishments to ensure no site was contacted more than once.

¹⁰ Hambledon Group *Corporate Financial Performance Before and After Investors in People Recognition*, DfEE Research Report, RR222

¹¹ P. Tamkin *et al Doing Business Better: the long-term impact of Investors and People*, Report to Focus Central London, 2000; NOP *World People and Productivity*, Report to Investors in People, London,

It is worth noting that it was not uncommon for the LSC-sourced sample to have a different liP status to that indicated on the sample (e.g. for committed companies to say they had no involvement at all with the standard). Interviews with accredited and committed companies were also obtained *via* the BT Business Database-sourced interviews.

Since the aim was to maximise the number of interviews from the sample provided by the LSC, no quotas were set for this sample. For the sample sourced *via* the Business Database targets were set in terms of sector and number of employees. The aim was to achieve a minimum number of 35 interviews by each of the six Local Authority Districts in Shropshire.

Piloting

The questionnaire was piloted between 15th – 17th April 2002, prior to the main fieldwork stage during late April and May. A total of fifteen pilot interviews were conducted, five from the list of accredited companies, five from the list of committed companies and five from the sample obtained *via* BT Business Database. A number of amendments were made to the questionnaire for the main stage as a result of the pilot.

The achieved sample

Interviews were achieved with 158 accredited companies, 75 committed to achieving Investors in People and 267 not involved with the standard. These figures were based upon what the respondent reported about their liP status and not what was indicated in the LSC provided sample.

Table 1.1
Survey responses

	Total number of interviews
Total	500
Accredited	158
Committed	75
Neither	267
10-49 employees	336
50-199	123
200 plus employees	41
Manufacturing and construction	123
Wholesale and retail	117
Transport, storage and distribution and other services	42
Finance and business services	48
Public services (including health and education)	170
Bridgnorth	44
North Shropshire	55
South Shropshire	41
Oswestry	31
Shrewsbury and Atcham	131
The Wrekin	198

1.4 Reporting of data

The data presented in this report has been grossed up to the total number of workplaces in Shropshire with 10 or more staff using ABI data (circa 2,500 establishments). Grossing was done on an interlocking size by sector basis.

In the report we have presented mean scores for the statements where respondents were asked to say the extent to which they agreed or disagreed with particular statements. On these measures mean scores have been calculated using a score of 100 for those saying they agree strongly, 66.6 for those saying they agree, 33.3 for those that disagree and 0 for those that disagree strongly. Those who give no opinion are excluded from the mean score calculation. The mean score shows the balance of opinion for each statement on a scale of 0 to 100. A score of 100 would show that everyone giving an opinion agreed strongly with the statement, a score of 0 that everyone disagreed strongly. A score of 50 would show that strength of opinion is equally divided between those agreeing and those disagreeing.

1.5 Structure of report

Chapter 2 provides a comparison of Investors in People accreditation comparing the situation nationally, regionally, and locally using Employer Skill Survey 2001 data. *Chapter 3* describes the characteristics of liP accredited workplaces in Shropshire based on the current survey. *Chapter 4* analyses the implementation process and *Chapter 5* goes on to consider the impact of liP on organisational performance. Finally, a conclusion is provided in *Chapter 6* which outlines where there is scope for further liP take up in Shropshire.

2. IIP ACCREDITATION IN ENGLAND, WEST MIDLANDS, AND SHROPSHIRE

2.1 Characteristics of IIP workplaces

Before consideration is given to differences between Investors in People (IIP) and non-investors in Shropshire, an assessment is required of the extent to which take-up in Shropshire differs from that nationally or regionally. Though the IIP database provides some comparative information, the Employers Skill Survey 2001 (ESS2001) gives the most detailed information on the characteristics of workplaces that have become Investors in England, West Midlands, and Shropshire respectively. Due to sample size constraints, data from ESS2001 for Shropshire should be regarded as indicative. *Chapter.3* provides more robust information about the characteristics of IIP workplaces in Shropshire.

Take up of IIP varies little between England and the West Midlands (*see Table 2.1*). Around 9 per cent of workplaces in England were IIP accredited in 2001, a further 2 per cent were implementing it and 7 per cent were considering it. Data for Shropshire reveals that 6 per cent were accredited – a little below the national average¹².

Table 2.1
IIP accreditation in England, West Midlands, and Shropshire

	ESS2001		
	England	West Midlands	Shropshire
Accredited	9	9	6
Implementing	2	3	1
Considering	7	8	9
None of the above	77	76	80
Don't know	5	4	3
Total	100	100	100
<i>Weighted base</i>	<i>2,058,712</i>	<i>139,154</i>	<i>31,041</i>

Base: all workplaces
Source: ESS2001

Overall, the West Midlands accounted for 9.7 per cent of all Investor workplaces and around 8.9 per cent of all workplaces in England. Shropshire accounted for 1.5 per cent of all workplaces in England and 1 per cent of all Investor organisations. Generally, take up of IIP in the West Midlands and Shropshire would appear to be more or less in line with the population of workplaces in each of these localities.

2.2 IIP accreditation rates

Summary statistics of the type presented above potentially disguise differences in the characteristics of workplaces becoming Investors. *Table 2.2* reveals the characteristics of

¹² Difference between Shropshire and England or West Midlands are, strictly speaking not statistically significant and should be treated, therefore, as indicative.

those workplaces that were liP accredited. Overall, the distribution of Investors across England, West Midlands, and Shropshire were approximately the same, except that:

- Investors in Shropshire were much less likely to be in micro-workplaces (those with between one and four employees);
- Investors in Shropshire were more likely to be foreign owned than either the West Midlands and England; and
- labour turnover was lower among Investors in the West Midlands and Shropshire compared to England.

Table 2.2
Characteristics of liP accredited workplaces in
England, West Midlands, and Shropshire

column percentages

	England	ESS2001 West Midlands	Shropshire
Status of workplace			
Private sector	61	66	62
Public sector	28	22	32
Other	11	12	5
Number of employees			
1-4	39	30	5
5-9	18	18	29
10-24	20	25	41
25-49	10	11	9
50-99	7	9	8
100-199	3	3	4
200-499	3	3	2
500+	1	1	1
Industry			
Manufacturing	6	7	9
Construction	3	3	1
Distribution	21	23	23
Hotels/restaurants	10	7	5
Transport and communication	5	7	2
Finance/Business Services	23	13	20
Public administration	5	5	8
Education	5	7	7
Health	11	18	23
Other	12	11	2
Ownership			
UK owned	78	80	80
Joint UK/foreign owned	10	7	3
Foreign owned	10	11	17
Labour turnover			
Average percentage turnover	37	27	21
<i>Weighted base</i>	<i>2,058,712</i>	<i>139,154</i>	<i>31,041</i>

Base: all workplaces

Source: ESS2001

Note: ESS 2001 weights tend to over-estimate the population of workplaces in Shropshire

Insofar as differences exist these may be simply a consequence of differing industrial structures in the three areas. For instance, a level of accreditation amongst workplaces with between one and four employees may reflect a relatively small proportion of these workplaces in Shropshire compared to the national picture. *Table 2.3* reveals the rate of accreditation, that is the number of workplaces accredited as a percentage of the total number of workplaces in a specific category.

Table 2.3
Rates of accreditation in England, West Midlands, and Shropshire
accreditation rates

	England	ESS2001 West Midlands	Shropshire
Status of workplace			
Private sector	7	7	4
Public sector	29	26	32
Number of employees			
1-4	5	4	1
5-24	17	17	20
25-49	26	23	15
50-99	32	32	20
100-199	37	36	45
200-499	45	44	50
500+	51	50	63
Industry			
Manufacturing	6	5	3
Construction	3	3	-
Distribution	8	8	4
Hotels/restaurants	10	9	5
Transport and communication	9	13	3
Finance/Business Services	8	5	9
Public administration	50	42	84
Education	20	23	14
Health	23	34	27
Other	12	12	2
Ownership			
UK owned	17	13	19
Joint UK/foreign owned	27	30	26
Foreign owned	10	16	48
All	10	9	6
<i>Weighted base</i>	<i>2,058,712</i>	<i>139,154</i>	<i>31,041</i>

Base: all workplaces

Source: ESS2001

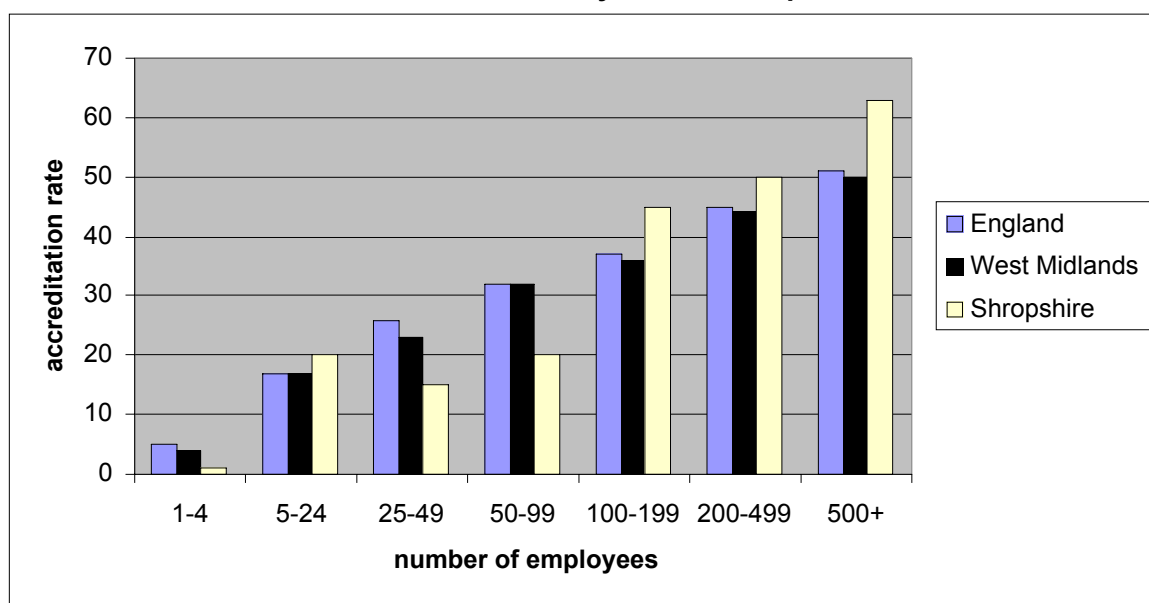
Note: ESS 2001 weights tend to over-estimate the population of workplaces in Shropshire

Key features from the above table reveal that in Shropshire:

- the rate of accreditation in the private sector is lower than either nationally or regionally;
- a higher percentage of larger workplaces are liP accredited;
- accreditation rates are much higher in public administration than either nationally or locally, and lower in health and education;
- foreign owned workplaces were more likely to have obtained accreditation.

liP is very much associated with larger workplaces. Evidence from ESS2001 reveals that as a device to improve human resource practices it has been much less successful at penetrating small, or even medium sized workplaces (see *Figure 2.1*). When addressing the evidence in later chapters from the Shropshire liP survey this ought to be borne in mind, given the large proportion of smaller workplaces in the Shropshire LSC area.

Figure 2.1
Accreditation rates by size of workplace



Base: all workplaces
Source: ESS2001

Table 2.4 expresses the accreditation rate as the proportion of workplaces that are either accredited or currently implementing liP. The same pattern emerges as that from *Table 2.3* except that the proportions are slightly higher.

2.3 liP accreditation in the region

Shropshire accounts for nearly 11 per cent of all workplaces with liP accreditation in the West Midlands (see *Table 2.5*). When expressed as an accreditation rate, Shropshire's is the lowest in the West Midlands at a level around two thirds that of the regional average (6.2 per cent compared to 9.1 per cent). Compared to the leading LSC area by accreditation – the Black Country – the Shropshire rate is approximately half (6.2 per cent compared to 12.2 per cent).

Table 2.4
Accreditation rates, England, West Midlands, and Shropshire

accreditation plus completion rates

	England	ESS2001 West Midlands	Shropshire
Status of workplace			
Private sector	8	9	5
Public sector	37	46	33
Number of employees			
1-4	7	7	9
5-24	20	20	28
25-49	33	30	22
50-99	39	42	33
100-199	47	48	58
200-499	53	56	63
500+	54	57	79
Industry			
Manufacturing	8	7	6
Construction	4	3	-
Distribution	10	13	4
Hotels/restaurants	14	10	7
Transport and communication	10	14	3
Finance/Business Services	11	10	11
Public administration	57	44	86
Education	26	32	23
Health	30	39	29
Other	20	14	8
Ownership			
UK owned	21	19	20
Joint UK/foreign owned	32	33	26
Foreign owned	21	18	57
All	12	12	7
<i>Weighted base</i>	<i>2,058,712</i>	<i>139,154</i>	<i>31,041</i>

Base: all workplaces

Note: Accreditation rates includes employers currently implementing IIP

Source: ESS2001

Table 2.5
IIP take up and accreditation rate by West Midlands LSCs

LSC areas	Column percentage	Accreditation rate
Birmingham and Solihull	17.7	10.8
Staffordshire	17.9	10.5
Shropshire	10.8	6.2
Hereford and Worcester	17.3	6.6
Black country	22.7	12.2
Coventry and Warwickshire	13.6	7.9
West Midlands	100.0	9.1
Base	139,154	

Base: all workplaces

Source: ESS2001

2.4 Conclusion

Understanding the take up of liP in any locality or industrial sector requires a comparison of some kind. ESS2001 provides an indication of the extent to which take up in Shropshire differs from the situation nationally or in the region and suggests that the accreditation rate is lower in Shropshire (6 per cent) than in the West Midlands (9 per cent) or England (10 per cent). In Shropshire, accreditation appears to be disproportionately located in either the public sector, larger workplaces, and foreign owned companies. To state definitively that Shropshire has a lower take up of liP than nationally or regionally requires a number of factors to be taken into account simultaneously – especially workplace size and industrial sector – but ESS2001 data are not sufficiently robust to allow such an analysis. This is addressed more fully in the following chapters that report on the Shropshire liP survey. Nevertheless, available data indicate that Shropshire has a relatively low accreditation rate.

3. INVOLVEMENT WITH liP IN SHROPSHIRE

3.1 Introduction

The survey of Shropshire businesses covered both those involved with Investors in People (liP) and those not involved. Differences in the way that liP and non-liP employers were sampled (see Chapter 1) make estimation of the number and characteristics of the population of Shropshire liP businesses somewhat problematic. This issue was addressed by re-weighting the data to take account of the differences in sampling. This allowed estimates of the extent of involvement with, and take-up of liP to be made. This Chapter reports on these and related issues using the re-weighted data.

3.2 Awareness of liP

In general, there was a moderately high level of awareness of the liP initiative amongst businesses in Shropshire. Around two thirds (65 per cent) reported that they had heard of liP. The proportion that were aware of liP was highest in medium and large employers (around 88 per cent of those employing 50 or more employees had heard of liP) and least amongst small employers (just 59 per cent of employers with less than 50 employees). Employers in the public sector or voluntary sectors were more likely to be aware of liP than were private sector employers. Size and sector were, of course related with many public sector establishments being large. Sector and activity are also related and it was not surprising, therefore, to note that 81 per cent of employers in public administration, government, health and education were aware of liP while only 50 per cent of employers in wholesale and retail activities were aware of liP. The corresponding rates of awareness were 75 per cent in other services, 73 per cent in manufacturing, 68 per cent in finance and business services and 63 per cent in transport and communication.

Level of awareness of liP amongst employers in North Shropshire (63 per cent), Oswestry (66 per cent), Shrewsbury and Atcham (65 per cent) and the Wrekin (65 per cent) were little different to the average for Shropshire as a whole. The proportion of employers who were aware of liP was, however, somewhat above average in Bridgenorth (71 per cent) and below average in South Shropshire (56 per cent). These differences probably reflect differences in the size and sectoral composition of business in these areas.

3.3 The extent of involvement with liP in Shropshire

Overall, it was estimated that around 21 per cent of establishments in Shropshire were involved with liP in some way, being either accredited, committed to becoming accredited or intending to seek accreditation in the future (see *Tables 3.1-3.3*). This figure is very close to the 20 per cent estimate derived from data collected by the Employer Skill Survey 2001 (see Chapter 2). Despite the overall consistency of the findings, it should be noted that the Shropshire survey and ESS2001 differ in their respective estimates of the breakdown of employers according to whether they are accredited or committed to liP. The Shropshire survey estimated that around 15 per cent of employers were accredited and 6 per cent committed, whereas ESS2001 estimated that only 6 per cent were accredited and 10 per cent were committed. Two factors may explain for the difference. First, some of the Shropshire employers that were committed to liP in 2001 may have achieved accreditation by 2002 when the survey was carried out. Second, the difference may be due to sampling variation, as both the 2002 survey and ESS2001 were relatively small samples.

Table 3.1
Involvement with liP in Shropshire, by size of establishment, 2002

column percentage

	Number of employees			All establishments
	10-49	50-199	200 or more	
Accredited	10	27	41	15
Committed – implementing	3	5	10	4
Committed – not yet started	2	3	2	2
Not involved	85	65	47	79
<i>Unweighted base</i>	336	123	41	500
<i>Weighted base</i>	838	241	51	1130

Base: All establishments

Table 3.2
Involvement with liP in Shropshire, by type of business, 2002

column percentage

	Type of business			All establishments
	Private	Public	Voluntary	
Accredited	11	33	29	15
Committed – implementing	3	7	7	4
Committed – not yet started	2	3	-	2
Not involved	84	57	64	79
<i>Unweighted base</i>	359	125	16	500
<i>Weighted base</i>	905	197	28	1130

Base: All establishments

Table 3.3
Involvement with liP in Shropshire by local authority district, 2002

column percentage

	Local authority district					
	Bridgenorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	The Wrekin
Accredited	7	16	13	18	14	16
Committed – implementing	2	4	3	5	2	4
Committed – not yet started	-	1	-	2	3	4
Not involved	91	80	85	76	81	76
<i>Unweighted base</i>	44	55	31	131	41	198
<i>Weighted base</i>	127	159	78	270	88	409

Base: All establishments

In most cases (82 per cent) liP accreditation applied to the whole company (including the establishment in Shropshire that was surveyed) while in 15 per cent of cases liP accreditation covered the whole of the establishment in Shropshire but not the whole company. Only a very small proportion (less than 3 per cent) of Shropshire establishments had some but not all departments liP accredited. Where liP covered less than the whole workforce, coverage was typically less than 50 per cent of the workforce. Again typically, coverage of liP was greatest in the public sector (94 per cent of accredited businesses had coverage of 100 per cent) and lowest in the private sector (82 per cent had 100 per cent coverage of their workforce).

Establishments that had obtained liP accreditation were more likely to be large. Around 41 per cent of establishments that employed 200 or more had at least some accredited departments or sections, while amongst establishments with a workforce of 10-49 employees the corresponding figure was 10 per cent (see *Table 3.1*). Accreditation was most common where the establishment was located in the voluntary or public sector (29 and 33 per cent respectively) and least likely in private sector establishments (11 per cent): see *Table 3.2*. Associated with this difference, liP accreditation was highest in public administration, health and education (31 per cent) and transport and communications (26 per cent) and significant (18 per cent) in other private services. It was lowest in manufacturing (9 per cent), wholesale and retailing activities (8 per cent) and finance and business services (8 per cent). There were also differences in the accreditation rate between the constituent parts of Shropshire, perhaps reflecting the sectoral and size differences between areas (see *Table 3.3*). The accreditation rate was around the average in the Wrekin (16 per cent), North Shropshire (16 per cent) and South Shropshire (14 per cent) but was relatively high in Shrewsbury and Atcham (18 per cent) and relatively low in Oswestry (13 per cent) and Bridgenorth (just 7 per cent).

3.4 Establishments committed to obtaining liP status

Around 6 per cent of establishments were committed to obtaining liP status (see *Tables 3.1-3.3*). Around two-thirds of these (4 per cent) were currently implementing liP while others (2 per cent) were committed but had yet to start the process of implementing liP. Large establishments (200+ employees) were more likely to report that they were actively implementing liP although not yet accredited (10 per cent of this group of employers reported they were committed and implementing liP). Small and medium sized establishments were less likely to be implementing liP with 3 per cent of those employing 10-49 employees and 5 per cent of those employing 50-199 employees currently implementing liP (see *Table 3.1*). The proportion of establishments with a commitment to liP (whether currently implementing or not) was relatively high in sectors such as public administration, health and education (10 per cent) and other services (7 per cent) where liP accreditation was already high. The highest rate of commitment short of achieving accreditation was found in finance and business services (despite current liP accreditation was low), where 11 per cent of establishments were committed to obtaining liP status. This situation contrasts sharply with that of manufacturing and wholesale and retailing where not only was liP accreditation low but relatively few establishment appeared to have any commitment to obtaining liP status in the near future. Under 5 per cent of employers in manufacturing and just over 2 per cent of employers in wholesale and retailing were committed to liP.

3.5 Establishments with no involvement with liP

Businesses that were neither accredited not seeking accreditation may consciously opted not to be involved with liP or have been in that situation through inertia or ignorance. As discussed above, around 35 per cent of employers in Shropshire claimed to be unaware of liP but the proportion was higher (41 per cent) amongst those who were neither accredited nor committed to liP. This still left a majority (59 per cent) who had heard of liP but were not

involved with liP. An apparently conscious decision not to be involved with liP was much more common amongst larger establishments. Only 25 per cent of establishments with 200 or more employees, and which were not involved with liP, had not heard of the initiative, whereas this was the case in 45 per cent of small establishments employing less than 50 employees. Awareness of liP but lack of involvement was more common in the public sector, generally, than the private sector (62 per cent and 58 per cent respectively) but was also common in the manufacturing sector (70 per cent of manufacturing employers not involved with liP had heard of the initiative).

3.6 The business context

The majority of businesses surveyed reported that their business turnover had increased or remained the same during the previous 12 months (see Table 3.4). Generally, businesses that were involved with liP (accredited or committed) were more likely than those that were not involved with liP to report an increase in turnover. Correspondingly, businesses that were involved with liP tended to believe that their business performance was no better than the average for their industry as a whole whereas those not involved with liP tended to see their performance as better than average. (see Table 3.5).

Table 3.4
liP status by business turnover in past 12 months

	row percentage			
	Change in turnover			
	Increase	Static	Decrease	Don't know
Accredited	49	28	14	9
Committed to liP	49	27	19	5
Not involved	54	25	12	9
<i>Unweighted base</i>	<i>251</i>	<i>138</i>	<i>67</i>	<i>44</i>
<i>Weighted base</i>	<i>928</i>	<i>449</i>	<i>224</i>	<i>148</i>

Base: All establishments

Table 3.5
liP status by business performance relative to industry as a whole

	row percentage			
	Performance			
	Better	Same	Worse	Don't know
Accredited	47	38	2	12
Committed to liP	45	41	4	10
Not involved	54	33	2	10
<i>Unweighted base</i>	<i>187</i>	<i>124</i>	<i>8</i>	<i>40</i>
<i>Weighted base</i>	<i>775</i>	<i>489</i>	<i>31</i>	<i>152</i>

Base: All establishments

The most common reason for increased turnover amongst establishments where turnover increased was an expansion in sales or business. Amongst non-accredited establishments, extension of the business or premises was also a common reason but was much less frequently mentioned by liP accredited businesses. Where a business had experienced a

fall in turnover or budget, the most common reason amongst liP accredited establishments was a cut in government funding (underlining the above average proportion of public and voluntary sector organisations in the group). Otherwise, across all establishments, the decline was most commonly blamed on a loss of business.

Many employers (54 per cent) felt they were currently operating at full capacity or above. This view was slightly more prevalent amongst those companies that were liP accredited (59 per cent) and less common amongst those that had apparently opted not to be involved with liP (53 per cent). The most likely to report that the establishment was working at or above capacity were those establishments that were committed to and implementing the liP standard (65 per cent).

liP accredited companies were significantly less likely to believe that their business turnover or budgets would increase (by either a little or a great deal) over the next 12 months. Around 50 per cent of accredited businesses expected some growth in turnover but the proportion was 60 per cent amongst those that were committed to liP and 69 per cent amongst those not involved. It is highly likely that these differences were related to the size and sector of establishments, with large, public sector liP establishments expecting no change in their budgets and small, private sector establishments expecting turnover growth.

In terms of recruitment, there were some differences between the experience of accredited and committed businesses and those not involved with liP. Overall, around 80 per cent of employers reported having a vacancy during the previous 12 months. The proportion of employers recruiting a job vacancy and who were liP accredited was similar to the proportion of those businesses that were committed to liP (85 per cent and 89 per cent, respectively). Employers with no involvement with liP were less likely to have reported a vacancy (79 per cent). liP accredited or committed employers were also slightly more likely to report that some of their vacancies were 'hard to fill' vacancies (51 per cent compared with 48 per cent for those not involved with liP).

3.7 Business strategy

When asked to agree or disagree with a series of statements about the types of service or product provided (see *Table 3.6*), private sector liP companies were more likely than non-liP private sector companies to agree that their product/service were high quality products or services tailored to the requirements of individual customers (69 per cent thought this was very applicable to their output). Where private sector businesses were not involved in liP they were less likely to see their product as high quality and tailored to individual customer requirements (although 54 per cent thought this was applicable to them) and more likely to report that their product was a standard product competing mainly on price (75 per cent thought this was fairly or very applicable to them, compared to 56 per cent of liP accredited businesses).

A large proportion of public sector organisations saw their product or service as being a standard quality product or service while at the same time others saw their product or service as being high quality and tailored to individual customer need. liP accredited public sector organisations were most likely to see their product/service as high quality and tailored to customer needs. The small number of public sector organisations that had not heard of liP or had chosen not to be involved were less likely to see their product or service in this way.

Table 3.6
Business strategy by liP status

Column percentage

	liP status			All establishments
	Accredited	Committed	Not involved with liP	
<i>Standard quality product competing on price</i>				
Very applicable	31	20	31	31
Fairly applicable	25	53	44	43
Not very applicable	30	16	15	16
Not at all applicable	14	8	11	11
<i>High quality product tailored to customer need</i>				
Very applicable	69	69	54	56
Fairly applicable	27	22	33	32
Not very applicable	2	4	9	9
Not at all applicable	2	2	3	3
<i>Unweighted base</i>	85	49	225	500
<i>Weighted base</i>	97	49	1303	1449

Base: all establishments

Over 70 per cent of private sector businesses had some intention of improving the quality of their existing product or service. liP accredited businesses were more likely to report an intention to improve quality (77 per cent) than those not just committed to liP or those not involved (70 per cent in each case). Only 8 per cent of liP businesses thought such quality improvement was not applicable at all, while 13 per cent of those not involved with liP thought this the case.

Overall, around 38 per cent of private sector establishments were implementing or planning introduce a new, high quality product or service. liP accredited businesses were more likely to report that they were trying to 'move up market' in this manner (44 per cent) while those who were not involved with liP were less likely (37 per cent).

3.8 Quality assurance, skills and training

In view of the emphasis placed on the quality of output by most employers in their business strategies, it is not surprising that many establishment routinely monitored the quality of work. Appraisal meetings between staff and management, customer feedback and quality controls and internal audits were the most common methods of monitoring work quality. Both staff appraisal and customer feedback appeared more common amongst liP accredited businesses than those that had elected not to be involved with liP. For instance, around 28 per cent of liP accredited businesses used customer feedback while the proportion was 20 per cent amongst those choosing not to be involved with liP. Businesses that were committed to liP appeared as likely as those already accredited to use staff appraisal but less likely to use customer feedback.

Most (87 per cent) of employers had some form of staff appraisal system in place. In the majority of cases such appraisal systems were linked to training provision (84 per cent of those employers with an appraisal system). Where no appraisal system was in place, the vast majority of employers were those with no involvement in liP but a small proportion of those seeking liP status had no staff appraisal either and, surprisingly, even some accredited employers claimed not to have such an appraisal system.

Respondents were asked to assess the competence of different occupational groups in the company workforce. This provided a measure of the scope for improving workforce quality. Overall, a relatively large proportion of respondents (in excess of 70 per cent) thought that 100 per cent of their managers and senior officials, professionals, secretarial and clerical workers were fully proficient in their jobs. The proportions were much lower in respect of technical occupations (59 per cent), skilled trades (61 per cent), personal service occupations (56 per cent), sales occupations (54 per cent), operatives (64 per cent) and unskilled workers (61 per cent). Even where a proportion of staff were not thought fully proficient, many employers perceived no particular problem as the result. Nonetheless, many felt that a lack of staff proficiency had resulted in a variety of difficulties: meeting customer service needs, meeting quality standards, increased costs, difficulty in introducing new working practices and delays in developing new products or services being the most commonly cited.

Where some of the workforce were judged not to be fully proficient, the most commonly reported reasons were lack of experience, perhaps because the employee had only recently been recruited (40 per cent), a failure by the business to train and develop staff (30 per cent) and a lack motivation amongst staff (20 per cent). The inability of staff to keep up with change was also mentioned by a small number of employers. A failure to train and develop staff was mentioned more frequently by those businesses that were committed to liP but not yet accredited, perhaps indicating an awareness of the need to improve and train their staff. A failure to train was least frequently mentioned by businesses not involved with liP (in this case possibly indicating a lower recognition of the benefits of staff training). A lack of proficiency as the result of poor staff motivation was more frequently mentioned by companies seeking liP accreditation and by those not involved with liP, whereas liP businesses were less likely to mention this as a cause of poor workforce competence.

The majority of employers in Shropshire (over 95 per cent) had arranged some form of training for their workforce (see *Table 3.7*). As might be expected, all of liP accredited establishments had arranged some form of training for their workforce, as had virtually all of the establishments that were committed to obtaining liP status. Training was no less likely amongst companies that had heard of liP but chosen not to be involved (95 per cent had arranged some form of training activity for their workforce). Companies that had not arranged any training were most likely to be found amongst those businesses that had not heard of liP. Around two thirds of companies that had not arranged any training fell into this category, with the remainder being those who had chosen not to be involved with liP. Even where companies had not heard of liP, over 88 per cent had arranged some training.

Most companies providing training had provided both on-the-job training and training off-the-job. Generally, on-the-job training was more common than off-the-job training. Around 92 per cent of establishments provided some form of on-the-job training while 77 per cent provided some form of off-the job training. Off-the-job training was more common amongst companies with liP status than amongst other. All liP accredited employers provided some form of off-the-job training and 91 per cent provided some form of off-the job training. Amongst establishments that had not heard of liP, around 40 per cent provided no off-the-job training at all and 20 per cent no on-the-job training.

Table 3.7
liP status and training provision

		column percentage			
		Training provision			
		Any on-the- job	Any off-the- job	Any training	None
Accredited		31	34	30	-
Committed implementing	-	13	13	12	2
Not involved		35	34	36	33
Not heard of liP		21	19	22	64
<i>Unweighted base</i>		<i>464</i>	<i>403</i>	<i>480</i>	<i>19</i>
<i>Weighted base</i>		<i>2415</i>	<i>2023</i>	<i>2514</i>	<i>116</i>

Base: All establishments

Looking at training provision in greater detail indicates that liP and those committed to liP status were more frequently those providing most types of training (see Table 3.8). Around 96 per cent of liP accredited establishments provided on-the-job training to both established employees and new recruits while 88 per cent provided off-the-job training to established employees and 83 per cent to new recruits. These figures are significantly greater than those for establishments that had not heard of liP or that had chosen not to be involved.

Table 3.8
Type of training provision by liP status

		column percentage				
		liP status				
		Accredited	Committed	Not involved with liP	Not heard of liP	All employers
<i>On the job training</i>						
Established employees		96	88	82	69	83
Experienced new recruits		96	91	81	71	84
Young people		84	88	79	63	78
Any on the job training		100	98	91	80	92
<i>Off the job</i>						
Established employees		88	88	68	50	72
Experienced new recruits		83	71	56	45	63
Young people		76	70	53	41	59
Any off the job training		91	89	72	60	77
Unweighted base		158	75	177	99	500
Weighted base		750	349	945	627	2635

Base: all establishments

In general, the number of employees receiving off-the-job training was relatively small, with 43 per cent of establishments providing training for less than 10 employees in the last 12 months. Less than one third (32 per cent) of establishments had provided off-the-job training to 20 or more employees. In part, this reflects the size distribution of establishments that is dominated by small establishments. Correspondingly, since liP accredited businesses were disproportionately larger establishments, they tended to train more people. Around 42 per cent of liP accredited companies had provided off-the-job training to 20 or more employees.

Table 3.9
Source of training provision by liP status

	liP status				All establishments
	Accredited	Committed	Not involved with liP	Not heard of liP	
Column percentage					
<i>On the job training</i>					
Supervisors/managers	50	48	60	62	55
Other work colleagues	25	22	17	16	20
Company trainers	21	14	14	15	17
Private training provider	2	9	5	1	49
Further education college	1	7	1	6	3
Other	1	-	2	-	1
<i>Off the job</i>					
Private training provider	40	53	43	33	42
Company training centre	43	34	36	46	40
Further education college	31	35	28	24	29
Council/Chamber of Commerce	8	7	5	3	6
University	7	2	3	2	4
Professional/trade institution	*	-	1	4	1
Other	3	5	5	2	3
Unweighted base	158	75	177	99	500
Weighted base	750	349	945	627	2635

Base: All establishments providing on the job or off the job training

Where organisations carried out on-the job training, it was most commonly provided by supervisors or line managers (55 per cent of establishments) – see *Table 3.9*. liP accredited businesses were slightly less likely than others to provide training in this way (50 per cent) and slightly more likely to use other work colleagues or private training providers. liP companies appeared less likely to use further education colleges as a provider of on-the-job training than other establishments.

Further education colleges were used by 29 per cent of establishments as a provider of off-the-job training. This usage was exceeded by both private sector training providers (42 per cent) and company training providers (40 per cent). A Chamber of Commerce, LEA or

Council was also mentioned by 6 per cent of establishments. The pattern of use of different providers of off-the-job training did not differ greatly across establishments. Those that were committed to obtaining liP but not yet achieved accreditation appeared somewhat more likely to use their local further education college while establishments that had not heard of liP were least likely. liP accredited companies appeared to be little different from the average in terms of use of providers of off-the-job training.

Around two thirds (67 per cent) of training activity led to a qualification of some type. This overall average masks significant differences between liP establishments and others. Where the establishment was accredited, 86 per cent of training led to some form of qualification. A similar proportion (83 per cent) was recorded where the establishment was implementing liP. The proportion of training leading to a qualification was lower in other establishments. Where the employer was committed to liP but had yet to start the process of accreditation the proportion was 71 per cent. Where the employer had heard of liP but was not involved, the proportion was 66 per cent and where the employer had not heard of liP the proportion was lowest at 38 per cent.

Around 12 per cent of establishments reported some form of difficulty in obtaining the training that they needed, although the remaining 88 per cent reported no such difficulties. The most commonly reported difficulty related to training for specific jobs rather than to some more generic problem. Despite the relatively low level of difficulty in obtaining training, a large majority of establishments (78 per cent) reported that the amount of training they carried out was constrained by one or more barriers. The most frequently mentioned barrier (38 per cent of establishments) was that the business could not afford the staff time necessary. This was closely followed by the cost of training (34 per cent). Small proportions of establishments mentioned other barriers (1 per cent could not find the training needed, 1 per cent did not have the staff to deliver training, 4 per cent only trained when they saw a need, 1 per cent had never been able to see the benefits of training) but none approached these cost related barriers in terms of frequency.

4. WHY COMPANIES BECOME INVESTORS IN PEOPLE

4.1 Introduction

As discussed in Chapter 3, around 15 per cent of establishments in Shropshire were liP accredited while a further 4 per cent were committed to becoming liP accredited in due course. Most employers seeking accreditation had done so only relatively recently. Around 35 per cent had sought accreditation since the beginning of 2000 although about 20 per cent of employers had sought liP accreditation more than five years ago (that is, before 1997). Only 12 per cent had actually been accredited for more than five years. Half (50 per cent) of liP accredited employers had achieved the standard only since the beginning of 2000.

This chapter looks at reasons why employers seek liP accredited status and the process by which they achieve it. It also looks at the reasons why some companies appear to make a decision not to seek liP accredited status.

4.2 Why companies become Investors in People

The decision to seek liP status was usually made, either by company head office as company policy (44 per cent), or by senior managers at the establishment (47 per cent): see *Tables 4.1-4.2*. Such a decision was seldom made by departmental or section heads, other than in very large establishment (over 200 employees). Within voluntary sector organisations the decision was most frequently a matter of organisational policy (60 per cent) rather than managerial discretion (40 per cent). A similar but less clear cut picture emerged in the public sector where the decision was a matter of policy in 49 per cent of establishments and a senior managerial decision in 41 per cent of cases. Company policy was least important in establishments in the private sector, although still accounting for 39 per cent of decisions to seek liP status. In 52 per cent of private sector establishments the decision to seek liP status was a local management one.

Table 4.1
Who made the decision to seek liP status, by size of establishment

	Number of employees			column percentage
	10-49	50-199	200 or more	All establishments
Head office/company policy	47	35	54	44
Senior manager at site	48	49	34	47
Head of section/department	3	7	11	4
Other	3	3	2	
<i>Unweighted base</i>	85	52	21	158
<i>Weighted base</i>	524	182	44	750

Base: All accredited establishments

* Less than 1 per cent

Table 4.2
Who made the decision to seek liP status, by type of business

column percentage

	Type of business			All establishments
	Private	Public	Voluntary	
Head office/company policy	39	49	60	44
Senior manager at site	52	41	40	47
Head of section/department	4	6	-	4
Other	5	*	-	
<i>Unweighted base</i>	<i>85</i>	<i>65</i>	<i>8</i>	<i>158</i>
<i>Weighted base</i>	<i>429</i>	<i>282</i>	<i>39</i>	<i>750</i>

Base: All accredited establishments

* Less than 1 per cent

The reasons for wishing to attain liP status are shown in *Table 4.3 and 4.4*. The most common reason for wishing to attain liP accredited status was to improve the motivation of staff (mentioned by 31 per cent of respondents). The use of liP as a marketing tool was mentioned in 20 per cent of cases while 19 per cent felt that liP status would be associated with improved productivity. A significant proportion of employers also mentioned improvements in the quality of training (15 per cent) and increased profitability (10 per cent).

Table 4.3
Reasons for seeking liP status by size of establishment

column percentage

	Number of employees			All establishments
	10-49	50-199	200 or more	
Improve staff motivation	31	28	29	31
Good marketing tool	19	24	24	20
Improve productivity	21	13	24	19
Improve quality of training	18	9	4	15
Increase profitability	12	7	6	10
To formalise internal practices	10	8	11	9
Improve human resource systems	9	6	15	9
Increase the amount of training	7	7	-	7
Invest in staff	1	8	-	3
Help staff interaction	2	-	7	2
Identify weakness in staff performance	2	1	4	2
It was inevitable	2	-	-	2
Good tool to recruit staff	2	1	-	2
Head office policy	1	-	11	1
Other	3	7	2	6
<i>Unweighted base</i>	<i>85</i>	<i>52</i>	<i>21</i>	<i>158</i>
<i>Weighted base</i>	<i>524</i>	<i>182</i>	<i>44</i>	<i>750</i>

Base: All accredited establishments

* Less than 1 per cent

Table 4.4
Reasons for seeking liP status by type of business

Column percentage

	Type of business			All establishments
	Private	Public	Voluntary	
Improve staff motivation	33	27	27	31
Good marketing tool	20	20	27	20
Improve productivity	18	21	13	19
Improve quality of training	10	23	13	15
Increase profitability	7	16	-	10
To formalise internal practices	12	6	7	9
Improve human resource systems	8	12	-	9
Increase the amount of training	6	7	13	7
Invest in staff	3	2	-	3
Help staff interaction	4	-	-	2
Identify weakness in staff performance	*	4	-	2
It was inevitable	3	-	-	2
Good tool to recruit staff	3	-	-	2
Head office policy	1	2	-	1
Other	2	8	26	6
<i>Unweighted base</i>	<i>85</i>	<i>65</i>	<i>8</i>	<i>158</i>
<i>Weighted base</i>	<i>429</i>	<i>282</i>	<i>39</i>	<i>750</i>

Base: All accredited establishments

* Less than 1 per cent

The evidence from the survey suggests that different types of employers may have had somewhat different motives for seeking liP status. Small employers were more likely than large employers to be motivated by a desire to improve staff motivation (31 per cent) and, particularly, by the desire to improve the quality of training (18 per cent). The corresponding figures for large (200+ employees) were 29 per cent and 4 per cent, respectively. Large establishments appear somewhat more motivated by the desire to improve productivity (24 per cent), use of liP as a marketing tool (24 per cent) and a desire to improve their human resources system (15 per cent). Some differences were also evident according to the sector within which establishments operated. Private sector employers were relatively more likely than others to cite motivation of staff as a reason for seeking liP status while voluntary sector organisations were more likely to cite liP as a marketing tool. Improving productivity was frequently mentioned by both private and public sector organisations but less frequently by voluntary sector organisations. Voluntary sector organisation also saw liP as a means to increase the quantity of training within the organisation.

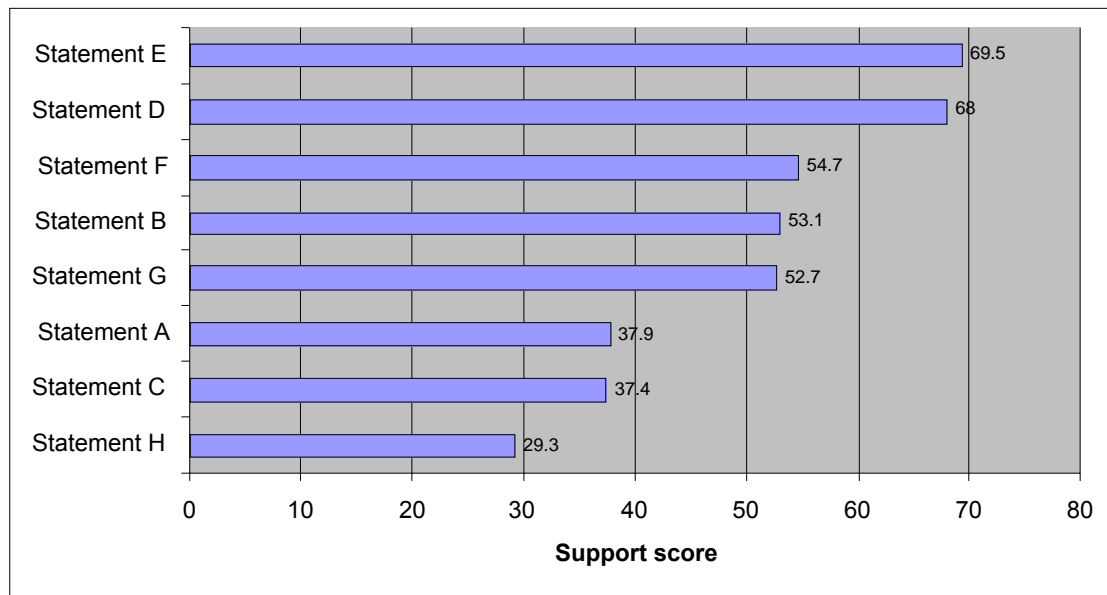
4.3 The process of gaining accreditation

A majority of employers that had achieved liP accreditation had opted for the Special Adviser route to liP rather than Developmental Assessment. The latter was slightly more common amongst large employers (30 per cent) than amongst small employers (22 per cent). Voluntary sector organisations appeared more likely than public and private sector organisations to use the Special Adviser route to liP.

Despite criticisms that have sometimes been made of the liP accreditation process, the majority of employers (67 per cent) who had been accredited disagreed or strongly disagreed with the statement that the process is overly bureaucratic, although 21 per cent agreed to some degree. Employers in medium sized establishment (50-199) appeared most likely to agree with the assertion that the process was overly bureaucratic while the largest

employers were most likely to disagree. Voluntary sector organisations also tended to agree with the criticism. Agreement with the statement was more common amongst those employers that had followed the Developmental Assessment route rather than the Special Adviser route.

Figure 4.1
Attitudes towards liP accreditation



Base: All liP accredited workplaces
 Source: LSC Shropshire liP Survey (IER/IFF)
 Note: see Section 1.4 for a description of support scores

Key to statements

- Statement A: process of assessment is overly bureaucratic
- Statement B: the process of assessment is time consuming
- Statement C: the costs of achieving liP outweigh the benefits
- Statement D: liP has made us think about how we treat our staff
- Statement E: liP has made us think much more about our training needs
- Statement F: liP has fundamentally altered how we go about our business
- Statement G: We are more competitive because of liP
- Statement H: We would not go in for liP again

While the majority of liP employers did not find the process of liP accreditation overly bureaucratic, many found the process time consuming (see Figure 4.1). Around half (48 per cent) agreed with this view that was fairly widespread across all size bands and types of organisation. The Special Adviser route was more generally regarded as time consuming than the Developmental Assessment route.

Despite the time involved, the great majority of liP accredited employers (69 per cent) recognised the benefits from accreditation and disagreed to some extent with the statement that the costs of achieving liP status outweighed its benefits. Having said that, medium sized employers (27 per cent) and those in the public sector (29 per cent) appeared slightly more inclined than others to the view that there was no net benefit from liP accreditation. More than three quarters of employers (77 per cent) felt that liP had made them think much more about how well they treated their staff, while 85 per cent felt that liP had made them

think about their training needs. In the acid test of liP accreditation, only 11 per cent of accredited employers said that they would not go for liP again.

4.4 Assistance in gaining liP status

Many employers had no recollection or knowledge of who initiated the process of obtaining liP status. Most who could recollect thought that they had approached an organisation for assistance rather than the other way around. There appears to have been little difference between types of employer in this regard with most considering that the decision to seek liP status was a pro-active rather than a reactive one.

In regard to obtaining liP status, the most common link was between employers and Business Link: see *Tables 4.5 and 4.6*. 21 per cent of accredited employers had contact with this organisation. The two other links were the Chamber of Commerce (14 per cent) and the Training and Enterprise Council/ Learning and Skills Council (9 per cent). Local councils and liP itself were also mentioned along with other organisations but together accounted for only 8 per cent of accredited businesses.

Table 4.5
Contacts by employers in connection with seeking liP status, by establishment size
column percentage

	Number of employees			All establishments
	10-49	50-199	200 or more	
Business Link	22	19	20	21
Chamber of Commerce	14	13	9	14
Training & Enterprise Council	4	9	24	6
LSC Shropshire	2	8	-	3
Local Councils	3	1	-	2
Investors on People	-	6	4	5
Other	4	3	-	4
Don't know	51	43	45	49
<i>Unweighted base</i>	85	52	21	158
<i>Weighted base</i>	524	182	44	750

Base: All accredited establishments

* Less than 1 per cent

Table 4.6
Contacts by employer in connection with seeking liP status, by type of business
Column percentage

	Type of business			All establishments
	Private	Public	Voluntary	
Business Link	16	31	13	21
Chamber of Commerce	14	10	40	14
Training & Enterprise Council	7	6	-	6
LSC Shropshire	3	5	-	3
Local Councils	1	2	27	2
Investors on People	3	-	-	5
Other	5	3	-	4
Don't know	52	46	33	49
<i>Unweighted base</i>	85	65	8	158
<i>Weighted base</i>	429	282	39	750

Base: All accredited establishments

* Less than 1 per cent

The incidence of links between employers and specific organisations promoting liP differed according to the size of the employer. Small establishments (10-49 employees) were more likely to have made contact with the Chamber of Commerce in connection with liP than larger organisations. Around 14 per cent of establishments with less than 200 employees had been in contact with the Chamber while the proportion of establishments with 200 or more employees was 9 per cent. Conversely, larger organisations were more likely than small ones to have been in contact with the Shropshire Training and Enterprise Council (24 per cent of establishments employing 200 or more and 4 per cent of establishments employing 10-49). Employer connections with Business Link appeared broadly similar across the size bands. No very large employers reported contact with Learning and Skills Council Shropshire, but this may be explained by the fact that most of these large organisation had signed up to liP via the former Shropshire TEC well before the LSC was created in April 2001. Several smaller employers did report contact with Learning and Skills Council Shropshire. Here, again, medium sized employers (50-199) were more likely than smaller employers to have made the connection with the LSC.

Employers in the public sector appeared to have been more likely to contact Business Link in connection with liP than either private sector employers or those in the voluntary sector (31 per cent, 16 per cent, and 13 per cent respectively). The Chamber of Commerce was most commonly used by private sector and voluntary organisations, probably reflecting the small employer bias in the general use of the Chamber. Contacts with the former Shropshire TEC and the LSC Shropshire appeared equally common across private and public sector employers but no voluntary sector organisation reported any contact with the TEC or LSC in regard to liP. Instead, a large proportion of voluntary sector organisations contacted their local authority in connection with obtaining liP status. This was, perhaps, one of the most distinctive differences between types of organisation.

Most employers (71 per cent) reported that it was very, or quite easy, to find information about the liP accreditation process. Only 2 per cent reported that it was quite difficult, although many respondents (28 per cent) were not sure. Whether or not an employer faced difficulty in obtaining the information required did not appear to be related to the size of establishment but private sector employers did appear to find access to information less easy than either public or voluntary sector organisations. Access to information appeared just as easy when the company had initiated the contact as when the other organisation had contacted the employer.

All employers who had achieved liP status were asked how the accreditation process could be improved. Around a third (32 per cent) indicated that no improvements were necessary (*Tables 4.7 and 4.8*). Where an improvement was suggested, the most common suggestions were to reduce the paper work involved in the process (7 per cent), be less time-consuming (8 per cent), to involve more information and better communication (8 per cent) and be less bureaucratic (4 per cent). The proportion of employers who thought that the cost of achieving liP could be reduced was negligible. Rather more (45 per cent) of employers who used the Special Adviser route felt that no improvements could be made when compared to those who used the Developmental Assessment route (27 per cent).

Table 4.7
Possible improvements to liP by size of establishment

	Establishment size			Column percentage
	10-49	50-199	200 or more	All establishments
	No improvement necessary	35	20	36
Less time consuming	7	8	-	7
Less paper work/complexity	7	8	11	8
More information / better communication	8	7	4	8
Less bureaucracy	4	3	2	4
Cost	-	-	2	*
Improvements have already been made	3	1	-	2
Other	5	9	11	6
Don't know	36	41	36	38
<i>Unweighted base</i>	<i>85</i>	<i>52</i>	<i>21</i>	<i>158</i>
<i>Weighted base</i>	<i>524</i>	<i>182</i>	<i>44</i>	<i>750</i>

Base: All accredited establishments

* Less than 1 per cent

Table 4.8
Possible improvements to liP by type of business

	Type of business			Column percentage
	Private	Public	Voluntary	All establishments
	No improvement necessary	31	33	33
Less time consuming	7	6	27	7
Less paper work/complexity	4	12	13	8
More information / better communication	9	6	13	8
Less bureaucracy	3	5	-	4
Cost	-	*	-	-
Improvements have already been made	3	1	-	2
Other	8	5	-	6
Don't know	38	40	13	38
<i>Unweighted base</i>	<i>85</i>	<i>65</i>	<i>8</i>	<i>158</i>
<i>Weighted base</i>	<i>429</i>	<i>282</i>	<i>39</i>	<i>750</i>

Base: All accredited establishments

* Less than 1 per cent

4.5 Maintaining liP status

liP status, once obtained, must be maintained. Many of the accredited businesses in the survey had only recently achieved accredited status and, for this reason, had yet to be reassessed. In fact, 57 per cent of establishments had not yet been reassessed. Most reassessment was undertaken during 2001 (a period that accounted for half of all reassessments). Of those that had been reassessed, the great majority (62 per cent) had successfully passed their reassessment. Around 3 per cent of reassessed employers did not pass the reassessment although a number of others did not know if they had been reassessed or did not know the result of the reassessment.

Although small in absolute terms, it was notable that all of the employers who had failed their reassessment were small establishments (10-49 employees) in the private transport and communications sector. It is difficult to know whether this finding signals something about this type of business or whether it was the result of sampling.

4.6 Why companies have not obtained liP status

Around 60 per cent of employers in Shropshire were not involved with liP. In some cases such employed claimed that they were unaware or had not heard of liP. Such a group of employers cannot have considered seeking liP status. Employers who had heard of liP may have considered liP and decided not to seek liP status or they may never have considered it. The survey suggested that around 31 per cent of employers who had heard of liP had considered seeking liP status, while 64 per cent had not. Small establishments were least likely to have considered liP: 70 per cent of small employers (10-49), 44 per cent of medium sized employers (50-199) and 32 per cent of large employers (200 or more). Private sector employers (67 per cent) and those in the voluntary sector (85 per cent) were less likely to have considered liP than those in the public sector.

Where an employer had considered seeking liP status in the past, the main reasons they had not proceeded was a perception that accreditation involved too much time, effort and commitment. These factors were mentioned by 46 per cent of such establishments. A lack of interest or a low priority for such matters was mentioned by 23 per cent of establishments. Cost (too expensive) was only mentioned by 7 per cent of employers as a barrier to proceeding to seek liP status. However, all employers who expressed a concern about the cost of accreditation were located in small private sector establishments and it may be that cost was an important barrier for this particular group. Small private sector establishments were also the most likely to state that obtaining liP status was a low priority for them or it was not relevant to their business.

Non-accredited employers had widespread links with government departments and other organisations from which they obtained information about human resources, recruitment and training matters (*see Tables 4.9 and 4.10*). The most frequently cited contacts were:

- the Employment Service/Jobcentre (60 per cent),
- Business Link (43 per cent),
- Chamber of Commerce (40 per cent),
- Training and Enterprise Council (28 per cent),
- Department for Trade and Industry (22 per cent),
- Department for Education and Skills (17 per cent),
- Learning and Skills Council Shropshire (17 per cent),
- liP (12 per cent).

As a general rule, large employers were more likely to cite all of these sources of information than small employers. Private sector employers were more likely than those in the public sector to cite the Employment Service and Jobcentre, Business Link, and Chamber of Commerce while the public sector was more likely to cite the Department for Education and Skills, Local Councils and Learning and Skills Council Shropshire.

Table 4.9
Contacts with organisations for information about human resource, recruitment and training matters, non-liP employers, by size of establishment

	Percentage mentioning organisation			
	Establishment size			All establishments
	10-49	50-199	200 or more	
Employment Service / Jobcentre	60	54	72	60
Business Link	40	52	67	43
Chamber of Commerce	38	51	52	40
Training and Enterprise Council	26	31	59	28
Dept of Trade and Industry	21	24	52	22
Dept of Education and Skills	18	18	7	17
Local Councils	18	12	39	17
LSC Shropshire	16	20	45	17
Investors in People	12	12	4	12
Advantage West Midlands	6	5	17	6
Dept for Work and Pensions	4	-	-	3
Other	2	4	-	2
Not contacted anyone	7	3	-	6
Don't know	2	2	-	2
<i>Unweighted base</i>	<i>120</i>	<i>40</i>	<i>8</i>	<i>168</i>
<i>Weighted base</i>	<i>724</i>	<i>161</i>	<i>23</i>	<i>909</i>

Base: All non liP accredited or liP committed establishments

* Less than 1 per cent

Table 4.10
Contacts with organisations for information about human resource, recruitment and training matters, non-liP employers, by type of business

	Percentage mentioning organisation			
	Type of business			All establishments
	Private	Public	Voluntary	
Employment Service / Jobcentre	63	39	57	60
Business Link	45	23	57	43
Chamber of Commerce	42	32	28	40
Training and Enterprise Council	27	26	85	28
Dept of Trade and Industry	23	7	57	22
Dept of Education and Skills	14	42	28	17
Local Councils	16	17	57	17
LSC Shropshire	17	19	28	17
Investors in People	14	1	-	12
Advantage West Midlands	5	10	28	6
Dept for Work and Pensions	4	-	-	3
Other	2	2	-	2
Not contacted anyone	7	-	-	6
Don't know	2	-	-	2
<i>Unweighted base</i>	<i>139</i>	<i>25</i>	<i>4</i>	<i>168</i>
<i>Weighted base</i>	<i>779</i>	<i>111</i>	<i>18</i>	<i>909</i>

Base: All non liP accredited or liP committed establishments

* Less than 1 per cent

Only a minority – albeit a sizeable one – wished to know more about liP. Around 41 per cent of employers not involved in liP indicated that they would be interested in knowing more about the initiative. Those least likely to want to know more about liP were medium sized establishments and those in the voluntary sector. One possible reason for this relative lack of interest may be that employers with no involvement in liP believe the process will be costly or bureaucratic. Many did express that view, especially in larger organisations and in the public sector (as was the view that the process was too time-consuming). However, when asked to express a view about liP, the largest single group amongst non-liP employers was always those who said they did not know (about liP). This suggests that ignorance or inertia was the most significant barrier to take up of liP rather than positive rejection of the initiative.

More than half (54 per cent) of employers not currently involved with liP thought it unlikely (not very or not likely at all) that they would gain liP status in the next five years. Many different reasons were given for this. The most frequently mentioned were:

- lack of time (16 per cent),
- not necessary/relevant (12 per cent),
- company too small (10 per cent),
- not a high priority (8 per cent),
- the cost (7 per cent),
- lack of interest in liP (7 per cent),
- something similar already in place (7 per cent),
- don't know enough about it (6 per cent).

Where employers thought it was likely that they would attain liP within the next five years, they often mentioned a number of positive reasons for attaining liP status. These included:

- the business needed to move on or ahead (15 per cent),
- it was necessary to motivate staff (10 per cent),
- the employer was interested in the liP package (10 per cent),
- it would improve training (9 per cent).

It was notable that many employers who thought it likely that they would seek liP status within the next five years mentioned the same negative factors as those mentioned by employers who felt they were unlikely to seek liP status in the future. Cost, lack of time, being too small and not seeing liP as a high priority for the business were all mentioned by both groups of employers. This suggests that such potential barriers weighed heavily in the perceptions of employers, even those who thought it likely they would seek liP status in the future.

5. IMPACT OF liP

5.1 Measuring the impact of liP

Ideally, a measure of the impact of Investors in People on organisational performance would be based on observations taken before and after its introduction. Controlling for a range of factors, such as workplace size, it would be possible to measure the effect liP had upon, for instance, productivity or labour turnover. Unfortunately, the longitudinal data required for such analysis is not available. Nevertheless, based on cross-sectional data, it is possible to make an assessment of the impact of liP on a range of relevant business measures.

If liP had any impact on organisational performance one would expect to see this reflected in organisational practices. In the first part of this chapter an analysis is made of reported changes in workplaces' human resource practices. This is followed by a description of respondents' reports of the impact of liP upon their organisation. This can only be a partial impact assessment because it is not possible to test the accuracy of the respondent's assessment of impact. This is not to dismiss respondents' reports on this subject – in the majority of cases they are well placed to make an assessment of the impact of liP – but they may not be impartial observers, especially so if they championed the introduction of liP. In the final part of the chapter a number of indicators of organisational performance are compared between liP accredited and non-accredited workplaces whilst controlling for workplace size and industrial sector. This assessment is in two parts. First, an assessment of the current product market position of organisations and the extent to which they were attempting to improve upon that position. Second, a comparison of business performance measures between liP accredited and non-accredited organisations.

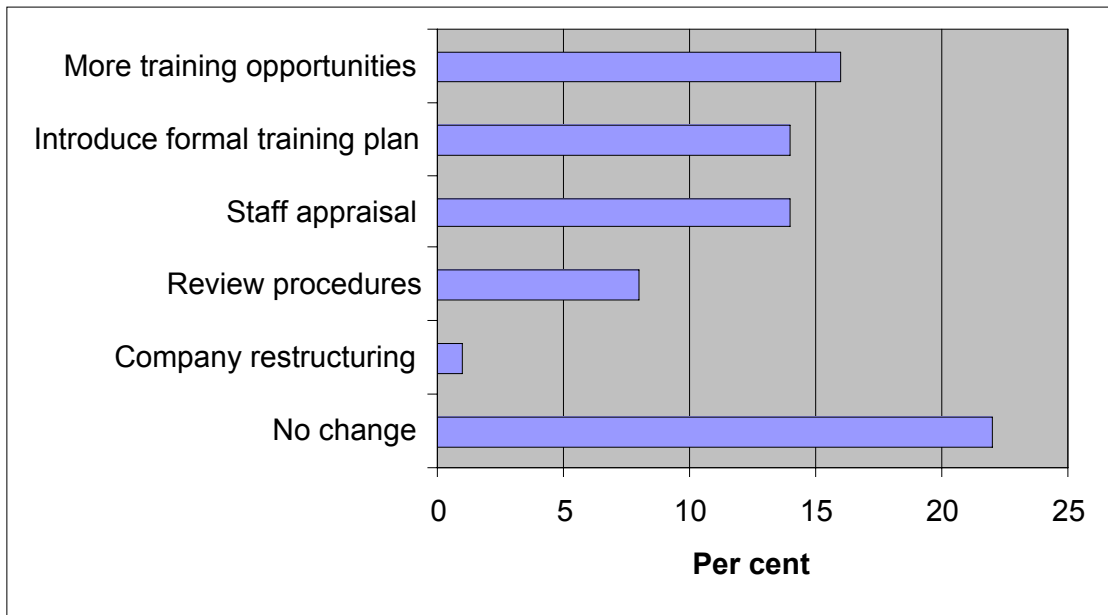
5.2 What employers changed with the introduction of liP

Figure 5.1 indicates the types of change that resulted from the introduction of liP. The scale of the responses suggests that many employers made only one of the types of change mentioned, and around a fifth felt that they had no need to make any change at all. Typically it was the larger organisations that felt that there was no need to introduce change since they already had in place that required by liP for accreditation.

5.3 What was sought from the introduction of liP

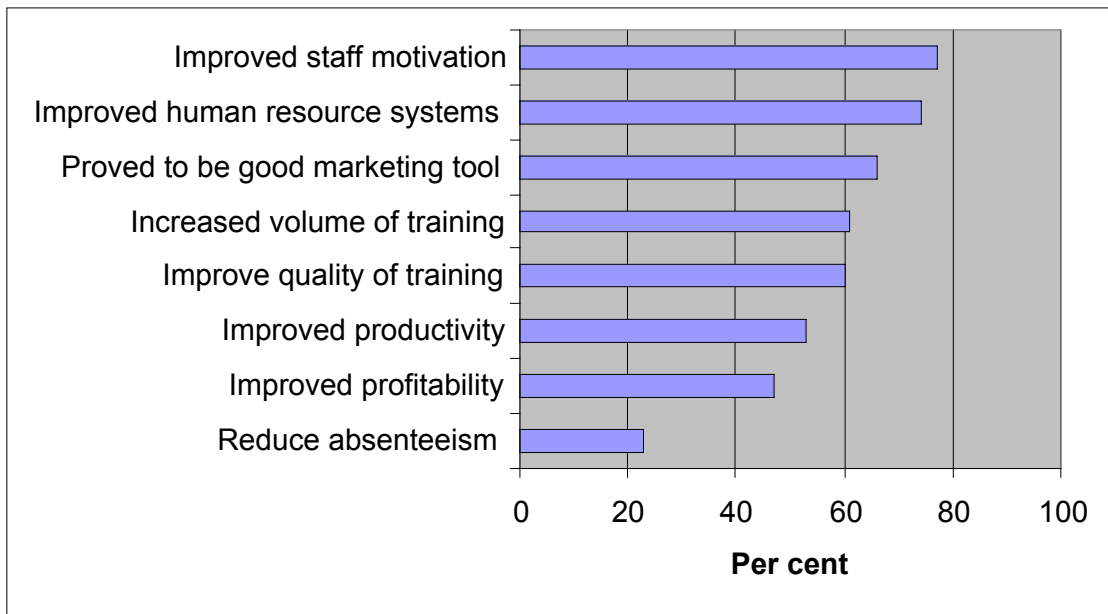
Where companies have implemented liP the reasons largely related to identifying weaknesses in the existing workforce and improving productivity, although a third of workplaces reported that they had implemented liP because it was a good marketing tool (see *Table 5.1*). Substantial variation existed between industries. In the production sector respondents cited identification of staff weaknesses more than in other industries, in transport and communication liP was seen more as a marketing tool while in the public sector it was more about improving the quality of training. There were few differences between size of workplace relating to why liP had been implemented, except that smaller workplaces - those with 10-49 employees – were more likely to associate liP with improving profitability and improving the quality of training. Whatever the reason for its introduction, it is apparent that workplaces were looking to obtain fairly substantial improvements in their performance from the introduction of liP. It may be inferred from this that if these returns were to be obtained then changes in operational practice would be needed.

Figure 5.1
Changes resulting from the introduction of liP



Base: All liP accredited workplaces
 Source: LSC Shropshire liP Survey (IER/IFF)

Figure 5.2
Reported impact of liP on workplace



Base: All liP accredited workplaces
 Source: LSC Shropshire liP Survey (IER/IFF)

**Table 5.1
Implementation of liP**

	Industry						Total
	Production	Distribution	Transport and communication	Financial and business services	Public administration, health, education	Other services	
Identify weaknesses in staff performance	41	30	16	19	33	30	31
Good marketing tool	17	24	37	-	21	7	20
Improve productivity	17	22	23	25	13	41	19
Improve quality of training	4	17	-	6	21	22	15
Improve profitability	9	11	16	13	7	22	10
Formalise practices	7	18	-	6	10	-	9
Improve human resource systems	3	18	-	13	8	7	9
Increase volume of training	-	14	-	12	6	11	7
Weighted Base	97	155	73	54	324	45	750
Unweighted Base	24	22	7	10	85	10	198

	Sector		Establishment size			Total
	Private sector	Public sector	10-49	50-199	200+	
Identify weaknesses in staff performance	33	27	31	28	29	31
Good marketing tool	20	20	19	24	24	20
Improve productivity	18	21	21	13	24	19
Improve quality of training	10	23	18	9	4	15
Improve profitability	7	16	12	7	6	10
Formalise practices	12	6	10	8	11	9
Improve human resource systems	8	12	9	6	15	9
Increase volume of training	6	7	7	7	-	7
Weighted Base	85	65	524	182	44	750
Unweighted Base	429	282	85	52	21	198

Base: All liP accredited workplaces

Source: LSC Shropshire liP Survey (IER/IFF)

5.4 Assessment of the impact of liP

Where liP status had been obtained the impact on business performance reported by respondents was quite dramatic (see *Figure 5.2*). Around three quarters of accredited workplaces reported that liP had resulted in improved staff motivation and improved human resource systems. A third reported that it had increased either the quality or the quantity of the training they provided. Around a half of all accredited workplaces reported that liP had improved profitability and productivity.

A much lower proportion of workplaces – 23 per cent – reported that liP had led to a reduction in absenteeism. This finding needs to be regarded with some caution since, as will be reported below, lower levels of absenteeism were reported by liP workplaces compared to non-accredited ones. In effect, one might be observing liP to have less impact on absenteeism because there was much less of a problem to be addressed in the first place.

Again, substantial variation was observed between industries (see *Table 5.2*). In general, it was the distribution sector that was most likely to report an improvement in the level of absenteeism following the introduction of liP. So much so in fact that the response to absenteeism was much lower in all other industries compared to the overall average of 23 per cent. Other variations between industry included:

- the much more positive rating of liP's impact in the distribution industry compared to all other industries;
- the relative importance of liP improving training and its use as a marketing tool in the transport and communication industry;
- the effect on the quality and quantity of training in the finance industry. Around 91 per cent of workplaces reported improvements in training in this industry compared to 60 per cent across all industry;
- the more muted response from the public sector to the impact of liP compared to the average. This finding is particularly important given the relatively high accreditation rate in the public sector in Shropshire.

There is also variation by size of workplace. Larger workplaces were much less likely to report that liP accreditation had led to increased productivity, profitability or training, or that the quality of training had improved.

The survey evidence thus found strong assertions by employers that obtaining liP had improved the performance of their organisation across a range of dimensions. But, as noted at the start of this Chapter, the analysis seeks to go further than simply reporting respondents' perceptions. Hence the need to compare the performance of liP and non-liP workplaces' using a range of measures.

Table 5.3 compares what employers sought from liP and that which they obtained. In general, employers were successful in achieving their objectives especially in relation to improving staff motivation and human resource systems.

Table 5.2
Impact of liP

column percentages

	Industry						Total
	Production	Distribution	Transport and communication	Financial and business services	Public administration, health, education	Other services	
Improved profitability	30	66	14	52	49	48	47
Improved productivity	59	71	77	58	39	26	53
Improved staff motivation	75	91	37	78	83	59	77
Reduced absenteeism	17	53	7	19	15	19	23
Improved human resource systems	75	75	84	71	71	78	74
Increase volume of training	57	75	77	91	46	74	61
Improved quality of training	68	72	93	91	39	63	60
Proved to be good marketing tool	64	75	86	45	63	56	66
Weighted Base	97	155	73	54	324	45	750
Unweighted Base	24	22	7	10	85	10	198

	Sector		Establishment size			Total
	Private sector	Public sector	10-49	50-199	200+	
Improved profitability	35	65	51	41	23	47
Improved productivity	59	45	52	56	40	53
Improved staff motivation	82	69	79	72	69	77
Reduced absenteeism	27	19	22	25	23	23
Improved human resource systems	76	74	74	74	73	74
Increase volume of training	62	59	64	61	32	61
Improved quality of training	65	55	62	58	44	60
Proved to be good marketing tool	71	63	63	75	61	66
Weighted Base	85	65	524	182	44	750
Unweighted Base	429	282	85	52	21	198

Base: All liP accredited workplaces

Source: LSC Shropshire liP Survey (IER/IFF)

Table 5.3
Objectives sought from Investors in People and objectives achieved with its introduction

column percentages

Objectives achieved	Objectives sought								
	Increase profitability	Improve productivity	Improve motivation of staff	Reduce absenteeism	Improve human resource systems	Increase volume of training	Improve quality of training	Gain good marketing tool	
Increased profitability	67								
Improved productivity		57							
Improved motivation reduced absenteeism			94		100				
Improved human resource systems					100				
Increased volume of training						73			
improved quality of training							59		
Been a good marketing tool									77
<i>Weighted base</i>	77	142	229	5	67	51	111	154	
<i>Unweighted base</i>	17	32	50	1	15	10	24	31	

Base: All liP accredited workplaces

Source: LSC Shropshire liP Survey (IER/IFF)

5.5 Product market position and product market strategy

Understanding how an organisation's performance may be improved requires an assessment of their current position. An organisation operating in a highly competitive product market may have much less scope to increase, say, sales growth, than one operating in a less competitive one. To assess their product market situation, respondents were read a series of statements and asked to rate whether they were highly, fairly, not very, or not very applicable at all to their current situation. Overall, the evidence indicates that liP accredited companies were located in more competitive product (or service) markets than those that were neither accredited nor committed, (see Table 5.4), though the differences were modest.

Table 5.4
Product market position and liP accreditation

	column percentages		
	All accredited	All committed	All neither accredited or committed
<i>It is a standard quality product or service that competes mainly on price</i>			
Very applicable	35	22	21
Fairly applicable	28	55	44
Not very applicable	22	13	14
Not at all applicable	15	8	10
<i>Support score</i>	60.6	64.6	65.3
<i>It is a high quality product or service that is tailored to individual customer requirements</i>			
Very applicable	70	67	55
Fairly applicable	24	25	32
Not very applicable	3	2	9
Not at all applicable	3	4	3
<i>Support score</i>	86.9	86.3	80.0
<i>We face serious competition from low cost foreign imports</i>			
Very applicable	18	5	7
Fairly applicable	6	13	15
Not very applicable	25	15	24
Not at all applicable	51	65	54
<i>Support score</i>	30.3	18.9	25.1
<i>Competitive success does not depend mainly on price</i>			
Very applicable	22	20	27
Fairly applicable	45	41	49
Not very applicable	21	29	17
Not at all applicable	12	9	7
<i>Support score</i>	59.0	57.8	65.6
<i>It is a product or service that is aimed primarily at the mass market</i>			
Very applicable	36	19	28
Fairly applicable	16	21	29
Not very applicable	22	28	23
Not at all applicable	25	30	20
<i>Support score</i>	54.6	43.4	54.8
<i>Weighted Base</i>	441	170	825
<i>Unweighted Base</i>	98	40	145

Base: All workplaces answering question
Source: LSC Shropshire liP Survey (IER/IFF)

Table 5.4 shows that liP accredited organisations were less likely to report that they competed mainly on price, more likely to report that they produced customised goods or services to customers, but were also more likely to face competition from cheap imports. In

summarising the position of liP organisations, the overall picture to emerge was one of liP companies operating in more competitive, high value markets.

A further dimension to business strategy can be gauged from a more dynamic perspective that looks at how organisations have changed over the last 12 months or how they are currently changing. Respondents, again responding to statements using the 'very applicable' to 'not at all applicable' scale were asked about attempt to move into higher value added markets (see Table 5.5). Generally, liP accredited organisations were more likely to respond that they thought that the market for their goods or services would remain strong for the next five years. In other words - despite product market competition - they saw a degree of product market stability or growth. Whilst liP accredited organisations were no more likely than non-accredited ones to report that they had moved into, or were about to move into, markets with higher profit margins, they were more likely to report that they had or were about to improve the quality of their existing range of products.

Table 5.5
Product market dynamism and liP accreditation

	column percentages		
	All accredited	All committed	All neither accredited or committed
<i>The market for our main product or service will remain strong for the next five years</i>			
Very applicable	62	53	53
Fairly applicable	29	32	38
Not very applicable	3	6	6
Not at all applicable	6	-	-
<i>Support score</i>	<i>82.1</i>	<i>80.3</i>	<i>81.0</i>
<i>We are currently or are about to implement plans to move into new high quality product or service areas with higher profit margins</i>			
Very applicable	7	13	14
Fairly applicable	38	33	23
Not very applicable	17	27	30
Not at all applicable	37	25	33
<i>Support score</i>	<i>38.5</i>	<i>44.8</i>	<i>39.4</i>
<i>We are currently or are about to implement plans to move into new high quality product or service areas with higher profit margins</i>			
Very applicable	29	26	28
Fairly applicable	51	40	43
Not very applicable	11	26	16
Not at all applicable	8	6	13
<i>Support score</i>	<i>67.5</i>	<i>62.6</i>	<i>62.3</i>
<i>Over the past 12 months, compared to other workplaces in the UK, would you say that your sales performance has been...</i>			
very much better	20	11	12
better	33	35	42
the same	34	41	33
worse	2	1	1
very much worse	-	2	10
<i>Support score</i>	<i>40.0</i>	<i>29.1</i>	<i>35.5</i>
<i>Weighted Base</i>	<i>441</i>	<i>170</i>	<i>825</i>
<i>Unweighted Base</i>	<i>98</i>	<i>40</i>	<i>145</i>

Base: All workplaces answering question (private sector only)

Source: LSC Shropshire liP Survey (IER/IFF)

Finally, respondents were asked to compare, to the best of their knowledge, the sales performance of their organisation against what they saw as the industry average in the UK.

liP accredited organisations were more likely to respond that their sales performance had been 'very much better' or simply 'better' compared to non-accredited organisations (see *Table 5.5*).

Understanding both current and future organisational performance requires an analysis of the current position of an organisation and how it is attempting to improve or consolidate that position. Standing still in a competitive market will - as much of the evidence research reveals - will lead to that position being eroded over the medium to long-term as competitors become more efficient and/or capture new, often higher value-added markets. Though the differences between liP and non-liP organisations are not large in this respect, they nevertheless point to the liP accredited ones operating in more competitive, higher-valued added markets and to be more likely engaged in a process of change to either improve or consolidate their position. The next section looks in greater detail at comparative performance, but the data presented here certainly suggests that liP organisations are the more dynamic ones. The key question of course is the extent to which liP is a cause or consequence of this. Such a question is difficult to answer. What one is most likely observing is a simultaneous process whereby liP accreditation is part of the process, though by no means the originator, of a more dynamic product market strategy.

5.6 Comparing the performance of liP and non-liP accredited workplaces

So far the discussion of the impact of liP has made no comparison with workplaces not accredited. Workplaces may report an improvement in, say, worker motivation as a consequence of liP's introduction, but one cannot be sure that this improvement would not have taken place anyway. This is known as 'deadweight' and the test for its existence and magnitude is difficult to undertake. It is possible to compare companies in the same sector or employee size bands and compare the performance between liP accredited workplaces and non-accredited ones. The indicators selected for analysis derive from the type of benefits liP workplaces reported (see *Table 5.2 above*). These relate to the following:

business performance measures

- turnover growth
- productivity levels
- employment growth
- meeting organisational performance measures

human resource measures

- absenteeism levels
- employee motivation levels
- recruitment problems

liP accreditation and business performance

Table 5.6 reveals the relationship between growth in sales turnover over the last 12 months and liP accreditation. Without doubt the relationship between human resource development and sales turnover is a complex one. Whilst one can make a plausible case for suggesting that, other things being equal, an improvement in the management and development of an organisation's human capital brings about business growth, the relationship is potentially confounded by a number of factors.

Table 5.6
Growth in sales turnover and liP status

	column percentages			
	All accredited	All committed	All neither accredited or committed	Total
Increased	49	54	54	53
Decreased	15	18	12	14
Stayed the same	30	24	25	26
Total	100	100	100	100
Mean percentage increase	14.4	15.6	27.6	22.7
Mean percentage decrease	8.4	12.1	26.3	14.5
<i>Weighted Base</i>	441	170	825	1435
<i>Unweighted Base</i>	98	40	145	283

Base: All workplaces answering question
Source: LSC Shropshire liP Survey (IER/IFF)

In fact, the data suggests that liP accreditation is related to a lower level of sales growth compared to non-accredited workplaces. But one should not take the relationship at face value. Larger workplaces were more likely to be liP accredited and, partly for arithmetic reasons, these companies were less likely to report large sales growth. For instance, an organisation with sales of around £200m will have to experience an increase in sales of £10m to report 5 per cent growth. This might be quite difficult to achieve. In contrast, a smaller organisation with sales of, say, £1m, need only record an increase in sales of £10,000 to report a 10 per cent increase. For this reason it is necessary to control for size of workplace (see Table 5.7).

Table 5.7
liP accreditation and sales turnover growth by size of workplace

	column percentages					
Turnover	Size of establishment					
	10-49		50-199		200+	
	Accredited (1)	Not accredited (2)	Accredited (3)	Not accredited (4)	Accredited (5)	Not accredited (6)
Increased	57	54	46	57	43	45
Decreased	17	14	22	4	10	-
Stayed the same	24	24	26	29	20	33
Don't know	2	-	6	10	27	7
Mean	16.8	29.2	9.0	17.1	11.0	15.9

Base: All workplaces answering question
Source: LSC Shropshire liP Survey (IER/IFF)

Another means of measuring organisational performance is to use the indicators the organisations themselves use to gauge their performance. Employers were asked about the targets they had to achieve – most mentioned sales and productivity – and then asked how well they had performed on these measures over the past 12 months. If one accepts that

organisations had not set themselves 'soft targets' the indication is that workplaces in Shropshire had a successful year with around 90 per cent of workplaces reporting that they had performed 'very well' or 'quite well against target (see Table 5.8).

Table 5.8
Meeting organisational performance objectives and liP status

	column percentages			
	All accredited	All committed	All neither accredited or committed	Total
How well has organisation fared against performance measures:				
Very well	53	53	45	48
Quite well	38	38	45	42
Fairly poorly	4	8	5	5
Very poorly	2	1	2	2
Don't know	2	-	3	2
Total	100	100	100	100
Mean score	81.9	80.8	78.7	79.9
<i>Weighted Base</i>	711	348	1457	2516
<i>Unweighted Base</i>	98	40	145	283

Base: All workplaces answering question

Source: LSC Shropshire liP Survey (IER/IFF)

Table 5.8 points to liP accredited or committed companies performing better against targets than non-liP ones, although the differences are not marked. Around 53 per cent of accredited companies reported that they had performed well against target compared to 45 per cent of non-accredited ones. Again size of workplace may be confounding the relationship. Meeting targets in larger organisations may be more complex due to many more factors of production that need to be controlled.

Table 5.9 addresses the relationship between size of workplace and meeting organisational objectives. The table reveals that it was in the smaller organisations that liP accreditation was associated positively with organisational performance. In larger workplaces liP accreditation appears to be related to weaker performance.

Table 5.9
liP accreditation and meeting organisational performance targets by size of workplace

	column percentages					
Performance measure	10-49		Size of establishment 50-199		200+	
	Accredited (1)	Not accredited (2)	Accredited (3)	Not accredited (4)	Accredited (5)	Not accredited (6)
Very well	56	43	45	52	30	69
Fairly well	36	45	44	45	22	31
Fairly poorly	6	6	11	-	37	-
Very poorly	2	3	-	-	-	-
Don't know	-	3	-	5	11	-
Mean score	82.1	77.5	77.9	84.6	64.0	89.8

Base: All workplaces answering question

Source: LSC Shropshire liP Survey (IER/IFF)

A final measure of performance is the relationship between employment growth and liP accreditation. The same caveats apply here as they do to the relationship between sales growth and liP discussed above. Generally, the pattern to emerge is one of liP status being associated with lower levels of employment contraction (*see Table 5.10*).

Table 5.10
Growth in employment and liP status

	column percentages			
	All accredited	All committed	All neither accredited or committed	Total
Increased	34	33	31	32
Decreased	10	18	18	16
Stayed the same	17	46	45	46
Total	100	100	100	100
<i>Weighted Base</i>	441	170	825	1435
<i>Unweighted Base</i>	98	40	145	283

Base: All workplaces answering question

Source: LSC Shropshire liP Survey (IER/IFF)

Measures of human resource performance

Analysis of the relationship between any measure of human capital or human resource development and organisational performance is made difficult by the large number of factors that interact (interest rates, exchange rates, tax levels, *etc.*) to determine how well an organisation performs. One would expect to see a more direct relationship between liP and a range of measures that address worker behaviour in the workplace. This section looks at the relationship between liP accreditation and absenteeism, workforce motivation, and recruitment problems respectively.

liP accreditation is related to lower levels of absenteeism (*see Table 5.11*). On average, liP accredited workplaces lost around 4.8 per cent of days due to absenteeism whereas non-accredited ones lost 6 per cent. If the relationship between absenteeism and liP accreditation is compared by size of workplace, it can be seen that the lower levels of absenteeism are recorded across all size bands (*see Table 5.12*).

Table 5.11
Absenteeism and liP status

	column percentages/averages			
	All accredited	All committed	All neither accredited or committed	Total
% days lost				
None	2	1	4	3
1	11	7	14	12
2	19	20	15	16
3	16	10	8	10
4	6	10	6	6
5	27	19	11	17
6-10	12	14	16	14
more than 10	5	3	10	8
Don't know	4	17	17	13
Total	100	100	100	100
Mean	4.8	4.3	6.0	5.4
Estimated % of days lost				
<i>Weighted Base</i>	441	170	825	1435
<i>Unweighted Base</i>	98	40	145	283

Base: All workplaces answering question on absenteeism

Source: LSC Shropshire liP Survey (IER/IFF)

Table 5.12
liP accreditation and absenteeism by size of workplace

Absences	column percentages					
	10-49		50-199		200+	
	Accredited (1)	Not accredited (2)	Accredited (3)	Not accredited (4)	Accredited (5)	Not accredited (6)
None	2	5	2	3	-	-
1	13	17	10	3	-	-
2	24	15	12	13	5	-
3	14	6	19	15	18	8
4	4	5	6	7	19	16
5	32	12	13	6	3	16
6-10	11	18	13	4	19	31
10+	-	9	14	18	-	-
Don't know	-	14	12	32	-	30
Mean Score	3.8	5.7	6.9	8.0	4.5	5.7

Base: All workplaces answering question on absenteeism

Source: LSC Shropshire liP Survey (IER/IFF)

Table 5.13 looks at the relationship between staff motivation and liP accreditation. The table strongly suggests that liP accreditation was associated with a more motivated workforce, with a higher proportion of workplaces with liP reporting that their staff were well motivated to do their jobs than in non-liP ones (48 per cent versus 35 per cent of workplaces).

Table 5.13
Workforce motivation and liP accreditation

Motivation of staff	column percentages			
	All accredited	All committed	All neither accredited or committed	Total
Well motivated to do their job	48	38	35	80
Quite well motivated	48	59	62	58
Not very well motivated	3	3	2	3
Not at all motivated	-	-	-	-
Don't know				
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Mean score</i>	<i>81.6</i>	<i>78.5</i>	<i>77.1</i>	<i>78.6</i>
<i>Weighted Base</i>	<i>750</i>	<i>349</i>	<i>1536</i>	<i>2635</i>
<i>Unweighted Base</i>	<i>158</i>	<i>75</i>	<i>267</i>	<i>500</i>

Base: All workplaces answering question
Source: LSC Shropshire liP Survey (IER/IFF)

The relationship between worker motivation is more or less constant across all workplace size bands with smaller and larger establishments reporting a more well motivated workforce where they had gained liP accreditation (see Table 5.14).

Table 5.14
liP accreditation and worker motivation by size of workplace

Motivation	column percentages					
	10-49		50-199		200+	
	Accredited (1)	Not accredited (2)	Accredited (3)	Not accredited (4)	Accredited (5)	Not accredited (6)
Very well	43	36	23	28	20	23
Quite well	55	62	71	63	80	65
Not very well	2	1	6	-	-	-
Mean score	80.5	77.8	72.0	74.0	73.3	70.3

Base: All workplaces answering question
Source: LSC Shropshire liP Survey (IER/IFF)

The relationship between liP accreditation and the existence of recruitment problems appears to be quite complicated. More vacancies were associated with non-liP accredited organisations, which reflected (a) the higher level of employment growth in non-liP accredited companies and (b) the lower levels of labour turnover in liP accredited ones (see Table 5.15). Hard-to-fill vacancies, however, appear to have been associated more with liP accredited organisations. A plausible interpretation of this finding – in keeping with results from the Employers Skill Survey 1999 – is that because liP companies had more dynamic product market strategies, their recruitment needs were also more demanding.

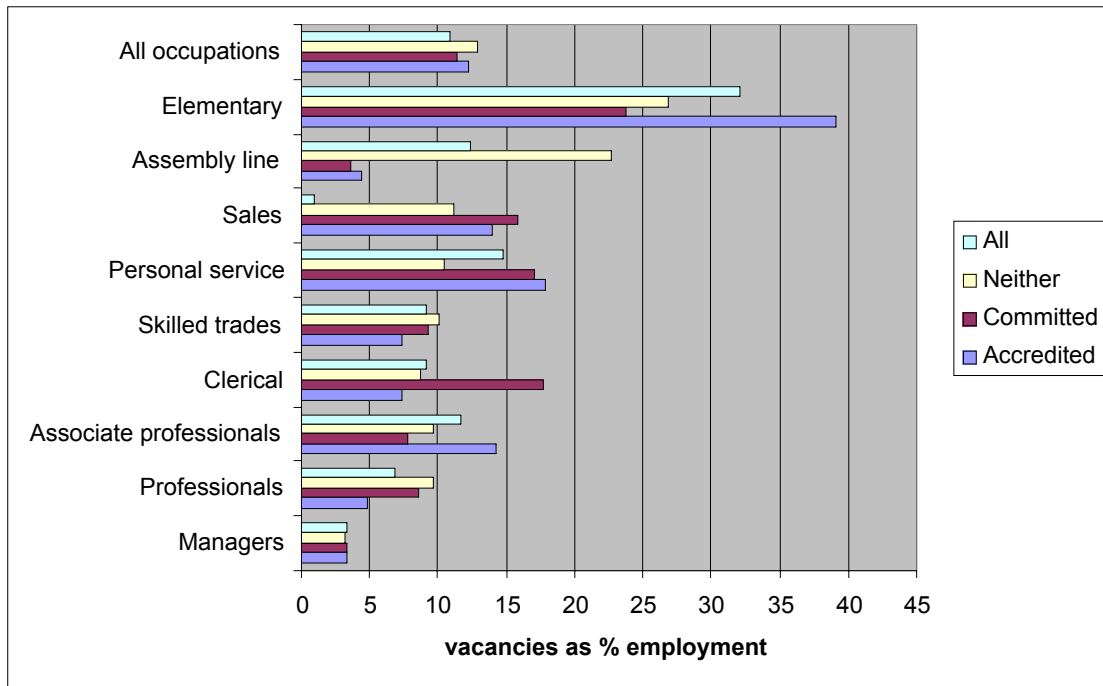
Table 5.15
liP accreditation and recruitment

Vacancies	column percentages/average			
	All accredited	All committed	All neither accredited or committed	Total
Yes	80	88	79	80
No	20	12	21	20
Total number of vacancies	4884	681	2874	8639
Mean number of vacancies	11.2	15.7	19.8	7.6
Vacancies as % employment	12	11	13	11
Hard-to-fill vacancies				
Yes	41	46	38	40
No	39	42	40	40
<i>Weighted Base</i>	<i>750</i>	<i>349</i>	<i>1536</i>	<i>2635</i>
<i>Unweighted Base</i>	<i>158</i>	<i>75</i>	<i>267</i>	<i>500</i>

Base: All workplaces answering question
Source: LSC Shropshire liP Survey (IER/IFF)

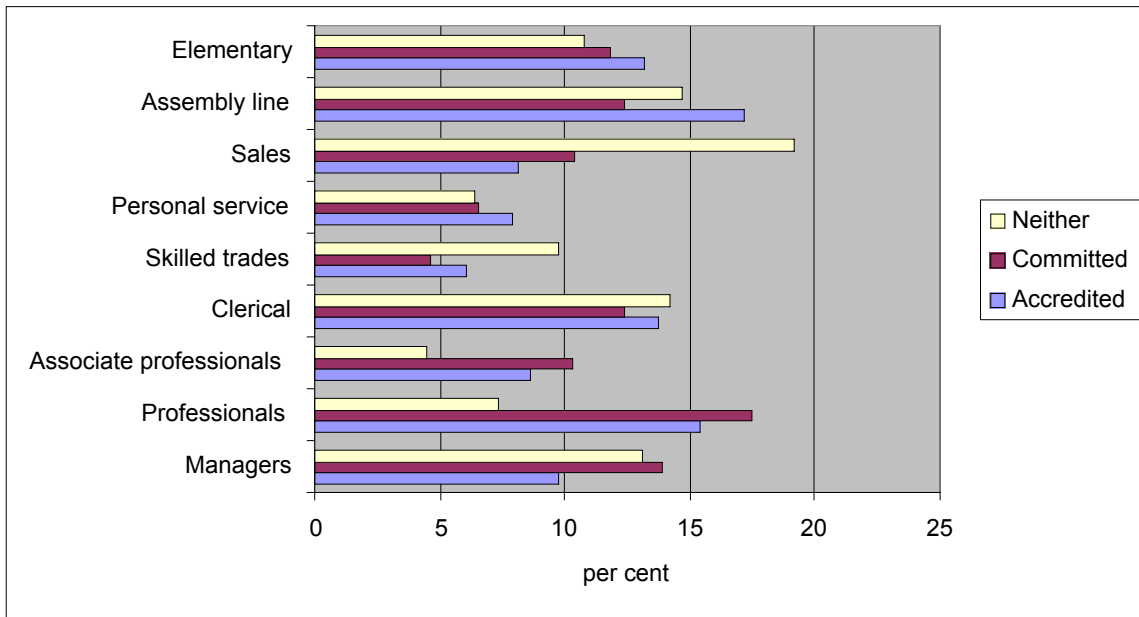
Figure 5.3 provides information about vacancies as a proportion of employment in a given occupation (vacancy rate). It indicates that liP accredited organisations were more likely to have vacancies for professional, associate professional and elementary occupations, whereas non-accredited organisations were more likely to have vacancies for clerical staff. Figure 5.4 shows how vacancies for each group of organisations were distributed by occupation.

Figure 5.3
Vacancies and liP accreditation (vacancy rates)



Base: All vacancies
Source: LSC Shropshire liP Survey (IER/IFF)

Figure 5.4
Vacancies by liP accreditation (percentages)



Base: All vacancies

Source: LSC Shropshire liP Survey (IER/IFF)

5.7 Modelling the impact of liP

The fundamental problem faced when attempting to assess the impact of liP is that many of the characteristics of companies – such as size, type of activity, public or private - are associated with both business performance measures and liP accreditation. In order to increase the robustness of any findings relating to liP impacts, it is necessary to model business performance so that differences between companies other than liP that affect business performance are taken into account on a systematic manner.

The analysis proceeded by defining a number of performance measures. The measures used were: the respondent's subjective view of how company sales had performed relative to the average for the industry over the past 12 months, whether measured turnover had increased, absentee rates and the likelihood of having an unfilled vacancy. The characteristics of companies used in the analysis related to size of establishment, industry, sector, ownership, product market position (competing on price or quality), the skill composition of the workforce.

In terms of the business performance measures, variations in turnover were strongly related to measures of establishment size, industry and sector as well as product market position and strategy. After these factors were taken into account, the impact of being liP accredited, or committed to liP accreditation in the future, was not significantly related to variations in measured turnover. When the employer's subjective view of company sales performance relative to their industry or sector is used as the dependent variable, liP accreditation becomes statistically significant (at the 95 per cent confidence level). Taken together, these findings suggest that liP companies may be operating in difficult and competitive markets. In such a business context, liP may be associated with companies that were doing well relative to their competitors, even if such businesses were struggling.

Looking at human resource measure of performance, the results were clearer cut. After taking account of other establishment characteristics, liP accreditation was significantly associated with a large reduction in the rate of absenteeism. It is interesting to note that irrespective of liP accreditation, the rate of absenteeism was significantly greater if the employer was in the public sector and lower if in the voluntary sector (relative to the average for private sector organisations). The scale of this sector effect greatly exceeded the liP effect, indicating that many other factors than liP accreditation impact on absenteeism. Looking at the ability to recruit, the multivariate analysis found that the probability of an employer having an unfilled vacancy at the time of the survey was much less if the employer was liP accredited. Again, other factors such as establishment size and the skill level of the non-manual workforce exercised a larger effect on the likelihood of having a vacancy.

The multivariate analysis sought to take account of the simultaneous impact of employer characteristics on business performance. The results suggest that being liP accredited was significantly associated with positive performance on some measures (relative sales, lower absenteeism and less likelihood of a vacancy) but that such an impact was small compared to other factors.

5.8 Conclusion

It was noted in the introduction to this Chapter that it is exceedingly difficult to test whether liP leads to improvements in organisational performance. The analysis contained in this section provides a number of conclusions:

- liP was associated with measures to improve staff motivation and reduce absenteeism, but its ability to reduce the potential for recruitment problems to arise is, as yet, less than clear;
- liP accreditation was associated with organisations in more competitive, dynamic product markets;
- there was little or no relationship between liP accreditation and business/financial measures of performance such as turnover growth. These types of performance indicator were likely to be influenced by a number of factors internal and external to an organisation, such that liP was likely to play only a small role, if any, in improving these types of indicator;
- nevertheless, large proportions of respondents reported that liP had led to important improvements – such as increases in productivity and profitability.

Bringing all this evidence together provides, at the very least, *prima facie* evidence that liP was associated with improved organisational performance in the round. It is inconceivable that if absenteeism was reduced or motivation improved there was no improvement in harder measures of organisational performance. liP appears to be part of a process employers engage in to improve their operations, hence the association between more dynamic product market strategy and liP accreditation. The survey design was such that causality cannot be demonstrated, that is the research was not capable of determining whether liP accreditation led to a more dynamic product market strategy or *vice versa*. It is probably wrong to address liP accreditation in such a manner. In reality one is probably observing a simultaneous process of strategic change that incorporates liP with a range of other factors and initiatives. Nevertheless, liP appears to be an important part of that overall package especially so in its capacity to reduce absenteeism and raise worker motivation.

6. INSTITUTIONAL RECOGNITION AND INFORMATION SOURCES

There was a high level of recognition of all local institutions amongst accredited and non-accredited organisations (see *Table 6.1*). With reference to the National Learning and Skills Council and the Learning and Skills Council Shropshire there was much lower recognition amongst non-accredited organisations. For example, whereas 64 per cent of accredited organisations had heard of Learning and Skills Council Shropshire, only 34 per cent of non-accredited ones had done so. There may well be implications for the future take-up of liP reflected in this result, on the other hand it may result from the time taken for organisations to become aware of new organisations such as the LSC. Support for the latter explanation can be found in the much higher level of recognition of the former TEC amongst both accredited and non-accredited organisations.

Table 6.1
Institutional recognition and liP status

column percentages

	liP Status			Total
	Accredited	Committed	Not accredited	
Chamber of Commerce	97	100	88	92
Employment Service	91	94	89	90
Department for Trade and Industry	93	99	83	88
Local Councils	94	92	84	88
Business Link	93	92	78	84
Training and Enterprise Council	97	90	71	78
Investors in People	87	99	58	75
Department for Education and Skills	85	80	68	74
National Learning and Skills Council	90	77	55	68
Learning and Skills Council	64	58	34	46
Department for Work and Pensions	46	33	38	39
Advantage West Midlands	41	40	26	32
<i>Weighted Base</i>	<i>750</i>	<i>349</i>	<i>1536</i>	<i>2635</i>
<i>Unweighted Base</i>	<i>158</i>	<i>349</i>	<i>267</i>	<i>500</i>

Base: All workplaces answering question
Source: LSC Shropshire liP Survey (IER/IFF)

Looking more broadly at recognition of economic development institutions, recognition of both the local and national LSC was much greater amongst larger workplaces (see *Table 6.2*). Around 78 per cent of workplaces with 200 or more employees had heard of LSC Shropshire compared to just 41 per cent of those with 10-49 employees. It is in this latter group that liP take up was lowest.

Table 6.2
Institutional recognition and size of workplace

column percentages

	Number of employees			Total
	10-49	50-199	200+	
Chamber of Commerce	91	96	96	92
Employment Service	90	95	84	90
Department for Trade and Industry	87	90	92	88
Local Councils	86	93	93	88
Business Link	82	93	88	84
Training and Enterprise Council	75	89	96	78
Investors in People	71	87	92	75
Department for Education and Skills	73	80	90	74
National Learning and Skills Council	64	79	93	68
Learning and Skills Council	41	60	78	46
Department for Work and Pensions	37	48	49	39
Advantage West Midlands	30	30	53	32
<i>Weighted Base</i>	<i>2097</i>	<i>451</i>	<i>87</i>	<i>2635</i>
<i>Unweighted Base</i>	<i>336</i>	<i>123</i>	<i>41</i>	<i>500</i>

Base: All workplaces answering question

Source: LSC Shropshire IIP Survey (IER/IFF)

Finally, there were differences in levels of recognition between local authority districts (see *Table 6.3*). The LSC Shropshire was recognised by a majority of workplaces in Shrewsbury and Atcham (56 per cent), but had a much lower recognition rate in other districts, falling as low as 29 per cent in Bridgenorth. Again this might be simply a consequence of the local LSC being a new institution as it was notable that the former TEC had high levels of recognition across all local authority districts.

Table 6.3
Institutional recognition by local authority district

column percentages

	Local Authority District						Total
	Bridgenorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire	Wrekin	
Investors in People	74	63	75	77	71	77	75
Training and Enterprise Council	83	74	94	76	74	79	78
National Learning and Skills Council	57	59	90	71	57	70	68
Learning and Skills Council Shropshire	29	33	38	56	41	49	46
<i>Weighted Base</i>	<i>233</i>	<i>232</i>	<i>162</i>	<i>646</i>	<i>239</i>	<i>1032</i>	<i>2635</i>
<i>Unweighted Base</i>	<i>44</i>	<i>55</i>	<i>31</i>	<i>131</i>	<i>41</i>	<i>198</i>	<i>500</i>

Base: All workplaces answering question

Source: LSC Shropshire IIP Survey (IER/IFF)

Where respondents had heard of LSC Shropshire, they were most likely to report that they thought the institution was concerned with the provision of training (see *Table 6.4*). Those that were IIP accredited were more likely to report that LSC Shropshire provided advice and information or financial assistance, but the differences should not be over-estimated.

Table 6.4
Functions of the local LSC by liP accreditation

column per cent

	liP status			Total	
	Accredited	Committed	Not accredited		
Provide training	27	29	35	31	
Promote training	5	4	5	5	
Aid recruitment	-	-	-	-	
Work with business, review their needs	6	2	3	5	
Branch of local government	1	9	2	1	
Provide financial support	12	-	4	8	
Provide post 16 education	4	11	3	3	
Help get people back to work	2	3	3	2	
Provide advice and information	10	-	2	6	
Replaced TEC	2	8	2	2	
Identify training needs	1	4	1	2	
Other	7	10	6	7	
<i>Weighted Base</i>	<i>750</i>	<i>349</i>	<i>1536</i>	<i>2635</i>	
<i>Unweighted Base</i>	<i>158</i>	<i>349</i>	<i>267</i>	<i>500</i>	

Base: All workplaces answering question

Source: LSC Shropshire liP Survey (IER/IFF)

liP accredited organisations were more likely to report that they used a range of publications as sources of information about training. Overall, 32 per cent of organisations reported that they used no publication compared to 11 per cent of liP accredited organisations and 44 per cent of non-accredited ones. This suggests that there may be a formidable barrier to non-accredited ones finding out about the benefits of initiatives such as liP.

7. CONCLUSION: EXTENDING liP'S TAKE UP IN SHROPSHIRE

The research presented in this report has been concerned with the take up of accreditation and implementation of Investors in People (liP) in Shropshire. National evidence, although only indicative of the situation at a local level, suggests that the accreditation rate in Shropshire was below the nationally rate and that of the West Midlands region. The LSC Shropshire survey of liP accreditation indicates a somewhat higher level of accreditation in Shropshire although the overall level of involvement with liP (when those committed to liP are taken into account) was much the same as the national figure (around 20 per cent). The survey also revealed that where employers have become Investors they have been disproportionately located in larger workplaces and in the public sector. At first glance, this suggests that there is considerable scope for improving the take up of liP in Shropshire. Yet one has to be circumspect here. The liP initiative is now over ten years old and although it has been revised over recent years, the age of this particular initiative suggests that those employers most likely to embrace the ideals of liP will have already done so. Persuading new employers to engage with the standard will require a most convincing argument for the merits of doing so.

Where workplaces had implemented liP, they found it relatively easy to do so. There appeared to be a range of support available to different types of employer to assist with the implementation. Tellingly, most liP accredited respondents reported that, given the chance, they would do it all over again. Few workplaces were willing to let their accreditation lapse. Employers were supportive of liP because they firmly believed that there were many benefits from gaining the standard, including improved profitability and productivity, as well as helping to improve worker motivation and improve human resource management systems overall.

From a research perspective it is not sufficient to rely upon what employers say the benefits of a particular intervention have been. They may be wrong in their perception and human resource managers may not be best placed to judge what impact a human resource measure has upon the complex phenomenon of profitability. A simple analysis was used to compare accredited and non-accredited liP workplaces, controlling for their size, to assess the impact of the standard on a range of business and HR measures. The key message to emerge was that liP was more likely to have a positive and direct impact on HR activity, such as worker motivation where the impact was more obvious, than on business measures such as sales growth. But this needs to be qualified. Accredited workplaces were more likely to be located in competitive markets and were seeking to introduce changes to improve their product market standing. liP will be of assistance in pushing through the types of change these organisations were trying to achieve but the benefits might not come to fruition for some time

Whilst there are strong messages about the benefits to business of obtaining liP accreditation, extending such coverage in Shropshire will increasingly mean that employers of a type that have not taken the standard on board either nationally or regionally will need to be persuaded. In many cases these will be small, private sector workplaces. Realistic target setting in the first instance should, perhaps, be to achieve the national level of liP penetration by industry and size of workplace.

ANNEX 1
THE SURVEY QUESTIONNAIRE

Office Use only:

SERIAL				CARD
(101)		(104)	(105)	

REF NO				
(106)				(110)

(111)	(112)	(113)

Address Label or Written Details	FINAL OUTCOME (CODE ONE(114-115)	
	Respondent interviewed / recruited. 01	
	Breakdown during interview..... 02	
	Out of quota (size band) 03	
	Out of quota (sector) 04	
	Out of quota (LAD) 05	
	Non qualifier ()..... 06	
	<hr/>	
	Refusal: (SPECIFY) 10	
	Not available in deadline 11	
	Ref. to other address / telephone number 12	
	No contact with resp after 5 tries..... 13	
	Unobtainable / dead line / fax number 14	
	Company closed down 15	
Respondent moved / no longer at address 16		
Wrong number 17		
Other (DESCRIBE)..... 00		

Contact Record - Please complete for every contact, however short

No	Date	Time	Spoke to	Outcome
1				
2				
3				
4				
5				
6				
7				

Please use:

NDC = No Direct Contact DC = Direct Contact NR = No Reply C/B = Call Back Eng = Engaged

ASK TELEPHONIST

S1. Is that ____ (COMPANY) at ____ (ADDRESS)?

RECORD AMENDMENTS. BUT CARRY ON.

S2. May I speak to the most senior person here who has responsibility for human resource and personnel issues?

NAME:
JOB TITLE:

ASK RESPONDENT

Good morning / afternoon, my name is _____, calling from IFF Research, an independent market research company. We're conducting a survey of local employers for the Learning and Skills Council Shropshire that explores issues relating to skills, training, and human resource practices. Participation in the study is entirely voluntary and responses will not be attributed to any individual or company.

The interview will take around 20 minutes. Results to the survey will be posted on the Learning and Skills Council Shropshire website (www.lsc.gov.uk/shropshire) when the research has been completed

[If necessary interviewer to reassure: This is not a sales call, it is genuine market research]

I would like to ask you some general questions about the activities carried out here and then about human resource issues specifically. Can I confirm you are the best person at this location to talk to?

Yes	1	
No	2	

IF NO : TRANSFER AND REINTRODUCE. **DO NOT CONTACT OTHER LOCATIONS**

NAME:
JOB TITLE:

time and part-time employees.

WRITE IN NUMBER AND CODE RANGE

NUMBER :

1 – 9		END INTERVIEW
10 – 24	2	
25 – 49	3	
50 – 99	4	
100 – 249	6	
250 – 499	7	
500 – 999	8	
1000+	9	

S4. What is the main business activity at this location?

WRITE IN FULL DETAILS AND CODE SECTOR [CODE TO SIC 2 DIGIT]

()

Manufacturing or Construction (inc agriculture and energy companies)	1	Check Quotas
Wholesale and retail including shops, hotels, restaurants, pubs, catering and repair of vehicles	2	
Transport, storage and communication	3	
Finance and business services	4	
Public administration, government, health, education	5	
Other	6	

S5. Would you classify this establishment as? READ OUT, CODE ONE ONLY

A Private sector business	1	GO TO MAIN INTERVIEW
A Public sector organisation	2	
A voluntary sector organisation	3	
Don't know	X	

INTERVIEWER: _____ INT. ID: _____ INT. DATE: _____

This survey is mainly concerned with human resource issues, such as recruitment, skills and training. However, before I ask you questions about these matters, I need to collect some background information about your organisation and its workforce. I would like to begin by asking you some questions about the workplace where you are based.

A: ABOUT THE ORGANISATION**ASK ALL**

A1. Is this workplace...

READ OUT. CODE ONE ONLY

- the only site of your organisation
- a headquarters, regional or divisional headquarters with branches elsewhere
- a branch or subsidiary or division with headquarters elsewhere in the UK
- a branch or subsidiary or division with headquarters outside of the UK
- Other *please specify*

[IF CODE 4 @ A1]

A2. Where is the headquarters based...

READ OUT CODE ONE ONLY

- Europe
- North America
- Japan
- Other (*please specify*)

ASK ALL

A3. How would you say the performance of this workplace is best measured? IF NECESSARY

PROMPT: sales, productivity, meeting budgets

SINGLE CODE1 SALES

2 PRODUCTIVITY

3 MEETING BUDGETS

4 OTHER

5 DON'T KNOW _____ GO TO A5 _____

A4. Over the past 12 months how well has this workplace performed on [MEASURE @ A3]

READ OUT. CODE ONE ONLY

- very well
- fairly well
- fairly poorly
- very poorly

ASK ALL

A5. At present would you say that this workplace is working at...

READ OUT. CODE ONE ONLY

- overload
- full capacity
- a little below full capacity
- a lot below full capacity

A6. Over the next 12 months, do you expect sales [budget if public or voluntary sector] at this establishment to...

READ OUT. CODE ONE ONLY

- increase a great deal

increase a little
stay the same
decrease a little
decrease a great deal

ASK ALL

A7. Approximately what is the gross annual sales turnover [BUDGET if public sector] of the site where you work?

£ _____

IF DON'T KNOW PROMPT WITH RANGES AND CODE BELOW

- | | |
|---|-------------------|
| 1 | Less than £50,000 |
| 2 | £50,001-100,000 |
| 3 | £100,001-500,000 |
| 4 | £500,001-1M |
| 5 | £1,000,001-5M |
| 6 | £5,000,001-20M |
| 7 | REFUSED |
| 8 | DON'T KNOW |

A8. Over the past 12 months after allowing for inflation, has turnover [BUDGET IF PUBLIC /VOLUNTARY SECTOR]...

READ OUT. CODE ONE ONLY

increased	
decreased	
stayed the same	CHECK A11
don't know	CHECK A11

A9. Approximately by what percentage has sales turnover [budget if public sector] increased/decreased?

WRITE IN % _____

IF DON'T KNOW USE RANGES TO PROMPT

less than 5 per cent
5-9 per cent
10-14 per cent
15-19 per cent
20-25 per cent
25-49 per cent
50-74 per cent
75 -99 per cent
100 per cent
more than 100 per cent

A10. What has been the main reason for the increase/decrease in turnover [BUDGET IF PUBLIC SECTOR]? WRITE IN. PROBE FULLY.

ASK IF PRIVATE SECTOR ONLY at S5

A11. How applicable are the following statements to the main product or service provided by this establishment...very applicable, fairly applicable, not very applicable, not at all applicable,

READ OUT

it is a standard quality product or service that competes mainly on price
it is a high quality product or service that is tailored to individual customer requirements
we face serious competition from low cost foreign imports
competitive success does depend mainly on price
it is a product or service aimed primarily at the mass market

ASK IF PRIVATE SECTOR ONLY AT S5

A12. On the same scale how applicable are the following statements...very applicable, fairly applicable, not very applicable, not at all applicable

The market for our main product or service will remain strong for at least the next five years we are currently implementing, or are about to implement, plans to move into new high quality product or service areas with higher profit margins
we are currently implementing, or are about to implement, plans to significantly improve the quality of our existing range of products or services

ASK IF PRIVATE SECTOR ONLY AT S5

A13. Over the past 12 months, compared with other workplaces in the UK operating in the same industry would you say that sales performance has been...

READ OUT. CODE ONE ONLY

very much better
better
the same
worse
very much worse

ASK IF PUBLIC OR VOLUNTARY SECTOR ONLY at S5

A13a. How applicable are the following statements to the main product or service provided by this establishment? Read out. Very applicable, fairly applicable, not very applicable or not at all applicable...

It is a standard quality product or service

It is a high quality product or service which is tailored to individual customer requirements

A14. In what year was this workplace founded
_____ [PROMPT AS NECESSARY]

A15. Has this workplace attained any quality standards?

Yes

No GO TO A17

A16. What are they? [RECORD ALL MENTIONED. DO NOT READ OUT]

Investors in People

BS5750

ISO9001

BQM

Charter Mark

Other (please specify)

ASK ALL

A17. How do you monitor the quality of work in this workplace?

WRITE IN. PROBE FULLY

B: EMPLOYMENT

I would now like to ask you some questions about employment at the workplace or site where you usually work.

- B1. Earlier you mentioned that [ANSWER @ S3] were employed at this workplace. Approximately how many are women?

IF DON'T KNOW, ESTIMATE (OR OFFER ANSWER IN %)

- B2. And approximately how many are part-time? – that is working fewer than 30 hours a week

IF DON'T KNOW, ESTIMATE (OR OFFER ANSWER IN %)

IF ANY PART TIME AT B2 AND ANY WOMEN AT B1 ASK B3

- B3. How many of these part-time staff are women?

IF DON'T KNOW, ESTIMATE (OR OFFER ANSWER IN %)

ASK ALL

- B3A. How many people were employed at this workplace 12 months ago?

WRITE IN NUMBER _____
IF DON'T KNOW, ESTIMATE _____

- B4. How many people have left the employment of this workplace over the last 12 months?

WRITE IN NUMBER _____
IF DON'T KNOW, ESTIMATE _____

- B5. What has been the main reasons for the increase/decrease in numbers employed?

IF NUMBER AT S3 IS GREATER THAN NUMBER AT B3A USE INCREASE

IF NUMBER AT S3 IS LESS THAN NUMBER AT B3A USE DECREASE

IF NUMBER AT S3 IS SAME AS NUMBER AT B3A SKIP TO B6

Increase

Increase in business turnover/budget

increase in profit

move into new business areas

company restructuring

introduction of new working practices

other

Decrease

decrease in business turnover/budget

decrease in profit

withdrawal from business areas

introduction of new working practices

redundancies

high staff turnover

ASK ALL

B6 I'd like to ask you to break down your workforce into nine specific categories. You might like to write these nine categories down as a list you can see in front of you. These categories are... [LIST CATEGORIES WITH EGs]
 Would you like to record staff details as a percentage or as actual numbers of staff?

Approximately, what proportion of staff at this establishment are employed as/How many of your staff are employed as... ?

READ OUT

Managers and senior officials E.G. DIRECTORS, SENIOR GOVERNMENT OFFICIALS, SENIOR POLICE OFFICERS	_____	
	%	
Professional occupations e.g. professional engineers, scientists, accountants, teachers, solicitors, architects, librarians	_____	
	%	
Associate Professional and technical occupations e.g. laboratory technicians, junior police officers, design and media professionals, nurses, artists	_____	
	%	
Administrative and secretarial occupations e.g. clerks, computer operators, secretaries, telephonists	_____	
	%	
SKILLED TRADES OCCUPATIONS e.g. fitters, electricians, farmers, computer engineers, bricklayers	_____	
	%	
Personal service occupations e.g. catering staff, hairdressers, caretakers	_____	
	%	
Sales and customer service occupations Till operators, telesales staff, call centre staff, market traders	_____	
	%	
Process, plant and machine operatives e.g. machine operators, drivers, scaffolders, assembly line workers	_____	
	%	
Elementary occupations e.g. labourers, cleaners, domestic staff, security guards, postal workers, bar staff, shelf fillers, waiters	_____	
	%	
	<u>100%</u>	

CHECK BACK TO S3 TO CONFIRM TOTAL EMPLOYEE NUMBERS

B7 Over the past 12 months, what proportion of working days was lost through employee sickness or absence? PROBE FOR BEST ESTIMATE

EXACT FIGURE _____ %
IF ABSOLUTE NUMBERS RECORD
Don't know

C: RECRUITMENT AND SKILLS

The next section deals with recruitment and skills issues

C1. Over the past 12 months have you had any job vacancies?

Yes
No GO TO C8

C2. In what occupations were the vacancies?

occupation1
occupation2
occupation3
occupation4
occupation5
occupation6

C3. How many vacancies have you had for [OCCUPATIONS @ C2]

C4. How many vacancies for [OCCUPATIONS @ C2] are currently unfilled?

WRITE IN NUMBER

None

C5. Did any vacancy for [OCCUPATIONS @ C2] prove hard-to-fill?

Yes
No

ASK IF ANY HARD TO FILL VACANCIES AT C5, ELSE GO TO C8

C6. What has been the main reason for the hard-to-fill vacancies at this site either currently or over the last 12 months? DO NOT READ OUT. CODE ALL MENTIONED

Too much competition from other employers	1
Not enough people interested in doing this type of job	2
Poor terms and conditions (e.g. pay) offered for post	3
Low number of applicants with the required skills	4
Low number of applicants with the required attitude, motivation or personality	5
Low number of applicants generally	6
Lack of work experience the company demands	7
Lack of qualifications the company demands	8
Poor career progression / lack of prospects	9
Other (WRITE IN)	0

C7. What has been the impact on the business of hard-to-fill vacancies?

READ OUT. CODE ALL MENTIONED YES NO

Loss of business or orders to competitors	1	1
Delays developing new products or services	2	2
To withdraw from offering certain products or services altogether	3	3
Difficulties meeting customer service objectives	4	4
Difficulties meeting required quality standards	5	5
Increased operating costs	6	6
Difficulties introducing technological change	7	7
Difficulties introducing new working practices	8	8
Other (WRITE IN)	0	0

ASK ALL

C8. I would now like to ask you about the skills of your existing workforce. What proportion of your existing staff at this establishment who work in _____ [OCCUPATION EMPLOYED AT B6] would you say were fully proficient at their jobs?

- all of them,
- nearly all of them
- over half
- some but under half
- very few
- none of them ?

	All	Nearly all	Over half	Some but under half	Very few	None
Managers and senior official	1	2	3	4	5	6
Professional occupations	1	2	3	4	5	6
Associate Professional and technical occupations	1	2	3	4	5	6
Administrative and secretarial occupations	1	2	3	4	5	6
Skilled trades occupations	1	2	3	4	5	6
Personal service occupations	1	2	3	4	5	6
Sales and customer service occupations	1	2	3	4	5	6
Process, plant and machine operatives	1	2	3	4	5	6
Elementary occupations	1	2	3	4	5	6

[IF ANY NOT FULLY PROFICIENT @ C8. IF ALL FULLY PROFICIENT GO TO C11]

C9. What are the main reasons for staff not being fully proficient at their job?

DO NOT READ OUT. CODE ALL MENTIONED

Failure to train and develop staff	1
Recruitment problems	2
High staff turnover	3
Inability of the workforce to keep up with change	4
Lack of experience/recently recruited	5
Staff lack motivation	6
Other (WRITE IN)	0

C10 Is the fact that some of your staff are not fully proficient causing this establishment ...?

READ UOT. CODE ALL MENTIONED

To lose business or orders to competitors	1
Delays developing new products or services	2
To withdraw from offering certain products or services altogether	3
Difficulties meeting customer service objectives	4
Difficulties meeting required quality standards	5
Increased operating costs	6
Difficulties introducing technological change	7
Difficulties introducing new working practices	8
No particular problems	9

Wages

C11 Thinking about the typical manual worker at this site, what would their typical **gross** wage be, excluding any overtime payments (that is, before income tax, national insurance and other deductions)?

1. Don't employ manual workers – Skip to C14
2. Do employ manual workers

£ _____ . _____ p

C12. Is that...
hourly
weekly
four weekly
monthly
annually

C13. How many hours in total would that typical manual employee work per week?
_____hours

ASK ALL

C14. And thinking about the typical non-manual worker, but excluding managers, what would their typical gross salary be, excluding any overtime payments (that is before tax, national insurance and other deductions)?
1. don't employ non-manual workers skip to C17
2. do employ non-manual workers continue
£_____.____p

C15. Is that...
hourly
weekly
four weekly
monthly
annually

C16. How many hours in total would that typical non-manual employee work per week?
_____hours

ASK ALL

C17. Generally speaking would you say that the typical employee at this workplace is...
READ OUT
very well motivated to do their job to the best of their ability
quite well motivated
not very motivated
not at all motivated

C18. What makes you say that?
WRITE IN. PROBE FULLY

ASK IF MANUAL WORKERS AT C11

C19. Generally speaking would you say that the typical manual employee has...
READ OUT

- a very high degree of autonomy over how they do their job
- a fairly high degree autonomy
- a little autonomy
- no autonomy at all

ASK IF NON-MANUAL WORKERS AT C14

C20. And generally speaking would you say that the typical non- manual employee has...

READ OUT

a very high degree of autonomy over how they do their job

a fairly high degree autonomy

a little autonomy

no autonomy at allASK IF MANUAL WORKERS AT C11

C21. Thinking about the typical manual job at this workplace, would you say that job was...

READ OUT

very highly skilled?

quite highly skilled

not very skilled

not at all skilled

ASK IF NON-MANUAL WORKERS AT C14 (OTHERS ASK D1)

C22. And how would describe the typical non-manual job at this workplace...

READ OUT

very highly skilled

quite highly skilled

not very skilled

not at all skilled

D: TRAINING ACTIVITIES

I would now like to ask you some questions about training activities at this site.

D1 Which of the following exist at your workplace or site in formal written format...
 READ OUT AND CODE ALL MENTIONED

	Yes	No	Don't know
A business plan	1	2	X
A human resources plan that forecasts the number and types of staff that will be needed in the year ahead	1	2	X
A training plan that specifies in advance the level and type of training your employees will need in the coming year	1	2	X
A budget for training expenditure	1	2	X

ASK IF A BUDGET FOR TRAINING EXPENDITURE AT D1, ELSE GO TO D3

D2. What is the value of your training budget?
 £ _____
 IF DON'T KNOW PROMPT WITH PRECODES

Under £1000	1
£1000-4999	2
£5000-9999	3
£10,000-19,000	4
£20,000-49,000	5
£50,000-£99,000	6
£100,000-149,000	7
£150,000-199,000	8
£200,000-249,000	9
£250,000-299,000	10
£300,000+	11
Don't know	X

D3. Does this workplace regularly engage in **on-the-job** training (E.G. any training that is conducted whilst doing their current job) of...
 READ OUT AND CODE ALL MENTIONED

	yes	no	Don't know
Established employees requiring updating of their skills	1	2	X
New recruits who are experienced workers	1	2	X
Young people beginning their careers	1	2	X

ASK IF ANY ON-THE-JOB TRAINING AT D3, ELSE GO TO D5

D4 Who carries out any on-the-job training?
 DO NOT READ OUT

- company trainers
- further education college
- private training provider
- supervisors/line managers
- other work colleagues
- other

D5. Does this workplace regularly engage in **off-the-job** training (e.g. any training that is conducted away from their current workstation, this does not necessarily have to be off site) of...

READ OUT AND CODE ALL MENTIONED

	yes	no	Don't know
Established employees requiring updating of their skills	1	2	X
New recruits who are experienced workers	1	2	X
Young people beginning their careers	1	2	X

ASK IF ANY OFF-THE-JOB TRAINING AT D5, ELSE GO TO D9

D6 Which of the following types of off-the-job training have you arranged or funded for employees at this location over the last 12 months

READ OUT AND CODE ALL MENTIONED

	Yes	No	DK
Induction training	1	2	X
Health & Safety or First Aid training	1	2	X
Job specific training	1	2	X
Supervisory training	1	2	X
Management training	1	2	X
Training in new technology	1	2	X
Training in foreign languages	1	2	X
SOFT OR GENERIC SKILLS TRAINING (SUCH AS TEAM WORKING, CUSTOMER HANDLING, TIME MANAGEMENT OR PERSONAL DEVELOPMENT)	1	2	X

D7 Who provided your off-the-job training?

DO NOT READ OUT

- company training centre/department
- local further education college
- university
- private sector training provider
- other

D8. For how many of your employees has this establishment arranged or funded off-the-job training over the past 12 months

_____number

OFFER IN %

IF DON'T KNOW PROMPT WITH RANGES

Less than 10%	1
Between 10-20%	2
21%-30%	3
31%-40%	4
41%-50%	5
51%-60%	6
61%-70%	7
71%-80%	8
81%-90%	9
91%-100%	10

ASK IF ANY TRAINING PROVIDED AT D3 OR D5, ELSE GO TO D13

D9 Do you currently have anyone training as a Modern Apprentice at this site?
No GO TO D11
Yes

ASK IF YES AT D9

D10 How many Modern Apprentices do you have in total?

WRITE IN NUMBER _____

D10A How many of these are...? Read out

WRITE IN NUMBER FOR EACH TYPE OF MODERN APPRENTICESHIP	
Advanced level	
Foundation level	

Check to ensure numbers at D10a equal number at D10.

D11 Apart from Health and Safety or First Aid training, does any of your training lead to a formal qualification?

No GO TO D13
Yes

D12 What type of qualification(s) does any of your training lead to?

DO NOT READ OUT. CODE ALL THAT APPLY

NVQ level 1
NVQ Level 2
NVQ Level 3
NVQ Level 4/5
Other – Please Specify

WRITE IN ANY QUALIFICATIONS MENTIONED

D13 Is there any training your workforce needs but you find difficult to obtain?

No
Yes

IF YES AT D13

D14 What kind of training has been difficult to obtain?

WRITE IN ANY TRAINING NEED MENTIONED

D15. What limits the amount of training you do?

DO NOT PROMPT. CODE ALL THAT APPLY

the cost of training

the quality of training offered by providers

do not have staff to deliver training

cannot afford staff time off for training

no one is skilled at identifying training needs

not been able to see benefits of training

cannot find type of training needed

concerns over trained staff taking jobs in other companies

other – write in

no barriers

don't know

D16. Do you operate a formal system of staff appraisal in this workplace?

yes

no GO TO SECTION E

D17. Is this appraisal linked to training activity?

yes

no

E: IIP IMPLEMENTATION

E1. Have you heard of Investors in People

Yes

No **GO TO SECTION H**

E2. Is the site or workplace where you are based currently accredited as an Investor in People?

[READ OUT]

1. Yes, accredited

2. Committed and currently implementing

GO TO SECTION F

3. Committed but not yet started

GO TO SECTION F

5. None of the above

GO TO SECTION G

E3 Who has been accredited?

READ OUT

whole company of which this workplace forms a part

all departments at this site

some departments/sections at this site

E5 What percentage of staff at this site are covered by Investors in People status?

WRITE IN %

E6. When did you commence the process of accreditation?

_____year _____month

E7. And when did obtain Investors in People Status

_____year _____month

E8. Who made the decision to seek Investors in People Status

Read out

head office/company policy

senior manager(s) at this site

head of section or department

other

E9 Why did you want Investors in People status? **[DO NOT READ OUT] CODE ALL THAT APPLY**

increase profitability (efficiency if public sector)

improve productivity of company

improve motivation of staff

reduce absenteeism

improve human resource systems

increase the amount of training undertaken

Improve quality of training

good marketing tool

Other

E10. Generally speaking, has Investors in People
Read out. Code all that apply

	Yes	no	don't know
Increased profitability [EFFICIENCY if public sector	1	2	X
Improved productivity of company	1	2	X
Improved motivation of staff	1	2	X
Reduced absenteeism	1	2	X
Improved human resource systems	1	2	X
Increased the amount of training undertaken	1	2	X
Improved quality of training	1	2	X
Been a good marketing tool	1	2	X

ASK ALL IN SECTION

E11. Did you initially approach an organisation about obtaining Investors in People status or were you contacted by an organisation

We contacted an organisation

We were contacted by an organisation

E11A. Who did you initially approach/Or who were you approached by about gaining Investors in People status? Do not read out. Code all that apply

Training and Enterprise Council

Learning and Skills Council Shropshire

Chamber of Commerce

Investors in People

Business Link

Department for Trade and Industry

Department for Education and Skills

Department for Work and Pensions

Employment Service/Jobcentre

Local councils

Advantage West Midlands/Regional Development Agency

Other (*please specify*)

E12. How easy was it to find the information you required? Read out. Code one only

Very easy

Quite easy

Quite difficult

Very difficult

E13. Which route to obtaining the standard did you take? Read out. Code one only

Special advisor

Developmental assessment

E14. Has this workplace been reassessed yet?

Yes

No go to E17

E15. When did the reassessment take place?

_____year

E16 [IF YES @ E14]

Did you pass your assessment?

Yes – go to E20

No - go to E18

E17. [IF NO @ E14]

When is your re-assessment due?

_____year

E18. Will you enter for reassessment?

- Yes go to E20
- No go to E19

E19. IF NO @E18 Why is that?

ASK ALL IN SECTION

E20. Please can you tell me if you strongly agree, agree, disagree, or strongly disagree with the following statements

[READ OUT/ROTATE]

- the process of assessment is overly bureaucratic
- the process of assessment is time consuming
- the costs of achieving Investors in People outweighs the benefits
- Investors in People has made us think much more about how well we treat our staff
- Investors in People has made us think much more about our training needs
- Investors in People has fundamentally and positively altered how we have gone about our business
- We are more competitive because of Investors in People
- We would not go in for Investors in People again

E21. What changes did you introduce as a consequence of introducing Investors in People

Not had to change GO TO E23

Write in. probe fully _____

[USE PILOT TO DEVELOP PRECODES]

ASK E22 IF CHANGES INTRODUCED AT E21

E22. Do you think that this workplace would have introduced [EACH TYPE OF CHANGE MENTIONED @ E21] even without Investors in People?

READ OUT

- Yes
- Yes, but would have taken longer
- No

ASK IF NOT HAD TO CHANGE AT E21

E23. Why was no change necessary?

ASK ALL IN SECTION

E24. Thinking about what you had to do to achieve Investors in People status, how could the process of achieving Investors in People be improved?

WRITE IN _____

E25. Thinking about the current content of the Investors in People standard, how could the standard be improved?

WRITE IN _____

NOW GO TO SECTION H

F: COMMITTED TO IIP

- F1. When did you commence the process of accreditation?
_____year _____month
not yet started
- F2. Who is seeking accreditation? READ OUT. CODE ONE ONLY
the whole company of which this workplace forms a part
all departments at this site
some departments/sections at this site
- F3. What percentage of staff at this site will be covered by Investors in People status when accredited?
WRITE IN _____ %
- F4. Who made the decision to seek Investors in People Status? Read out. Code all that apply
head office/company policy
senior manager(s) at this site
head of section or department
other
- F5. Have you had your initial assessment?
Yes
No
- F6. Do you think you will complete the process of gaining accreditation?
Yes
No
- F7. [IF NO @ F6] Why is that?
WRITE IN _____ Go to F10
- F8. [IF YES @ F6] And when do you expect to obtain Investors in People Status
_____year _____month
- F9. [IF YES @F6] Why do you want Investors in People status
[DO NOT READ OUT]
increase profitability (efficiency if public sector)
improve productivity of company
improve motivation of staff
reduce absenteeism
improve human resource systems
increase the amount of training undertaken
Improve quality of training
Good marketing tool
Other

ASK ALL IN SECTION

- F10. Did you initially approach an organisation about obtaining Investors in People status or were you contacted by an organisation

We contacted an organisation
We were contacted by an organisation

F11. Who did you initially approach/were approached by about gaining Investors in People status? DO NOT READ OUT. CODE ALL THAT APPLY

- Training and Enterprise Council
- Learning and Skills Council Shropshire
- Chamber of Commerce
- Investors in People
- Business Link
- Department for Trade and Industry
- Department for Education and Skills
- Department for Work and Pensions
- Employment Service/Jobcentre
- Local councils
- Advantage West Midlands/Regional Development Agency
- Other (please specify)

F12. How easy was it to find the information you required?

READ OUT. CODE ONE ONLY

- Very easy
- Quite easy
- Quite difficult
- Very difficult

F13. Had you ever previously been in contact with [organisations @ F11] to seek advice about human resource, recruitment or training matters?

- Yes
- No

F14. At this stage of your assessment please tell me if you strongly agree, agree, disagree, or strongly disagree with the following statements

[READ OUT/ROTATE]

- the process of assessment is overly bureaucratic
- the process of assessment is time consuming
- the costs of achieving Investors in People are likely to outweigh the benefits
- Investors in People is making us think much more about how well we treat our staff
- Investors in People is making us much more about our training needs
- Investors in People is beginning to fundamentally and positively alter how we go about our business

F15. What changes will you have to introduce or have you already introduced as a consequence of introducing Investors in People

Nothing GO TO F17.

[USE PILOT TO DEVELOP PRECODES]

F16. Do you think that this workplace would have introduced [EACH TYPE OF CHANGE MENTIONED @ F15.] these changes even without Investors in People?

- Yes
- Yes, but would have taken longer
- No

NOW GO TO SECTION H

ASK IF NOT HAD TO CHANGE AT F15.

F17. Why is no change necessary?

GO TO SECTION H

G: NON-IMPLEMENTORS

- G1. Can I just check: at any time in the past has this workplace ever considered gaining Investors in People status?
Yes
No GO TO G4.

ASK IF YES AT G1

- G2. Can I just check: are you committed to achieving Investors in People status?
Yes GO TO SECTION F
No

- G3. Why did you decide not to proceed towards obtaining Investors in People?
WRITE IN _____

ASK ALL IN SECTION

- G4. Have you ever used any of these organisations to obtain information about human resource, recruitment and training matters?
[READ OUT] CODE ALL THAT APPLY
Training and Enterprise Council
Learning and Skills Council Shropshire
Chamber of Commerce
Investors in People
Business Link
Department for Trade and Industry
Department for Education and Skills
Department for Work and Pensions
Employment Service/Jobcentre
Local councils
Advantage West Midlands/Regional Development Agency
Other (*please specify*)

- G5. Have you ever received any information about Investors in People?
Yes ASK G6
No ASK G7

- G6. IF YES @G5 ASK: From whom did you obtain the information? DO NOT READ OUT
Training and Enterprise Council
Learning and Skills Council Shropshire
Chamber of Commerce
Investors in People
Business Link
Department for Trade and Industry
Department for Education and Skills
Department for Work and Pensions
Employment Service/Jobcentre
Local councils
Advantage West Midlands/Regional Development Agency
Other (*please specify*)

ASK ALL IN SECTION

- G7. Are you interested in knowing more about Investors in People?
Yes
No

G8. From what you have heard of Investors in People please tell me if you strongly agree, agree, disagree, or strongly disagree with the following statements

[READ OUT/ROTATE]

the process of assessment is overly bureaucratic

the process of assessment is time consuming

the costs of achieving Investors in People are likely to outweigh the benefits

Investors in People makes you think much more about how well you treat your staff

Investors in People makes you think much more about your training needs

G9. Over the next five years, how likely is that you will become Investors in People accredited?

READ OUT. CODE ONE ONLY

Very likely

Fairly likely

Not very likely

Not likely at all

G10. Why do you say that?

H: INFORMATION ABOUT HUMAN RESOURCE ISSUES

That almost completes the questionnaire. I would like to conclude by asking three very general questions. These are:

ASK ALL

H1 Before today, had you heard of any of the following organisations?
(READ OUT BUT DO NOT ASK ABOUT ORGANISATIONS MENTIONED AT E11, F11, G4 OR G6)

1. Training and Enterprise Council
2. The National Learning and Skills Council
3. Learning and Skills Council Shropshire
4. Chamber of Commerce
5. Investors in People
6. Business Link
7. Department for Trade and Industry
8. Department for Education and Skills
9. Department for Work and Pensions
10. Employment Service / Jobcentres

11. Local councils

12. Advantage West Midlands/Regional Development Agency

ASK IF CODE 10 AT H1 (OR IF CODE 10 MENTIONED AT E11A / F11/G4/G6

H1A Have you heard of Jobcentre Plus?

Yes

No

(ASK ONLY IF YES AT CODE 2 AT H1, OR E11A/F11/G4/G6)

H2 What do you understand the Learning and Skills Council Shropshire to do?

WRITE IN

H4 And, can you list any publications you regularly look at specifically in regard to training and workforce development..

H3 Finally, can you list any publications that you regularly look at in regard to the operation of your business. Please mention professional journals, newspapers and internet websites (where relevant).

J: END OF INTERVIEW

THANK RESPONDENT AND CLOSE INTERVIEW

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