

CII Group Skills Survey 2009

Introduction

Methodology

This survey was an online survey conducted by the CII Group. The questions were sent to all qualified CII & PFS members from the UK. This is the third year that the survey has been run.

Numbers

2562 members responded to the survey. 621 of these were employers. This number is down on 2008 (3511 responses; 834 employers) but still significantly higher than 2007 (659 responses; 103 of whom were employers).

Summary Findings

Headlines

- The recession is having an effect both on jobs and on training budgets. Over a quarter of respondents are worried about losing their job and 2% have already done so. 18% of employers said they will cut training budgets and of those two thirds have already done so.
- Over two thirds of members feel that investing during a downturn will ensure that firms are better placed for the recovery.
- A significant number of members feel the UK is falling behind other countries in terms of skill levels.
- A high number of employers reported skill shortages.
- The majority of employers feel that the education system does not meet the needs of the sector and that both school leavers and graduates struggle with basic skills.
- A high proportion of employers are unaware of Apprenticeships offered in our sector and the wider support for training and skills offered by the government.

Summary Findings

All Respondents

- 26% of respondents are worried about losing their job and 2% have already done so. [Slide 7]
- Over two thirds believe that investing in training now will put companies in a stronger position for the recovery. 70% think that government funding for skills should cover a mix of both long term and short term goals. [Slide 8]
- There is a degree of pessimism in relation to the UK's skills levels when compared with other countries. A number of respondents feel that the UK is being left behind – 39% feel we've already been left behind, rising to 46% when looking forward to 2020. [Slide 15]
- 66% said they thought new entrants to the sector are well equipped in terms of basic skills. This contrasts with employers who feel school leavers and graduates struggle with the basics. [Slides 11, 27-29]

Summary Findings

Employers Responses

- There has been another big increase in those reporting skills as a boardroom agenda item – 90% (up 11% from last year) [Slide 31]
- 18% of employers said they will cut training budgets and of those two thirds have already done so. 28% will be focusing their funding more effectively. 30% said that budgets will not change. [Slide 9; also 41]
- 70% reported skills shortages – 6% down on last year. 50% feel that these shortages are having a detrimental effect on business. [Slide 33]
- Over half of employers continue to say that the education system fails to meet the needs of our sector adequately. 56% say it is poor or very poor at doing so. [Slides 26-29]
- Only 35% of employers are aware of Apprenticeships containing professional qualifications in the insurance and financial services space. And only 6% offer placements/internships to students to better prepare them for the world of work [Slides 37-39]

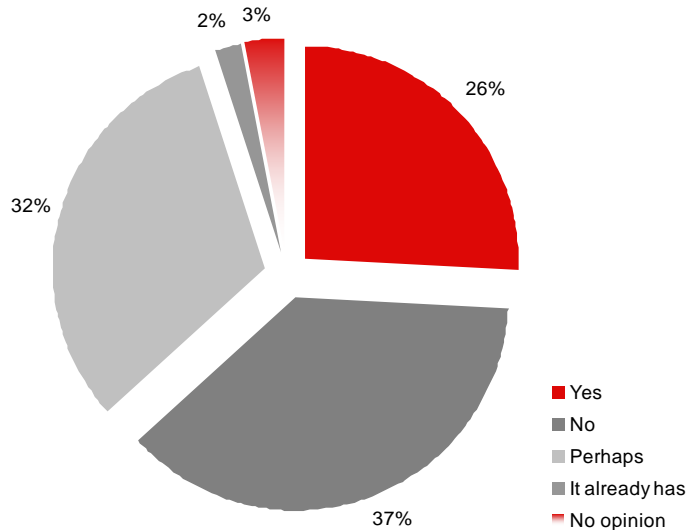
Impact of recession on training and development:

Employers and Individuals

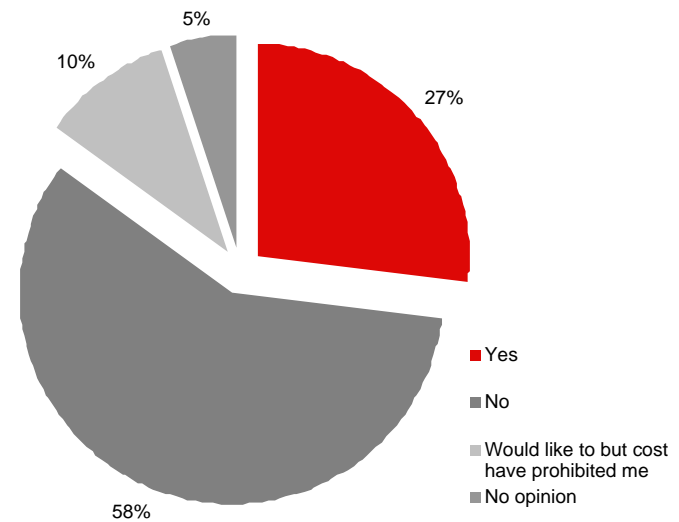
Impact of recession on training and development

The impact of the recession is highlighted by a quarter of respondents saying that they are worried about losing their job and by the 2% that have already done so. The downturn doesn't seem to have sparked a rush to train – with only just over a quarter saying they are looking to train.

Q. Are you worried that the current economic downturn could lead to you losing your job?



Q. As a result of the recession and increased job insecurity have you proactively been looking to partake in some form of skills training?

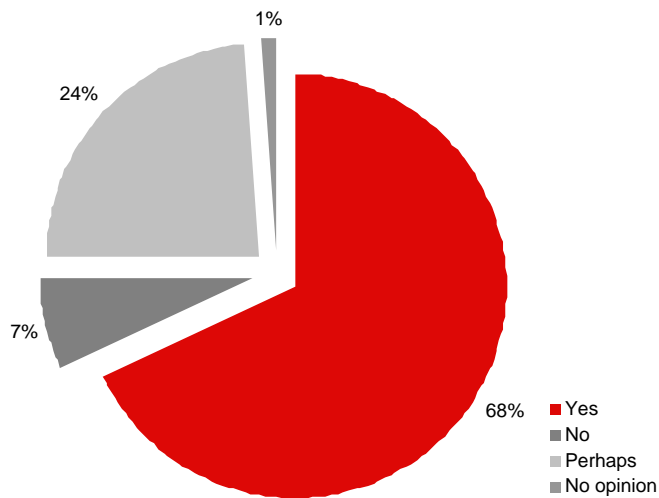


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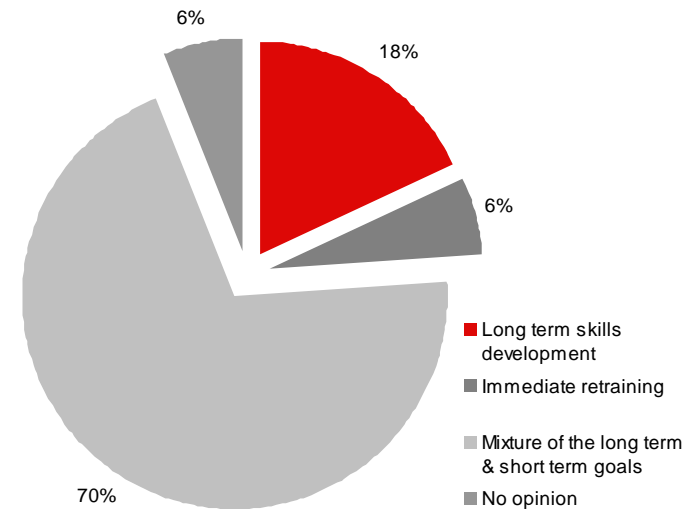
Impact of recession on training and development

Over two thirds believe that investing in training now will put companies in a stronger position for the recovery. Members do not believe a kneejerk reaction to the current situation is right in terms of the Government's focus on skills training – concentrating on re-skilling should not be to the detriment of long term development.

Q. Do you believe that investing in training and development now (i.e. during the downturn) will help firms to be better placed in a recovery?



Q. Where do you think the government should focus its funding for skills training?

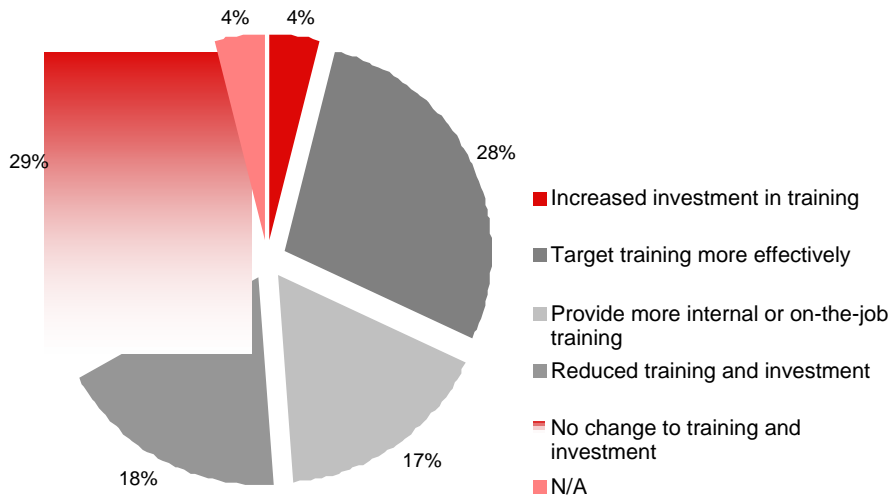


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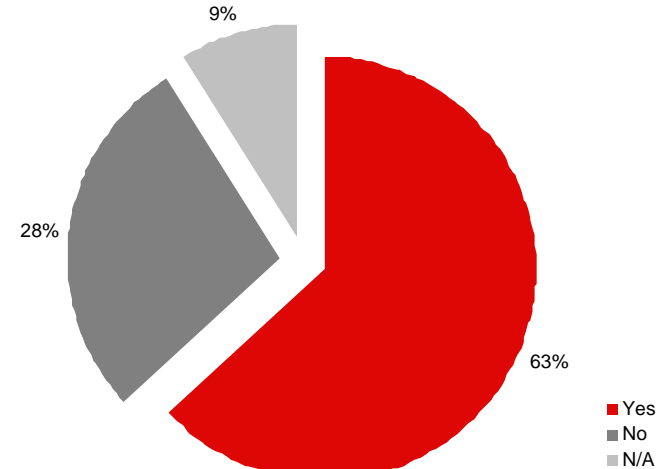
Impact of recession on training and development

Though 30% of employers say that investment in training will not change as a result of the recession, 28% said that they would target funding more effectively and 18% said that they would cut budgets. Of that 18%, two thirds have already made reductions.

Q. What impact will the current economic climate have on your plans to invest in training and development of your staff (in general terms)?
(Employers only)



Q. Have you made cuts already?



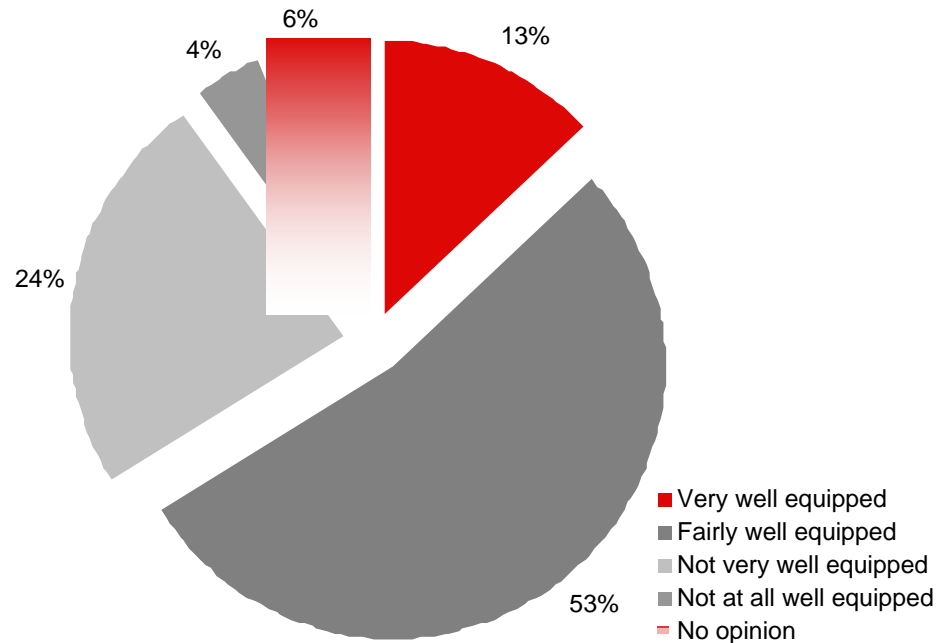
Attitudes towards State of Supply of Training & Skills:

Employers and Individuals

Attitudes towards State of Supply of Training & Skills

Over two thirds feel that new entrants to the sector are well equipped. These figures are almost identical to last year's - with a 1% shift towards both extremes.

Q. In terms of skill levels, how well equipped in basic communication, numeracy and literacy, would you say people are joining the industry today?

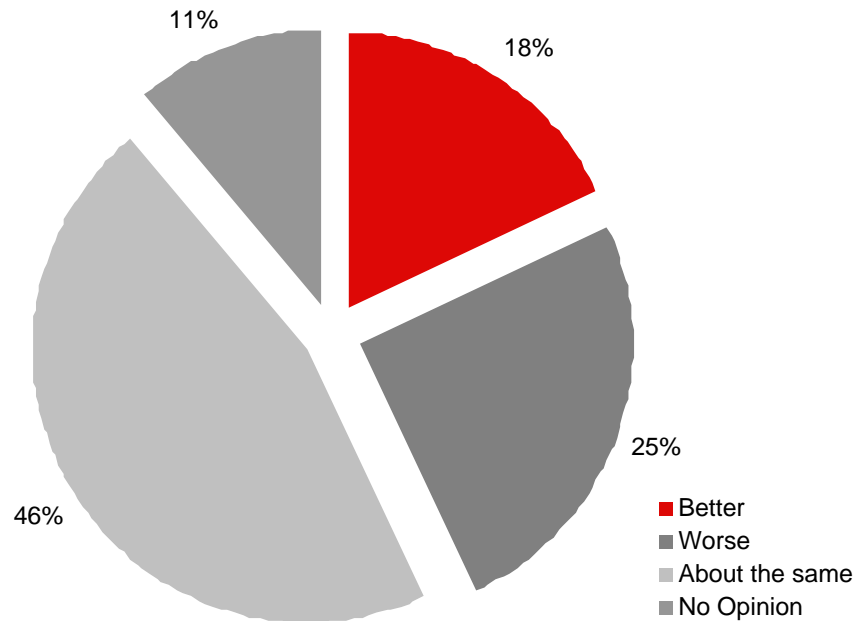


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Attitudes towards State of Supply of Training & Skills

This year has seen an improvement in the view of the preparedness of today's entrants in comparison to 5 years ago. Those thinking standards are worse have decreased by 4%, and there was a 2% increase in those who think people are better equipped today.

Q. Would you say people joining the industry today are better equipped with the skills to do the job than 5 years ago, worse or about the same?

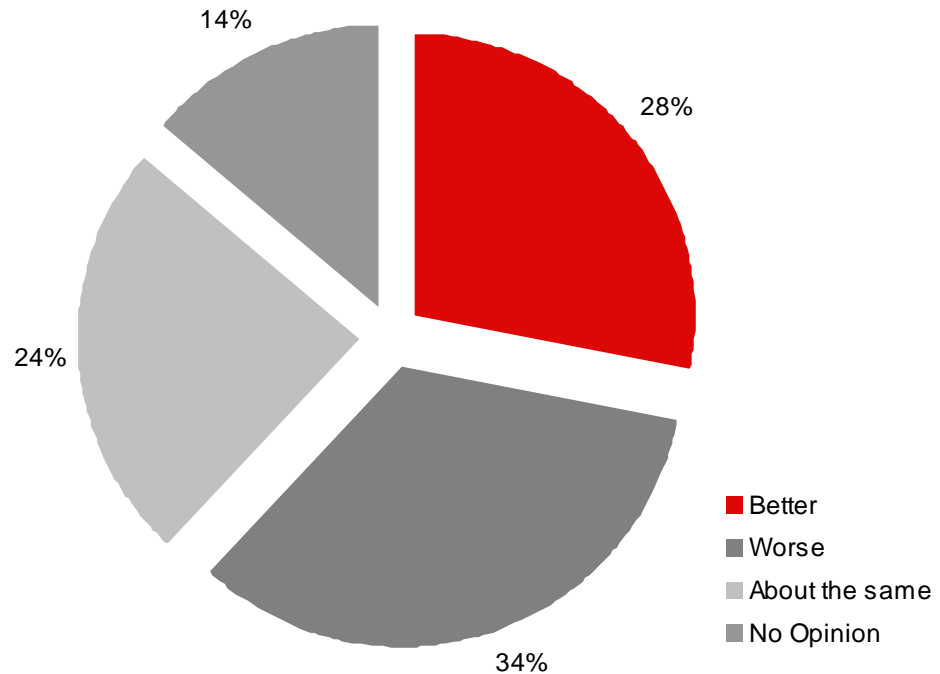


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Attitudes towards State of Supply of Training & Skills

The percentage of those thinking that the standard of those joining the sector today is worse than 10 years ago has decreased by 6%, and there was a 3% increase in those who think people are better equipped today.

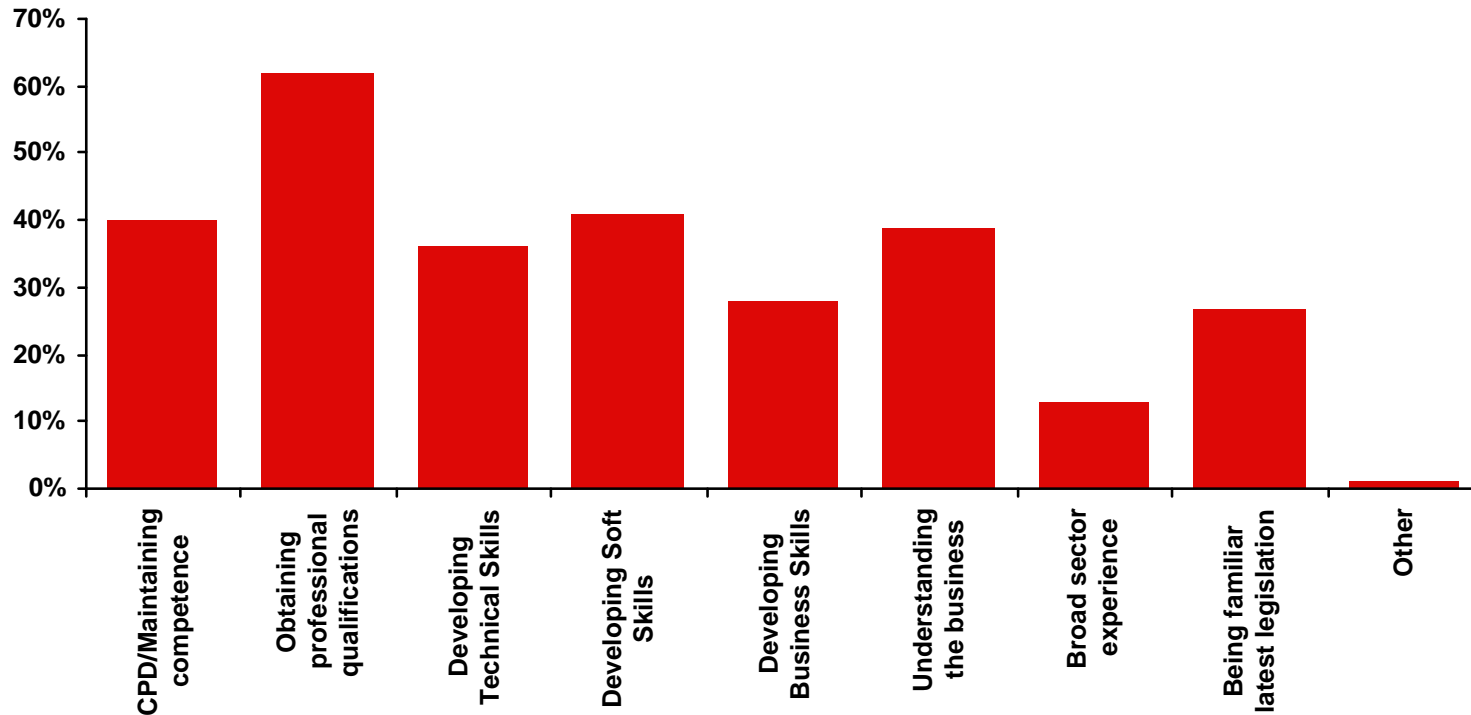
Q. Would you say people joining the industry today are better equipped with the skills to do the job than 10 years ago, worse or about the same?



Base: 2562

Attitudes towards State of Supply of Training & Skills

Q. From the following list, what 3 things would you say are most important to you in skills training?



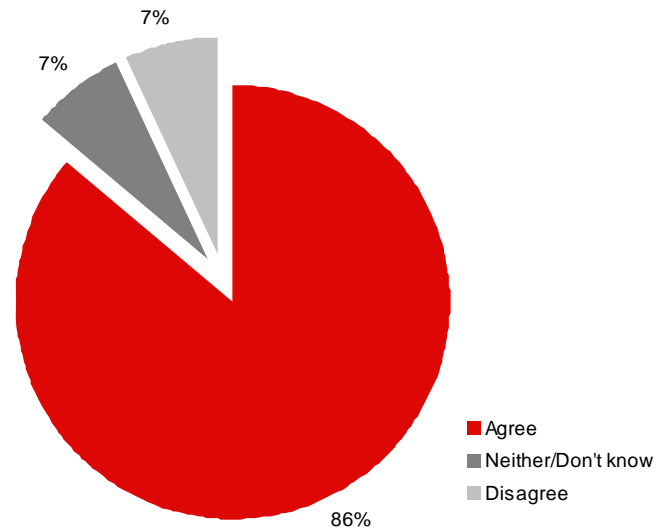
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Attitudes towards State of Supply of Training & Skills

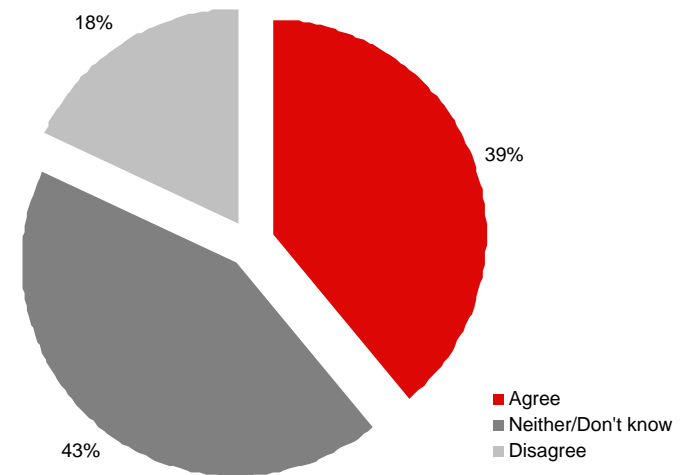
The vast majority of respondents advocate the importance of professional qualifications – though the figure is slightly down on last year's (2%). Twice as many people think that the UK has fallen behind other countries in our skill levels than who do not.

Q. To understand the attitudes of the Industry towards training and skills levels, will you please indicate how strongly you agree or disagree with each statement.

It's vitally important to get professional qualifications today



We're already falling behind other countries in our skills levels in the UK



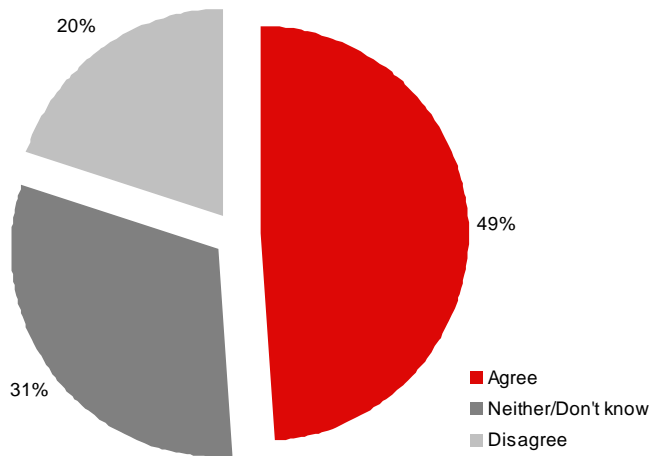
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Attitudes towards State of Supply of Training & Skills

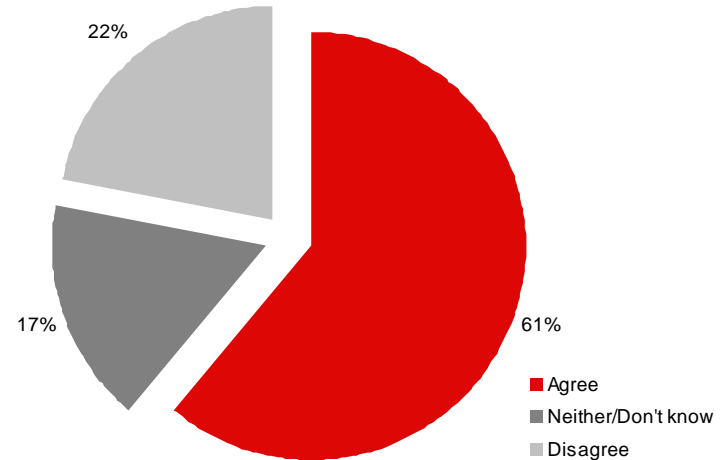
Almost half think that by 2020 we will trail our international competitors – though this figure is 5% lower than last year. However there was also a 6% drop in those disagreeing with the idea. Almost three times as many respondents feel that they are kept up to date on skills matters than those who think the opposite.

Q. To understand the attitudes of the Industry towards training and skills levels, will you please indicate how strongly you agree or disagree with each statement.

If we carry on as we are, by 2020, skills levels in the UK are in danger of being left behind



The Industry does enough to keep me up-to-date on skills training available



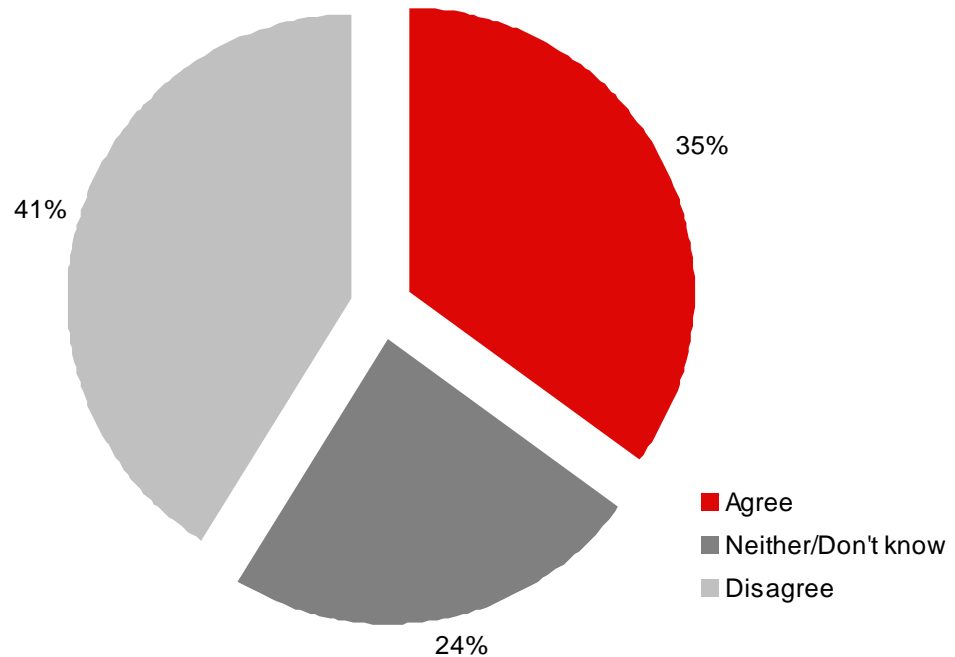
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Attitudes towards State of Supply of Training & Skills

The number of those who think that the education system did not prepare them for a career in financial services has remained the same is 6% higher than those who think it did.

Q. To understand the attitudes of the Industry towards training and skills levels, will you please indicate how strongly you agree or disagree with this statement.

Our education system has prepared me well for a career in the FS industry

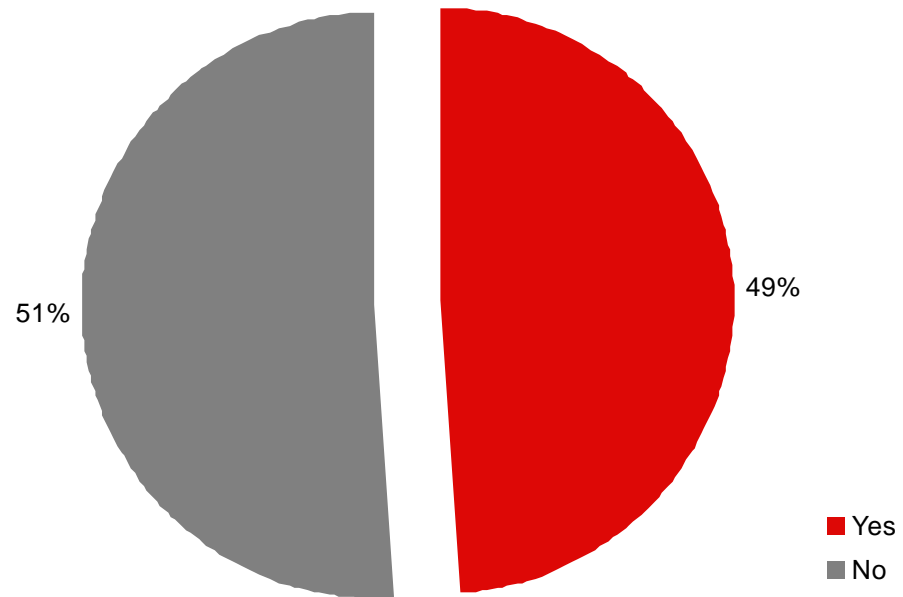


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Attitudes towards State of Supply of Training & Skills

The industry is improving here as each survey has seen an increase in those happy with industry efforts. This year's rise was 6%. The figure agreeing in 2007 was 38%.

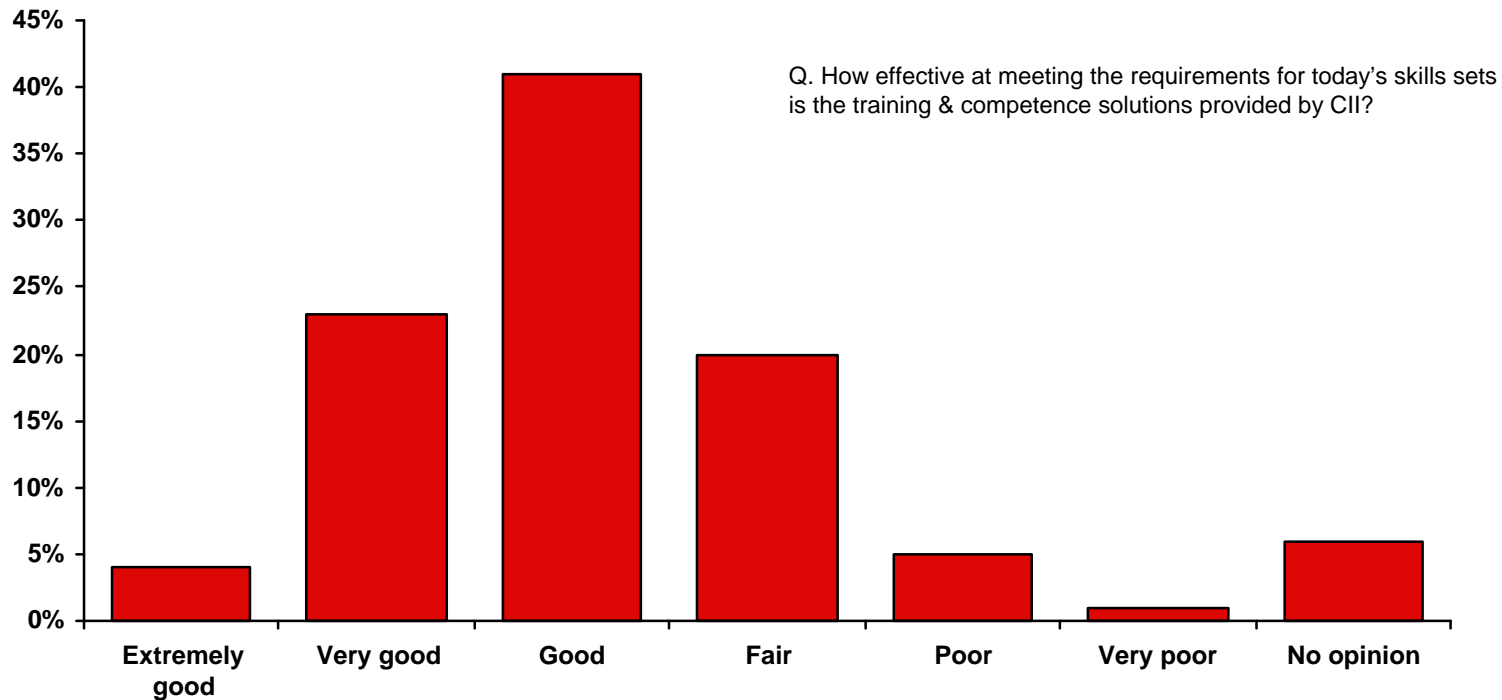
Q. In your view, is the industry doing enough to encourage obtaining professional qualifications?



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Attitudes towards State of Supply of Training & Skills

Support for the effectiveness of CII solutions has stayed the same with 68% choosing one of the good options (though there was a 1% shift from good to extremely)



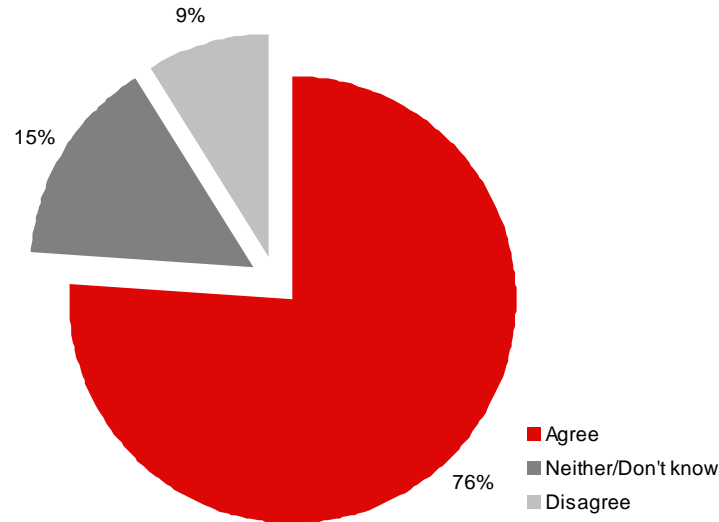
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Attitudes towards State of Supply of Training & Skills

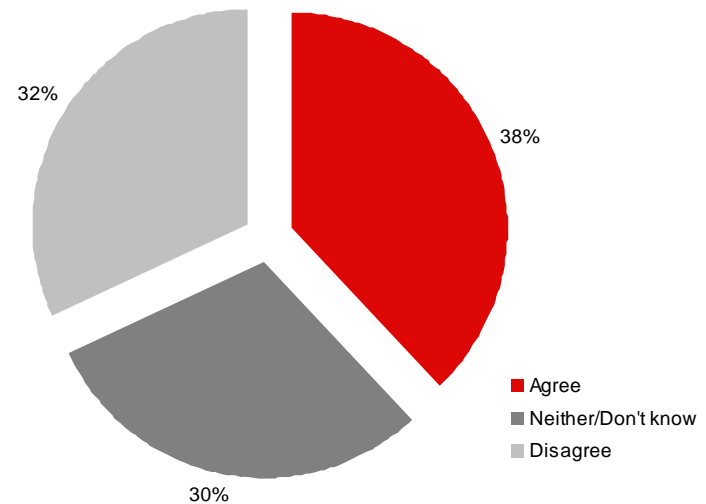
Over three quarters see the CII at the forefront of financial services training and qualifications – this year saw a 4% rise in that figure. The Government's aim of an employer-led system is some way off according to respondents with only 38% thinking they have enough say in developing solutions.

Q. To understand the attitudes of the Industry towards the state of supply at the moment of training and skills, will you please indicate how strongly you agree or disagree with each statement.

The CII is at the forefront of skills training and professional qualifications in UK FS industry today



I feel that employers have enough say in driving training solutions



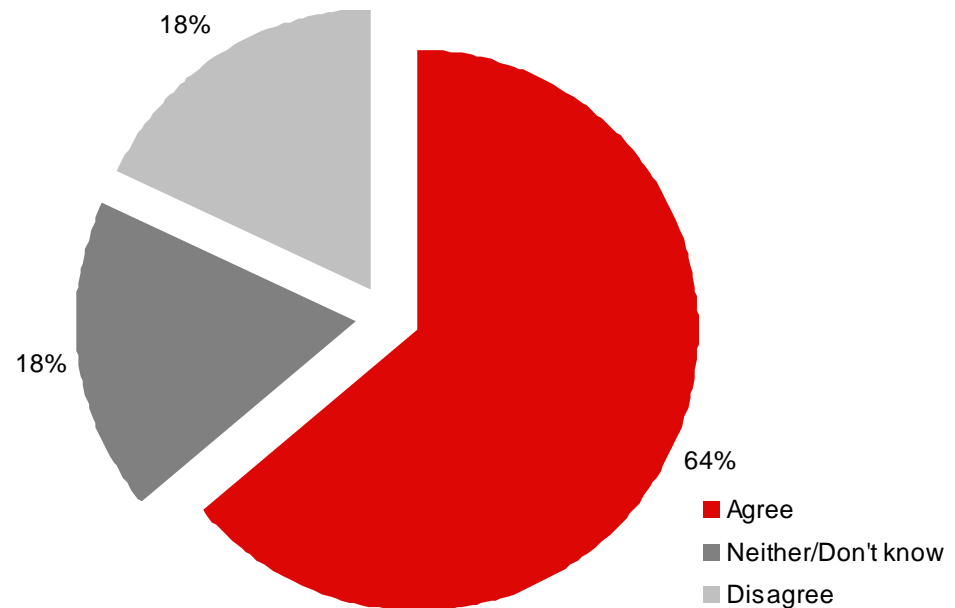
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Attitudes towards State of Supply of Training & Skills

There is a large proportion of members who would like a greater offering of soft skills from the CII – though for the second year running this figure has dropped.

Q. To understand the attitudes of the Industry towards the state of supply at the moment of training and skills, will you please indicate how strongly you agree or disagree with this statement:

The CII needs to broaden its range of training to accommodate the increasing importance of soft skills

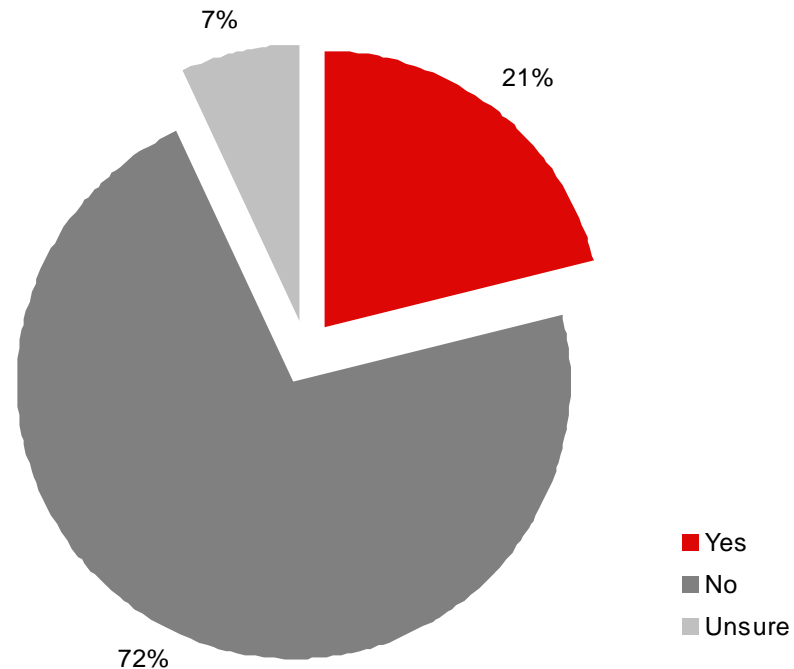


The Gender Skills Gap

The Gender Skills Gap

Almost three quarters feel that women do not face barriers when it comes to achieving the same level of training and qualifications as men.

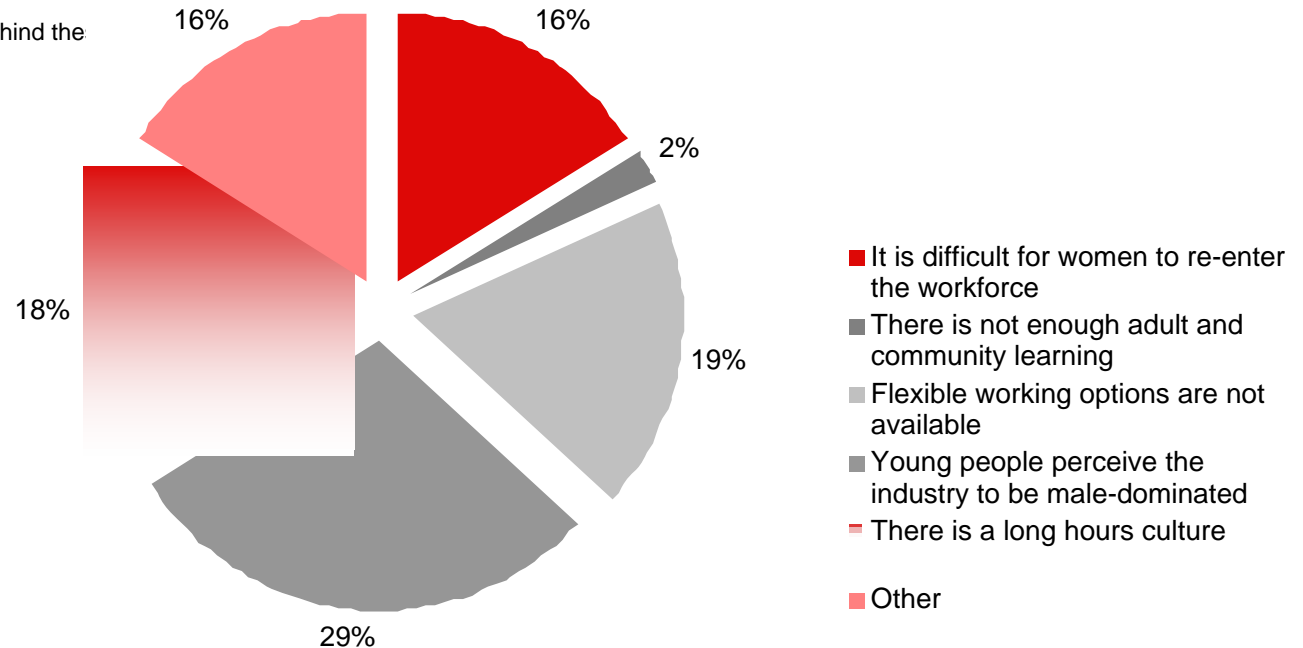
Q. Recently, research has suggested that a 'gender skills gap' exists in certain fields, particularly at top levels. Thinking about your own industry, do you think that women face barriers to achieving the same levels of training and education as men?



The Gender Skills Gap

Though there is a spread of opinion of the reasons as to why women might face barriers, the perception that the industry is male dominated is clearly the highest.

Q. What do you think the main reasons behind the (see previous slide) barriers are?



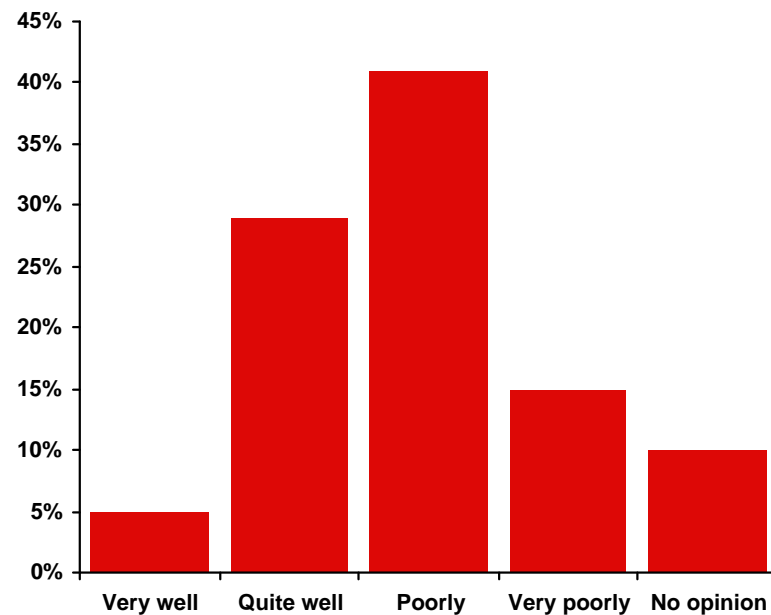
Attitudes towards the education system:

View of employers

Employers' attitudes towards the education system

The majority of employers do not think that the education system serves our sector well – 56% describe its ability to do so as poor or very poor.

Q. Thinking of recent school leaver & graduate recruits, how well do you think that our education system is serving the FS industry?

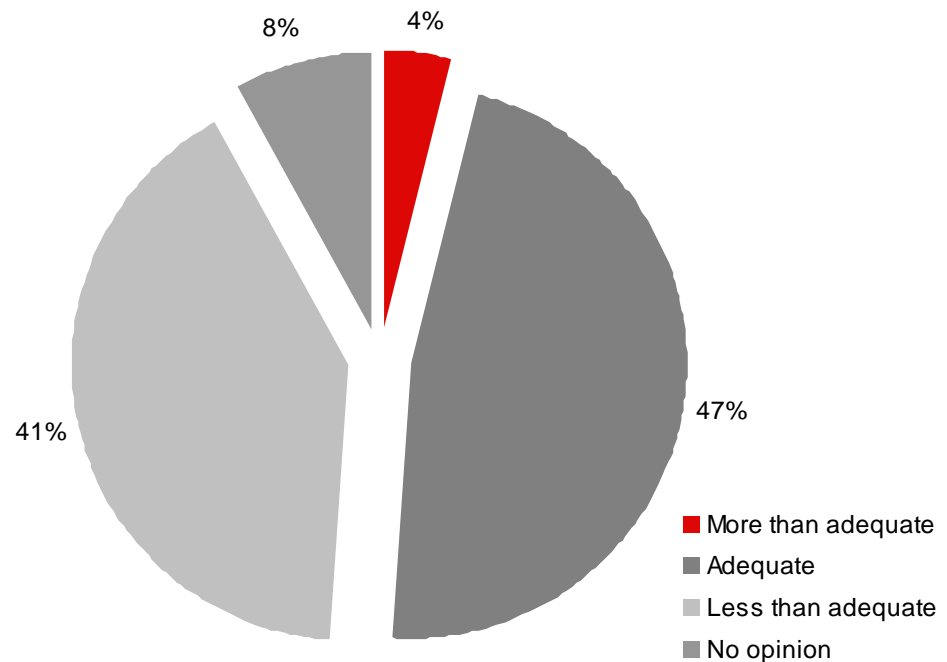


Base: 621

Employers' attitudes towards the education system

Just over half of employers feel that the standard of education of applicants is adequate. Only 4% describe it as more than adequate whereas 41% say that it is less than adequate.

Q. What is your opinion of the level of basic education of applicants when they join? Is it ...?



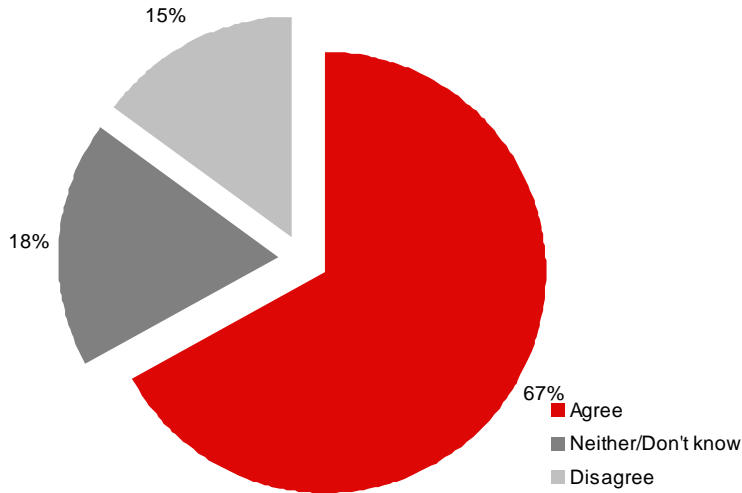
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Employers' attitudes towards the education system

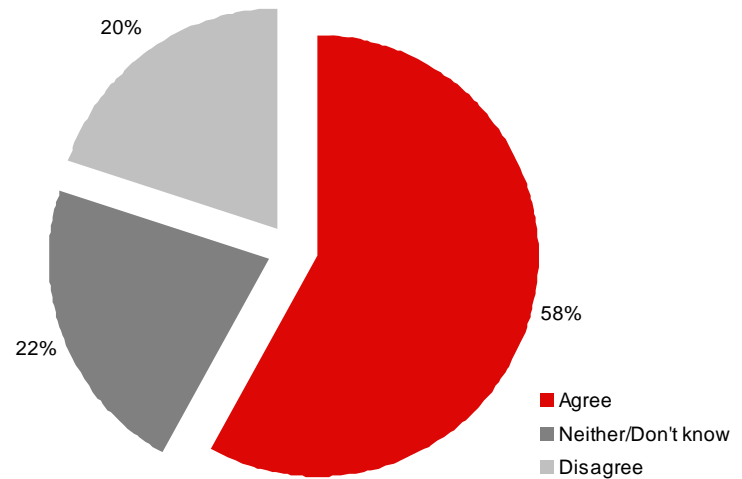
Though over two thirds of employers do not think that school leavers are able to produce basic correspondence this figure has dropped by 10% from last year. 58% feel that school leavers struggle with numeracy – though again this represents a sizable decrease on last year (9% down).

Q. To understand what employers' attitudes are at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

Students leaving school and joining the industry can't write basic letters today



School leavers have problems with basic numeracy skills



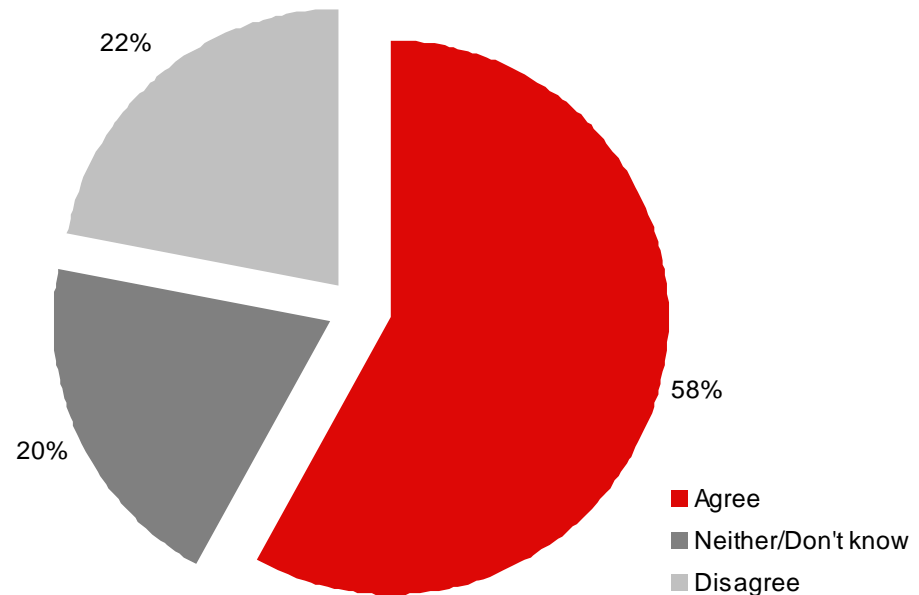
Base: 621

Employers' attitudes towards the education system

58% of employers feel that graduates struggle with basic skills. This is 3% lower than last year.

Q. To understand what employers' attitudes are at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with this statement.

Even graduates struggle with basic skills like grammar and numeracy



Base: 621

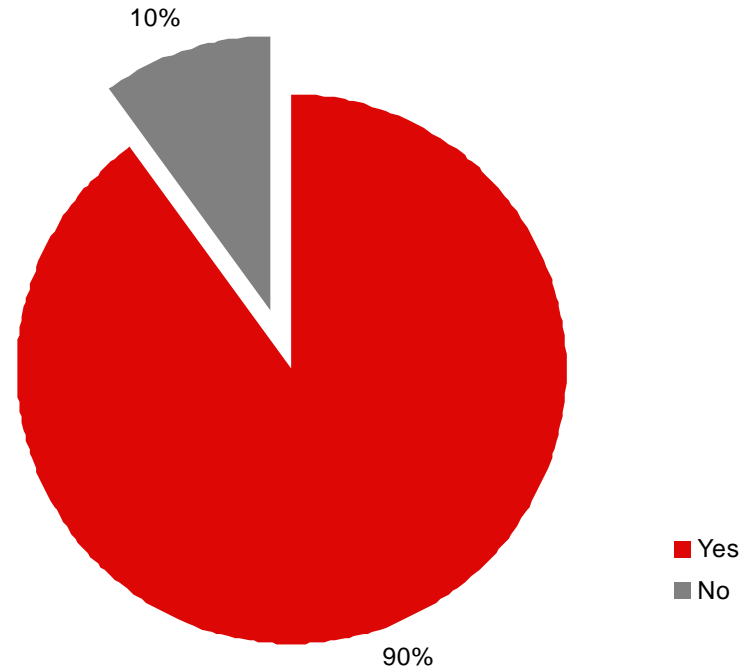
Attitudes towards Training & Skills:

View of employers

Importance of Training & Skills - Employers

The importance of skills within the boardroom continues to rise with an 11% increase on last year. The figure in 2007 was 59% - this year 90%.

Q. Thinking of the relative importance of training and skills levels, would you say the issue is on your Boardroom agenda?

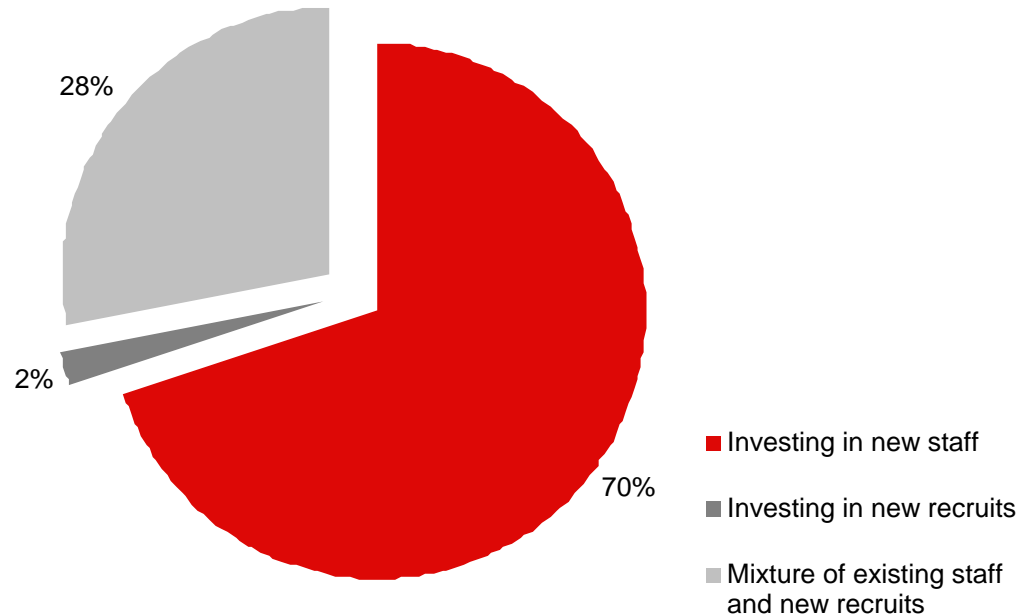


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Importance of Training & Skills - Employers

Only 2% of employers see new recruits as their main training and development priority. The overwhelming majority (70%) will be focusing on existing staff.

Q. What is your main priority in terms of training and development?



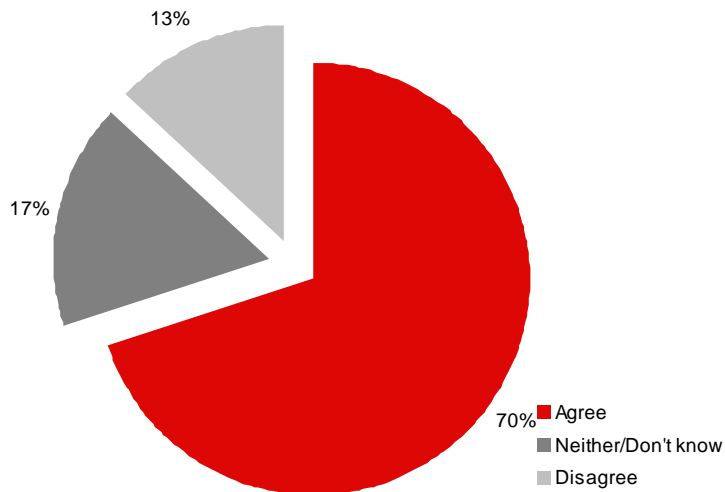
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Employers' attitudes towards the state of training & skills in UK

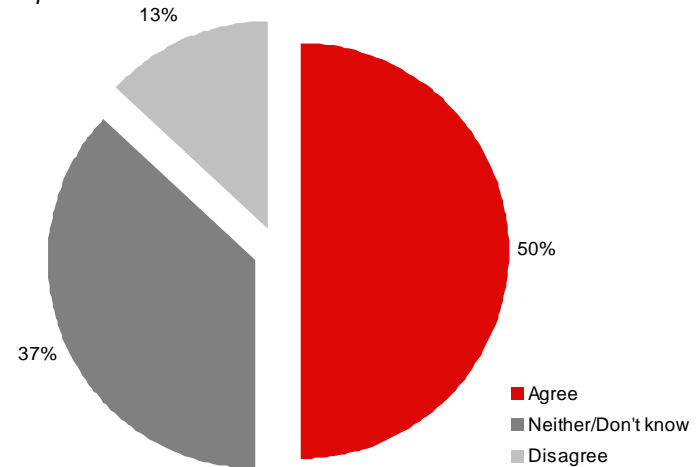
The number of employers reporting skill shortages is high at 70% - though this figure is 6% lower than last year. Half of respondents say that shortages are having a detrimental effect on business.

Q. To understand what employers' attitudes are at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

There is a shortage of technical skills in key areas of our business



The shortages we are experiencing are having a detrimental effect on our performance

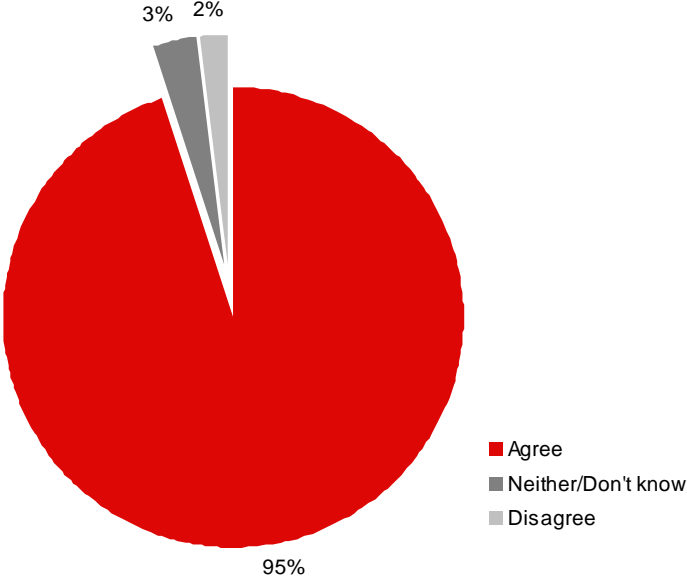


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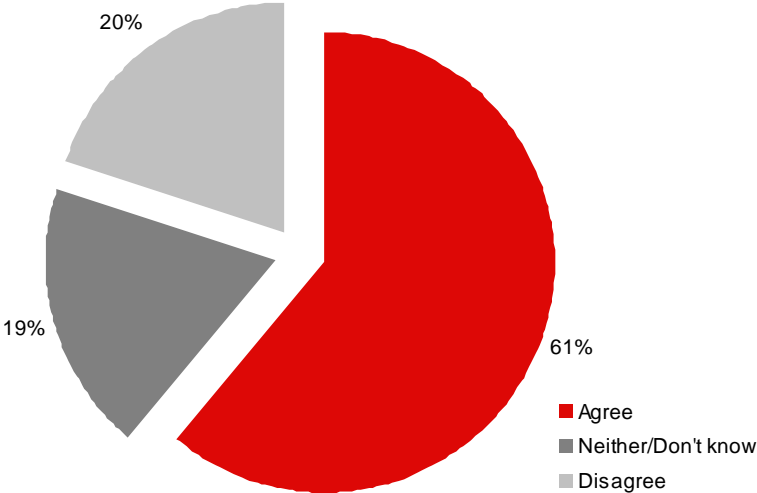
Employers' attitudes towards the state of training & skills in UK

Q. To understand what employers' attitudes are at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

Maintaining competence is just as important as passing examinations



Having the soft skills is more important because technical skills can be taught



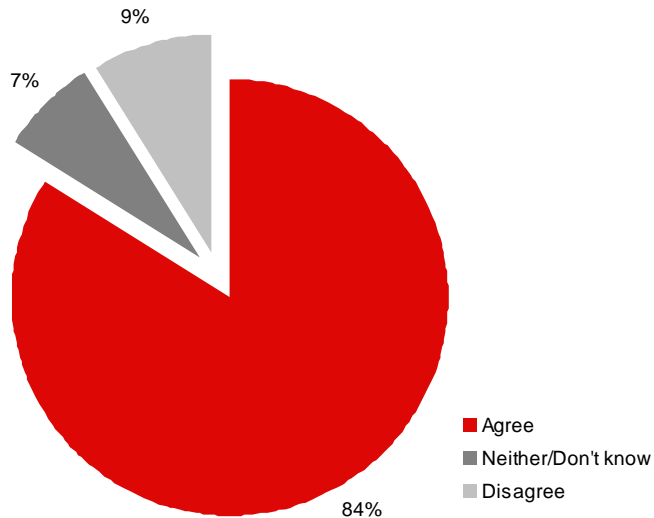
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Employers' attitudes towards the state of training & skills in UK

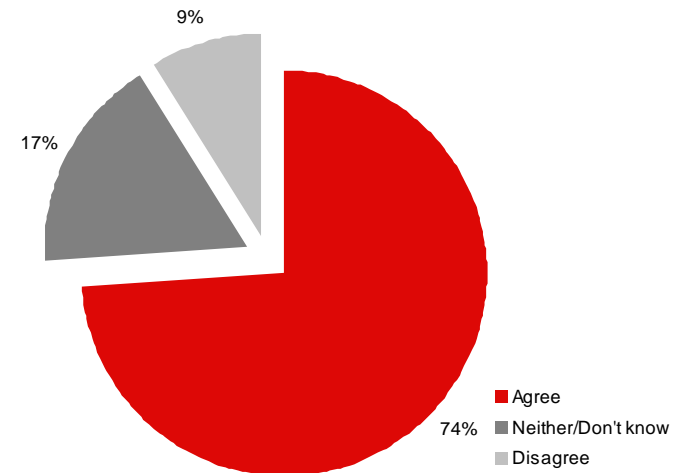
The number of employers who believe the demand for professional qualifications will increase and that staff will need higher qualifications rose and are 84% and 74% respectively.

Q. To understand what employers' attitudes are at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

Generally, demand for professional qualifications will increase in the next 5 years



More staff will need higher level qualifications e.g. ACII



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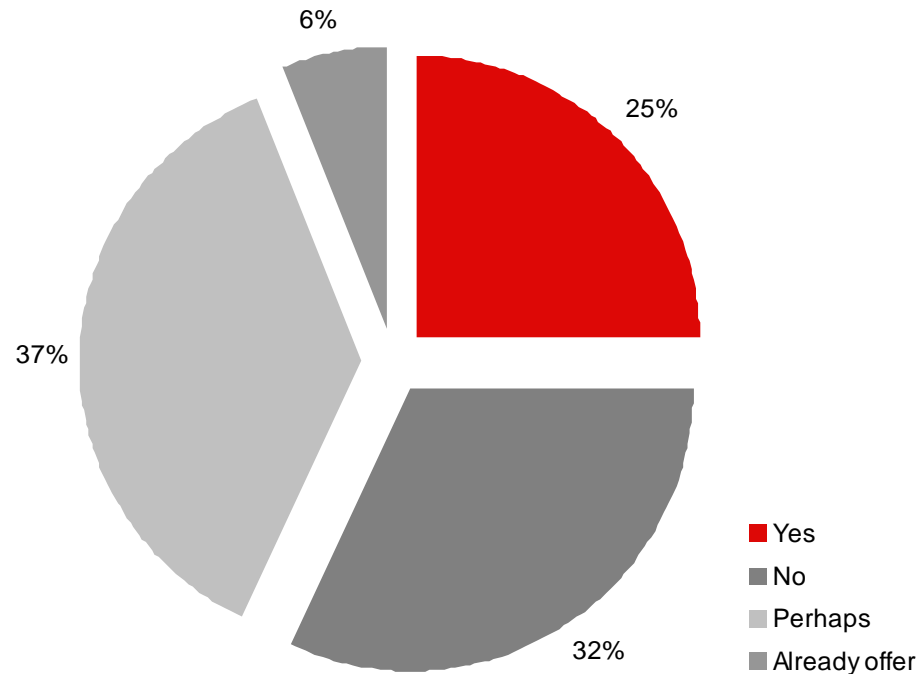
Encouraging new entrants and developing pathways into our professions:

Views of employers

Encouraging new entrants and developing pathways into our professions

Only 6% of employers offer placements to students to better prepare them for work. A quarter say that they would consider doing so while 32% said no.

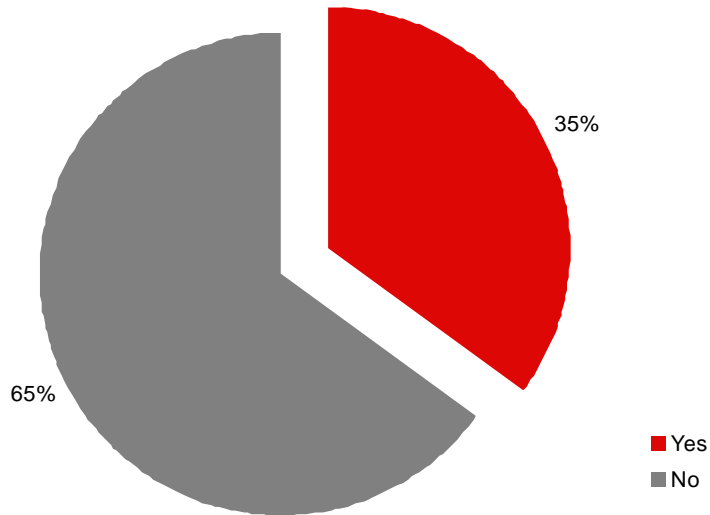
Q. Would you consider establishing a summer placement or internship scheme for university or college students in order to help better prepare them for the world of work?



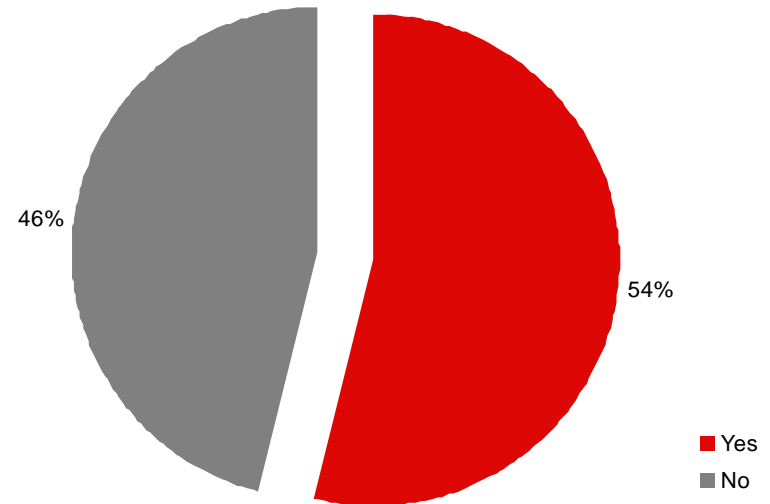
Encouraging new entrants and developing pathways into our professions

Two thirds of employers are unaware that Apprenticeships exist that include financial services professional qualifications. And less than half realised that Apprenticeships represent a cost effective way of developing staff.

Q. Are you aware that apprenticeships for insurance and financial services containing professional qualifications exist?



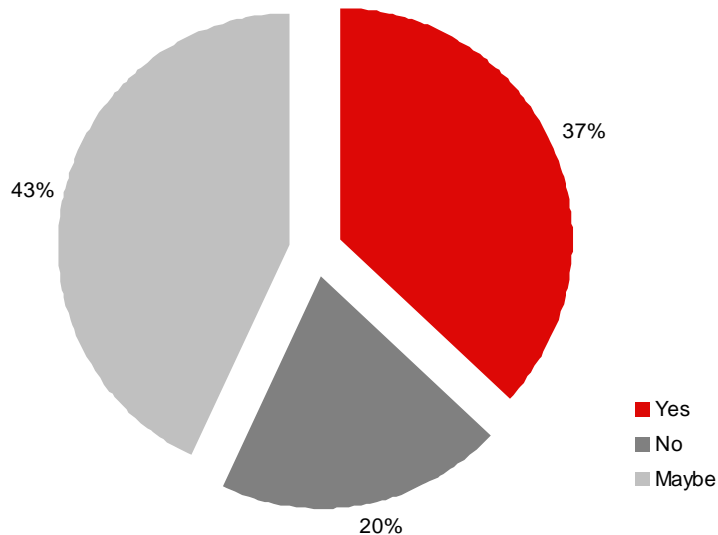
Q. Are you aware that apprenticeships can be a cost effective way of developing staff due to the government funding available?



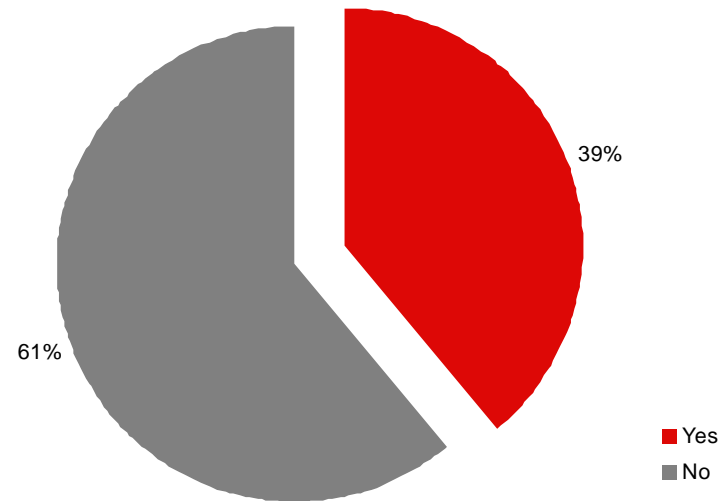
Encouraging new entrants and developing pathways into our professions

Only 20% said they would not employ an Apprentice – almost double that figure (37%) said they would. 61% of employers are unaware of the support offered by the Government for skills training

Q. Would you consider employing and developing an apprentice?



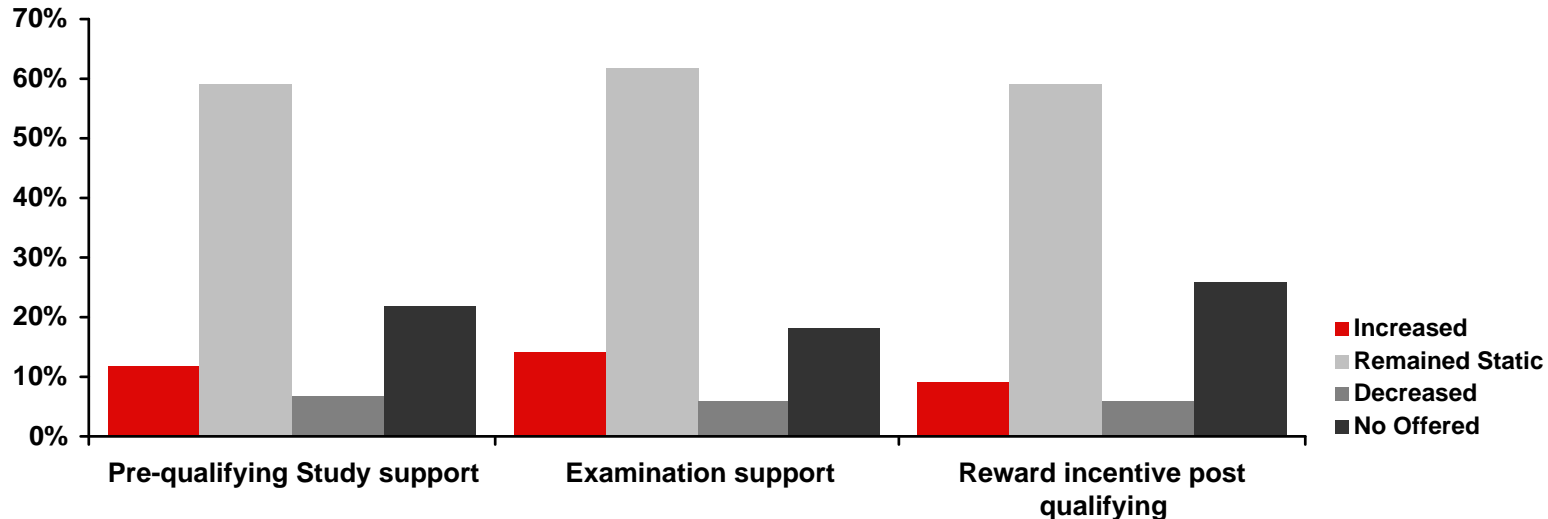
Q. Are you aware that there is a range of government funding available to help with the training of staff?



Employer support for employees who study for professional qualifications

Employer support for employees who study for professional qualifications

Q. For the following types of support, can you indicate if budgets which you set aside for 2008 have increased, decreased or remained static?



There have been big changes over the past year with huge drops in those increasing support (on average down 25% points). On the flip side the numbers of those not offering the various forms of support has risen (on average up 14% points). Though the number of those *decreasing* support has risen it did not do so as much as one might expect (average of 5%).