

# THE THAMES VALLEY

## SKILLS EDUCATION & RECRUITMENT SURVEY RESULTS



# TABLE OF CONTENTS

- 01 EXECUTIVE OVERVIEW
- 02 SURVEY RESULTS
  - a. Recruitment
  - b. Skills
  - c. Education
- 03 ROUNDTABLE WRITE UP
- 04 SURVEY METHODOLOGY

## EXECUTIVE OVERVIEW

**Today, England has one of the best university systems in the world, with academic routes that are easy to understand for young people.**

Compared to other countries however, technical and professional education is still quite complex and more work is required to raise the profile and value of these routes as well as ensuring their offer is clearly understood. For example, students aiming for a future in plumbing are not presented with a clear route into the job but instead are expected to choose from a bewildering selection of 33 qualifications.

That is why the government is determined to create a system that is respected and clear. Plans were announced in November 2015 for ground-breaking reforms to technical and professional education (TPE), which will set England's system on a par with the best in the world.

Up to 20 specific new professional and technical routes will be created, leading up to employment or degree-level study, which will be as easy to understand as academic routes. This will lead young people from compulsory schooling into employment and the highest levels of technical competence, which for many will mean moving on to apprenticeships as quickly as possible.

The government is committed to ensuring that the majority of young people go into university or an apprenticeship, and has pledged to deliver three million quality apprenticeships by 2020.

This is music to the ears of both educators and businesses in the Thames Valley, bearing in mind the skills shortage in the region. In fact, the second edition of the Thames Valley Skills Education and Recruitment Survey 2016 found that nearly two thirds of respondents find it difficult to hire staff with the right skills and attributes. As a result nearly half are investing in apprenticeships to develop and build their workforce. Nearly three quarters (71%) of those surveyed believe apprenticeships are the right way to get skills into organisations. This statistic has increased from 60% when the same survey was conducted back in 2014.

When survey respondents were asked if recruitment had increased, decreased or remained the same, over half (57%) stated that it had increased. Growth and expansion were cited as the main drivers for recruitment by over one third of respondents. Interestingly this trend has continued on from the first edition of the Thames Valley Skills, Education and Recruitment Survey.

The survey findings also revealed that companies looking to expand (either into new markets, products, services or to new locations) are the ones that are hiring the most at present. Over half of those surveyed are looking to recruit junior and trainee roles rather than fill mid-manager roles, which may be down to the fact that companies find it hard to find candidates with this level of experience.

Skills, experience and behaviours are the top qualities Thames Valley employers look for when recruiting staff according to this report. The survey found that over one quarter (28%) of respondents place skills above qualifications (15%). Skills were closely followed by experience (26%) and behaviours (23%). When the same report was undertaken in 2014, 38% considered qualification important versus only 15% this time around.

Finally almost nine in ten respondents believe that affiliations between business and education bodies are a beneficial way to increase the skills needed. That said, over half of respondents admitted that time and resources and the lack of formal meetings are the main barriers that prevent them from working more closely with educators. They are also not sure

how best to engage.

Commenting on the findings of the report, Sally Dicketts, Group Chief Executive of Activate Learning and one of the key sponsors stated: "The results of this survey highlight the vital importance of educators and employers working together to develop work-ready young people who combine high-level technical skills with the right attitudes and behaviours. We have structured our own schools and colleges to ensure we have this outward focus. We are building strong relationships with businesses in key industries to ensure that our students have a direct line of sight to meaningful employment."

Brian Poxon, Divisional Manager, Parkside Recruitment who also sponsored the survey commented: "We are talking to hundreds of companies on a daily basis and one of the things that we have noticed more in the past couple of years is that companies are looking for the right behaviour in candidates, rather than focusing on qualifications. Our candidates don't necessarily need a degree - we look at anyone, regardless of qualification, as long as they display the right behaviours. The job can be taught once they are in employment."

We hope you enjoy reading the report.

### About the survey

The Thames Valley Skills, Education and Recruitment Survey 2016 – a collaboration between Parkside Recruitment, Activate Learning and C8 Consulting – provides an overview of how businesses view skills, education and recruitment locally. The survey first ran in 2014 and this second edition opened in November 2015 and ran until January 2016. Almost 80 local businesses took part. We would like to thank those who participated for taking the time to complete the survey.

**"Today's employers want people with the right beliefs, attitudes and behaviours. This is what makes the difference over and above qualifications."**

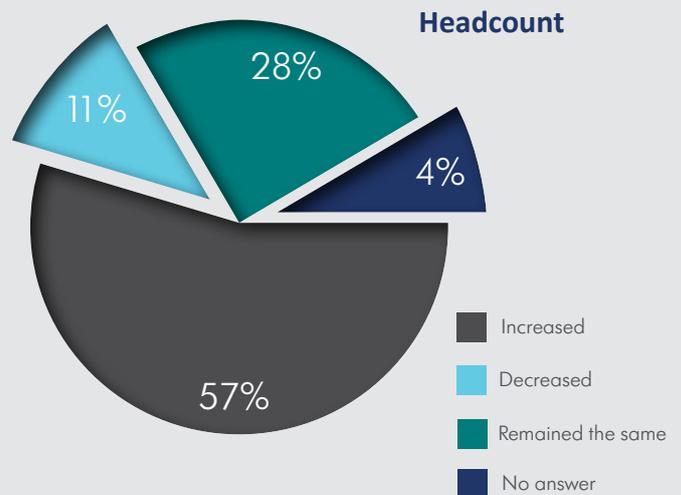
**SALLY DICKETTS**  
Chief Executive,  
Activate Learning

# SURVEY RESULTS

## HEADCOUNT AND RECRUITMENT

### Half of companies have recruited new staff

More than half of companies in the Thames Valley have recruited new staff during 2015. 57% of respondents indicated an increase in headcount. The results were almost exactly the same in 2014 when 56% stated that headcount had increased. 28% of respondents in this latest survey stated that it had remained the same compared to 31% in 2014, and 11% advised that recruitment had decreased compared to 7% in 2014.



**"Employers need to ensure they communicate directly with education organisations the skills they are looking for from future employees so that educators can address this and start to factor it into the curriculum."**

**STEVE STILLWELL**  
Head of Education,  
Young Enterprise

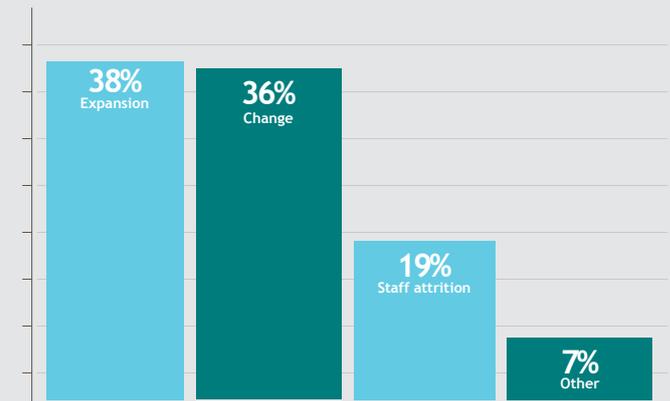
# HEADCOUNT AND RECRUITMENT

## Expansion is the key driver behind recruitment

Companies looking to expand (either into new markets, products, services or to new locations) are the ones that are hiring the most at present. Expansion (38%) followed by change (36%) are the two main factors driving companies to recruit. In 2014 the two top drivers for recruitment were growth (58%) and staff attrition (31%). What has changed is that staff attrition was only 19% in 2016 versus 31% back in 2014.

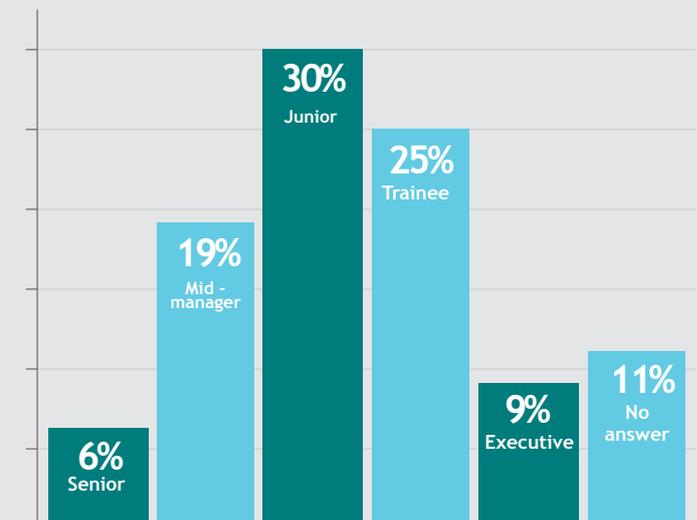
Additionally, the three main departments that businesses are hiring into are sales and marketing (43%), customer services (38%) and finance (26%).

### Growth



## Junior roles in demand

Companies based in the Thames Valley are looking to fill predominantly junior and trainee roles. Over half of companies (55%) are looking to recruit junior and trainee roles. In the 2014 survey there was greater demand for the mid-manager roles - 56% in 2014 versus just under one fifth (19%) in 2016. There has been little movement at the top end with 9% recruiting for executive roles in 2016 versus 10% in 2014.



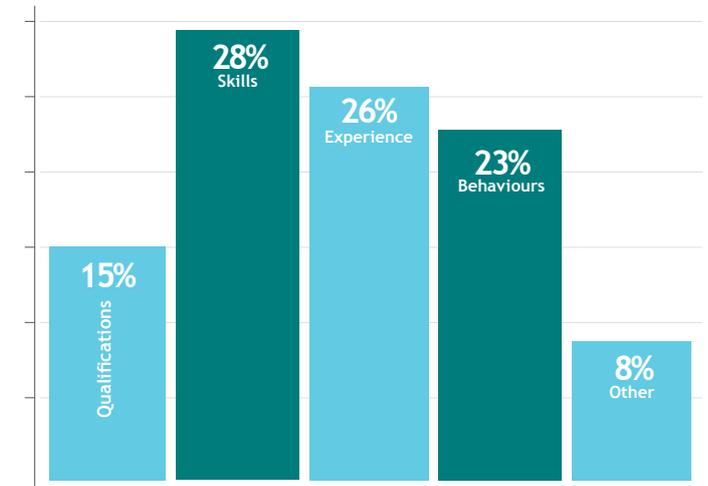
**“I was really pleased to hear in the survey that more apprenticeship opportunities are being offered. Placements are paramount to students as they get real-life practical experiences in the workplace.”**

**PROF GINNY GIBSON**  
Deputy Dean,  
Henley Business School

# SKILLS

## Skills, experience and behaviours ranked higher than qualifications

Skills, experience and behaviours are the top qualities Thames Valley businesses are looking for when recruiting staff. The survey found that over one quarter (28%) of respondents place skills above qualifications (15%). Skills were closely followed by experience (26%) and behaviours (23%). When the same report was first undertaken in 2014, 38% considered qualifications important versus only 15% this time around.

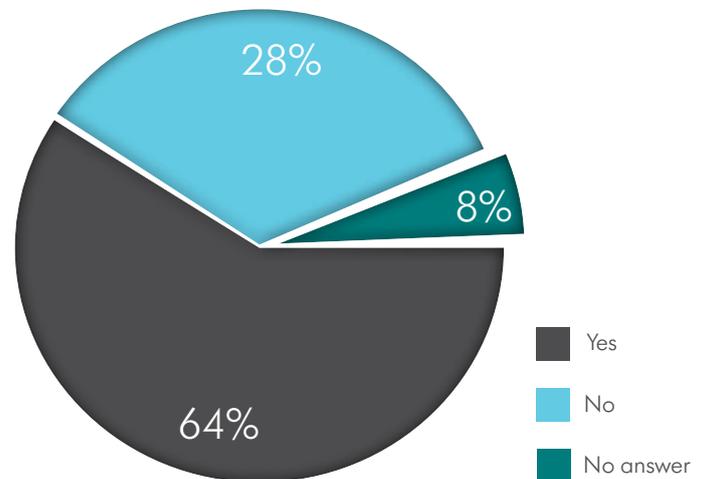


## Have you found it difficult to recruit staff in the last year?

### The war on talent

Nearly two thirds of respondents surveyed (64%) find it difficult to recruit staff with the right skills. This compares to 61% in 2014.

Indeed when asked about the main challenges faced by companies when looking to recruit, respondents cited finding candidates with the right level of experience (36%) and availability of candidates (26%).



**“For us it is all about the behaviours displayed. Increasingly this has become more important than skills”**

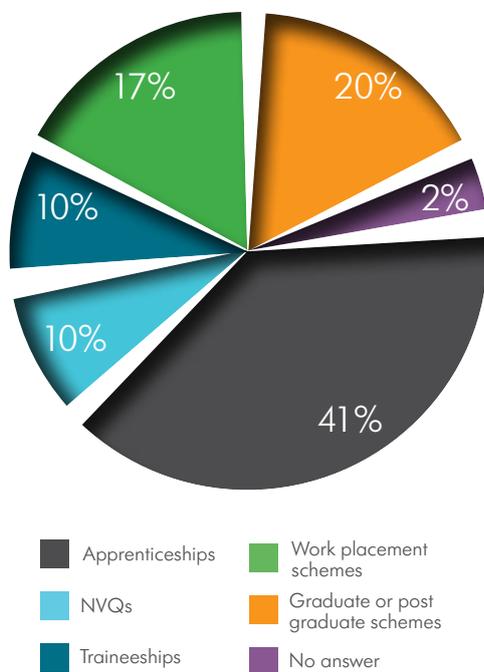
**BRIAN POXON**  
 Division Manager,  
 Parkside Recruitment

## EDUCATION

### The growing importance of apprenticeships

Nearly half of respondents (41%) are investing in apprenticeships to develop and build their workforce. Apprenticeships have increased from 34% in 2014 to 41% in 2016. However NVQs and traineeships have gone down from 11% (2014) to 10% (2016) and traineeships from 19% (2014) to 10% (2016).

Graduate and post graduate schemes have also declined from 53% in 2014 to 20% in 2016 and work placements schemes have declined from 38% to 17%.

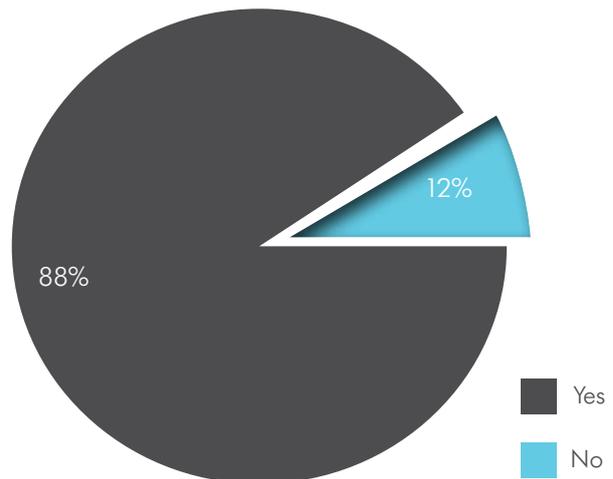


Almost three quarters (71%) consider that apprenticeships are the right way to get skills into organisations. This statistic has increased from 60% in the 2014 survey.

### Partnerships with education

The vast majority of respondents believe that affiliations between business and education are vital, particularly working more closely with schools and colleges. However, the lack of time to invest in this makes it difficult to accomplish. Almost nine in ten respondents (88%) believe that affiliations between

business and education bodies are a beneficial way to increase the skills needed. When looking at the main barriers that prevent businesses from working more closely with educators over half of respondents stated that time and resources (54%) and the lack of formal channels or mechanisms (32%) are the main ones.



The three key actions that respondents believe that businesses should take to ensure that young people have the right skills are:

- Work more closely with schools/colleges (54%).
- Provide more work placements (49%).
- Provide more coaching and mentoring (49%).

**“The solution to the skills shortage is to encourage more collaboration between employers and educators. Employers know what is happening in their industry and, in the end, will be the ones recruiting young people. It is in their interests to ensure their future workforce has the skills they are looking for.”**

**PABLO LLOYD**  
CEO and Co-Founder,  
Activate Enterprise

# THAMES VALLEY SKILLS, EDUCATION AND RECRUITMENT ROUNDTABLE

Twenty-two figures from education, business and politics gathered on Thursday 25th February 2016 to discuss the top-level findings from the second Thames Valley Skills, Education and Recruitment Survey 2016. The roundtable event was hosted by Sally Dicketts, Group Chief Executive, Activate Learning; Pablo Lloyd, CEO and Co-Founder, Activate Enterprise and Brian Poxon, Divisional Manager, Parkside Recruitment. The roundtable discussion was chaired by Paula Elliott, Managing Director of PR and marketing consultancy C8 Consulting.

Also participating were Professor Ginny Gibson, Deputy Principal from Henley Business School; Caroline Perkins, Economic Research Analyst, Thames Valley Berkshire LEP; Clare Wright, Managing Director, Connect Reading; Steve Stillwell, Head of Education, Young Enterprise; Steve Capel-Davies, Partner, Peter Brett Associates; Dolores Rodriguez, Head of Talent Acquisition EMEA, Symantec; Ross Wilson, CEO, Wilson Partners Limited; Bill Gornall-King, Partner, Boyes Turner; Susan Elliott, Head of IOD Berkshire; Simon Brooker, Head of Thames Valley for BDO; Louize Clark, Co-Founder Connect TVT; John Morton, CTO CPM Ltd; Michelle Bailey, Founder People Essentials and Cindy Cameron, Thames Valley Chamber of Commerce.

Thames Valley Berkshire is an economic powerhouse of enormous importance to the UK. The region performs strongly on most key economic measures and has the highest economic output per head of population of all English sub-regions outside of London. According to the Thames Valley LEP, it also has England's most productive workforce. While Berkshire enjoys high employment rates (77% compared to the country average of 73%) the skills shortage is more acute in the region than across England as a whole. Against this backdrop Paula Elliott outlined some of the key results from the survey.

This latest survey found that more than half (57%) of businesses in the Thames Valley increased their headcount over the past year with the majority citing growth, expansion (38%) and change (36%) as their reason for expanding their workforce. Roundtable participants kicked off the discussion around the impact this considerable growth is having on recruitment, education and skills.

## SALLY DICKETTS, CHIEF EXECUTIVE, ACTIVATE LEARNING

commented that universities were not originally designed to offer vocational learning for employment, but to facilitate high-level academic research. While in the past only the elite went to university, now over 50% of school leavers attend universities. As a result there is now a requirement upon universities to provide career-focused learning programmes, over and above academic subjects. The further education sector is adept at preparing young people for employment, yet is constantly facing reductions in funding at a time when universities are able to set higher tuition fees. Sally went on to say that today's employers want people with the right beliefs, attitudes and behaviours and this is what makes the difference over and above qualifications: "As an employer of teachers, I personally don't mind if someone has never taught before. As long as they have the right beliefs, attitudes and behaviours, I can help them become a great teacher. But if they have been taught to teach and don't care about improving our students' future lives, then I'm not so inclined to recruit them." She also added that one of the key aspects that both educators and employers need to understand is how to motivate students: "We can get every young person to the skills level we want and need."

**"I think there is a real skills mismatch. I hear different organisations say that there are more vacancies than candidates and then you end up with the wrong people in the wrong jobs."**

## SUSAN ELLIOTT

Managing Director,  
VitalSix and Chair of the IOD Berkshire

# THAMES VALLEY SKILLS, EDUCATION AND RECRUITMENT ROUNDTABLE

The brain is a muscle and like every muscle; it can grow and improve. Between the ages of 0-24 our brains are the most flexible, so this should be easy. Why then do young people leave school and either come to our colleges or to employers ill equipped? It is because they are not motivated to learn. They don't understand why they are doing what they are doing."

**STEVE CAPEL-DAVIES, PARTNER, PETER BRETT ASSOCIATES** agreed with Sally and he then went on to add: "This is the third year that we have been working with UTC Reading (part of Activate Learning). We work with students and provide them with real life projects. One of these projects was the redesign of Reading Station. When we sat down and listened to the students we were blown away by how engaged they were. They came up with ideas and did things that I'm sure they didn't even know they could do and we would certainly have never even thought of ourselves. It really was an eye-opening experience and great to be able to offer these young people the opportunity."

**STEVE STILLWELL, HEAD OF EDUCATION, YOUNG ENTERPRISE** agreed with both Sally and Steve and added: "Behaviours are a key aspect to address in order to tackle the current skills shortage." He also urged employers to ensure they communicate the skills they are looking for in candidates to the education organisations. He also encouraged a constant dialogue between the two. Sally added that it is also really important for employers to speak to their local MPs about what skills they need so that this is catered for in the education curriculum. She added: "If I tell our MPs what skills our young people need they think I have an agenda. Businesses need take the lead in shaping the future of our education agenda. Our decision makers are then much more likely to take notice."

**PROF GINNY GIBSON, DEPUTY DEAN, HENLEY BUSINESS SCHOOL** commented that the number of apprenticeships, sponsored degrees and placements

have increased in the survey this time around and that this is paramount to enable students to obtain the skills and behaviours required: "I was really pleased to hear in the survey that more placement opportunities are being offered. Placement are now a fundamental part to our degree structure and paramount to both the students and business that they get these real-life practical experiences in the workplace."

The discussion moved on to the value of qualifications and how differently large corporations and SMEs behave when it comes to recruiting. Simon Brooker, Head Partner, BDO kicked off the conversation by stating that depending on the job, qualifications will nearly always be looked at in the first instance: "For jobs like an accountant, candidates will always need a certain level of qualifications and clearly screening in the first instance will be necessary." Bill Gornall-King, Partner, Boyes Turner added to Simon's comment that when looking at recruiting at a lower level it is totally different as the pool of candidates is much larger: "I would like to be able to recruit more candidates based on behaviour but when you get more than 500 CVs for a couple of trainee and junior positions you need a benchmark or a way of screening these. More often than not this will come down to the job spec, qualifications and the harder criteria before you move on to the softer skills of attitude and behaviours."

**JOHN MORTON, CTO, CPM LIMITED** went on to emphasise the importance of the softer skills: "It is also important for candidates to have the broader business skills and industry knowledge to be able to engage with employers and their colleagues in the workplace."

**BRIAN POXON, DIVISION MANAGER, PARKSIDE RECRUITMENT** commented: "For us it is all about the behaviours displayed. Increasingly this has become more important than skills so I am not surprised this came out so high in the research. Our candidates don't always need a degree. We look at anyone regardless of qualification as long as they display the right behaviour." Dolores Rodriguez, Manager, EMEA Talent Acquisition, Symantec agreed with Brian and added: "Our managers are not bothered by which university our interns come from and not even if they have an IT background. They look at their behaviour, the rest can be taught."

# THAMES VALLEY SKILLS, EDUCATION AND RECRUITMENT ROUNDTABLE

**SUSAN ELLIOTT, MANAGING DIRECTOR, VITALSIX AND CHAIR OF THE IOD BERKSHIRE** made the point that rather than there being a skills shortage, this was more about a gap between what companies are looking for and what schools are teaching: "I think there is a real skills mismatch. I hear different organisations say that there are more vacancies than candidates and then you end up with the wrong people in the wrong jobs."

The conversation then moved on to how to predict what skills will be needed in the future and how the job roles today will change as a result of the impact of technology. Technology has not only become all pervasive, but it has automated and in many cases changed the shape and focus of many roles. Technology has also provided access to more information.

The event concluded with a discussion around addressing the need for collaboration between businesses and education providers. Pablo Lloyd, CEO and Co-Founder, Activate Enterprise summarised: "The answer to the skills shortage is going back to encourage more collaboration between employers and educators. The solution to the skills shortage is to encourage more collaboration between employers and educators. Employers know what is happening in their industry and, in the end, will be the ones recruiting young people. It is in their interests to ensure their future workforce has the skills they are looking for. Young people are smart enough to listen to people who are in employment and our job as educators is to encourage that dialogue between young people and employers."

**"We provide students with real life projects and we are blown away by how engaged they are. It is great to be able to offer these young people the opportunity."**

**STEVE CAPEL-DAVIES**  
Partner,  
Peter Brett Associates



## SURVEY METHODOLOGY

The Thames Valley Skills, Education and Recruitment Survey 2016 was carried out between 9th November 2015 and 7th January 2016 with 79 businesses participating from across the Thames Valley.

**RESPONDENTS:** Almost half (45%) of respondents were a Private Limited – UK Parented company and 30% were a Private Limited – Overseas Parented. The remainder of the companies surveyed were either public organisations, LLPs or non-for-profit organisations.

Almost half of respondents had a turnover of up to £25 million, 23% had a turnover in excess of £500 million, 20% between £26 million and £100 million, and 17% between £101 million and £500 million.

A quarter of companies (25%) had a headcount of up to 50 and 22% had between 51 and 200 employees. 28% had between 201 and 1,000 staff and 25% had more than 1,000 employees.

A quarter of respondents (25%) operated in the Professional Services sector and a fifth (20%) operated in the Technology, Media and Telecoms industry.

17% of respondents who completed the survey were CEO/MD's and 15% were CFO/FD's. 58% of respondents who completed the survey and selected 'other' were HR, Business Consultant, Partner or Training Management.

40% of companies who completed the survey were located in Central Berkshire. 17% were located in Middlesex and 20% that selected 'other' include territories such as Surrey and London.

