

# National Employer Service

## Effective Practice: Developing Your Workforce

### *1. The Benefits of Training*

#### **The NES Effective Practice Series:**

This guide is one of a series commissioned by the Quality Improvement Agency and developed by York Consulting LLP. The series is based on interviews with senior management, assessors, instructors and employees on training programmes in large, nationally recognised companies that receive Government funding for training through the LSC's National Employer Service (NES).

This series recognises the benefits to these companies of undertaking structured training programmes leading to externally recognised qualifications, and presents effective practice examples identified through delivering key programme elements.

Any opinions, findings, conclusions, or recommendations expressed in this report are those of the authors and contributors and do not necessarily represent QIA's views.

#### **About this Guide**

In the post-Leitch World, the Government is encouraging companies to provide employees with externally assessed, verified and recognised qualifications.

With increased competition from overseas, the Government sees the continued success of the UK economy inextricably tied to an up-skilling of the workforce.

But what are the benefits to individual companies from establishing structured training programmes leading to externally recognised qualifications? In the first of this series, we examine the benefits that companies who contract with the NES derive directly from the programmes they have established.

## *Employers Featured in this Guide*

### **Doosan Babcock**

Doosan Babcock is a multi-national engineering and technology company that operates in industries including thermal and nuclear power generation.

An Ofsted inspection of their NVQ programmes in September 2007 assessed provision as Good (Grade 2) in five out of six inspection areas.

### **Robert Wiseman**

Robert Wiseman Dairies are one of the leading suppliers and processors of dairy products in the United Kingdom.

Their completion and success rates on their programmes that receive some Government funding have shown significant improvement in recent years.

### **Royal Mail**

Royal Mail is the letters and parcels business of the Royal Mail Group Ltd, one of the largest employers in the UK.

Royal Mail's Ofsted inspection in May 2007 and training was assessed as Good (Grade 2) in five out of six inspection areas and Excellent (Grade

### **British Gas**

British Gas is the United Kingdom's leading domestic energy supplier.

An Ofsted inspection of the British Gas training academy occurred in July 2007. British Gas achieved a judgement of Excellent (Grade 1) in five out of six inspection areas.

### **Biffa**

Biffa is a leading integrated waste management business in the UK which operates across the breadth of the waste management value chain. NVQs are delivered as part of the Train to Gain service, with over 95% success rates

### **Land Rover**

Land Rover is an international car manufacturer and retail company, owned by parent company Tata Motors.

A recent Ofsted inspection was very positive, with the company receiving a grade 2 (Good) for the effectiveness of their provision.

### **Dollond and Aitchison**

Dollond and Aitchison is one of the country's leading high street optometrists and corrective lens retailers.

The company created and developed the Apprenticeship Framework for Optical Advisors.

***Royal Mail: Investing in Training to Improve Retention***

The Skills Deployment Manager at Royal Mail has undertaken in-depth research looking at the returns to the business of employees undertaking an NVQ qualification. For apprentices on the Mail Services NVQ, the Royal Mail has calculated that there has been a considerable cost-saving due to the improved retention and reduction in unplanned sickness and absence highlighted in the table below.

	<b>Before</b>	<b>After</b>
Retention	64%	87%
Unplanned Absence	9%	1%
Sickness	9%	3%

*“A culture of lifelong learning is necessary to develop a talent pool to lead the organisation forward in the future”*

*Skills Framework Manager, Royal Mail*

***Royal Mail: Investing in Training as Part of Company Culture***

The Royal Mail culture is to offer training to all employees, whether this is Government funded training or not. Government funded programmes represent a very small proportion of the total training provision offered by the Royal Mail – in reality they deliver more unfunded qualifications. Royal Mail believes that investing in the skills of its workforce is the best way to secure the company’s future.

***British Gas: Investing in Training to Instil and Promote the Company's Values***

British Gas has four core values that they expect all their employees to demonstrate through their work. These values include 'We wear the customer's shoes' and 'We go the extra mile' which apprentices can easily apply to providing excellent customer service.

The Training officers' approach to delivery helps ensure that apprentices 'own' these four values. For example, by demonstrating integrity, Training officers show that they 'Deliver on our promises'. The Duke of Edinburgh Gold Award Scheme also reinforces these core values starting with a week long residential that is focused on team working and the value 'We bring out the best in each other'.

*"Essentially we are a provider of learning and we want to develop a lifelong learning programme for Jaguar and Land Rover."*

Programme Development Manager

***Land Rover: Enhancing Existing Provision & Supporting Progression***

Land Rover has used the NES funding to enhance a structured training programme for apprentices to support its national business, both centrally and within its dealerships. There is a clear business motive to develop the staff for the future, with early evidence indicating success at retaining and developing former apprentices to become supervisors and managers.

***Doosan Babcock: Investing for Client Confidence***

Current and future high skills levels are important for companies like Doosan Babcock who operate in technologically advanced and capital-intensive industries.

Large capital projects such as electricity generation plants, whether they are the proposed carbon capture coal fired stations or the next generation of nuclear plants, will need significant and long-term maintenance once completed.

The Welding Apprenticeship programme gives Doosan Babcock's clients confidence that the industry's need for expert welders will be met and that long term contracts will continue to be delivered.

*"We are firmly committed to grass roots training."*

*HR Manager*

*"We believe we have the best welding school in Europe."*

*HR Manager*

***Doosan Babcock: Investing in Training to Improve Recruitment***

Doosan Babcock offer first class training in top quality facilities, predominantly at their centre in Tipton which is ECITB approved to provide NVQ training and assessment.

In an industry where it can be tough to recruit young, talented individuals, the quality of the training offered does not just produce top quality employees but also works as a tool to attract the people. The views and experience of apprentices suggests that Doosan Babcock's training is a significant incentive to joining the company.

*"It will be good to say that I trained at Babcock's: it means a lot in this industry."*

*Doosan Babcock Apprentice*

***Dollond & Aitchison: Real Financial Benefits***

The benefits to the company of their training programmes are measured in increased staff retention and customer satisfaction, but also in improved productivity.

D&A invest around £2k in each learner who undertakes the NVQ Level 2, spending around £400k on the programme each year. The company measures the Return on Investment through the Average Value of Sales per employee and Customer Satisfaction rates.

After progressing from a Trainee Optical Adviser to Optical Adviser level (NVQ Level 2), there is a £7 increase in the average value of sales generated per employee. This is because their product knowledge is better and they are more confident when describing the merits of higher value products to customers.

There is a £15 increase in the average value of unit sales from Trainee Optical Adviser to Senior Optical Adviser (NVQ Level 3). Contact lens sales are not included in these figures but are also expected to increase as trainees progress which will provide an even greater Return on Investment.

*"In order to make recommendations to customers, you need to know the products you have available. If you don't have that knowledge, you won't be able to be outgoing and talk confidently about them."*

*Branch Manager*

*"The training makes you more aware of the importance of cutting down on accidents and the savings the company can make as well as the bad advertisement of accidents happening."*

*Biffa employee on Driver Training Programme*

***Biffa: Training to Cut Business Costs***

The need for the training was identified out of a specific business requirement. The company had identified that they were experiencing a high incidence of accidents per year. With around 1,800 vehicles, they were experiencing almost one accident per vehicle per year.

Introducing the driver training programme has reduced this accident rate, with significant savings to the company.

***Robert Wiseman Dairies: Investing in Training as a Socially Responsible Employer***

For Robert Wiseman Dairies, the desire to be a socially responsible employer that genuinely cares for its staff, complements rather than contrasts with the needs to raise productivity, improve recruitment and retention.

Importantly for the 'keep it in-house' ethos of Robert Wiseman Dairies it ensures the company develops the talent to identify future leaders at all levels.

*"We now assess what training is right for the business and the workforce."*

Work Based Learning Manager

*"As a principal Robert Wiseman is committed to training. If you do not train your staff, you have a limited future."*

HR Director