WCS

World Class
Skills Programme
Developing Responsive Provision

LSIS

Sector skills

Using LMI for commercial advantage

Skills

Contents

Foreword

The further education sector understands the need to improve skills levels if business is to compete and succeed in global markets. Further education providers recognise too the key role they have to play in innovation, training and support for employers. We are keen to learn from the many examples of effective practice in the sector to build provider capacity to deliver high quality, flexible provision that responds to employers' needs.

The Learning and Skills Improvement Service's (LSIS) World Class Skills programme (WCS) provides a range of products and services that are alert to the needs of individual providers as they seek to improve the responsiveness and quality of their offer to employers.

Fully funded, it provides a free-of-charge range of interactive workshops, seminars, consultancies and structured support to take forward reform and development through thematic development projects.

This publication is one of a group of resources that have been developed to support interactive workshops and seminars offered through the programme. We believe it brings together useful information to support providers as they gear up their business with and for employers.

Dr David Collins CBE
Chief Executive, LSIS

Welcome to World Class Skills

The *Leitch Review of Skills: Prosperity for all in the Global Economy, World Class Skills* (2006) investigated the UK's long-term skills needs and predicted that even if targets current at the time of the report were met, the UK's skills base would still lag behind many of its key comparators.

That's why the government has committed to ensuring that the workforce in England has world-class skills by 2020. This will call for an enormous shift in attitudes and aspirations within workplaces, schools, colleges, universities and society itself.

It will require every individual to think about updating their skills and qualifications to ensure that they are giving employers what they really need.

It will require employers to play an active role in helping to reform vocational qualifications to ensure that they are relevant and responsive to changes in the global economy.

In support of these reforms, the Learning and Skills Improvement Service (LSIS), working closely with national partners, was asked by the government to lead the development of a single, integrated improvement strategy to support the drive for excellence in the further education system that would succeed in the new demand-led environment.

“”

In the twenty-first century, our natural resource is our people – and their potential is both untapped and vast. Skills will unlock that potential. The prize for our country will be enormous – higher productivity, the creation of wealth and social justice.

Lord Leitch, *Leitch Review of Skills*, 2006

Introduction to the programme

The **World Class Skills – developing responsive provision** is an LSIS programme providing support for improvement activities for LSC-funded providers in enhancing their employer-facing provision. This will support organisations in developing provision to meet employers' skills needs and the aspirations of the *Leitch Review of Skills*.

KPMG and its consortium partners are delivering this major support programme. Together they can bring significant expertise to you and your organisation. KPMG has an in-depth understanding of the wider education and skills sector that can help further education colleges and independent training providers deliver improved outcomes for learners and employees, as well as achieve their organisational goals. They can also draw in the sector's most innovative and effective practice to share with you.

Programme benefits

Involvement in the programme will help LSC-funded providers of education and training to:

- develop and extend effective employer relationships
- ensure that growth and quality go hand in hand
- create fit-for-purpose organisational structures
- gain relevant accreditation, for example, Training Quality Standard (TQS) and Framework for Excellence
- access high-level support through a range of focused events
- network with peers and share effective practice.

Programme overview

The programme is designed to support the Train to Gain Plan for Growth, the changes to demand-led funding, the rolling out of the TQS accreditation, National Skills Academies and the development of specialist networks.

The focus of the programme is to work with providers and other stakeholders to be more responsive to the needs of employers and increase the capacity of the FE system to provide high quality, flexible training and support for employers and their employees in order that they can contribute to UK productivity and competitiveness in a global economy.

The programme comprises both seminars and workshops. Seminars provide a high-level introduction and overview of the topic. Workshops are designed for smaller groups: the sessions are more interactive and practical in nature, giving participants the opportunity to work with a range of proven tools and techniques. There will be an opportunity for providers to apply for individualised consultancy support to work within their organisation in an intensive way to focus on the development of employer-responsive provision.

Resources

HMSO (Her Majesty's Stationery Office) (2007) *World Class Skills: Implementing the Leitch Review of Skills in England*. Norwich: HMSO. Available online at: www.dius.gov.uk/reports_and_publications%20HIDDEN/leitch.aspx

Lord Leitch (2006) *Leitch Review of Skills: Prosperity for all in the Global Economy, World Class Skills*. London: HMSO. Available online at: www.dcsf.gov.uk/furthereducation/uploads/documents/2006-12%20LeitchReview1.pdf

QIA (Quality Improvement Agency) (2006) *Pursuing Excellence: An Outline Improvement Strategy for Consultation*. Coventry: QIA.

Learning and Skills Council: www.lsc.gov.uk
Learning and Skills Improvement Service: www.lsis.org.uk
World Class Skills: http://wcs.excellencegateway.org.uk

E-learning

Alongside the workshops and seminars, a suite of five online training modules has been developed. The topics are as follows:

- Building employer-responsive skills in your organisation
- Funding and finance for maximising business
- Identifying bottom-line benefits
- Sales and gaining repeat business
- Targeting SMEs for training.

E-learning is an alternative way for providers to interact with the programme and share knowledge within their organisation.

Each module will take between 40 minutes and an hour to complete, and include interactive material such as multiple-choice questions, quizzes, games, scenarios and case studies.

The modules can be accessed from http://wcs.excellencegateway.org.uk

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Agenda

Coffee and registration	**09.30**
Welcome and introductions	**10.00**
Background	**10.10**
Strategic planning (1)	**10.30**
Break	**11.00**
Strategic planning (2)	**11.15**
Lunch	**12.15**
Strategic planning (3)	**13.15**
Marketing to employers	**14.00**
Break	**14.45**
Development and delivery of provision	**15.00**
Questions and close	**15.45**

Workshop outline

Aim

To provide an understanding of how to use labour market information (LMI) for commercial advantage and how it can be used to support providers strategically to position themselves better within a demand-led system.

Objectives

- To provide an understanding of key messages derived from evidence relating to demand for skills.
- To identify the benefits and limitations of tools and methodologies for collecting LMI.
- To provide knowledge of LMI use in relation to strategic planning, marketing of provision to employers and curriculum development and delivery.
- To provide an understanding of key messages related to use of LMI for commercial advantage.

Benefits

- Using LMI offers a significant opportunity to increase employer-responsive provision, including greater awareness of market developments and opportunities.
- It is important across the whole employer-responsive journey including strategic planning, marketing, curriculum development and delivery.
- Enables you to develop provision based on a clear analysis of need.
- LMI can contribute towards generating fee income and address performance indicators for the national Framework for Excellence.
- Can play a vital role towards meeting the Training Quality Standard (TQS).
- Can help you gain a competitive advantage.

What is LMI?

Originally LMI was used with reference to 'labour' only but within this context it is now used with reference to any information relating to employment, learning, skills and the wider economy that may be useful to providers planning their employer-responsive provision offer, including:

- employer skills needs and skills shortages
- local economic developments and performance
- workforce characteristics
- college-held information (eg, customer data).

Use of LMI can reinforce a customer-focused approach. The greater your understanding of an employer's requirement, the better you are able to meet their needs and grow your employer-responsive provision in a way that meets those needs.

Source: *Research into the FE system's development needs to meet the challenge of the implementation of World Class Skills* QIA (2008)

Customer-focused approach as part of demand-led funding

Expenditure on on- and off-the-job training

	2005 £bn	2006 £bn	% increase
Total	33.3	38.6	16
Off-the-job training	16.8	18.4	9
Course related	14.3	16.0	12
Other (seminars, workshops etc)	2.5	2.4	–5
On-the-job training	16.5	20.3	23

The effective collation and use of LMI will also enable education providers to identify opportunities to grow fee income. Information presented here relating to employer expenditure on training reveals that there is a large potential market for providers to grow fee income.

Strategic planning

LMI can be aligned with the requirements under strategy within the Training Quality Standard (TQS) assessment framework. Responsive providers have a strategy for working with employers based on the market including clearly defined objectives. They take actions to ensure that their aims and approaches are communicated to appropriate stakeholders.

Thus one of the sections within the TQS is the strategy for working with employers. It includes an analysis of the market, key customer groups and sectors (TQS, A.02, B.02).

Resource

LSC (July 2008) *Introducing the Training Quality Standard*. Developed by CFE for the Learning and Skills Council. Available online at: www.trainingqualitystandard.co.uk/index.php

Evidence-based research

The following flow chart shows an overview of the steps you need to take when planning a strategy using an evidence-based approach.

The approach adopted by an education provider to understand the potential market for employer-responsive provision will vary based upon a number of factors, including: available financial and staff resource, staff knowledge and skills, institution type and sector of interest. For this reason we have outlined below a broad 'evidence-based' approach to developing employer-responsive provision that is flexible and may be used by a range of providers.

Evidence-based approach

Establish the aims and objectives	Before planning a strategy, it is important to ask why you are doing this.
Review external information	The first and easiest step is to research and use resources in the public domain.
Harness local information	This can then be bolstered with information that is available locally – within the provider.
Primary research	If the data collected is not sufficient, it may be that your own primary research will be needed.
Action planning	Now you have the information, you must think about how to use this in planning provision.
Evaluation	As part of the TQS process, providers are asked to evaluate how well they are using LMI.

The following sections will explore each of these in more detail.

Notes

Aims and objectives

Clear aims and objectives at the outset will ensure clarity, avoid information overload and minimise resource implications (time and financial). They will also ensure that strategy is 'needs driven'.

Research aims

The aim relates to the primary research question that LMI is required to address, eg in what new employment sectors could we potentially develop our provision?

Research objectives

Following the establishment of a research aim, the next stage is to define the objectives, specifying what it is that you need to know. For example:

- What employment sectors are projected to grow?
- What are the skills shortages and skills gaps in each sector?
- What is the current local provision offer in each sector?

Clarity in terms of defining what it is you need to know will help to ensure that your strategy for collating research is needs driven. It is important to ensure that the research is not driven solely by the supply of information that is currently available.

Information required

When the research objectives have been established the next stage is to specify the information required to meet these objectives. Taking the example objective 'What are the skills shortages and skills gaps faced by local employers?', the following information may be useful:

- number of employers and employees by sector
- number of employers and employees with skills gaps by sector
- number of employers and employees with skills shortages by sector.

Information collection

Once it is established what information is required, the next stage is to determine a methodology for information collation. The evidence-based approach that we have specified assumes that the provider would initially draw upon existing information and research and then plug any existing gaps in information through harnessing local information (including information contained within the organisation). If required, primary research can be conducted through surveys or gathering qualitative research, eg focus groups.

At this early stage of the research it is worth considering the wider overall approach to the research project. Consideration of how this information will be used to develop the employer-responsive provision offer is important to ensure that what is collected meets the needs of the organisation. On page 58 we have provided a section 'Planning employer-responsive provision'. It may be useful at this early stage to review the areas that need to be considered when making any changes to the curriculum offer to ensure that the collated LMI can be used to evidence these areas.

Notes

Review external information

A number of key organisations and initiatives have a remit for LMI.

- **UK Commission for Employment and Skills (UKCES)**. For collecting LMI to pool existing sources into a common framework and developing a number of LMI tools, including an LMI portal.
- **Learning and Skills Council (national and regional)**. The LSC conduct a range of research including the National Employer Skills Survey.
- **Sector Skills Councils**. Collate and use LMI to inform Sector Skills Agreements and Sector Qualification Strategies.
- **Regional Development Agencies (RDAs)**. Carry out labour market analysis to inform the Regional Economic Strategy (RES).
- **Local government**. There is a statutory duty imposed on all local authorities to assess their local economies.

National Employers Skills Survey (NESS)

This is an LSC employer survey on skills issues covering areas such as recruitment, skills gaps, training, workforce development and training expenditure. It incorporates an online analysis tool.

Resources

Communities and Local Government (2008) *Review of Economic Assessment and Strategy Activity at the Local and Sub-regional Level*. London: Department for Communities and Local Government. Available online at: www.communities.gov.uk/publications/citiesandregions/economicassessment

LSC (2008) *National Employers Skills Survey 2007. Main Report*. Coventry: LSC. Available online at: http://research.lsc.gov.uk/LSC+Research/published/ness/ness2007.htm

LSC (2006) *Skills in England 2005 Volume 1: Key Messages*. Coventry: LSC. Available online at: http://research.lsc.gov.uk/LSC+Research/published/skills-in-england

Office for National Statistics, Annual Business Inquiry: www.statistics.gov.uk/abi/default.asp
Regional Development Agencies: www.englandsrdas.com
UK Commission for Employment and Skills (UKCES): www.ukces.org.uk

Harness local information

Local employer information

Further local employer information can be found through the Annual Business Inquiry (ABI), produced by the Office for National Statistics. Here information can be sourced on employer establishments and employees by a detailed geographical and sectoral level.

Nomis is a service provided by the Office for National Statistics (ONS) to give you free access to the most detailed and up-to-date UK labour market statistics from official sources.

Geographic Information Systems (GIS) mapping can also assist the planning process.

For example, you can use these systems to identify locations with high concentrations of companies to understand the size and spread of the market and to inform realistic target-setting for employer engagement. You can also compare your own location with those of other providers in relation to the potential market. As part of the World Class Skills programme an eLMI tool is being developed to enable education providers to use GIS tools to assist in the planning and development of their employer-responsive provision.

Customer relationship management (CRM)

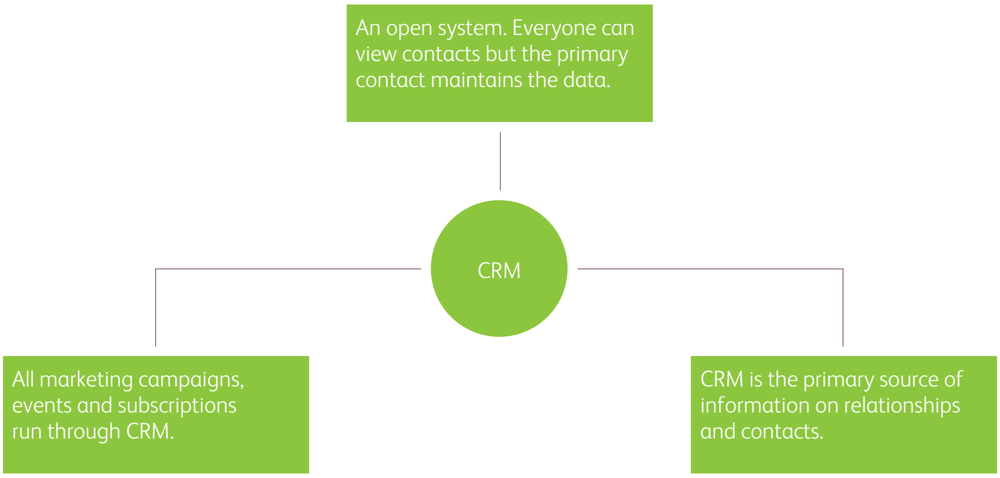
CRM can mean different things to different people. For some, CRM means direct emails. For others, it is mass customisation or developing products that fit individual customers' needs.

Ultimately CRM is a philosophy not a computer system. Business change is not a by-product of CRM – it is one of its goals.

The basic components of CRM are:

- a database of customer activity
- analyses of the database
- given the analyses, decisions about which customers to target
- tools for targeting the customers
- how to build relationships with the targeted customers
- metrics for measuring the success of the CRM program.

Core principles of CRM



CRM can be used to harness the following LMI which will be useful to develop your employer-responsive provision.

CRM: current operational activity

Area of operation	Description
Employer dialogue (including site visits, open days, etc)	Record details of all employer site visits. Particularly important if more than one member of staff visits an employer.
Brokerage referrals	Any referrals from brokers relating to employers' training needs.
Employer needs analysis	Data related to any training needs analysis that has been conducted.
College enquiries	Details of enquiries for college provision provide useful evidence relating to employer demand, including latent untapped demand.
Engagement with employer forums and trade associations	Details of any meetings held with organisations such as the Chamber of Commerce.
Press coverage	Local/industry press can include useful information on company growth and other developments.
Employer satisfaction and business impact research	The outcomes of any employer satisfaction research or work reviewing the business impact of training.
Business development/marketing	The outcomes of any business development work, including both existing and potential customers.

Information collected from CRM

LMI	Description
Industry/sector	Type of work including Standard Industrial Classification (SIC) code.
Staff details	Number of employees, occupational breakdown, qualifications profile, full- and part-time split, hours of work.
Skills shortages	Issues relating to the recruitment of skilled staff.
Skills gaps	Issues relating to the skills proficiency of the existing workforce.
Workforce development	Staff training (internal/external training and on- or off-the-job training), apprenticeships.
Trading/recruitment position	Recent and planned trading position and recruitment plans.
Legislation/regulation developments	Impact on skills and training needs.
Participation in training	Participation in employer-responsive provision including apprenticeships.

Resource

Business Link, CRM:
www.businesslink.gov.uk/bdotg/action/detail?type=RESOURCES&itemId=1075422931

Linking LMI and CRM

CRM can be used to produce snapshot data showing current levels of activity in certain sectors using employers' postcodes and to identify the geographic spread of current activities. It can also be used to explore work with employers near other providers – and ask the question, what is the competitive advantage?

You can relate your CRM data with local employer information to ascertain the number of employers in a particular sector you are currently engaged with as a percentage of all employers in the area operating in that sector.

You can thus compare college data against the labour market. This can be used to:

- identify levels of penetration into the market by location
- identify areas of high and low performance – never a uniform penetration
- evidence impact of neighbouring providers
- understand your core catchment area
- inform your employer-responsive strategy.

Notes

Primary research

If an education provider cannot meet its LMI needs through existing sources or through harnessing local information then there may be a need to carry out some form of primary research to assist in the development of the employer-responsive offer.

Primary research can be defined as conducting research to collect new data to solve a marketing information need. In the planning process, if the data collected is not sufficient, it may be that your own primary research will be needed, such as:

- when you do not have the required information
- to understand better a new market
- when required to achieve as part of framework/standard
- to support the development of responsive provision.

Conducting primary research has a number of potential advantages one being that it offers real competitive advantage given that the information collected would be unique to the organisation. It is important to note however that primary research requires financial resource as well as time and effort, therefore it is essential to ensure that the information cannot be sourced elsewhere and that the value of the outputs outweigh the resource implications of carrying out the research.

Which method to choose

The decision of whether to choose quantitative or a qualitative research methodology would depend on the nature of the aims and objectives, the type of information needed and available resources (including time, money, and human resource).

Primary research methods

Summary	Quantitative	Qualitative
Examples	Postal questionnaire, electronic questionnaire	Focus groups, in-depth interviews
Data	Reliable, population-based and can be generalised	Rich, detailed and valid
Research questions	'How many?', 'Cause and effect'	'What?', 'Why?'
Data collection	Standardised questionnaires	Transcripts of observations (written or recorded)
Data format	Structured, measurable	Subjective, interpretive
Sample	Large sample calculated for reliable data that can be generalised	Sample size not such a concern
Researcher	Value-free and unbiased	Facts are value-laden and biased
Approach	Deductive – tests theory	Inductive – develops theory
Analysis	Statistical analysis techniques	Categorise and report identified themes or patterns

Survey questionnaires

Survey questionnaires tend to target large samples that are intended to represent the wider population and they primarily collect quantitative information. Information is collected in a standard way with most questions being closed and pre-coded and only allowing certain responses such as 'yes/no/don't know'; ranking in order of preference; or rating on a scale of 1 to 5, for example. Survey findings can be analysed quantitatively and statistical packages such as SPSS (Statistical Package for the Social Sciences) are usually used.

The benefits of survey questionnaires are that large numbers of people can be surveyed, who are representative of the target population, and findings can be generalised to that population. However, the disadvantages may be that recipients are restricted to certain responses (which they may not agree with) and rich and detailed responses are not provided.

In developing questionnaires, it is usually necessary for the researcher to undertake some preparatory work with the population being researched in order to frame appropriate questions and possible answers. This preparatory work may involve piloting the questionnaire or undertaking focus groups or individual interviews with small numbers.

Survey questionnaires may be sent out by post, given to individuals to complete themselves (or with support, if needed) or administered over the telephone.

The drawbacks of telephone surveys are that certain groups who do not have access to, or who are unable to use, the telephone will be under-represented in the sample. It is also difficult to ask sensitive questions over the telephone.

The drawbacks of postal surveys are that response rates tend to be poor and that answers may be incomplete, illegible or incomprehensible. However, they may be successfully used when administered to professionals who are delivering a specific project or programme.

Postal survey
Benefits:
- No travel expenses so economic if good return rate
- No interviewer bias
- Anonymous returns
- Can be completed at respondents' leisure

Limitation:
- Answers may be incomplete – responses are often pre-coded and must be simple so people can understand them but sometimes this means the quality of information provided is lower than from other methods.

Telephone survey
Benefits:
- Easy and quick to administer
- Allows for reaction and some in-depth interviews
- Questions can be modified
- Works well with employers

Limitations:
- It is difficult to ask sensitive questions over the telephone
- Professional interviewers are expensive
- Invasion of privacy
- Telephone charges can be high
- Not everyone has a telephone and so not representative of the population
- High non-response rate because of engaged/no answers, plain refusals

Face-to-face survey
Benefit:
- Ideal for gathering sensitive information or exploring issues in detail

Limitation:
- Expensive and time-consuming to administer

In-depth interviews

Interviews aim to collect rich and in-depth data from smaller numbers of people. Their aim is often to uncover information that may add to that collected through surveys such as individual views and perceptions. Interviews can be undertaken either face-to-face or by telephone and require that an interview schedule or guide is prepared in advance. An interview schedule is more structured and contains a set of questions in a predetermined order adhered to in each interview. This allows comparison of responses. An interview guide lists areas to be covered but leaves the exact wording of questions to the interviewer. In some cases, the guide will be relatively open, allowing the interviewee to determine the direction the interview takes.

The advantage of interviews is that more flexibility is allowed and skilled interviewers can extract a lot of rich and detailed information. However, all interviews, particularly face-to-face interviews, can be expensive and the findings can be time-consuming to analyse. Additionally, interviewer bias can creep in and findings can be difficult to generalise.

In-depth interview

Benefit:

- Rapport leads to fewer refusals.

Limitations:

- Answers to open questions can be difficult and time-consuming to analyse
- Expensive and time-consuming
- Risk of interviewer bias

Focus groups

A focus group should, ideally, include between eight and 12 people who are brought together to engage in a guided discussion about a topic for up to three hours. However, focus groups with young people tend not to last more than an hour and a half.

The focus group method capitalises on the interaction between participants, which enhances and consolidates the data collected. Subjects are selected on the basis of relevance to the topic under study and usually participants do not represent any meaningful population. Groups should be led by an experienced facilitator using a topic guide. Focus groups are useful for gathering sensitive data from disadvantaged and vulnerable groups such as the long-term unemployed and disaffected and disengaged young people. They require careful and unbiased analysis and reporting and can result in rich data and quotations.

Focus group

Benefits:

- Generates information helpful in structuring consumer questionnaires
- Provides background information on product
- Secures impressions on new product concepts
- Useful for gathering sensitive data
- Capitalises on interaction between participants

Limitations:

- The group may have one or some dominant people within it who may actually dissuade some other group members from fully contributing
- Difficult for moderator to interrupt once a discussion gets going
- Risk of bias from moderator
- Participants are not representative of wider population which does not allow for generalisation
- Requires careful and unbiased analysis

Case studies

In this approach the researcher gains a detailed understanding of a specific case through an in-depth interview. It is a highly qualitative method providing rich data and quotations and allows the researcher to gain an understanding of specific issues, perceptions, views, circumstances and impacts. It is difficult to generalise from a small number of case studies. However, they can bring alive other research such as large quantitative survey material.

Case study

Benefit:

- Can bring alive other research, such as survey data
- Useful marketing material to share with other employers

Limitation:

- Findings cannot be generalised to a wider population

Summary of methods

Method	Characteristics, benefits and limitations
Postal survey	• Cost is low • Response rate can be poor
Telephone survey	• Cost effective method of achieving robust sample allowing generalisations to be made • Responses are pre-coded. Certain groups do not have access to the telephone, so may be excluded from the sample
Face-to-face survey	• Can include both open questions and pre-coded • Can achieve robust sample allowing generalisations if sufficient numbers are surveyed
In-depth interview	• Rich and detailed information can be gathered • Interviewers are allowed more flexibility
Focus group	• A group discussion with around 8–12 people • Usually lasts between 1 and 3 hours
Case study	• Researcher gains understanding of a specific person's experience through an in-depth interview • Provides good quotations and rich data

New to World Class Skills – the eLMI tool

Understanding and using labour market information (LMI) is critical for providers in developing an employer responsive provision offer.

With the new eLMI Tool providers can get detailed insight into different employer markets and current levels of employer engagement that can help inform how to strategically plan, market and develop the delivery of provision to employers.

There are many sources of LMI and skills forecasts which could be a valuable resource when planning for skills development, but it is often an underused or misunderstood resource. The new eLMI tool means this wealth of labour market information can now be easily accessed online.

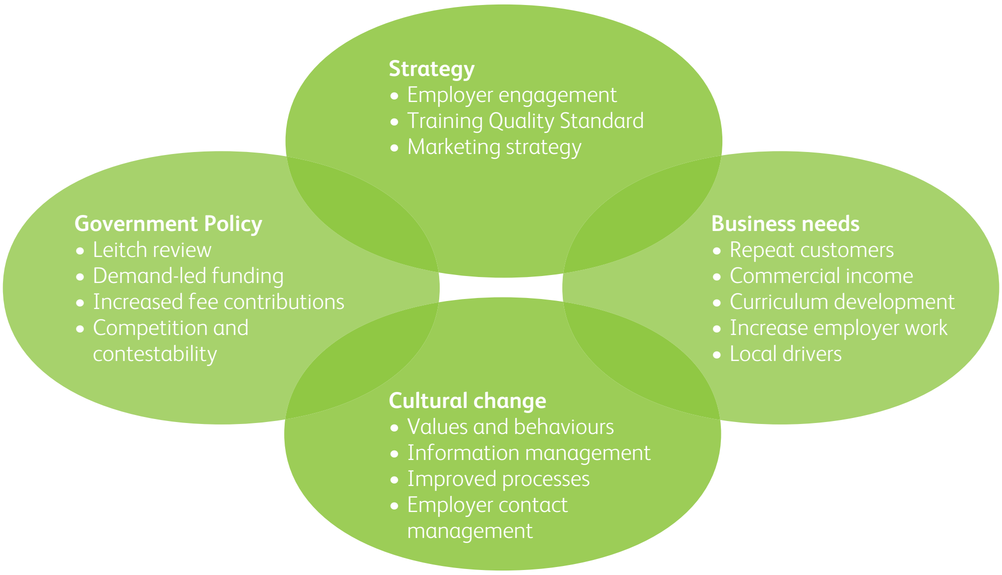
The eLMI tool and the accompanying user guide can be accessed from:
http://wcs.excellencegateway.org.uk/elmi

Notes

Action planning

Having gathered the information, you must think about how to use this in planning provision. There are a number of drivers to consider as an organisation. A summary is presented below.

Drivers of employer-responsive provision



Strategy

In relating your strategy to that of the Training Quality Standard (TQS), does your strategy for working with employers include an analysis of the market, key customer groups and sectors? (These are TQS strategy indicators A.0.2 and B.0.2.)

Business needs

Over time repeat customers generate twice as much gross income as new customers.

There is an increased need for commercial income from employers and learners – providers need to diversify their income streams.

Government policy

Government funding for fees on some courses is reducing. There is increased emphasis on demand-led funding (eg Train to Gain). In an environment of greater competition and contestability, provision can be delivered by any college or training provider anywhere.

Developing a business case

A business case identifies at high level the options, benefits, requirements, costs and risks of undertaking a project. In developing a business case, you can use methodology based on PRINCE2 Project Management.

Reasons

You need to consider what are the drivers for the implementation of a new curriculum area or providing a new qualification.

Options

List all the options considered. Give reasons for selecting the final option and why the others were rejected. If this section is covered comprehensively there will be fewer questions asked about the justification of the project.

Always include 'do-nothing' as an option to ensure you have covered the broad base of options.

High-level requirements

The first step is to identify all the problems which the project has been mandated to resolve. Describe each issue and how many areas of the organisation it affects – consider the priority and if possible the cost to the organisation. The second step is to gather all the high-level requirements for the project – turn the issues list into requirements to be added to this list.

Benefits

Benefits, along with the costs and risks, determine if the project can be justified.

Divide into tangible and intangible benefits but the tangible should outweigh the intangible. Examples of benefits are:

- complying with legislation – able to continue in a business sector or tender for contracts
- complying with audit requirements and therefore able to remain in business
- financial benefits, reduced costs, more productive or increased business
- better customer care, which will enable the provider to expand the customer base.

Risks
Identify each risk and record in the risk register, with the key risks highlighted. For each risk, consider its likelihood (high, medium, low (H, M, L)), its impact on the project (H, M, L) and any action that needs to be taken to mitigate it.

Costs
How do costs, capital and revenue relate to benefits? Use the following list to help identify the total costs of the project:

- staff training
- rooms
- materials
- agency tutors
- implementation costs
- licensing and awarding body costs.

Look at the costs against the benefits shown across at least five years.

Timescales
Make sure the timescales are realistic and stick to them. Ongoing business will still have demands on staff time and there need to be 'firebreaks' to absorb any problems. Make sure any contracts cover the full life of the project with a few weeks to spare. Use a planning tool to develop the plan and then provide a summary for the business case.

Recommendation
Based on the evidence, do you recommend that you offer the new provision to employers?

Exit strategy
How do you evaluate when the new provision should be withdrawn from the provider offer?

Notes

Evaluation

As part of the TQS process, providers are asked to evaluate how well they are using LMI.

Ensure that LMI is available across the whole organisation.

Quality indicators

Notes

Marketing to employers

A marketing strategy is a process that can allow an organisation to concentrate its limited resources on the greatest opportunities to achieve a sustainable competitive advantage.

LMI-related employer-responsive framework indicators

To consider why LMI is important with reference to marketing to employers we have considered the indicators contained within *A Framework to Measure and Improve Employer Responsiveness* (LSIS, October 2008). Those indicators where LMI were deemed important are listed below.

- Effective and systematic approaches to understanding, collecting, analysing and effectively using market research are in place.
- Marketing activity is relevant, timely, focused on identified and targeted priority sectors and effectiveness is regularly reviewed.
- Conversion rates from enquiry to take-up monitored and targets set for improvement.

Resource

LSIS (October 2008) *A Framework to Measure and Improve Employer Responsiveness*. Coventry: LSIS. Available online at: http://wcs.excellencegateway.org.uk/webfm/download/374/Framework

We are also producing a college LMI calendar to show when we expect information to come into the college and when this information may be required in the reporting cycle.

Source: LSIS, *Working with Employers as Customers*, 2007, http://wcs.excellence.qia.org.uk/webfm_send/85

Bottom-line benefits approach

A survey by the Chartered Institute of Personnel and Development (CIPD) conducted in 2006 shows that only about one-third (36 per cent) of UK organisations seek to capture the effect of learning on the bottom line.

Employer engagement in learning is likely to stem from the demands of business. Simply promoting courses to employers conveys the wrong message. Relating the benefits of investment in training is a much stronger incentive for employers.

Case studies on bottom-line benefits

Some examples are:

- Skills training at Norfolk County Services brought accidents down by 21 per cent.
- Skills development at First UK Bus improved customer satisfaction by over 40 per cent, brought staff injuries down by 30 per cent, and reduce driver turnover to 23 per cent (its lowest recorded level).
- Dolland and Aitchison report that 90 per cent of management appointments are made internally as a consequence of upskilling their existing staff.

You can use case studies to show employers how learning has benefited other companies' business success. The use of case studies to display benefits could include:

- Improving productivity
  - profit

- Reducing absence
  - staff turnover
  - transition from temporary to permanent workers
  - promotion and progression
  - staff morale.

LMI – key messages

Here are the key messages relating to LMI:

- Systematic use of LMI is central to an effective marketing strategy.
- LMI enables more informed target setting.
- You establish why the employer is engaging with you.
- Ensure approaches to marketing are appropriate to the employer sector, eg, communication channels, workload schedule.
- Avoid jargon and inappropriate content.
- Relate bottom-line benefits as a strong incentive – how learning has benefited other employers (use examples and case studies).

Development and delivery of provision

Smarter fees policy

The LSC's statement of priorities for 2008/09 made it clear that delivering the vision of Lord Leitch's review of skills depends upon a shared responsibility for investment between employers, individuals and the government. Independent research conducted for the LSC by RCU Research & Consultancy has found that the FE system has responded positively to the LSC's fee policy and has made progress towards implementing new fee structures.

Resource

LSC (2007) *Our Statement of Priorities: Better Skills, Better Jobs, Better Lives. The LSC's Priorities and Key Actions for 2008/09 to 2010/11*. Coventry: LSC. Available online at: http://readingroom.lsc.gov.uk/lsc/National/nat-statementofpriorities-nov07.pdf

Smarter Fees Toolkit: www.smarterfees.com

Smarter Fees Policy Toolkit

RCU was commissioned by QIA (now known as LSIS) to develop a toolkit to help providers examine their fee-setting to generate more income by addressing the different segments they serve and setting fees accordingly. A primary aim was to ensure that providers maximise their income from non-government sources. The toolkit is designed more for the targeting of adult fees rather than just employers but providers may find some of the concepts useful for employer-based and commercial income work.

The toolkit is built around the simple proposition that customers will pay more for goods and services that they value. It is not a simple calculator but uses your judgements to help you and your colleagues to think systematically about setting course fees. It is based on labour market research which has been used to identify the questions that are important in determining how sensitive a group is to an increase in course fee.

The main features of the toolkit are:

- fee-setting tool – this simple tool provides a visual self-assessment of your current fee-setting policy
- identifying customers – use this tool to try and classify the type of people who enrol on your courses. This will help to understand their motivation, the type of things that they value and their attitude to price
- understanding customers – this tool encourages you to think in more detail about the attitudes of your customers by focusing on key questions
- measuring price sensitivity and income – this allows you to estimate the price sensitivity for a course or group of courses and to estimate the impact of fee increases on overall course income, for a particular course or group of courses.

Notes

Plan of action

What are the top three actions I need to carry out back in the organisation?

What are the timescales I need to set myself?

What resources do I need to support me in these actions?

How will I measure the success of these actions?

Contacts

Name

Job title

Organisation

Email

Telephone

Name

Job title

Organisation

Email

Telephone

Name

Job title

Organisation

Email

Telephone

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Job title

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Notes

Resources

Publications

Communities and Local Government (2008) *Review of Economic Assessment and Strategy Activity at the Local and Sub-regional Level*. London: Department for Communities and Local Government. Available online at: www.communities.gov.uk/publications/citiesandregions/economicassessment

HMSO (Her Majesty's Stationery Office) (2007) *World Class Skills: Implementing the Leitch Review of Skills in England*. Norwich: HMSO. Available online at: www.dius.gov.uk/reports_and_publications % 20HIDDEN/leitch.aspx

Learning and Skills Council (LSC) (2006) *Skills in England 2005 Volume 1: Key Messages*. Coventry: LSC. Available online at: http://research.lsc.gov.uk/LSC+Research/published/skills-in-england

LSC (2007) *Framework for Excellence. Pilot Guidance: Version 1*. Coventry. LSC. Available online at: http://readingroom.lsc.gov.uk/Lsc/National/Framework_for_Excellence_Pilot_Guidance_.pdf

LSC (2008) *Government Investment Strategy 2009–10, LSC Grant Letter and LSC Statement of Priorities*. Coventry: LSC. Available online at: http://readingroom.lsc.gov.uk/lsc/National/nat-statementofpriorities200910-nov08.pdf

LSC (2008) *National Employers Skills Survey 2007. Main Report*. Coventry: LSC. Available online at: http://research.lsc.gov.uk/LSC+Research/published/ness/ness2007.htm

Websites

eLMI tool: http://wcs.excellencegateway.org.uk/elmi
Learning and Skills Council: www.lsc.gov.uk
Learning and Skills Improvement Service: www.lsis.org.uk
Business Link: www.businesslink.gov.uk
Regional Development Agencies: www.englandsrdas.com
Skills Stories: www.skillstories.org
Smarter Fees Policy Toolkit: www.smarterfees.com
The Training Quality Standard: www.trainingqualitystandard.co.uk
UK Commission for Employment and Skills (UKCES): www.ukces.org.uk
UK Statistics Authority: www.statistics.gov.uk
World Class Skills: http://wcs.excellencegateway.org.uk

PDFs of all the courses are available to download.

CPD tool

You can use the Continuing Professional Development (CPD) Tool to record thoughts, ideas, reflections and actions as you continue your journey of professional development with the WCS programme.

To access the tool and find further details about how you can use it to record your CPD activity please visit the CPD pages of the WCS website: http://wcs.excellencegateway.org.uk/CPD-tool

Courses

Visit the World Class Skills website for listings of all seminars and workshops within the programme: http://wcs.excellencegateway.org.uk

Courses that may be of special interest are:
- Assessing your level of responsiveness
- Employer engagement strategy and the Skills Broker Standard
- Engaging employers through the achievement of the Skills Broker Standard
- Making customer relationship management systems work for you
- The sales skills programme
- Undertaking effective organisational and training needs analyses.

PDFs of all the courses are available to download.

E-learning

Visit the World Class Skills website for all e-learning courses within the programme: http://wcs.excellencegateway.org.uk

Courses that may be of special interest are:
- Funding and finance for maximising business
- Identifying bottom-line benefits
- Sales and gaining repeat business.

Notes

Appendix

LMI toolkit

Why is LMI important in the Leitch agenda?

For the purpose of this toolkit the term labour market information (LMI) has been broadly defined to include any information relating to employment, learning, skills and the wider economy that may be useful to providers planning their employer-responsive provision.

The focus of the programme is to work with providers and other stakeholders to support them in becoming more responsive to the needs of employers, increasing the capacity of the FE system to provide high quality, flexible training and support that meets the needs of employers. Raising the skill levels of employers and their employees will contribute to raising UK productivity and competitiveness in a global economy.

The extent and pace of the transformation that is required is considerable. This is clearly highlighted by the change in funding on Train to Gain which sees that budget increase substantially from £390 million to £1 billion by 2009/10 and plans to double the number of Apprenticeships. Implementing the accelerated pace of improvement will require providers of employer-responsive provision to be effective in the use of LMI to develop their ability to understand and respond to the needs of employers in a way that can contribute to UK productivity and competitiveness.

This toolkit can be used as a practical, high-level guide to assist providers in effectively using LMI to develop their employer-responsive provision offer.

Evidence-based approach

The approach adopted by an education provider to understand the potential market for employer-responsive provision will vary based upon a number of factors, including: available financial and staff resource, staff knowledge and skills, institution type and sector of interest. For this reason we have outlined below a broad evidence-based approach to developing employer-responsive provision that is flexible and may be used by a range of providers.

This toolkit has been designed specifically for employer-responsive provision. The approach forms the basis for the remaining structure of this toolkit.

Establish the aims and objectives	It is important to establish a clear research aim and objectives to avoid gathering information that is of limited practical use in the development of an employer-responsive provision offer.
Review external information	The first and easiest step to develop an understanding of the employer market is to use existing information and resources including research reports produced by relevant stakeholders, and also national datasets.
Harness local information	Further value can be added by harnessing and making use of local information, including information available within the organisation such as customer relationship management (CRM) and other data.
Primary research	If further data is required to meet the specified objectives it may be that primary research with employers is the next option. Primary research can take many forms ranging from large-scale quantitative surveys to more qualitative methodologies, including focus groups etc.
Action planning	Now you have the information, you must use this in planning employer-responsive provision and making key strategic decisions.
Evaluation	Given the demands of LMI collation and analysis (including both financial and staff resource) it is useful to continually evaluate LMI use to ensure that it is contributing effectively to the development of employer-responsive provision.

Establishing aims and objectives

The collation and analysis of LMI can be expensive, both financially and in terms of the staff resource required. It is essential that clear research aims and objectives are established at the outset of any research regarding employer-responsive provision to ensure that:

- any LMI collated is useful to the overall purpose of the research
- less time is spent trawling information resources or collecting data that is of limited practical use
- the researcher avoids information overload
- the research remains ‘need-driven’ as opposed to being driven by what information is available.

Aim

In the context of this toolkit the research aim is the primary question in relation to employer-responsive provision that the education provider is required to address through LMI research. A clear research aim and overall purpose for the research is beneficial in terms of achieving a successful outcome.

With reference to employer-responsive provision a number of research aims could be used depending upon the purpose of the research. For example, a research aim could relate to the development of an existing provision offer or investigating the potential to invest in new employer-responsive markets. Examples of relevant research aims are:

- To grow the employer-responsive provision offer in existing markets.
- To identify new employment sectors to develop employer-responsive provision.

Objectives

Following the establishment of a research aim the next stage is to define the objectives, specifying what it is that you need to know. Clarity in terms of defining what it is you need to know will help to ensure that your strategy for collating research is need-driven. It is important to ensure that the research is not driven solely by the supply of information that is currently available.

In relation to the above specified aim 'To identify new employment sectors to develop employer-responsive provision' example objectives could include:

- What sectors of employment are dominant in the area served by the provider?
- What are the skills gaps and skills shortages faced by local employers by sector?
- What is the recent growth and projected employment growth in each sector?
- What are the key local regeneration or economic developments locally and how might these impact demand?

When the research objectives have been established the next stage would be to specify the information required to meet these objectives. For example if we take the example objective 'What are the skills gaps and skills shortages faced by local employers', then the following information may be useful:

- number of employers and employees by sector
- number of employers and employees with skills gaps by sector
- number of employers and employees with skills shortages by sector.

Information collection

Once it is established what information is required the next stage is to establish a methodology for information collation. The evidence-based approach that we have specified assumes that the education provider would initially draw upon existing information and research and then plug any gaps in information through harnessing local information (including information contained within the organisation) and, if required, carrying out primary research through surveys or gathering qualitative research, eg focus groups.

The evidence-based approach has been set out in this way to ensure that education providers first make use of information and resources that are quick, free and easy to access and that subsequent stages of the methodology do not needlessly collate and duplicate information that already exists.
It is however intended to be flexible depending upon an education provider's requirements. For example, it may be that an education provider has extensive systems in place for harnessing local information (including well-developed customer relationship management systems) which provide well-evidenced local knowledge of skills issues and mean that reviewing this information is the first stage in terms of assessing how to develop an employer-responsive offer, followed by a review of existing information.

At this early stage of the research it is worth considering the wider overall approach to the research project. Consideration of how this information will be used to develop the employer-responsive provision offer is important to ensure that what is collected meets the needs of the organisation. Later on in this toolkit we have provided a section 'Planning employer-responsive provision'. It may be useful at this early stage to review the areas that need to be considered when making any changes to the curriculum offer to ensure that the collated LMI can be used to evidence these areas.

It is also important to consider the intended audience for this research and their potential requirements. For example, if the information is intended to stimulate discussion among a senior management team then a summary of the broad picture across all sectors may be appropriate. If the information is to be used to inform detailed curriculum planning, including budgeting and target setting, then more detailed analysis may be required.

Review external information

There is a plethora of national research and data tools available that may be used by education providers to better understand employer demand. This should be the first stage for providers looking to develop their understanding of employer demand given that it is the least expensive option, both in terms of time and also financial resource. A summary of some of the key national information sources is presented below.

National information sources

Resource	Description	Source
Skills in England (2007)	A comprehensive national report that provides analysis of employer skills needs at both a regional and sectoral level. A useful resource for anyone wanting a broad understanding of current and future employer demand.	http://research.lsc.gov.uk/LSC+Research/published/skills-in-england
SSDA Sector Skills Almanac	Brings together comprehensive robust and comparable labour market information and presents it by theme and sector.	www.ukces.org.uk
National Employer Skills Survey (2007)	A national report with regional analysis looking at a range of employer related skills and training issues.	http://research.lsc.gov.uk/LSC+Research/published/ness/ness2007.htm
Various guides for IAG practitioners	A range of perspectives and guidance about how IAG practitioners can make use of LMI.	www.advice-resources.co.uk www.guidance-research.org
Working Futures Report	Working Futures 2004–2014 consists of three volumes which together represent the most detailed and comprehensive set of employment projections ever published for the UK.	http://research.lsc.gov.uk/LSC+Research/published/strategic-research/WorkingFutures.htm
Monthly Economic & Labour Market Review	Economic & Labour Market Review (ELMR) draws together expert research and analysis to build an up-to-date, comprehensive and unique statistical picture of the UK economy and labour market.	www.statistics.gov.uk/elmr
Sector Skills Councils	Each Sector Skills Council has carried out significant market research to understand the skills needs within their sectors. Much of this is available down to a regional level. A link to all SSCs can be found at the link shown here.	www.ukces.org.uk/sector-skills-councils/about-sscs/list-of-sscs/
UK Commission for Employment and Skills LMI Portal	The UK Commission works with partners already involved in collecting Labour Market Intelligence (LMI) to pool existing sources into a common framework and to ensure the highest possible standards are continuously observed.	www.ukces.org.uk/research-and-policy-lmi-portal

National datasets

Resource	Description	Source
Annual Business Inquiry	An employer survey of the number of jobs/workplaces that can be broken down by gender, full- or part-time and detailed industry (four-digit SIC). Available for areas smaller than local authorities. The data is restricted and requires a licence to access. Available dates 1998–2007.	www.nomisweb.co.uk
VAT registrations and stocks	VAT registrations and de-registrations are the best official guide to business start-ups and closures. They are an indicator of the levels of entrepreneurship and health of the business population. Available at local authority level and above. Available dates 1994–2007.	www.nomisweb.co.uk
Annual Population Survey	A resident-based labour market survey encompassing economic activity, employment and qualifications data. Data can be broken down where possible by industry and occupation. Data is available at local authority level and above. Available dates Dec 2004 to Jun 2008.	www.nomisweb.co.uk
National Employer Skills Survey Report (2007)	Data analysis tool on skills issues covering areas such as recruitment, skills gaps, recruitment of young people, training, workforce development and training expenditure. Available at local level. Available dates 2003, 2004, 2005, 2007.	http://researchtools.lsc.gov.uk/ness/home/home.asp
National Statistics	Primary resource for information on all government data relating to the economy and employment.	www.statistics.gov.uk/instantfigures.asp

Note: a list of regional and local data and information that can be accessed to develop an understanding of the local labour market is available at www.data4nr.net/

Evaluating external information sources

The data and information listed within this section will provide a quick, valuable and free resource for education providers wishing to develop their understanding of employer demand. The information can be used for a number of purposes. These include:

- developing a broad understanding of the labour market including any projected changes
- to understand potential new markets and opportunities for employer-responsive provision
- understanding risks to existing markets
- understanding LSC priority areas for funding
- providing the skills to support local economic developments and regeneration initiatives
- to support bid writing, eg ESF bids.

If a provider is relying on existing secondary research or data it is important that they acknowledge any potential limitations in terms of meeting their specified aims and objectives. While employer-related LMI may never be totally accurate, providers need to be as fully informed as possible to ensure decisions are based on a robust analysis of the market. When reviewing secondary research or data sources some areas providers could review to inform its usefulness are:

- The date of the research – it is important to ensure that the evidence used for planning purposes is as up to date as possible. This is particularly important given the current levels of uncertainty within the national and global economy.
- Local relevance – does the evidence relate to the employment market served by the provider? This needs to be considered when reviewing national information but may also be relevant within regions which may be diverse in terms of the needs of employers.
- Is the information reliable – is the methodology robust? For example, if a survey has been used, what is the sample size and associated margins of error – can the results be relied upon?
- Is the information valid – is it valid in terms of the purpose of your research? The data may have been collated for a purpose which does not match your need.
- Is the information updated – useful if you are intending to develop systems for understanding the local employer market?
- Does the information meet specified aims and objectives – does it give you what is required to evidence the specified aims and objectives?

Most national sources of employer related information such as those listed under national data sources (eg the Annual Business Inquiry (ABI)) are relatively accurate and are regularly collected through national surveys. However even these have some limitations. For example, the ABI only relates to employers that make VAT returns (ie turnover is above the VAT threshold) and may therefore underestimate the number of small businesses. It is important that any information and data limitations are researched and understood. Most information sources (eg NOMIS which hosts ABI) will provide details of any limitations of listed data sources.

It is important here to reference employment forecasts which are generally less reliable than other employer-related information. Employment forecasts are based on a set of assumptions which are valid at the time of the research (eg, sector trends, inflation, interest rates) and therefore any changes in such assumptions are likely to impact future projections. In addition, the further such forecasts project ahead, the less reliable they become. For this reason employment forecasts should be supplemented and validated with other evidence such as local economic and regeneration developments.

Harnessing local information

Within this section we have considered some of the ways in which providers could improve the effectiveness of existing LMI research by supplementing this with further local information. By local information we mean information that a provider has access to or that already exists within the organisation but needs to be collated effectively to inform the development of employer-responsive provision. LMI is more effective for informing the planning process if the 'top down' strategic use of LMI can be combined with local LMI, including LMI that is owned by staff across the organisation.

Local data analysis

A potential barrier for providers to the development of employer-responsive provision is a lack of knowledge regarding local employment information. As part of the WCS programme an eLMI tool is being developed that will enable providers to use advanced GIS techniques to provide a more informed understanding of the employer market to inform their employer-responsive strategy.

In addition to carrying out further local data analysis, harnessing the information from provider contact with employers and their networks and professional associations would provide valuable LMI and greater insight into the needs of local employers. A challenge for providers is to implement a systematic 'whole college' approach to understanding employer needs that assigns responsibility for collecting information, provides a means of collating and analysing information and ensures that the resulting intelligence is used to inform strategic planning.

Customer relationship management (CRM)

Key to the development of a systematic approach for understanding employer needs would be the development of an effective customer relationship management (CRM) system. While it is not within the scope of this toolkit to provide detailed information regarding CRM (this forms part of a separate area of support) it is important to consider its role in relation to LMI and understanding the local employer market.

For greater organisational use of LMI there is a need for information to be held in a format that may be accessed by all interested parties to inform strategic planning. Clear allocation of roles for collecting information would reduce duplication of effort and the development of an effective system would maximise the benefits of any information obtained.

Below is a list of some of the key areas of information that are already part of a providers operation that may be incorporated on to a CRM system to aid the development of an understanding of LMI and employer demand. Note that this is a starting point for discussion and there may be other areas of operation that are not included here. Some other areas of provider operation such as employer curriculum advisory panels have, for the purpose of this toolkit, been listed under the primary research section.

CRM: current operational activity

Area of operation	Description
Employer dialogue (including site visits, open days, etc)	Record details of all employer site visits. Particularly important if more than one member of staff visits an employer.
Brokerage referrals	Any referrals from brokers relating to employers' training needs.
Employer needs analysis	Data related to any training needs analysis that has been conducted.
College enquiries	Details of enquiries for college provision provide useful evidence relating to employer demand, including latent untapped demand.
Engagement with employer forums and trade associations	Details of any meetings held with organisations such as the Chamber of Commerce.
Press coverage	Local/industry press can include useful information on company growth and other developments.
Employer satisfaction and business impact research	The outcomes of any employer satisfaction research or work reviewing the business impact of training.
Business development/marketing	The outcomes of any business development work, including both existing and potential customers.

With reference to some of the types of LMI that may be useful to the development of employer-responsive provision, we have presented below a list of LMI providers may wish to consider collating and recording as part of existing or new CRM systems. This will help to inform the future planning and development of education provision.

Information collected from CRM

LMI	Description
Industry/sector	Type of work including Standard Industrial Classification (SIC) code.
Staff details	Number of employees, occupational breakdown, qualifications profile, full- and part-time split, hours of work.
Skills shortages	Issues relating to the recruitment of skilled staff.
Skills gaps	Issues relating to the skills proficiency of the existing workforce.
Workforce development	Staff training (internal/external training and on- or off-the-job training), apprenticeships.
Trading/recruitment position	Recent and planned trading position and recruitment plans.
Legislation/regulation developments	Impact on skills and training needs.
Participation in training	Participation in employer-responsive provision including apprenticeships.

Combining local data and college information

This document has stated that LMI is more effective for informing the planning process if the 'top down' strategic use of LMI can be combined with local LMI, including LMI that is owned by staff across the organisation. The eLMI tool we are developing will allow providers to visually display employers they are currently engaged with by plotting these on to a map to see the distribution of employers engaged as part of a college's existing employer-responsive provision. They will also be able to view employers they are engaging as a percentage of all employers in a given sector thus understanding current levels of penetration to inform strategic planning and marketing.

While we have used GIS mapping this is not necessarily required and similar analysis could be carried out in tabular form by comparing the number of employers engaged with the number of establishments in the local area. When combined with further CRM data relating to skills needs and shortages this could provide a useful tool in terms of setting realistic targets for employer-responsive provision.

Primary research

If a provider cannot meet its LMI needs through existing sources or through harnessing local information then there may be a need to carry out some form of primary research to assist in the development of the employer-responsive offer.

Conducting primary research has a number of potential advantages – one being that it offers real competitive advantage given that the information collected would be unique to the organisation. It is important to note, however, that primary research requires financial resource as well as time and effort and therefore it is essential to ensure that the information cannot be sourced elsewhere and that the value of the outputs outweighs the resource implications of carrying out the research.

This toolkit is a practical guide to assist providers in effectively using LMI to develop their employer-responsive provision offer. Its purpose is not to include detailed information relating to research methodologies. Nevertheless, it is important to have some understanding of the different approaches to primary data collation which can be broadly split into qualitative and quantitative research methods.

The decision as to whether to choose quantitative or a qualitative research methodology would depend on the nature of the aims and objectives, the type of information needed and available resources (including time, money and human resource).

Primary research methods

Summary	Quantitative	Qualitative
Examples	Postal questionnaire, electronic questionnaire	Focus groups, in-depth interviews
Data	Reliable, population-based and can be generalised	Rich, detailed and valid
Research questions	'How many?', 'Cause and effect'	'What?', 'Why?'
Data collection	Standardised questionnaires	Transcripts of observations (written or recorded)
Data format	Structured, measurable	Subjective, interpretive
Sample	Large sample calculated for reliable data that can be generalised	Sample size not such a concern
Researcher	Value-free and unbiased	Facts are value-laden and biased
Approach	Deductive – tests theory	Inductive – develops theory
Analysis	Statistical analysis techniques	Categorise and report identified themes or patterns

In reality utilising a combination of LMI sources will involve both quantitative and qualitative research methods and data. We have listed below a summary of some of the research methodologies commonly used as part of LMI research.

Methodology	Description	Data collection	Areas for consideration
Postal/electronic questionnaire	• Postal/electronic questionnaires are used when information is required from a large sample of employers at minimal cost, eg employer satisfaction questionnaire.	• Postal/electronic questionnaires are usually employed when a researcher wishes to collect structured information from closed questions that can be statistically analysed. • Typically questionnaires need to be relatively short and this methodology often has a poor response rate.	• Response rate – inducements may improve response rate percentage. • Sample size and structure – required to ensure data is statistically robust and meets the needs of the research. • Questionnaire design – pilot the research tool to ensure questions can be understood and measure what they are intended to measure.
Telephone interview	• Telephone interviews can also be used for large samples of employers, though this is at a greater cost than postal/electronic questionnaires, eg National Employer Skills Survey.	• Telephone interviews can be used to collect structured data but also less structured, more open-ended data since the researcher has the ability to enter into discussion with the participant. • Typically the maximum time is 15–20 minutes per interview. The methodology has a better response rate than postal/ electronic questionnaires.	• Contact the participant before the interview to let them know about the research and arrange a relevant time to carry out the interview. • Sample size and structure – required to ensure data is statistically robust and meets the needs of the research. • Questionnaire design – pilot the research tool to ensure questions can be understood and measure what they are intended to measure.
Face-to-face interview	• Face-to-face interviews tend to be used for smaller samples and to collect more open and explorative information relating to skills needs, eg, employer site visits.	• Face-to-face interviews are generally used to collect open explorative data that is less structured. • Face-to-face interviews can typically last around one hour.	• A list of 'semi structured' discussion points rather than a structured questionnaire to guide discussion. • Send this to the participant prior to the interview so they may be as prepared as possible.
Focus groups	• A focus group is a focused discussion where a moderator leads a group of participants, usually ranging from 5 to 12 people, through a set of questions on a particular topic.	• Data collated from focus groups is qualitative in nature and is often used in the early stages of product planning and requirements gathering to obtain feedback, eg, about employer-responsive provision.	• The moderator – a skilled moderator is essential for gathering useable information and dealing with issues such as ensuring everyone is heard and that 'dominant voices' don't skew results. • Vulnerable to random events like traffic jams – therefore need to plan at a relevant time of day.
Curriculum advisory panels	• Curriculum advisory panels vary between institutions but invariably involve local employer participation to inform course design and curriculum development.	• Curriculum advisory panels are often similar to focus groups with the number of employers typically below 15 to enable informed discussion around curriculum development.	• Are the messages conveyed by employers relevant to all curriculum areas and if so is this information entered on to a CRM system?

Planning employer-responsive provision

Now that the LMI required to provide evidence against specified aims and objectives has been sourced and analysed the information must then be used to plan and develop the employer-responsive provision offer. This may involve making key strategic decisions such as the potential expansion of the existing offer, a reduction or withdrawal of provision in some areas or potentially entering a new employer market of provision.

We have listed below a number of areas for consideration that may be useful in terms of how LMI may be used to plan the employer-responsive offer. If these areas have been considered at the beginning of the research then LMI should be available to ensure the planning of employer-responsive provision is evidence based.

Area	Summary
Reasons	Based on LMI, what are the reasons for any developments to employer-responsive provision curriculum delivery?
Options	What are the potential options for change? It is important to consider all options and always include 'do nothing' as an option.
High-level requirements	What are the high-level requirements to implement the employer-responsive provision offer?
Benefits	What are the tangible and intangible benefits for the options for change?
Risks	It is important to consider the risks of any potential changes to the employer-responsive provision offer and how these may be mitigated.
Costs	The costs associated with any proposals related to the employer-responsive curriculum offer.
Timescales	The proposed timescale for any changes to the employer-responsive provision offer.
Recommendation	Based on consideration of all of the factors above – a recommendation regarding any potential changes to the employer-responsive curriculum.

Evaluation

The collection and analysis of LMI can require both financial and staff resources. It is important for providers to ensure that they evaluate systems for LMI collation and use to ensure that it is contributing effectively to the development of employer-responsive provision. Reviews of training provision should determine whether any LMI used for planning aided the outcomes and if this information could be further utilised in the development of employer-responsive provision.

The QIA research *Using Labour Market Information (LMI) to understand market needs* reviewed the sources and applications of information about labour market needs and skills priorities and how these could be used to create more employer-responsive provision. Quality indicators were designed to assess how LMI was being used both at a strategic and programme level within an organisation. It may be useful for providers to review LMI use in light of these quality indicators to ensure that it continues to be useful in developing employer-responsive provision.

Quality indicators
LMI informs strategic planning.
Strategic planning combines different types of LMI.
All sources of LMI are exploited.
Sectoral LMI is used to determine education and training provision.
LMI features significantly at course/programme level.
LMI is used to enable potential learners and business clients to make informed decisions about their education and training choice.
LMI aids the meeting of wider business objectives.
Primary research is used to determine local provision and aid quality improvement.
The effectiveness of LMI is evaluated.
Effective operations/resources are available for the collection, storage and utilisation of LMI.

Source: *Using Labour Market Information (LMI) to understand market needs*, 2007 (http://wcs.excellence.qia.org.uk/webfm_send/231)

Notes

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WCSWB031

World Class