

The likely effectiveness of Lantra's Skills Competence Framework

**Appendixes
to the
Final report
April 2007**

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Appendixes to the Final Report

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Appendix 1 Questionnaire used with intermediary organisations

2. Questions about knowledge of the Skills Competence Framework and about CPD

2.1 Are you the person who manages issues of training and skills development for your sector on behalf of your organisation?

Yes No

If 'no' interviewer to ask to speak to the person who manages issues of training and skills development

If that other person is not available, interviewer to get name and arrange to call back

If interview switches to another person, repeat introduction.

The system we are looking at is called the Skills Competence Framework and has been developed by Lantra.

2.2 Prior to this 'phone call, were you already aware of Lantra's Skills Competence

Framework? Yes No

If 'no', proceed to question 2.5, and inform the respondent that they will be given directions to the Lantra website, which demonstrates what the skills competence framework is, and what it can do, at the end of the interview.'

2.3 Has your organisation been involved in any discussions with Lantra regarding the Skills Competence Framework?

Yes No

If 'no', proceed to question 3.1

2.4 Have you seen the web-based Skills Competence Framework or been sent any material by Lantra explaining the SCF?

Yes No

Appendix 1 Questionnaire used with intermediary organisations

3. Questions on the perceived importance of a skilled workforce

3.1 How important is it to businesses in your sector that they recruit properly trained staff?

Very important

Quite important

Not particularly important

Not at all important

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....
.....

3.2 Do businesses in your sector have difficulties finding employees with the skills they need?

Yes – frequently

Yes – occasionally

No – not normally

No – never

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....
.....

Appendix 1 Questionnaire used with intermediary organisations

3.3 Do you think that better training could improve the efficiency or profitability of businesses of your sector?

Yes – very likely

Yes – possibly

No – not very likely

No – not at all

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....
.....

3.4 How important are the skills of workers to the image of businesses in your sector?

Very important – they trade on their skills

Vaguely important – some customers are interested

Not too important

Not at all important

Please record comments, if made;

.....
.....

3.5 Do businesses in your sector have difficulty retaining good staff?

Yes – a lot of difficulty

Yes – some difficulty

No – not too much difficulty

No – none at all

Please record comments, if made;

.....
.....

Appendix 1 Questionnaire used with intermediary organisations

In this next section, I'd like now to ask you for your opinions on the Skills Competence Framework that is being developed to help employees and businesses with training and skills development. The easiest way to do this might be for me to explain what the system does and then I'll ask you what you think of it.

4. Contingent ranking – better matching of skills of staff to the needs of the business

The system is designed to achieve better matching of the skills and abilities of workers and the skills needs of businesses.

Better matching of skills is achieved by a combination of;

1. standard job-descriptions that the employer can tailor to their specific business; and
2. an industry recognised and agreed format for recording worker's skills, abilities, and training; and
3. a means of identifying the qualifications required of workers, which are relevant to a particular job.

So, for example, if an employer needed to recruit an additional member of staff, this system would allow them to;

- a) Access a standard job description (based on national occupational standards).
- b) Check the skills required for the job against those of current staff and potential candidates.
- c) Identify the formal and informal qualifications that indicate the ability to fulfil all or part of this role.

Alternatively, a business may be considering whether its existing staff could take on an additional role, together or between them; this would allow the business to;

- a) Identify the skills and competences that would be required for the role; and
- b) Check the skills required for this job against those that are already within the business; and
- c) Identify the training that would be available to make staff fully competent.

4.1 Would you please allocate 100 points between each of these three features reflecting, for the sector you represent, how useful each would be relative to the others?

- *Standard job descriptions with details of skills requirements.....*
- *Skills-checks on potential employees and on existing staff within businesses.....*
- *Identify the right qualifications or training for jobs.....*

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....

.....

Appendix 1 Questionnaire used with intermediary organisations

5. Contingent ranking – improved recruitment and retention

The second function of the new system would be to assist in the recruitment and retention of staff.

Improved recruitment and retention are achieved by a combination of;

1. Encouraging the most suitable people to apply through better description of skills needs for jobs; and
2. Encouraging staff to develop their skills through better identification of their training needs; and
3. The demonstration of clear career paths.

So, for example, if a business needed to recruit an additional member of staff, this would allow it to;

- a) Use tailored job descriptions to inform candidates of the skills that are needed for the job; and
- b) Check the skills of candidates against the businesses needs, and identify any skills gaps; and
- c) Identify where there are courses or qualifications which would close the skills-gaps of new recruits.

In terms of staff retention, this system would allow businesses to;

- a) Use standard job descriptions to allow businesses to identify the skills that would be needed for current employees to take on different or more demanding roles that would benefit the business; and
- b) Allow employees to see what skills they needed to obtain to progress to different positions within the business; and
- c) Identify the courses and qualifications that would provide these additional skills.

5.1 Would you please allocate 100 points between each of these three features reflecting, for your sector, how useful each would be relative to the others?

- *Standard job descriptions with details of skills requirements.....*
- *Skills-check for individuals.....*
- *Identify the right qualifications or training for career development.....*

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....

.....

6. Contingent ranking – training and skills quality mark

If businesses adopt this new system, they may be able to obtain some form of **quality-mark** for training and skills, which might have benefits both within and outside of the business.

This quality mark may provide a number of benefits;

- to demonstrate to customers that the business is working to ensure that it has the right skills to deliver a particular service or product;
- to demonstrate to suppliers and regulators (such as insurance companies or the Health & Safety Executive) that the business is working towards a suitably qualified workforce;
- to demonstrate to staff, and potential staff, that skills and training are valued and encouraged within the business.

6.1 Would you please allocate 100 points between each of these three features reflecting for your sector how useful each would be relative to the other?

- demonstration to customers
- demonstration to suppliers.....
- demonstration to staff and potential staff.....

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....

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7. Contingent ranking of the benefits

Thinking of the three features of this new system and how each might benefit business in your sector, that is, (i) better matching of the skills of staff to the needs of the business; (ii) improved recruitment and retention and (iii) the training & skills quality mark -

7.1 Would you please allocate 100 points between each of these three features reflecting, for your sector, how useful each would be relative to the other

- better matching of the skills of staff to the needs of the business.....
- improved recruitment and retention.....
- training and skills quality mark.....

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....

.....

8. Willingness to accept

8.1 Thinking again of the ways in which this system might benefit your sector, I'd like to ask you now, if this system was available do you think that businesses within your sector would be willing to pay for it if the price was right?

Yes No

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....

.....

Appendix 1 Questionnaire used with intermediary organisations

9. Positioning

9.1 Do you think that the Skills Competence Framework would be most accepted by businesses in your sector if it were branded as being available through (provided by?);

Lantra

A trade organisation
state details if given.....

An assurance scheme
state details if given.....

Other (please specify).....

9.2 Would you consider recommending to your members that they should adopt a system such as the Skills Competence Framework?

Yes – most probably

Yes – dependant on some additional information

No – but may be persuaded by additional information

No – most probably not

Please record comments, if made;

.....

.....

10. Additional uses, barriers and features

10.1 Are there any other ways in which you could see a system like this benefiting businesses in your sector?

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10.2 Can you foresee any problems or limitations to the Skills Competence Framework being adopted by business in your sector?

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10.3 Are there any other additional features which you would like to see within the Skills Competence Framework?

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Appendix 1 Questionnaire used with intermediary organisations

11. Signing off

- a) Thank-you for your time.
- b) For organisations which were not previously aware of the Skills Competence Framework, and who would like to know more about it, we have two choices to offer them;

1. to pass their name and contact details to Lantra in order that Lantra may contact them
(complete name and contact details below)

2. to give them Lantra's contact details in order that they may contact Lantra

- c) We hope that the results of this study will be available in early 2006. If they are made publicly available, would you like us to let you know when this happens?

Yes No

If yes; ask for details of who should be informed, by what method, and collect email or other data to facilitate this.

Appendix 2 Briefing letter to land-based businesses

On University of Reading headed paper

ADDRESS BLOCK

DATE

Dear Sir / Madam,

RE: Evaluation of a Skills Competence Framework for use by Farming Businesses

Delta-innovation and The University of Reading are conducting an independent survey, on behalf of Defra, to determine the value that the land-based industries would place upon a 'Skills Competence Framework'.

Put very simply, the Framework is designed to help you find the right person for the job and once you've got them, to keep them and get the most out of them. It does this by recognising and recording the skills, training and experience of workers on the one hand, and by identifying and describing the skills-requirements for particular roles on the other. There may also be other benefits to using the Skills Competence Framework, such as demonstrating to customers, employees and others that you take training and skills seriously.

We need to find out whether or not farming businesses would use this Framework, and how much they would benefit from it. To this end we shall be conducting a telephone survey of farming businesses throughout December 2006 / January 2007 and I would like to ask for your co-operation, so that we can put forward to Defra the views of the sector. Telephone interviews should not last more than 15 minutes.

If one of our representatives is in contact, please give them your time to answer a few questions. If you would prefer not to participate please simply let our representative know, when they call, and they will end the interview immediately.

Yours faithfully

Helen Davies

Helen Davies
University of Reading

SKILLS COMPETENCE FRAMEWORK – INTERVIEW SCHEDULE

1. General introduction

Hello, I'm 'phoning from Reading University / Delta-innovation Ltd, to ask for your help. We are carrying out a survey for Defra, looking at training and skills development in land based industries.

The aim is to try and find out how much employers would value a new system which is being created to help people and businesses with training and skills development.

The interview will only take 15 minutes and all the information you give will be treated in the strictest confidence and will not used for any purpose other than for this project. Individual responses are not reported to Defra– only group totals and averages.

Would you be willing to take part?

Ok? Any questions?

Then we will begin.

Sector:

Telephone/reference:

Date of interview:

Additional notes

Appendix 3 – Questionnaire used with land-based businesses

2. Questions about the business and the respondent

I'd like to start by asking a few questions about you and the business;

2.1 Are you normally involved in staff recruitment or management? Yes No

If 'no', interviewer to ask if they can speak to a person who is involved in decisions on the recruitment or management of staff.

If that other person is not available, interviewer to get name and arrange to call back

If available, repeat introduction

2.2 Do you own (or part-own) the business? Yes No

	Number	% migrants
2.3 How many: <u>full-time, permanent</u> staff does the business employ?
<u>part-time, permanent</u> staff employed?
<u>full-time, seasonal staff</u> (per year) employed?
<u>part-time, seasonal staff</u> (per year) employed?

2.3(a) For each category in which the respondent employs staff ask:

What proportion of these, if any, are migrant workers? (i.e. not UK nationals)

2.4 Are you, or any of your staff members of any professional bodies?

You: Yes No

If yes, record details if given.....

Staff: Yes No Don't know

Appendix 3 – Questionnaire used with land-based businesses

2.6 Do you undertake 'continuing professional development', through:

(a) Attending industry events (training, seminars, shows etc)

You: Yes No

If yes, what kind and how often

.....

Other members of staff: Yes No Don't know

(b) Reading industry publications or technical literature?

You: Yes No

2.7 What was the highest level of education you achieved?

Schooling to 16 yrs, then experience gained on-the-job

Further education or training in a subject related to the business
(A levels, HNC, HND, NVQ levels 1 - 3 etc.)

Further education not related to the business
(A levels, HNC, HND, NVQ levels 1 - 3 etc.)

Higher education in a subject related to the business
(Degree, MSc, PhD etc.)

Higher education not related to the business
(Degree, MSc, PhD etc.)

2.8 Can you tell me, please, how old you are?

25 or younger 26 – 35 yrs 36 – 45 yrs 46 – 55 yrs 56 – 65 yrs 66 or older

Appendix 3 – Questionnaire used with land-based businesses

3. Attitudinal questions

3.1 Has your business recruited any staff in the last year?

Yes No

If yes, how many:

3.2 How important is it to your business that you recruit properly trained staff?

Very important

Quite important

Not particularly important

Not at all important

Why is that?

.....
.....

3.3 Do you have difficulties finding employees with appropriate skills?

Yes – frequently

Yes – occasionally

No – not normally

No – never

Appendix 3 – Questionnaire used with land-based businesses

3.4 Do you think that training could improve the efficiency or profitability of your business?

Yes – very likely

Yes – possibly

No – not very likely

No – not at all

Why is that?

.....

.....

3.5 How important are the skills of your workers to the company image?

Very important – we trade on our skills

Vaguely important – some customers are interested

Not too important

Not at all important

3.6 Do you have difficulty retaining good staff?

Yes – a lot of difficulty

Yes – some difficulty

No – not too much difficulty

No – none at all

Appendix 3 – Questionnaire used with land-based businesses

3.7 To what extent do you agree with the following statements?

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
Employing better qualified staff will cost more					
Encouraging staff to gain more qualifications will simply encourage them to find better jobs elsewhere					
Improving staff skills will increase business productivity					
Staff training is too expensive					
Staff learn best on the job					

4. Contingent ranking – better recruitment of staff

A new system is being developed to help people and businesses recruit and retain staff better. I would like to ask you what you think about the features this new system.

The new system might help you recruit new staff more successfully in three ways. I would like to explain these to you briefly, then ask you to rank them in terms of how useful they would be to your business.

- First, the new system would give you access to **standard job descriptions**, which you the employer could tailor to your specific business.

*How useful would you find this when recruiting staff?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

- Second, the new system would provide an industry recognised **format for recording workers skills, abilities and training**. This would enable you to cross check the skills required for jobs against those of potential workers.

*How useful would you find this when recruiting staff?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

- Third, the new system might also help you to better **identify the qualifications and training needed** to carry out a particular job.

*How useful would you find this when recruiting staff?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

So, as a recap, when recruiting staff you would find:

..... most useful, with a score of ; then

..... with a score of ; then

..... with a score of

Do you wish to revise any of these scores?

5. Contingent ranking – improved retention of staff

The new system might also help you retain your existing staff. I will briefly explain 3 ways in which it could do this and then ask you to rank the usefulness of each to your business.

- First, through the use of **standard job descriptions**. Better descriptions of the skills needed for particular jobs would enable the most suitable employees to apply for different or more demanding rolls within the business.

*How useful would you find this in retaining staff?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

- Second, through better **identification of training needs**. This would allow staff to see what skills they would need to progress to different positions and encourage them to develop these skills.

*How useful would you find this in retaining staff?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

- Third, the new system would help to **demonstrate clear career paths** and assist with identifying courses and qualifications that would provide the additional skills needed.

*How useful would you find this in retaining staff?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

So, as a recap, for retaining existing staff you would find:

..... most useful, with a score of ; then

..... with a score of ; then

..... with a score of

Do you wish to revise any of these scores?

6. Contingent ranking – training and skills quality mark

It might also be possible under the new system for businesses to obtain a Quality-mark for training and skills.

This might provide 3 benefits. I will briefly describe these benefits then ask you to rank the usefulness of each of them to your business.

- First, it would demonstrate to **customers** that the business is working to ensure that it has the right skills to provide a particular service or product.

*How useful would you find this aspect of a quality mark?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

- Second, it would demonstrate to **suppliers & regulators** that the business is working towards a suitably qualified workforce.

*How useful would you find this aspect of a quality mark?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

- Third, it would demonstrate to **your staff** that skills and training are valued and encouraged within the business.

*How useful would you find this aspect of a quality mark?
Please grade on a scale of 1 (not at all useful) to 10 (extremely useful)*

So, as a recap, in terms of a quality mark, you would find:

..... most useful, with a score of ; then

..... with a score of ; then

..... with a score of

Do you wish to revise any of these scores?

7. Contingent ranking of the benefits

Thinking of the three areas in which this system might benefit your business, could I ask you to rank their usefulness relative to one another by allocating 10 points between the three of them?

- Better recruitment of staff
- Improved retention of staff
- Training and skills quality mark

8. Willingness to accept

Thinking again of the ways in which this system might benefit your business, can you tell me, if this system was available for your business, would you be willing to pay for it?

Yes No

If no, please go to Question 10.

9. Willingness to pay

You have said that you would be willing to pay to use such a system. This might take the form of an annual subscription. Out of the following range of charges, please tell me the highest range that you would be willing to pay.

up to £20 £21 - £40 £41 - £60 £61 - £80 £81 - £100

10. De-briefing

ONLY THOSE WHO WERE UNWILLING TO PAY (Q8) SHOULD ANSWER THIS QUESTION

In order for us to be sure we have understood your responses correctly, could you please comment briefly why you answered the way that you did.

.....
.....

11. Signing off

ONLY IF INTERVIEW IS GOING WELL AND RESPONDENT SOUNDS INFORMED SHOULD THESE SUPPLEMENTARY QUESTIONS BE ASKED – AND NO MORE THAN 1 IN 5 RESPONDENTS.

a) Is there any other way in which you could see a system like this benefiting a business like yours?

.....
.....

b) Can you foresee any problems or limitations of a system like this?

.....
.....

c) Are there any other additional features which you would like to see within the system?

.....
.....

Thank you for taking part

Appendix 4 – Technical annex: sample, results and analysis – intermediary organisations

A4.1 The sample

Intermediary organisations included in the survey are detailed in Table A4.1, below.

Table A4.1 Intermediary organisations included in the survey

	Completed interview*	Incomplete interview	Interview declined
Agricultural Livestock			
National Pig Association	✓		
Royal Association British Dairy Farmers	✓		
National Sheep Association	✓		
National Beef Association	✓		
British Poultry Council	✓		
Agricultural crops			
Home Grown Cereals Authority	✓		
Game and Wildlife Mgt			
National Gamekeepers Organisation	✓		
Landscape & Trees and Timber			
Arboriculture Association	✓		
Institute of Groundsmanship	✓		
British Association Landscape Industries	✓		
Institute Chartered Foresters	✓		
Equine			
British Horseracing Education Standards Trust	✓		
British Horse Society	✓		
British Horseracing Board	✓		
Veterinary Nursing			
Royal College Veterinary Nursing		✓	
British Veterinary Nursing Association		✓	
Animal care			
Pet Care Trust	✓		
Landbased Engineering			
BAGMA	✓		
Production Horticulture			
Horticultural Trades Association	✓		
Institute of Horticulture	✓		
Processed Vegetable Growers Association	✓		
Floristry			
Society of Florists	✓		
British Florists Association	✓		
Fisheries & Aquaculture			
Institute of Fisheries Management	✓		
British Trout Association	✓		
Farriery			
Worshipful Company of Farriers	✓		
Farriery Registration Council / Farrier Training Service	✓		
Animal Technology			
IAT			✓
LASA		Discussions ongoing	
Fencing			
Fencing Industry Contractors Association			✓
Environmental Conservation			
British Trust for Conservation Volunteers			✓

*Completed all sections relevant to that interviewee

Appendix 4 – Technical annex: sample, results and analysis – intermediary organisations

Table A4.1 (Cont.)

	Completed interview	Incomplete interview	Interview declined
Assurance schemes			
Freedom Foods Ltd		✓	
National Dairy Farm Assurance Scheme		✓	
Farming Organisations			
National Federation of Young Farmers Clubs	✓		
Country Land and Business Association	✓		
National Farmers Union	✓		
Tenant Farmers Association	✓		
Royal Agricultural Society of England	✓		
Yorkshire Agricultural Society	✓		
Training organisation			
ADER	✓		
East Riding Training Group	✓		
Northern Training	✓		
North Wiltshire Training Group	✓		
Colleges (sector of work of interviewee)			
Landex	✓		
College of Animal Welfare	✓		
Bishop Burton College (arable)	✓		
Askham Bryan College (beef & sheep)	✓		
Myerscough College (adult learning)	✓		
Sparsholt College (fisheries)	✓		
Duchy College (adult learning)	✓		
SAWS operators			
Bowray Services Ltd		✓	
Wilkin and sons		✓	
Concordia		✓	
HOPS		Discussion	
Labour providers			
Association of Labour Providers		Discussion	
Specialist labour providers			
LKL	✓		
EuroChoices	✓		
DairyForce	✓		

There was considerable variation in the numbers of representative organisations by sector, and also the size of organisations, the breadth of their remit and the extent of their involvement with training and development.

No interviews were completed with intermediary organisations in the Environmental Conservation or Fencing sectors. For the first of these, the prospective organisation declined to be interviewed and for the second the organisation contacted did not consider they were able to respond on behalf of the sector. Discussions were held with organisations representing the animal technology sector in relation to developing the sampling frame, but full interviews were not conducted.

Three specialist labour recruitment agencies and a further four organisations operating as Seasonal Agricultural Workers Scheme (SAWS) operators, were also contacted and interviewed. The business interview schedule was used for the latter. With respect to the SAWS operators, three interviews were 'cut short' for the reason that skills and skills development were not seen as relevant issues to these operators. A brief telephone discussion with the Association of Labour

Appendix 4 – Technical annex: sample, results and analysis – intermediary organisations

Providers indicated that, in the same vein, skills (although not discouraged) were ‘simply not relevant’ to the customers these agents provided labour for. More detailed discussions were held by telephone with one of the SAWS operators, the HOPS scheme, to scope further barriers to the use of the SCF over and above any ‘disinterest’ in skills. However, the formal interview structure was not used in this case, as the organisation had already stated that the SCF was not relevant to their business.

Of all of the trade organisations and bodies interviewed, a total of 24 were already aware of the SCF and 10 of these had seen the SCF, or received materials explaining the SCF and had held discussions with Lantra regarding the Framework. The extent to which the intermediary had evaluated the SCF varied, from full and detailed consideration of the use of the SCF for their sector (e.g. through their organisation), to less focused discussion of the SCF through ‘working groups’.

A4.2 Results

a) Recruitment

The majority of organisations (89%) considered the recruitment of properly trained staff to be ‘very important’ to their sector, whilst 9% considered this to be ‘quite important’ and just 2% considered this to be ‘not particularly important’.

Respondents reported that their members experienced frequent (50%) or occasional (34%) difficulties in finding employees with the skills required. This applied to all sectors, with the exceptions of Farriery, Animal Care, Trees & Timber and Equine.

b) Retention

Respondents reported that their members experienced a lot (50%) or some (34%) difficulties in retaining good staff, with 9% of respondents indicating ‘not much’ difficulty with retention. Those reporting not much difficulty with retention were within Agriculture, Farriery and Trees and Timber.

c) Efficiency & image

Respondents in all responding sectors agreed that better training would ‘very likely’ (89%) or ‘possibly’ (11%) improve the efficiency of businesses and that skills were either ‘very’ (97%) or ‘moderately’ (3%) important to the image of businesses.

d) Contingent ranking of the features of the SCF

Respondents were asked to rank three key features of the SCF (by allocating 100 points between them) for their relevance to ‘better matching the skills of staff to the needs of businesses’ and for their relevance to ‘improved recruitment and retention’.

These features were;

- Standard Job descriptions
- Skills checks
- Identifying the right qualification for the job

Results are shown in Table A4.2, below. In each case, *identifying the right qualifications for the job* was ranked more highly than skills checks, which was ranked more highly than standard job descriptions.

Table A4.2 Contingent ranking of features of the SCF, mean scores (std. dev).

Relevance to:	Intermediary organisations (and their prior knowledge of the SCF)	Standard job descriptions	Skills checks	Identifying the right qualifications for the job
Better matching skills to needs	All organisations	29.8 (11.2)	32.7 (10.8)	37.2 (11.3)
	Only organisations who were aware of and had seen the SCF	24.9 (11.1)	33.8 (11.7)	41.0 (8.4)
Improved recruitment and retention	All organisations	28.7 (9.1)	31.9 (8.3)	38.8 (10.6)
	Only organisations who were aware of and had seen the SCF	24.3 (7.7)	29.9 (9.0)	45.4 (11.5)

Appendix 4 – Technical annex: sample, results and analysis – intermediary organisations

e) Contingent ranking of target groups for the Quality Mark

Respondents were asked to think about the value that a quality mark derived from the SCF would provide, by demonstrating commitment to skills. Respondents were asked to rank the usefulness of the quality mark in relation to each of three groups, by allocating 100 points between them. Results are shown in Table A4.3, below.

These groups were:

- Customers
- Suppliers and regulators
- Staff and potential staff

Table A4.3 Contingent ranking of the benefits that a quality mark would bring in terms of demonstrating ‘training and skills’, mean scores (std. dev).

	Customers	Suppliers and regulators	Staff and potential staff
All organisations	30.2 (19.1)	27.5 (15.4)	39.5 (20.9)
Only organisations who were aware of and had seen the SCF	28.6 (18.5)	24.7 (11.7)	46.3 (24.6)

f) Contingent ranking of the benefits of the SCF

Finally, respondents were asked to rank (by allocated 100 points between them) the three separate benefits that had been explained through the preceding questions. Results are shown in Table A4.4, below.

These benefits were:

- Better matching the skills of staff to the needs of businesses
- Improved recruitment and retention
- Training and skills quality mark

Table A4.4 Contingent ranking of the benefits of the SCF, mean scores (std. dev).

	Better matching of skills to needs	Improved recruitment and retention	Training and skills quality mark
All organisations	33.6 (9.9)	43.2 (14.8)	24.6 (14.1)
Only organisations who were aware of and had seen the SCF	28.1 (8.7)	50.3 (17.3)	20.4 (15.3)

g) Willingness to pay

Interviewees were asked whether or not they thought that businesses in their sector would be willing to pay for the SCF, ‘if the price was right’. Of the 39 respondents to this question, 13 (33%) said yes and 26 (67%) said no. Many respondents added comments explaining why they made the responses that they did and these are summarised in Table A4.4, below.

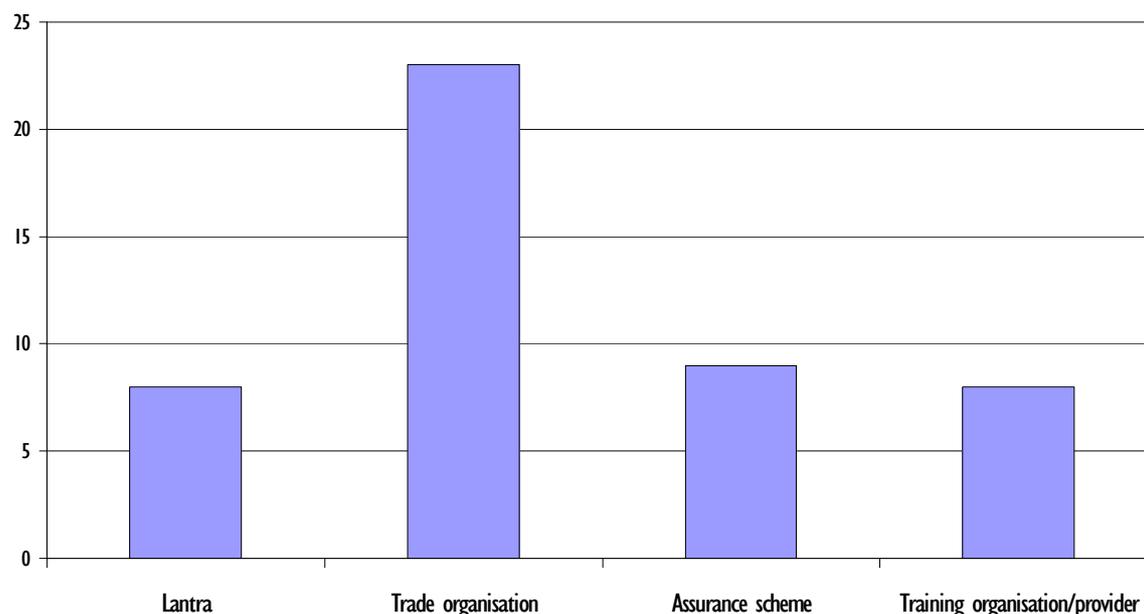
Table A4.4 Qualification of responses to the willingness to pay question

Comments (abridged)	Supplementary to 'yes'	Supplementary to 'no'
If the 'price was right' / unless very cheap	6	3
Needs benefits to be demonstrated / benefits not apparent	3	3
When staff shortages occur	1	
If it was free	1	
Industry 'anti-Lantra'		3
Replicates other schemes/ irrelevant		2
A small proportion may pay / needs selling		2

h) The marketing of the Skills Competence Framework

Interviewees were asked to state the organisation, or type of organisation, through which the SCF could best be marketed to businesses in their sector. Responses varied across and between sectors, with an overall preference for trade organisations and roughly equal preferences for direct marketing by Lantra themselves, assurance schemes, and training groups/colleges, as shown in Figure A4.1, overleaf.

Figure A4.1 Respondents' preferred placement of the SCF



i) Recommendations to members

Interviewees were asked whether or not they would recommend to members that they should adopt a system such as the SCF. Ten respondents stated that they did not feel able to answer this question, for the reason that they either did not make recommendations to their members, or they were not membership organisations. Of the 39 respondents to this question, 19 (49%) said 'yes, probably' or 'yes, dependant on some additional information' and 20 (51%) said 'no – but may be persuaded by additional information' or 'no – most probably not'.

Appendix 4 – Technical annex: sample, results and analysis – intermediary organisations

j) **Use with migrant labour**

To ascertain the potential use of the SCF for migrant labour, four SAWS operators were contacted by telephone for interview. Two of these organisations are major providers of labour to other farms (Concordia and HOPS) and the remaining two are major users of migrant labour themselves. HOPS were contacted by the project manager for a more detailed discussion of the relevance of the SCF, the barriers to uptake and opportunities offered by it. The Association of Labour Providers (ALP) was also contacted by the project manager, to ascertain the value of skills to labour providers operating in the agri-food industries. Formal interviews were not completed for any of these organisations.

SAWS operators were clear in their expression of their lack of need for any of the benefits offered by the SCF and this was supported by the ALP's response. In summary, these businesses, and labour providers in general, do not achieve any benefits from greater skills levels in their labour force. For some labour providers the benefits from greater skills levels may in fact be negative: staff may demand greater financial remuneration or seek more skilled positions once trained. Therefore, whilst none of the respondents were averse to employees seeking to better their own skills, there was no perceived value in this from a business perspective.

Discussions with HOPS revealed additional barriers to the implementation of the SCF. The first of these was financial: for many seasonal migrant labourers even a modest charge (e.g. £10) can be prohibitive, especially in the context of the relatively high costs they may already be incurring in coming to the UK to work. Second, the selection of individuals, by farms, for additional roles and tasks which required any training (e.g. in tractor driving) would be based not only on previous skills but also on the dynamic between all of the employed labour on a farm. Third, farmers would not necessarily have the time, within the duration of a contract of employment, to recoup the benefits of any training that they pay for or administer. Finally, there are restrictions placed upon SAWS operators, by the Home Office, on what charges can be made to incoming labour and even if the SCF was to be used in the selection of students while in their home country, charges for its use may be precluded by such regulations.

k) **Use with specialist labour providers**

Three specialist labour providers (i.e. providing skilled labour) from the dairy sector were interviewed to ascertain the value that they would see in the SCF. Two of these labour providers were already aware of the Skills Competence Framework prior to interview. Commentary upon the SCF differed markedly between these respondents. On the one hand it was seen as 'useful for those not normally involved in recruitment', 'useful for ambitious people' and 'an excellent idea'. On the other hand it was noted that the SCF would not be used unless 'entrenched attitudes to training are overcome' and that most 'traditional' farm labourers are 'rooted' in an area and are 'unlikely to be career minded'. Dairy farmers are also viewed as being under severe time pressure, with little resource available to look at and learn to use a computer-based system. Regarding foreign labour, many farmers are seen to view this as offering short-term placements for which training will provide no return on investment. In summary, although the specialist labour providers could see merit in the SCF, there were serious doubts as to whether it would be adopted by the dairy industry.

A4.3 Additional commentary on the SCF

Respondents were prompted throughout their questionnaire to provide commentary in order to illuminate their responses. Similar issues were raised by different respondents at a number of places in the interview, and these are presented in summary form below. For simplicity, these are separated into: a) issues and queries regarding the SCF itself, b) issues and queries with the process of introducing the SCF, and c) concerns with the industries adopting the SCF.

Concerns with the SCF itself

- The most often stated concern with the SCF ‘in general’ was its reliance on access to, and use of, computers by employers and by employees. Whilst it was recognised that increasing proportions of people in all sectors are using computers, there remains a serious concern over whether or not a solely computer based system will be able to maximise uptake in the short to medium term. Furthermore, even where computers are used, this may well not be part of everyday business practice.
- Respondents queried whether the SCF would work at higher skills/seniority levels, e.g. ‘If it is only relevant to craft skills it will not follow through into management, strategy and other critical issues.’ Further, respondents queried when an employee would stop using the SCF – as there may be diminishing returns from using it.
- Job descriptions were questioned on the basis of their likely being ‘too general’ (3 respondents) and ‘inaccurate’ (4 respondents).
- Experience and attitude were regarded by four respondents as the most crucial factors that were taken into account when employing staff in the land-based industries. As the SCF deals only with competences, and does not explicitly address these elements, this was seen as a significant failing.
- Five respondents felt that the SCF was complex in relation to the ‘simplicity’ of the underlying problem. This may be in part due to the ‘front end’ of the SCF covering a wide range of sectors.
- Respondents noted that the SCF does not in and of itself provide career paths and that in many sectors, especially where small businesses are predominant, a ‘career path’ within a single firm is something of an anathema.
- Addressing a related point, respondents highlighted that continuing professional development rather than ‘career paths’ should be encouraged. In these cases the SCF was seen as holding potential benefits as a support tool for CPD systems.
- Respondents noted that the SCF does not in itself solve any issues around the cost and availability of training courses and that without this, one of the primary objectives of the SCF could be rendered worthless.
- The quality mark is seen as duplicating Investors in People (IIP). There are serious doubts as to the merit of the quality mark, regardless of whether or not it replicates IIP. First of all, many of these organisations recognised the investment that is necessary to launch and maintain a quality mark, to advertise its value to customers and to promote its uptake within industry. Second, the value which customers would place on a company’s treatment of ‘skills’ was not considered to be very great. Third, there may be some wariness amongst organisations against additional assurance-scheme/quality-mark initiatives, which ultimately present a cost to the sector as whole. IIP itself has had a very limited uptake across the

Appendix 4 – Technical annex: sample, results and analysis – intermediary organisations

land-based industries, despite efforts to encourage businesses to participate. Questions were also asked of the ability of a 'skills quality mark' to improve margins, with the benefits seen as accruing to firms which recruit higher volumes of higher calibre staff, and those closer to the end-user of their produce.

The process of introducing the SCF

- The actual benefits to businesses of using the SCF remain unclear. As a potential pit-fall this was seen as a major issue by respondents. Actual data on improvements in recruitment and retention, for example, would allow businesses to quantify the advantages of using the system. In the interim period, the benefits to businesses of using the SCF are hypothetical. There is an element of scepticism regarding the drivers behind the SCF and the possibility that when funding runs short it will be dropped by the Sector Skills Council.
- It was noted by respondents that the SCF could be especially useful for training providers / colleges in identifying skills needs of students / customers. Counter to this is that it may be less useful for individual businesses and a number of respondents stated that it would simply require too much input to be of use.
- The fundamental issues surrounding employers' capabilities in staff management are not themselves addressed by the SCF. For some respondents these issues were seen as greater than problems of staff recruitment, training or skills development. One respondent suggested that a 'standard employer specification' would be of use.
- It was noted by that many people in the land-based sector are simply not career minded. 'Progress is linked to experience and age, the industry is down-sizing and people want to stay within their comfort zone'.
- The success of the SCF is based on the premise that qualifications and skills lead to benefits to staff / businesses. Whilst in very broad terms qualifications are linked with income, this may not be the case for many micro-businesses – for whom the constraints to increased income may lie outside of the 'skills' issue and be more closely allied with business size, size of market, exchange rates and so on.

The land based industries

- There are sectors (e.g. those allied to the veterinary profession) where a great deal of the training required by businesses is prescribed. The SCF is perceived as being of little benefit in these areas as far as recruitment & retention, skills matching or quality marks are concerned. However, the possible value of the SCF as a tool for encouraging / formalising CPD (see above) was noted.
- Within the animal technology sector, there are concerns as to the security of data inputted to the SCF. For example, would Lantra staff be able to view data inputted by animal technology companies and if so, what precautions would be made to vet Lantra employees?
- Many sectors are dominated by sole traders and by firms with a single employee: For single employee businesses, career development, recruitment and retention as seen as having little immediate relevance.

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v)	<i>Willingness to pay</i>	A5.29
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Results – Characterisation of respondents

a) Business ownership

As a result of the survey screening process, all respondents reported being involved in recruitment. Respondents were generally not sole traders – the majority of these were screened out of the survey due to their lack of participation in recruitment. Exceptions to this would be for game keeping (where a sole trader may be interpreted as ‘lone employer’), fencing (where occasional employment of additional staff might be reasonably assumed) and farriery.

A relatively high proportion of the sample (62%) reported being owners or part-owners of the business. However, this proportion varied very considerably over industry sectors with single figure percentages for environmental conservation and animal technology, and as high as 93% for floristry businesses. This proportion is heavily correlated with business size. As all respondents are carefully screened to ensure that they are directly involved in staff recruitment, this high percentage of respondents with an equity share in the business is probably of little benefit in terms of data reliability.

Table A5.1 Ownership of the business and sole-trader status, by sector.

Sector	Own business % yes	Sole trader % yes
Floristry	93	4
Environmental conservation	6	0
Game and wildlife	29	29
Fisheries management	61	4
Landscape	87	8
Fencing	87	16
Trees & timber	84	7
Farriery	92	17
Veterinary nursing	7	0
Animal technology	0	0
Animal care	29	0
Equine	70	3
Land based engineering	76	3
Production horticulture	64	0
Agriculture - livestock	85	6
Agriculture - crops	76	9
Overall	62	6

Results – Characterisation of respondents

b) Employee numbers

The average number of employees in sample businesses is moderate, at around 13 full-time permanent staff and 5 permanent part-timers. These numbers would probably be lower but for the unusually large numbers employed in the environmental conservation and animal technology sectors, which employ an average of 67 and 129 permanent full-time staff respectively. The animal technology sector, although fairly uniform in terms of numbers of employees, is numerically weak and therefore probably wouldn't bias the whole sample mean. The average number of employees in the Environmental conservation sector, which is relatively well represented in the sample, is skewed by the presence of a few very large businesses. For this sector the median is probably a better estimate of central tendency (7.5 permanent full-time employees). Removing the biasing effect of these two sectors, by taking the median value for the whole sample, reduces the number of permanent full-time employees to just 3.

As would be expected, horticulture and cropping farm businesses make the most use of seasonal labour, with an average of 68 full-time seasonal workers employed on horticulture farm businesses, although the median value is just 8, suggesting the presence of a few very large operations.

The proportion of all classes of employees that are migrant labour is low in all sectors. For floristry, fisheries and land based engineering no respondents reported using migrant labour. The highest rates of migrant labour use are seen in agriculture and horticulture businesses, but even here the rates are less than 10%:

- Cropping farms (7% of seasonal part time labour)
- Livestock farms (9% of seasonal full time labour)
- production horticulture (9% of seasonal full time labour, 11% of seasonal part time labour)

Table A5.2 Mean numbers of employees, by sector (median figure in parenthesis).

Sector	Permanent Full time	Permanent Part time	Seasonal Full time	Seasonal Part time
Floristry	3 (2)	2 (2)	3 (1)	1 (1)
Environmental conservation	67 (10)	18 (3)	13 (2)	4 (2)
Game and wildlife	3 (1)	2 (1)	2 (2)	13 (3)
Fisheries management	3 (2)	2 (1)	3 (3)	3 (2)
Landscape	5 (4)	2 (2)	4 (6)	2 (2)
Fencing	5 (2)	3 (2)	3 (3)	2 (2)
Trees & timber	13 (7)	2 (2)	7 (7)	3 (2)
Farriery	2 (2)	2 (2)	0 (0)	0 (0)
Veterinary nursing	13 (10)	6 (3)	1 (1)	1 (1)
Animal technology	129 (99)	13 (9)	3 (3)	0 (0)
Animal care	19 (4)	5 (3)	10 (9)	15 (8)
Equine	4 (3)	3 (3)	3 (3)	3 (4)
Land based engineering	11 (4)	2 (1)	1 (1)	1 (1)
Production horticulture	11 (6)	4 (2)	68 (9)	8 (3)
Agriculture – livestock	6 (4)	2 (2)	5 (4)	2 (2)
Agriculture – crops	5 (2)	1 (1)	21 (6)	3 (2)
Overall	13 (4)	5 (2)	16 (3)	6 (2)

Appendix 5 – Technical annex: full results and analysis – land-based businesses

Results – Characterisation of respondents

It would *a priori* be expected that the number of employees, or more directly, the volume of staff recruitment that businesses undertake, should be a significant determinant of their willingness to pay for the SCF.

Results – Characterisation of respondents

c) Membership of professional bodies

There was wide variation in the interpretation of the term ‘professional bodies’ and judging by those sectors for which membership of a professional body is a pre-requisite, it can be assumed that there is a level of under-reporting in these figures. Further, there was no distinction made between membership organisations and professional bodies (i.e. bodies controlling entry, to and conduct within, the profession) within their responses.

Rates of membership of professional bodies were generally lower for employees than for employers. Indeed, for many sectors the membership by employees of professional bodies was less than 25%.

Clearly, for sectors with low levels of membership of professional bodies (for both respondents and their employees) such as floristry, landscaping, animal care or land-based engineering, the use of intermediary organisations as resellers of the SCF may not be the best option. It would be expected, a priori, that membership of professional bodies would be only a weak predictor of willingness to pay for the SCF as there is great diversity in the type of organisations represented and their link to skills and training is not always obvious.

Table A5.3 Membership, by respondents and employees, of professional bodies.

Sector	Respondent % yes	Employees % yes
Floristry	32	9
Environmental conservation	56	52
Game and wildlife	70	44
Fisheries management	39	13
Landscape	41	12
Fencing	48	24
Trees & timber	77	32
Farriery	83	70
Veterinary nursing	94	91
Animal technology	86	100
Animal care	25	17
Equine	70	64
Land based engineering	18	17
Production horticulture	50	15
Agriculture - livestock	66	8
Agriculture - crops	67	25
Overall	55	33

Results – Characterisation of respondents

d) Continuing professional development

Whilst three quarters of respondents had attended a training course within the past year, just less than a half of these had been involved in more than one course. Survey respondents, who were by nature staff recruiters or business owners, were only marginally more likely to have attended a training course in the last year than employees in the business.

Rates of attendance at training and development events varies over sectors, but not less than 50% of respondents attend a minimum of one event in any year. There will be some correlation between rates of attendance and the skills levels required of workers in each sector, or with the rate of innovation, or the extent of and change in regulation. Attendance at training and development events may be related to willingness to pay for the SCF, but this may be only a weak indicator, as there may be reasons for regular attendance other than a perception of the value of training and skills, eg, complying with regulation.

85% of respondents stated that they read industry publications and trends here roughly follow the rates of attendance of industry events.

Table A5.4 Forms of continuing professional development, by sector.

Sector	Respondent attended training course	Of which attended more than one/year	Respondent read industry publications	Employee(s) attended training course
Floristry	67	14	68	52
Environmental conservation	84	22	97	81
Game and wildlife	75	33	82	75
Fisheries management	54	20	75	36
Landscape	64	33	74	56
Fencing	58	17	68	62
Trees & timber	77	80	97	69
Farriery	67	50	58	73
Veterinary nursing	97	92	100	97
Animal technology	100	17	100	100
Animal care	50	60	68	50
Equine	77	75	77	67
Land based engineering	73	82	91	65
Production horticulture	72	38	94	61
Agriculture - livestock	91	20	97	62
Agriculture - crops	91	30	100	77
Overall	75	48	85	66

Results – Characterisation of respondents

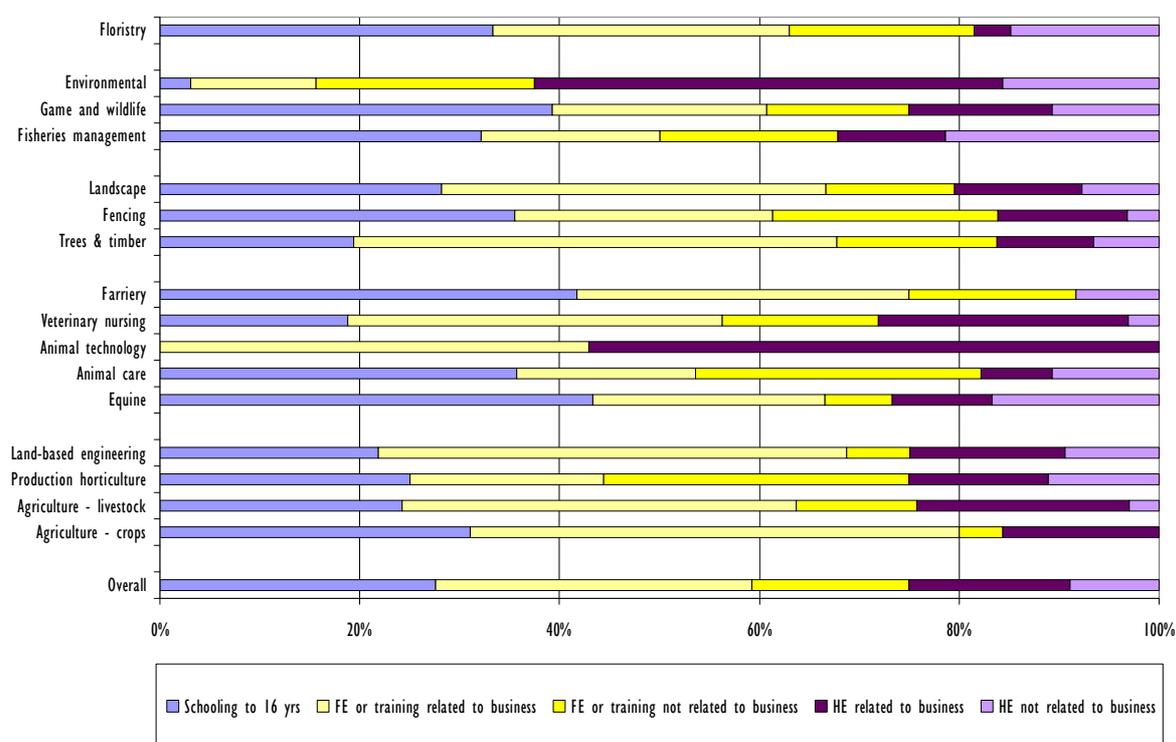
e) Qualifications

A wide range of levels of educational attainment was seen in all sectors. The following points are worth noting:

- High proportions of employees in the environmental conservation and animal technology sectors are educated to degree level or above, with very few with schooling to 16 only.
- Animal technology employees all received training directly related to the business.
- There are large numbers of respondents with no formal education since leaving school, particularly in game and wildlife, farriery, and equine sectors.

It would be expected that levels of education, both general and business related, are higher in those sectors where skills levels are highest. This is indeed the case, with the highest rates of higher education seen in the animal technology and environmental conservation sectors. These sectors are also highly regulated.

Figure A5.1 Qualification levels of respondents, by sector



Results – Characterisation of respondents

f) Age

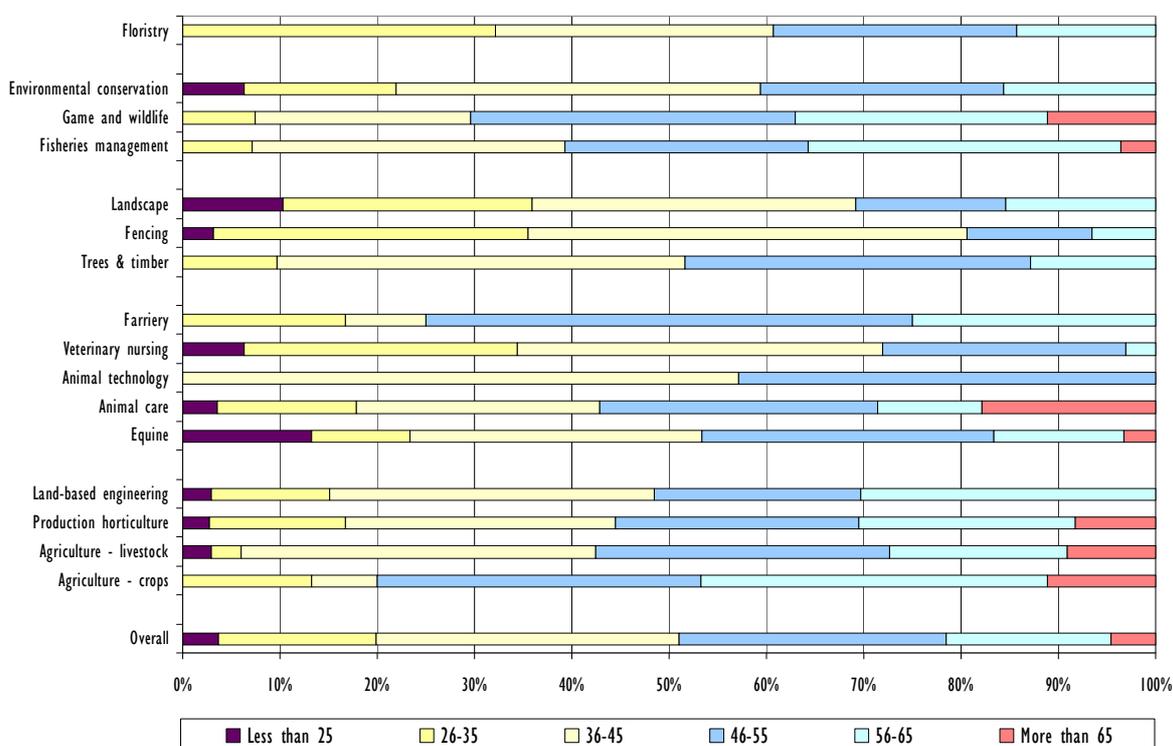
Overall, the age range of respondents in most sectors seems fairly normally distributed. The following points are worth noting;

- Over 70% of respondents in the game and wildlife, farriery and agricultural crops sectors are aged 46+ years.
- Around 70% and more of respondents in landscape, fencing and veterinary nursing are aged 45+ years.
- There are very few respondents at the extremes of the age range, with fewer than 5% of respondents over 65 years and just under 5% aged less than 25 years. It would be expected that very young employees would be underrepresented in the sample as these would not have had time to found their own businesses or become equity partners and neither would they have had time to rise to positions where they were responsible for recruitment.

It is widely held that rural businesses often find it difficult to recruit young staff as they offer unglamorous and low-paid professions and because young people traditionally migrate to urban areas seeking better employment opportunities. Agricultural and rural crafts businesses have their own particular problems in this regard, with family owned businesses struggling to find successors to take them over. It is also the common for younger people in these businesses to be overshadowed in decision-making by older staff, particularly where these are family members.

In the animal care sector, there are likely to be a significant proportion of very small scale, not-for-profit businesses, operated by retired people and this may account for the greater proportion of respondents over 65 years in that sector.

Figure A5.2 Age range of respondents, by sector



Results – Experiences in recruitment and retention

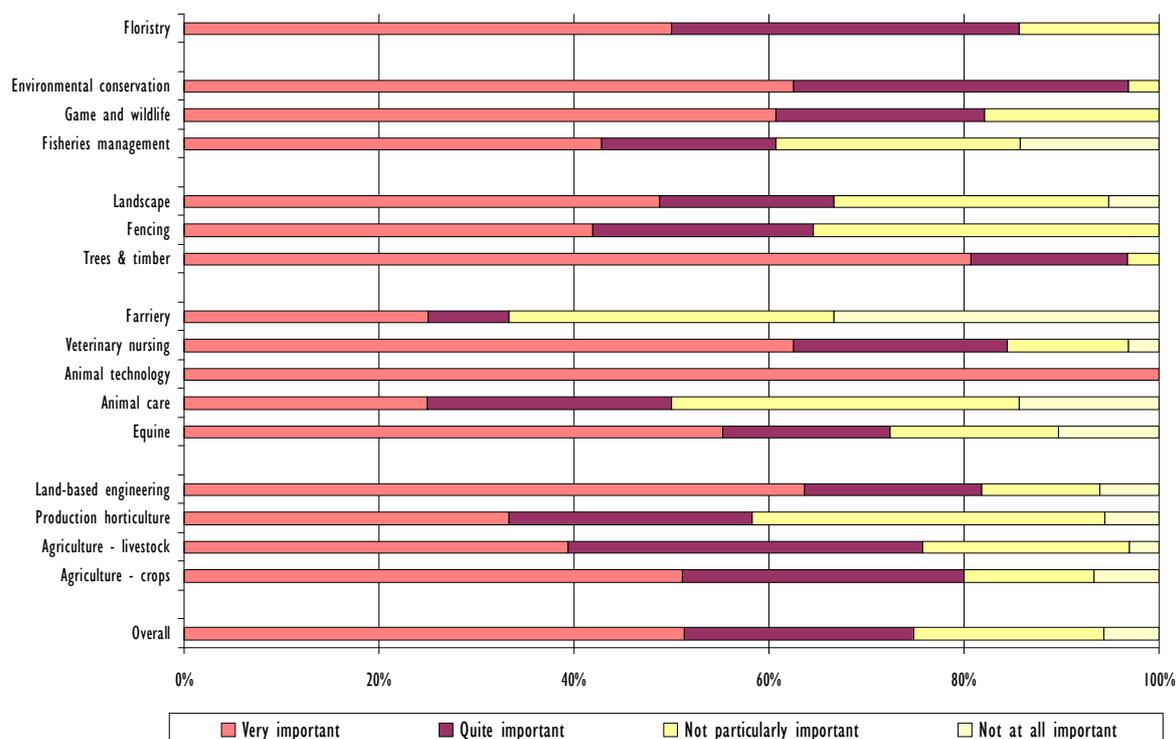
g) The importance of recruitment

The vast majority of respondents considered that ‘recruiting properly trained staff’ was important to some extent, with only about a quarter considering it to be unimportant. In many sectors, more than 50% of respondents rated this as highly important. The importance of properly qualified staff was related to a number of issues, including the image that the company presents to customers, the financial/commercial vulnerability of the business to mistakes, health and safety requirements and the level of regulation and most importantly, the skills requirements of the profession (see Table A5.5).

The lowest levels of importance assigned to recruiting properly trained staff were found within farriery (but here there is a well established system for structured four year apprenticeships), animal care and production horticulture (which is dominated, in recruitment terms, by relatively unskilled, seasonal workers).

In addition to the influences listed above, perceptions of the importance of recruiting properly trained staff may also be affected by the existence of successful established routes to training, ie, if there is a functioning production line for trained recruits, which successfully generates competent staff from a range of prior abilities, then this may lead to a kind of complacency about the issue of training, ie, it would seem a non-issue. This effect will be felt both where there are successful industry-wide training vehicles and where the respondent believes that they can provide all necessary training themselves. As Table A5.6 shows, this justification is given most often for negative attitudes towards the importance of recruiting appropriately trained staff. Also of some importance is an emphasis on the personal qualities of the employee to the exclusion of particular skills. This would seem to be most important in low skills professions.

Figure A5.3 ‘How important is it to your business that you recruit properly trained staff?’



Results – Experiences in recruitment and retention

Table A5.5 Reasons for positive attitudes to recruiting trained staff.

Rationale	Examples	Frequency indicated
Job requires skills	Work is highly skilled, involves complex procedures, knowledge or operation of machinery. Regulation requires training.	94
Health & safety	Work dangerous. Welfare of animals/others. Insurance requirements	33
Company image	Product/service is premium quality, reputation of product /company is critical. Need to look professional. Vulnerable to mistakes.	36
Reduces training burden	In-house training expensive. Insufficient time/money to provide in-house training.	46
Shortens learning curve	Trained recruits productive more quickly. Less pressure on existing staff. Reduces risk probationary failure.	11
Workers more competent	Workers require less supervision. More efficient, productive, flexible, more competencies, more productive.	22
Other		12

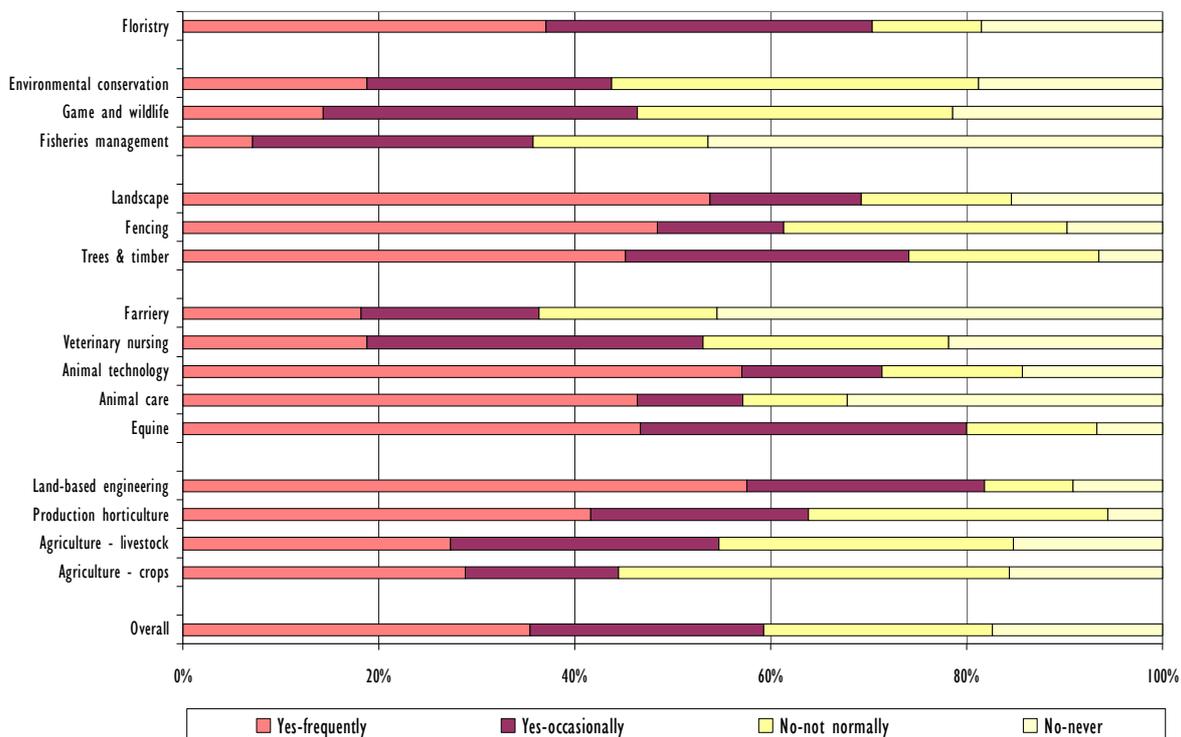
Table A5.6 Reasons for negative attitudes to recruiting trained staff.

Rationale	Examples	Frequency indicated
In-house training provided	Do own in-house training. Can finish basic training	94
On-the-job training superior	On-job training is preferable, more suitable, better targeted, or to a higher standard. Required skills not taught.	18
Prefer a 'blank canvas'	Trained recruits can bring bad habits or wrong ideas.	4
Low skills work	In-house training expensive. Insufficient time/money to provide in-house training.	18
Personal qualities more important	Other qualities more important: character, enthusiasm, reliability, motivation. Possess personal knowledge of recruits.	26
Other		2

Overall, around 60% of respondents reported frequent or occasional difficulties with recruitment of staff with appropriate skills. While respondents in all sectors reported some difficulties, the equine and land based engineering sectors reported difficulties most frequently. Fisheries and farriery were the two sectors apparently experiencing least recruitment problems of this kind. The data for the animal technology and animal care sectors shows that a much greater proportion of respondents have frequent recruitment difficulties than is the case in other sectors. Variation in the rate of recruitment difficulties will be due to a number of factors, some of which have already been discussed above, such as the extent of established training routes and the skills demands of the work. Also a factor must be the number and quality of candidates wanting to enter the profession, which will be influenced by the visibility of the profession, its working conditions, perceived career advancement opportunities and levels of remuneration.

Results – Experiences in recruitment and retention

Figure A5.4 ‘Do you have difficulties finding employees with appropriate skills?’



Results – Experiences in recruitment and retention

h) Skills, efficiency, profitability and image

There was general consensus on the value of training and skills in improving business efficiency, with 80% of respondents stating that this might be at least possible. A more sceptical view of the value of training and skills was found in the game and wildlife and fisheries sector, but particularly so in Farriery. Variation in these views will in part be influenced by the general skills requirements of the work, but also by the extent to which business efficiencies are perceived to be possible and tractable by improved training. In the animal technology sector 100% of respondents held this positive view of training and skills, although this result should be treated with some caution as it is based on only a small number of respondents.

Figure A5.5 ‘Do you think that training could improve the efficiency or profitability of your business?’

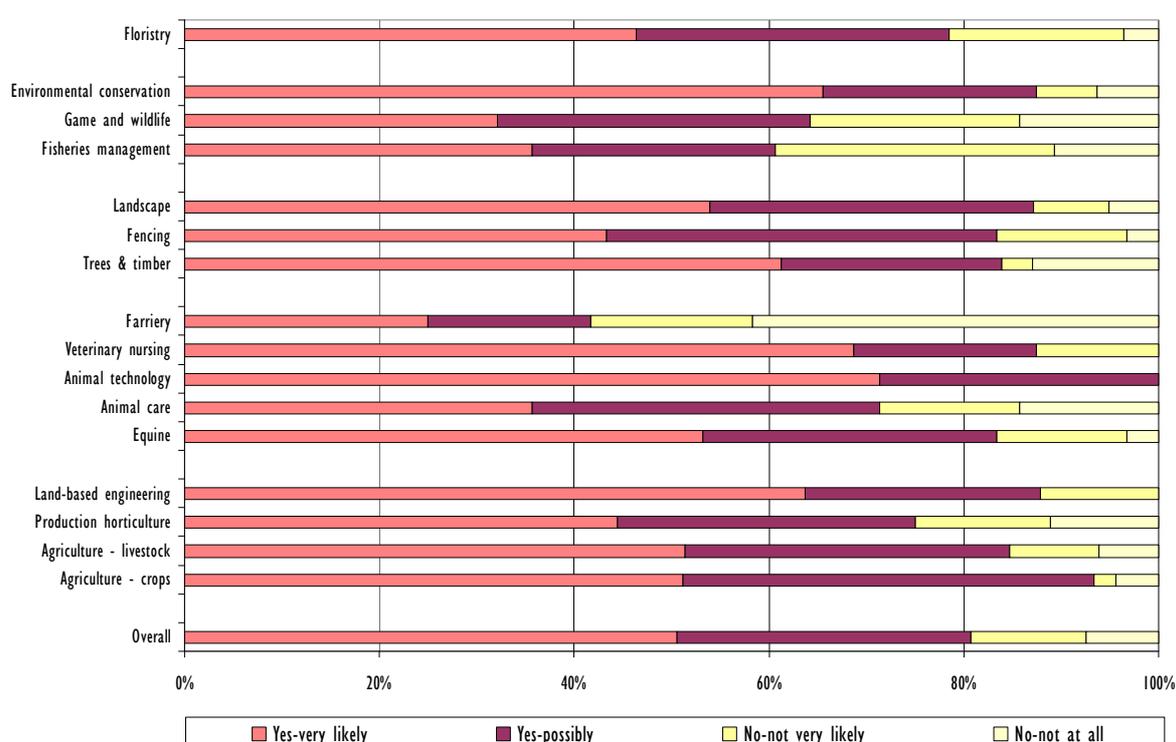


Table A5.7 shows the reasons underlying respondents’ beliefs that improved training and skills can yield improvements in business efficiency. The most frequently cited reason, and the most obvious, is that training will increase worker efficiency, allowing the employee to get more work done per unit time. It is also held that a more skilled workforce will make more efficient use of other business resources, e.g. raw materials, and that they will also require less management and supervision, allowing their superiors or employers to be more productive themselves. Where businesses deal direct with the public, many feel that a more skilled workforce will present a more professional image, engendering customer confidence and ultimately generating more business. It is also believed that training, or perhaps more specifically, continuing professional development, will allow businesses to keep abreast of innovations, new technologies and the changing legislative framework in which they operate.

Where respondents were less convinced that improved training and skills could benefit their business, they generally held the view because they felt that they already had sufficient skills in the business (see table A5.8), or because theirs was a low skills profession. More skills in this context

Results – Experiences in recruitment and retention

would therefore be ‘overkill’. While the question referred to the potential benefits of training in general, some respondents misinterpreted the question as referring to third-party training provision and therefore eschewed it on the ground that they provided training in-house. Another group of those respondents who reacted negatively to the question did so on the grounds that the available training was inappropriate or ineffective. However, it cannot be assumed that these respondents would not see the benefits of training, if the current offerings were made more appropriate and effective.

Table A5.7 Reasons for affirmative answers to training improving business efficiency or profitability.

Rationale	Examples	Frequency indicated
Worker efficiency	Makes workers more efficient; work faster; more productive.	71
Time resources / savings	Better use of resources; saves training time; saves management and supervision time.	56
New developments	Keeps staff up to date with new industry developments (technology, legislation, standards); introduces new ideas & skills.	39
The company and the public	Helps company image; better public interface, leading to acquisition of new clients.	32
Work requires skill	Industry or roles very specialised; business needs certain skills to even function; strict legislative requirements.	30
Mistakes / safety	Helps prevent costly mistakes; improves safety; helps get the detail right.	18
Motivation	Makes staff more motivated, professional; have more engagement in business; see the bigger picture.	14
Competitive advantage		3

Table A5.8 Reasons for negative answers to training improving business efficiency or profitability.

Rationale	Examples	Frequency indicated
In-house training used and preferred.		23
Enough skills already		20
Low skills work		17
Training unsuitable	Available training is unsuitable or not relevant; learn better on the job.	15
Non-profit/charitable organisation	Other priorities than efficiency.	10
Cost	Cost of training too high; no money/time available; business too small	9
Staff losses	Trained staff leave or want more money	4

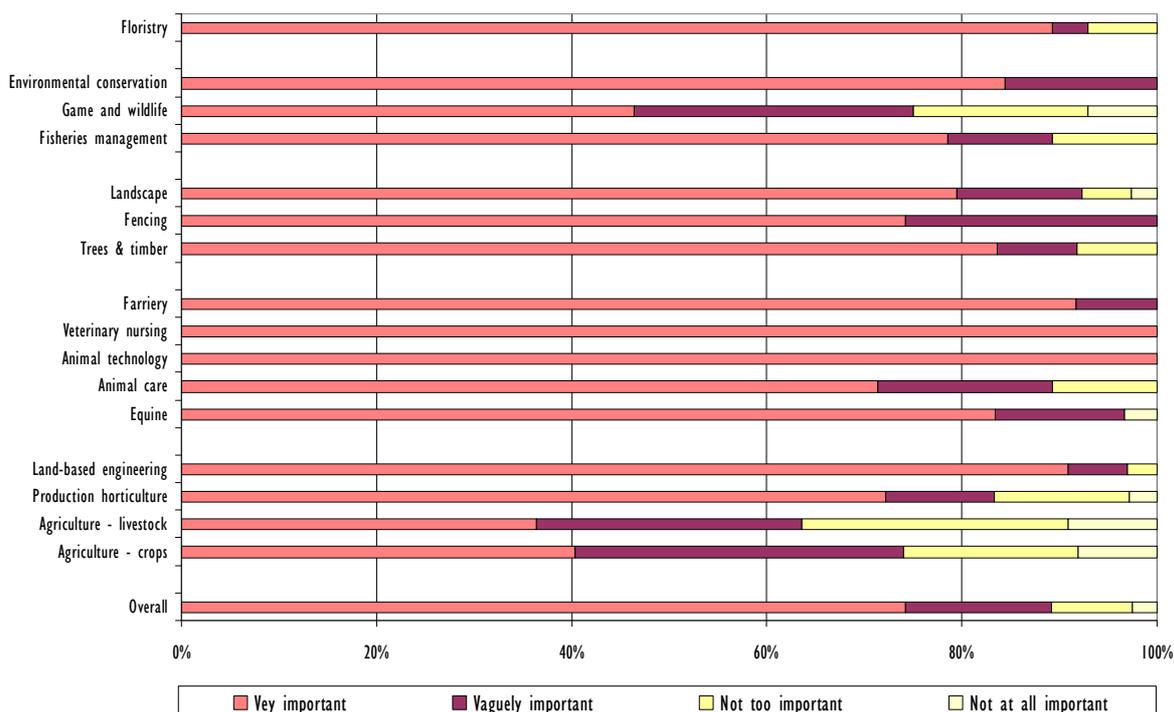
Note to tables A5.7 and A5.8

There were many other answers which were unclassifiable which might be both positive and negative in nature. Many of these constituted statements that simply affirm a belief that training can make a business more profitable/efficient without stating how it happens.

Results – Experiences in recruitment and retention

In total, over 70% of respondents considered the skills of employees to be ‘very important’ for company image. Much lower levels were seen in agricultural crops, agricultural livestock and game & wildlife than in other sectors. To a large extent this may be explained by the distance of these sectors from those customers to whom image would be important. At the other extreme, veterinary nursing and farriery, for example, are highly customer focused and rely upon the customers’ perceptions of service, as well as product quality for repeat business, agricultural crops and livestock are generally sold through third parties, with little or no connection between consumer and producer, in spite of recent drives to reconnect the two.

Figure A5.6 ‘How important are the skills of your workers to the company image?’

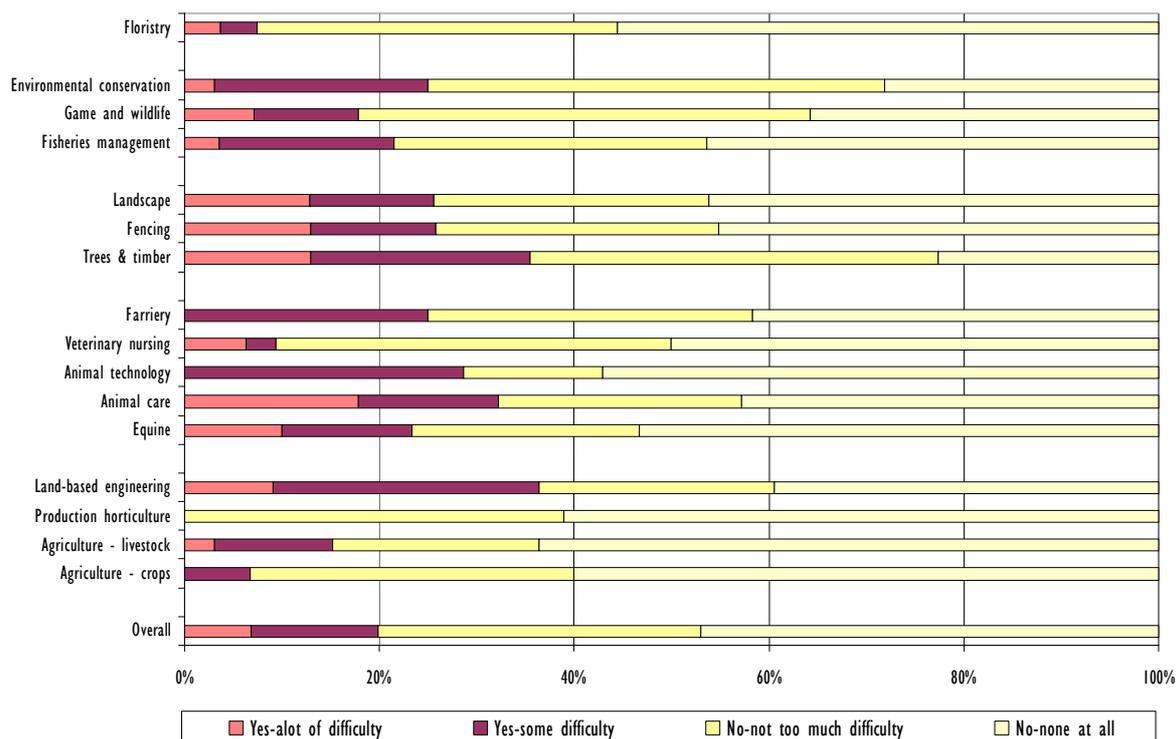


Results – Experiences in recruitment and retention

i) The importance of retention

Staff retention was generally perceived to be much less of a problem issue than staff recruitment, with only 20%, over the whole sample, reporting ‘a lot’ or ‘some’ difficulty in this area. Almost half of all respondents reported no difficulty at all with issues of staff retention. In no single sector did more than 40% report any significant difficulty in retaining good staff, but two sectors came close to that level, these being Land-based engineering and trees and timber.

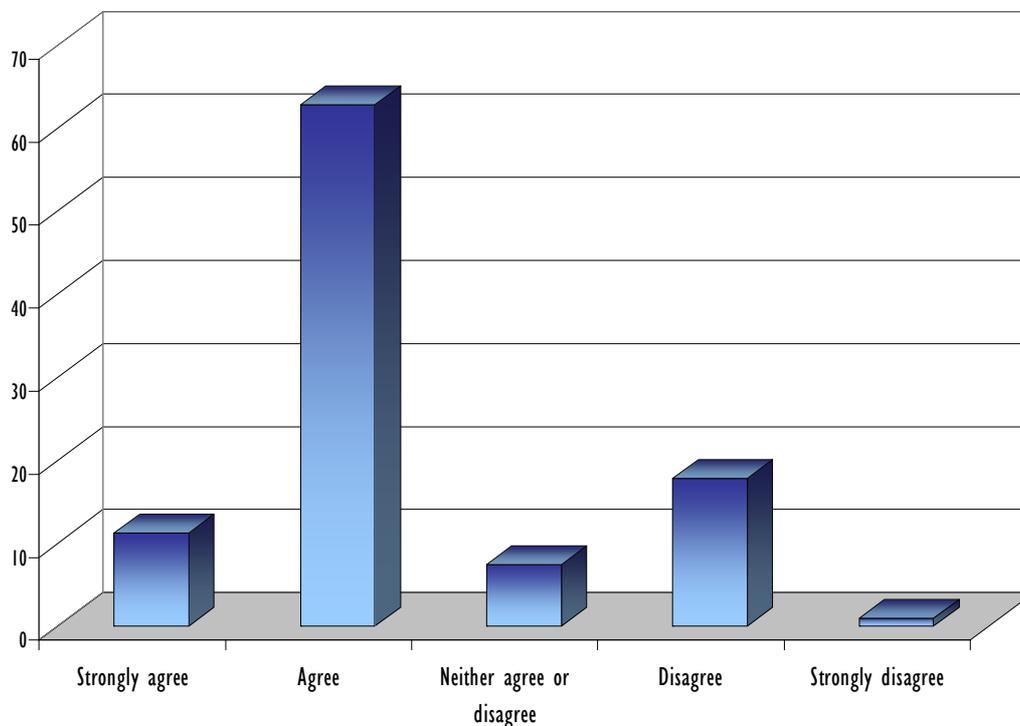
Figure A5.7 ‘Do you have difficulty retaining good staff?’



Results – Attitudes towards skills and training

j) Employment costs

Figure A5.8 ‘Employing better qualified staff will cost more’



The vast majority of respondents agreed with the statement that ‘employing better qualified staff will cost more’. This is an attitudinal question designed to shed light on respondent attitudes to training and skills. However, on reflection, this question is not as informative as it might be, as it does not reveal whether respondents feel that this increased cost provides good value. It is possible that in some cases respondents are expressing this view in a negative way and this is confirmed by the fact that this variable correlates significantly with two other attitudinal variables, ie,

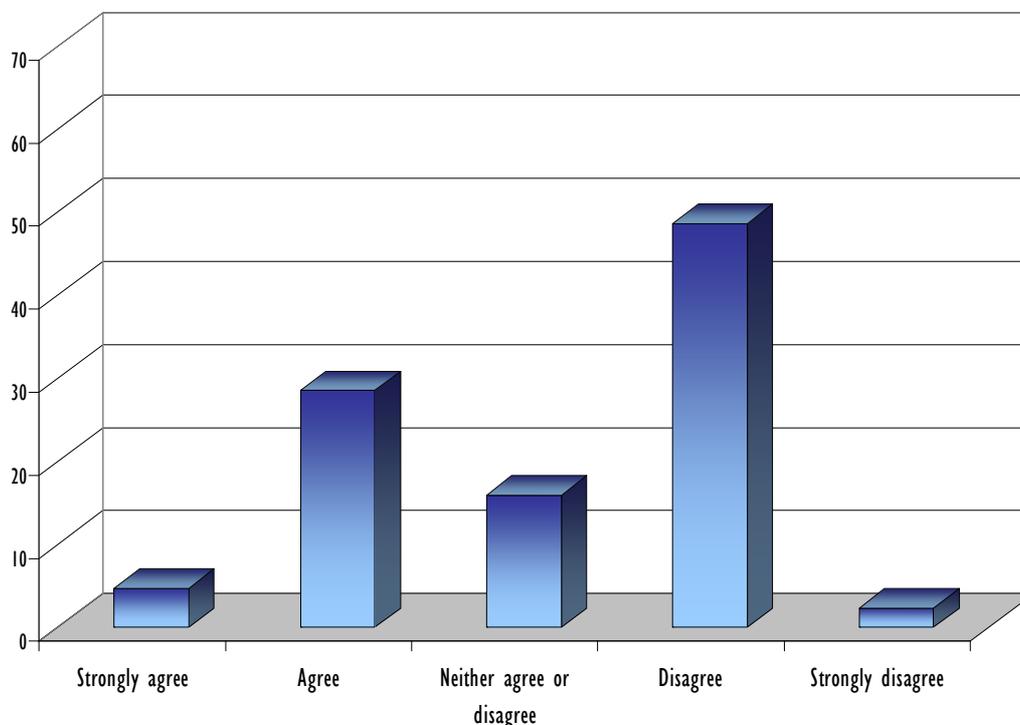
- responses to ‘Encouraging staff to gain more qualifications will simply encourage them to find better jobs elsewhere’ ($r=0.12$, $p<0.01$)
- responses to ‘Staff training is too expensive’ ($r=0.14$, $p<0.01$)

However, the correlation coefficients for these two variables (Spearman’s Rho) were relatively low (less than 15%), indicating a weak association at best.

Results – Attitudes towards skills and training

k) Staff mobility

Figure A5.9 ‘Encouraging staff to gain more qualifications will simply encourage them to find better jobs elsewhere’



There was a divergence of opinion on whether ‘Encouraging staff to gain more qualifications will simply encourage them to find better jobs elsewhere’. However, on balance, the majority (around 50%) disagreed with this view, with about 15% offering no opinion either way. Relationships between the responses to this set of statements were tested using Spearman Correlation Coefficients. Responses on this variable were found to be most strongly correlated (Spearman’s Rho) with:

- responses to ‘Staff training is too expensive’ ($r=0.32$, $p<0.0001$)

with a correlation coefficient of 30%, suggesting that those who believed that training would encourage staff to leave also held the view that training was too expensive (the reverse cases are also correlated).

Responses on this variable also correlated positively, but weakly, with:

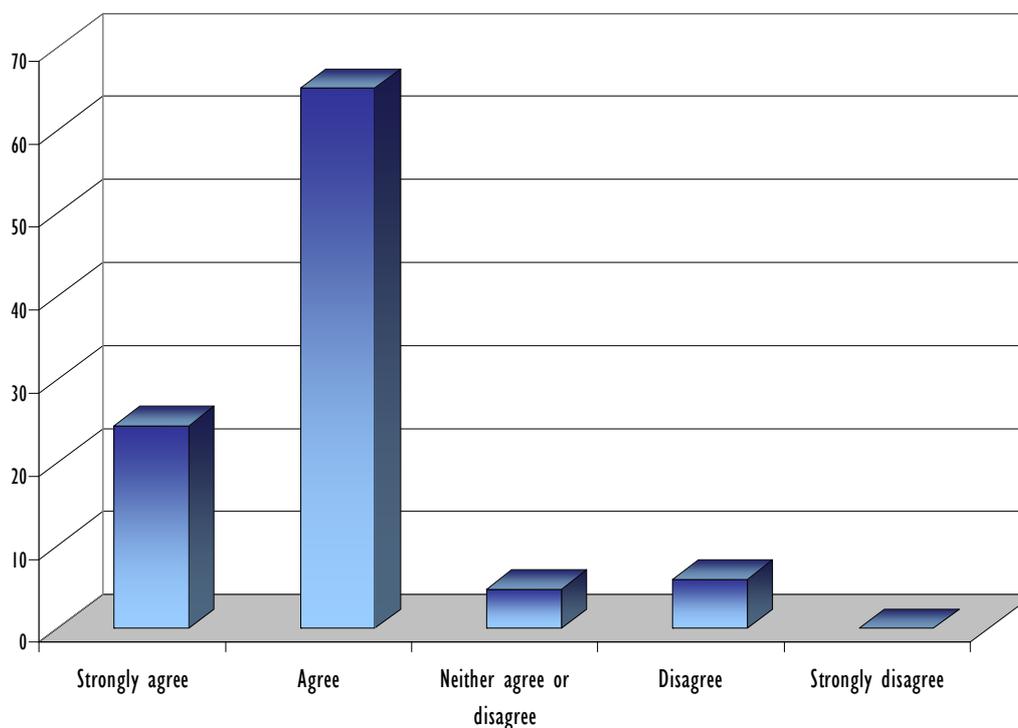
- responses to ‘Staff learn best on the job’ ($r=0.22$, $p<0.0001$)

i.e. those who held that trained staff would leave generally had a lower opinion of formal third party training in any event.

Results – Attitudes towards skills and training

I) Productivity

Figure A5.10 ‘Improving staff skills will increase business productivity’



There was very strong agreement amongst respondents with the statement that ‘Improving staff skills will increase business productivity’. This confirms the generally positive view towards training and skills presented in Figure 6.5. Responses on this variable were found to be negatively correlated with:

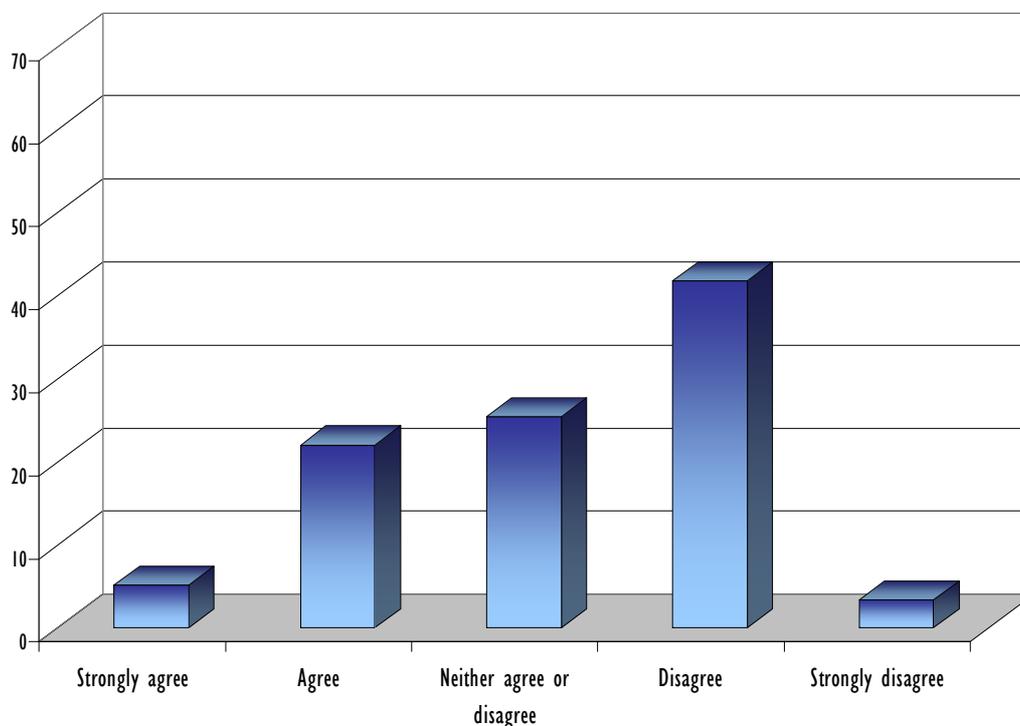
- responses to ‘Staff learn best on the job’ ($r=-0.09$, $p<0.05$)
- responses to ‘Encouraging staff to gain more qualifications will simply encourage them to find better jobs elsewhere’ ($r=-0.10$, $p<0.05$)
- responses to ‘Staff training is too expensive’ ($r=-0.14$, $p<0.01$)

In each of these cases the correlation, though significant, was at a relatively low level (less than 15%).

Results – Attitudes towards skills and training

m) Expense

Figure A5.11 ‘Staff training is too expensive’



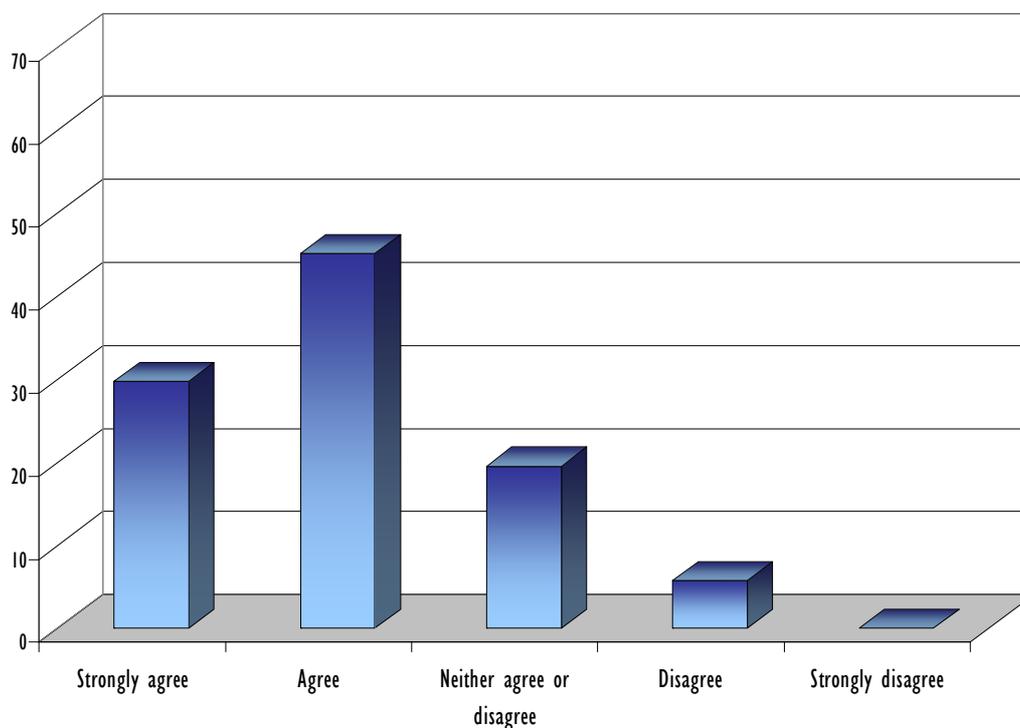
There are differences of opinion in terms of the proposal that ‘Staff training is too expensive’, with around 25% of the sample agreeing with the statement to some extent. However, over 40% of respondents disagreed, with the remainder unable to express a strong opinion.

Relationships between the responses to this set of statements were tested using Spearman Correlation Coefficients. It has already been shown that responses on this variable are negatively correlated with agreement that training increases business efficiency and positively with the notion that more training would encourage staff to leave.

Results – Attitudes towards skills and training

n) Where staff learn best

Figure A5.12 ‘Staff learn best on the job’



The majority of respondents agree, at least to some extent, with the statement that ‘Staff learn best on the job’. This is somewhat surprising in view of the positive views previously expressed by respondents about the value of training and skills to business efficiency and the general view that training represented fair value for money (ie it was not too expensive). It can only be assumed that, for many respondents, this view is supplementary to, and compatible with, other more positive views about training that they might hold. While some respondents may be expressing positive views about training, while having on-the-job training in mind, not all can fall into this category. It is possible that while respondents have a generally positive view of the value of third-party training, they may also believe that third party training is insufficient to produce a ‘fully functioning’ employee and that, at the least, some ‘finishing’ is required by means of ‘on-the-job’ training or experience. It is also possible that some respondents do in fact believe that ‘on-the-job’ training is better than any other form, ie the ideal, but that it is too expensive or disruptive to the business to carry out all training in this manner.

Results – Contingent ranking

o) Use of the SCF in recruitment

Figure A5.13 ‘On a scale of 1 - 10, how useful would the SCF be in staff recruitment’

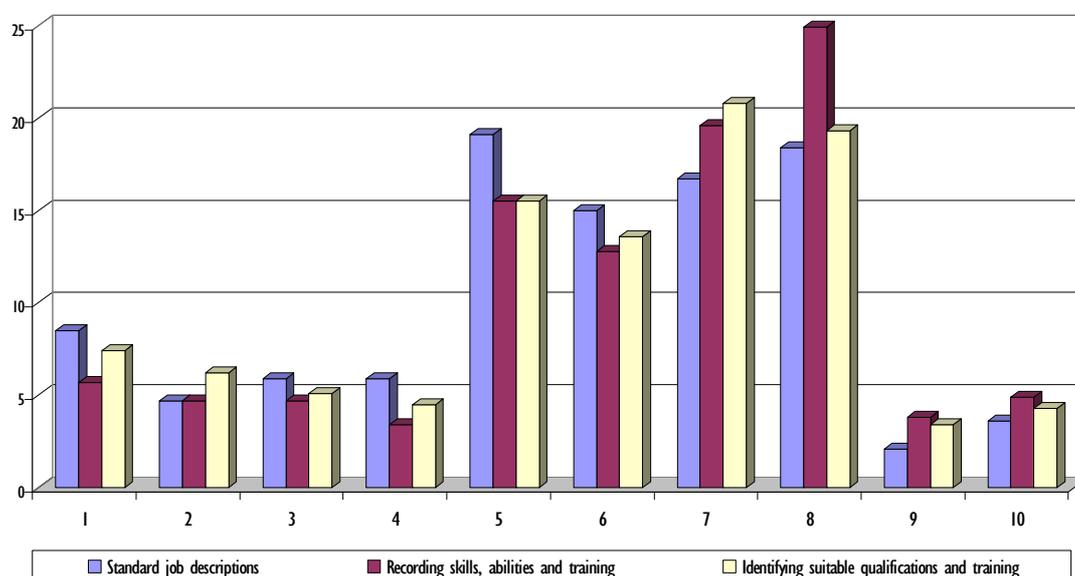


Figure 6.13 shows that when asked to rate the usefulness of the facets of the SCF in terms of staff recruitment, respondents attached roughly equal weight to all three, with the mean ranks being:

- Standard job descriptions, mean = 5.65
- Recording skills, abilities and training, mean = 6.16
- Identifying suitable qualifications and training, mean = 5.85

Respondents were asked to rank each facet individually on a scale of 1 to 10. In terms of mean ranking, ‘Recording skills, abilities and training’ scores slightly higher than the other two facets of the SCF, but this difference is marginal. What is apparent from the figure is that there was considerable consensus on these rankings, ie, there is a tight range of favoured ranks and two strongly defined tails on the distributions. While there is technically speaking a modal rank for each of the SCF facets, these vary within a range and within each facet there are three other ranks of almost equal importance.

Results – Contingent ranking

p) Use of the SCF in retention

Figure A5.14 ‘On a scale of 1 - 10, how useful would the SCF be in staff retention’

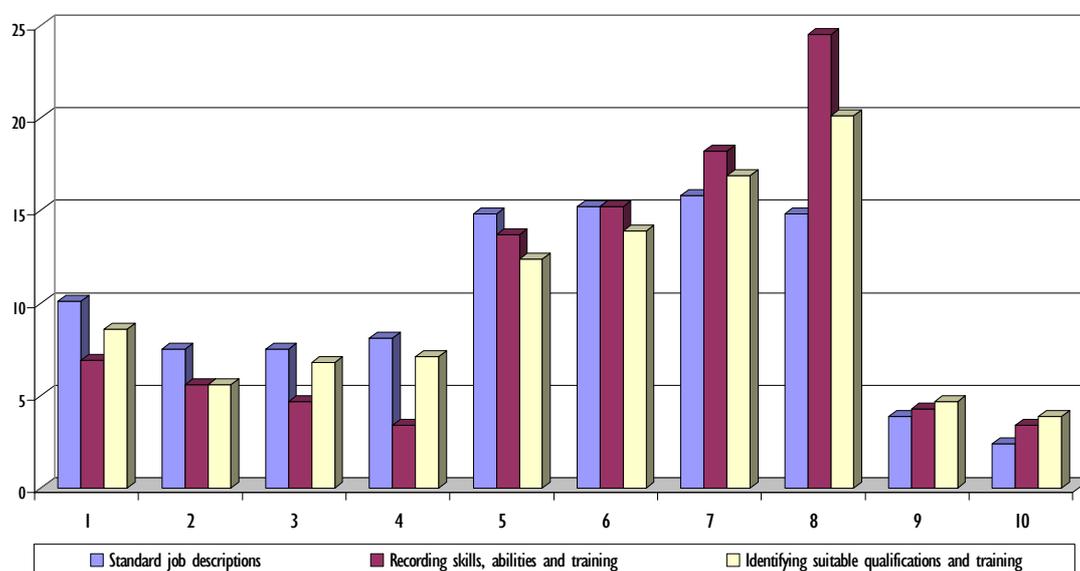


Figure 6.14 shows the three main facets of the SCF evaluated in terms of their usefulness to the retention of staff. As is the case for recruitment, there is considerable concordance in the rankings given to the facets, resulting in with very similar average ranks:

- Standard job descriptions, mean = 5.33
- Recording skills, abilities and training, mean = 6.02
- Identifying suitable qualifications and training, mean = 5.75

The tails on the distribution of the ranks are slightly less distinct in this case, indicating that there is less agreement about the usefulness of the three facets than is the case for recruitment. Rank 8 is the fairly clear modal value for ‘Recording skills...’ and Identifying ... qualifications’, but there is no clear modal value for ‘Standard job description’.

Results – Contingent ranking

q) Target groups for the Quality Mark

Figure A5.15 ‘On a scale of 1 - 10, how useful would the Quality Mark be in demonstrating business quality to customers, suppliers and regulators and staff.’

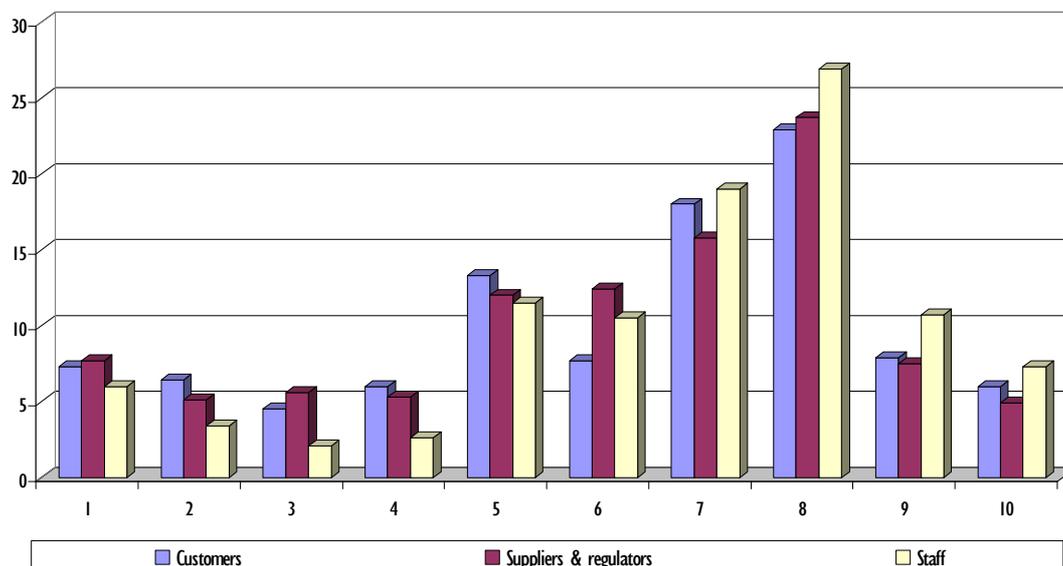


Figure 6.15 shows the usefulness of the ‘quality mark’ in terms of three groups: Customers, Suppliers and regulators and Staff. As can be seen the average ranks for these three are very similar:

- Customers, mean = 6.11
- Suppliers and regulators, mean = 6.10
- Staff, mean = 6.7

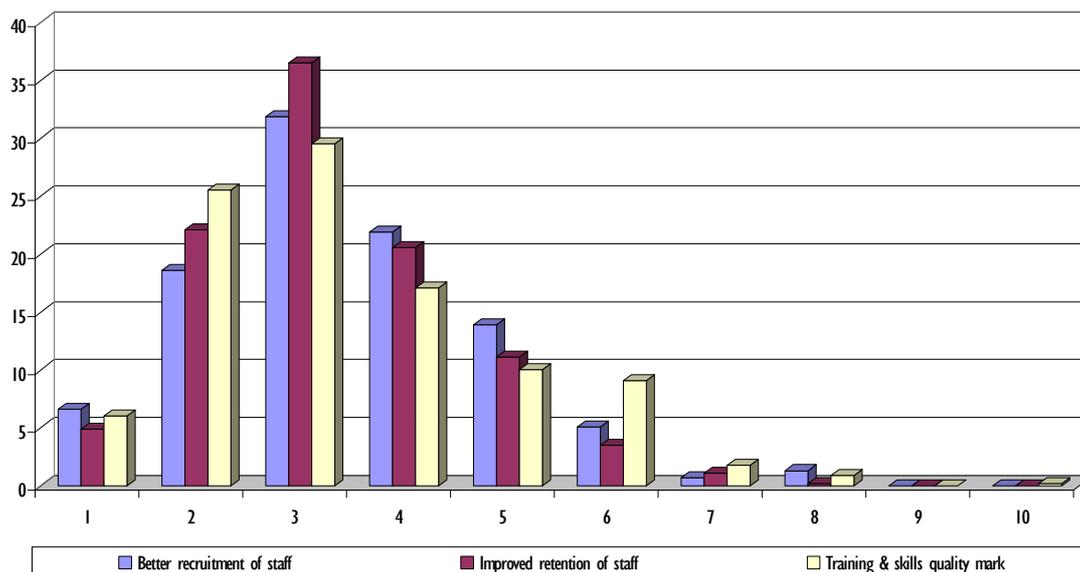
There is a high degree of concordance in the ranks provided for these three groups, with all three sharing a single modal rank of 8.

The distributions of rank scores in all three figures above appear to be normally distributed, although there is evidence of reluctance on the part of some respondents to attribute either extreme positive or negative values (this tends to give the distributions flat tails). This suggests that some respondents do not feel confident that they fully understand the value of each issue and as a consequence they are ‘playing safe’ in the allocation of ranks.

Results – Contingent ranking

r) Benefits of the SCF

Figure A5.16 ‘Allocate 10 points between benefits to recruitment, retention and the training and skills quality mark’



Having given thought to the value of the separate SCF components, ie recruitment, retention and a quality mark, respondents were then asked to rank the value of each relative to the others. Figure 7 shows that, in terms of usefulness, each was ranked fairly equally by the sample as a whole, ie sample means ranging around 3 were obtained and 3 as the modal rank. However, there is some variation in attributed ranks between individuals and this is evident in the fairly normal distribution to the ranks seen in the Figure. Very few individuals allocated ranks of zero or 10 to any single component.

Results – Willingness to pay

s) Willingness to pay

Table A5.9 Proportion of respondents stating a willingness to pay for the system.

Sector	% Willing to pay
Floristry	57
Environmental conservation	56
Game and wildlife	32
Fisheries management	29
Landscape	67
Fencing	48
Trees & timber	58
Farriery	0
Veterinary nursing	52
Animal technology	86
Animal care	32
Equine	43
Land based engineering	58
Production horticulture	49
Agriculture - livestock	49
Agriculture - crops	36
Overall	47

Over the sample as a whole, 47% would be willing to purchase the SCF, and pay something for it, should it be available. There is some variation in this willingness to pay rate between sectors, although this is exaggerated by a zero willingness to pay rate in the Farriery sector. Farriery are unusual as a sector in that they have a very well established training route already in place that seems to work well and so their reluctance to pay for a separate recruitment system is understandable. Farriery aside, willingness to pay rates are respectable in all sectors, ranging from 29% in the Fisheries management sector, to 86% for Animal technology, although perhaps this value, together with the zero for Farriery should be dismissed as an outlier in view of the low numbers of observations on which it is based.

Respondents who indicated that they would not be willing to pay for the SCF were asked to give the reason for their decision. The answers given have been collated in Table A5.10. The most popular reasons all relate to the issue of business size, either in financial terms or numbers of staff. In some cases the likely cost was viewed as unsustainable, or it was felt that the business recruited so infrequently as to make any kind of investment, both time as well as money, unwarranted.

Tied as the second most frequently cited reasons for not wanting to pay are ‘In-house systems’ and ‘Insufficient benefit’. ‘In-house systems’ refers to responses that indicate that businesses prefer to do training in-house, or that they have no problems with recruitment that need to be addressed.

The category ‘Insufficient benefit’ is not very informative, as it captures many responses of the sort ‘not relevant’. This generalised response may overlap with other categories such as infrequent recruitment or presence of in-house systems.

Results – Willingness to pay

Table A5.10 De-briefing question: reasons given for unwillingness to pay.

Rationale	Examples	Frequency indicated
Business too small	Business does not employ many people; recruitment is infrequent; small businesses would struggle with the administrative burden.	51
Insufficient benefit	Not enough benefit; not relevant enough.	50
In-house systems	Already doing this in-house; in-house training; no recruitment or retention problems	50
Financial constraints	Lack of money in business; charity or voluntary organisation.	23
Industry schemes in place	Other agencies, professional, industry bodies already do this; content with existing industry systems; established industry training route already exists.	22
Unproven	Unproven; will industry take it up; don't know enough about it	15
System too generic	System too standardised / generic; industry too specialised.	7
Other - uncategorised		47

Some respondents indicated that, although they may be in the market for using, or benefiting from third-party aids to recruitment, these are already in place and adequate and that new systems are not required. The Farriery sector would be a good example of this.

Respondents also expressed reluctance to pay on the grounds that the system was unproven. This is an important issue to bear in mind. A number of the more thoughtful responses raised this issue, together with the related issue that such a system would only work if there was a relatively high rate of uptake within the land-based industry.

Large numbers of responses categorised as 'Other' were based on the unskilled nature of work within the business.

There were very few responses that might be classed as 'protests', i.e. respondents indicating a willingness to use the system, but refusing to pay as a means to increasing the likelihood that they would not be asked to do so. This may be because the system is not generally available and so respondents are not being asked to pay for something that they already have without charge. There is always the possibility that respondents may protest as a means of getting the product for free when it does become available, but there is nothing in the survey results to suggest that this might happen.

Only four respondents stated openly that they would not pay because: they had never had to pay for this type of service in the past; because they thought that they already paid too much in taxes; or because they thought that grant-aid should be available. It is difficult to know if these can be classed as protest bids as we do not know whether they would want or use the service if it was free. It is perhaps more likely that they see no advantage in this over systems they already operate for free, or over systems within which the costs are hidden (e.g. the cost of their own time).

Results – Problems and limitations

t) Problems and limitations

A number of de-briefing questions were asked at the conclusion of the survey, where respondents were given the opportunity, on a voluntary basis, to comment on the SCF. Their responses have been classed into: the perceived problems or limitations of the SCF (see Table A5.11); any other perceived benefits of the system that have not been expressed thus far; and any additional features that they would like to see incorporated into the system.

Table A5.11 Perceived problems or limitations of the Framework.

Description	Frequency indicated
Framework / job descriptions may be too generalised for specialised industries	10
Failure of uptake – needs to be very widely accepted to work. A lack of publicity will make it worthless	9
Problems obtaining truthful, reliable data from potential employees. Data needs to be trustworthy and up to date	6
Increased administrative burden	6
Cannot capture aptitude and character	4
Unproven at the present time	4
Similar systems already in place in some sectors	3
Cost	2
Might become a box-ticking exercise	2

Results – Benefits and additional features

u) Benefits and additional features

Other perceived benefits of the Framework

Very few of these were suggested and most responses were meaningless or reiterations of benefits already presented to them. The following three additional benefits were of note;

- May help to develop a wage structure
- Reduces workload associated with recruitment
- Provides recognition system for minority qualifications/ professions, which can then compete on equal terms with more common qualifications / professions.

Additional features

Very few of these were suggested and most responses were meaningless or reiterations of benefits already presented to them. The following additional features were of note;

- Database with potential employees names and addresses
- Doing required tests on-line
- Employer's contract details
- Example interview questions and guidance on interview technique
- Vary system for different sizes of business
- Allow for feedback on the system
- Information on the career/training history of applicants
- Recruitment/training grants
- Guidance on average wage rates for different grades of staff
- Free trial period
- Unification of existing industry systems
- Subscription costs should vary on basis of employee numbers
- A means of validating employee claims of qualifications/experience

Analysis – Willingness to pay

v) Willingness to pay: Methodology

This study sought to estimate what land-based businesses would be willing to pay for the Skills Competence Framework (SCF) using the contingent valuation (CV) method. The method has become very popular as a means of valuing non-market or public goods (where no market price for a good exists), for example, environmental amenities. As a methodology, CV is also ideal for estimating a market price for ‘hypothetical’ market goods, i.e. goods for which a market price could exist, but which are currently not present in the market (such as is the case with the SCF).

Respondents were screened, by means of a self selection process at the recruitment stage, to ensure that all who took part in the survey actually recruited staff to their businesses. A secondary screening ensuring that the person answering the questions was involved in some meaningful way in the recruitment process. At various points in the interview process, prior to the elicitation of the willingness to pay estimate, respondents were provided with information about the nature and function of the SCF, as a way of allowing them to make more informed decisions about its usefulness and their willingness to purchase it should it be offered for sale.

The willingness to pay (wtp) elicitation followed the methodology of the double-bounded dichotomous choice format (Mitchell & Carson, 1989). By this approach, respondents were each given a bid price for the SCF, to which they could answer ‘yes’ or ‘no’. In response to this answer a second bid was presented that was higher than the first if the first answer was ‘yes’ and lower if the first answer was ‘no’. This approach was chosen, in part, because it permits the analysis of wtp using both the double bounded and single-bounded dichotomous choice format. The single-bounded format (Hannemann, 1985) is possible by simply analysing the response to the first bid price and ignoring the second response. The approach selected in this case is discussed below.

There were six levels for the first bid, as shown in Table A5.12 below. Equal numbers of each bid were randomly presented.

Table A5.12 Bid levels presented for the first round bids

Bid level	1	2	3	4	5	6
Bid price (£)	30	50	70	90	110	140

Each of the six first round bids was presented to around 5 respondents in each industry sector, resulting in approximately 30 observations per sector. There were 16 merged industry sectors, resulting in approximately 80 observations at each first round bid level. There was some small-scale variation in the number of bids at each level in the final dataset, due to failure of recruitment to reach quota in some sectors. The range over which the first round bid levels were set was largely determined by the results of a bidding auction presented in the Pilot Study.

If respondents indicated that they were not prepared to accept both the first and second round bids they were required to answer a debriefing question to provide reasons for their response – this was to permit an analysis of the rationality and consistency of responses and to allow the identification of ‘protest’ bidders. Summarised de-briefing questions are presented in the previous section (Table A5.10).

Analysis – Willingness to pay

Estimation of WTP – method

The approach proposed for the estimation of wtp in this case was to analyse using one of the single-bounded dichotomous choice techniques in the first instance and if the results suggested that a double-bounded approach would be preferable, to undertake a targeted follow-up analysis. The single-bounded approach adopted in this case was Maximum Likelihood Estimation, after Cameron (1988) and as recently employed by Bennett, Tranter and Blaney (2003).

Let individual i have an implicit price, or wtp, for a specified volume of a particular product, given by;

$$(1) \text{wtp}_i = \underline{x}_i' \underline{b} + s u_i,$$

where: wtp_i is the individual's true, but incompletely observed, willingness to pay; \underline{x}_i' is a vector of explanatory factors which can be observed, u_i is a symmetric random error with zero mean and unit variance that arises from the unobserved factors about i 's wtp, and \underline{b} is a vector and s a scalar to be estimated. Each respondent is asked whether they are willing to pay a randomly assigned amount (B_i). The probability of observing a positive response to this wtp question is:

$$(2) \Pr(\text{Yes}) = \Pr(u_i < -B_i / s + \underline{x}_i' \underline{b} / s).$$

Alternatively, this probability can be written as:

$$(3) \Pr(\text{Yes}) = F(c B_i + \underline{d}' \underline{x}_i),$$

where: $c = -1 / s$ and $\underline{d} = \underline{b} / s$. $F()$ is the cumulative distribution function of u_i and its assumed distribution determines the type of binary choice model used. It is the presence of a varying bid level that enables the identification of the scale of the wtp relationship. Thus, the bid (B_i) is included in the right-hand set of variables in the binary choice model along with the explanatory variables (\underline{x}_i). The coefficients obtained from the binary choice model can then be used to identify the parameters in Equation (1). The estimated parameters in the binary choice model are c and \underline{d}' and thus the estimates of \underline{b}' and s will be:

$$(4) \underline{b}' = -\underline{d}' / c$$

$$(5) s = -1 / c \quad (\text{after Bennett and Larson, 1996})$$

Once the coefficients of the explanatory variables have been obtained from the model, it is then possible to estimate wtp. In this case, maximum likelihood estimation procedures were used, specifying a logit model (assuming a standard logistic distribution function) and using standard procedures available in the SAS software package (SAS, 2000).

Estimation of WTP – results

Table A5.13 shows the variables of the preferred statistical model for the whole sample case. The selection of the best statistical model was achieved by a two-stage process. First, all demographic and other variables was entered into the model. Then the model was varied repeatedly, to arrive at a sub-set which had the best individual variable significances and yielded the highest coincidence of predicted and observed responses (concordance). A full list of the variables used in the analysis and their definitions can be found in Table A5.15

Analysis – Willingness to pay

Economic theory suggests that bid price (i.e. BID1), willingness to purchase (BUY?), business size (BSIZE) and preference variables should be determinants of wtp and thus it was considered important that such variables be included within the model. In the event, willingness to purchase (BUY?) proved not to be a good determinant of wtp because placing both the intercept and the BUY? variable in the logit model caused both parameters to be non-identified (i.e. the likelihood is a function of the sum of the parameters not each individually). As the table shows, BID1 was included in the final model in spite of being borderline statistically significant. What is also apparent is that the size of the coefficient is both very small and positive, suggesting that wtp is relatively price inelastic. A negative coefficient for BID1 would have been expected, (i.e. willingness to accept bids decreasing with increasing price) if acceptance of bids was price responsive. Business size (BSIZE) also proved to be a poor indicator of wtp and so is excluded from the model. The final model consists of five variables, plus the intercept, as shown in Table A5.13, below.

Table A5.13 Analysis of Maximum Likelihood Estimates for acceptance of BID

Variable	Estimate	SE	Chi-Square	Pr>Chi
INTERCEPT	-2.911	0.6927	17.6655	<0.0001
BID1	0.00509	0.0027	3.4812	<0.0621
RETAIN	0.1989	0.1087	3.3526	<0.0671
IMPROVE	0.3308	0.1204	7.5537	<0.0060
ATT_ONJO	0.2739	0.1196	5.2504	<0.0219
AGE	0.2087	0.0860	5.8900	<0.0152

Notes: -2 Log Likelihood (intercept and covariates) 585.859
 Chi-Square for covariates 35.83 with 5 degrees of freedom (p<0.0001)
 Association of predicted probabilities and observed responses = 65.9% concordant

Table A5.14 Variables included in the final model

Variable	Definition
BID1	Price of bid presented
RETAIN	Difficulty retaining good staff
IMPROVE	Agreement with statement that ‘training could improve business efficiency and profits’
ATT_ONJO	Agreement with statement that ‘staff learn best on the job’
AGE	Respondent age

Aside from bid, the best determinants of the likelihood of bid acceptance are:

- an economic variable - RETAIN, ie, past difficulties retaining good staff within the business;
- a demographic variable, ie, respondent age; and
- two attitudinal variables, ie, view on how staff best acquire skills (on the job) and the impact of additional training on business efficiency.

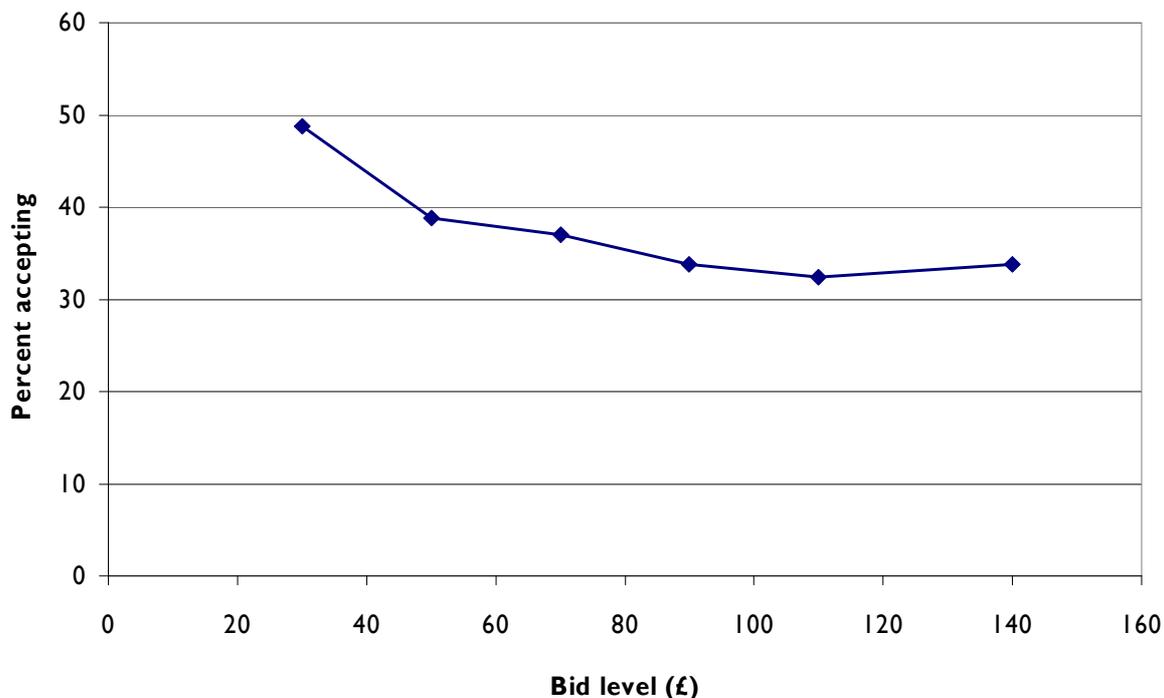
The logistic model predicts acceptance of the bid correctly in 65.9% of cases. This ‘Concordance’ level is not as high as might be expected and is probably a function of the low price elasticity of bid acceptance, where acceptance levels do not vary significantly over different levels of bid. Figure 1 shows the rate of acceptance of bids at each level for the whole sample. As can be seen there is very little variation in the rates of acceptance beyond £50.

Analysis – Willingness to pay

To estimate wtp, the coefficients from Table A5.12 were multiplied by the observed values of their associated explanatory variables, for each respondent, as shown in the equation below;

$$E(WTP_i) = (1/0.00509)*(-2.911 + 0.1989*RETAIN_i + 0.3308*IMPROVE_i + 0.2739*att_onj_o_i + 0.2087*AGE_i)$$

Figure A5.17 Level of acceptance of initial bid levels (whole sample)



Notes to Figure A5.17: 37.6% of respondents accepted their initial bid level, out of a total of 47% of respondents stating that they were willing to pay. That is, over three quarters of those stating a willingness to pay accepted their first bid level.

The resulting wtp estimates for individuals are then summed and divided by the number of observations to derive a mean wtp estimate for the whole sample (i.e. including those respondents that indicated that they would not be willing to pay anything for the SCF). On the basis of the above approach, the wtp estimate for the whole sample is £27.56 (s.d.£113.27).

As this estimate is derived from the whole sample, it would also be informative to estimate a mean wtp for that sub-set of the sample that indicated that they would buy the SCF, i.e. a conditional wtp estimate. 47% of the sample indicated that they would pay something for the SFC, so the conditional wtp estimate is: £27.56 * (1/0.47) = £58.64.

As a crude validation of these estimates, they can be compared to the simple means of the accepted first round bids for the whole sample and the subset that indicated they were willing to pay something. These means come in at £28.39 and £60.77 respectively.

Analysis – Willingness to pay

Conclusions

Economic theory of demand would suggest that, in this context, price, business size and preference variables would be the primary determinants of demand for the SCF. What the analysis shows is that business size and the price of the product are not key determinants of demand, but that other factors are, such as, amongst others, past experiences of difficulty in retaining qualified staff and beliefs concerning the importance of worker skills to business efficiency.

A single socio-demographic variable was included in the logit model, this being respondent age. However, a number of other such variables were tested and showed some significant relationship to bid acceptance, such as industry sector. These other variables were subsequently dropped from the model when it was revealed that they shared common variance with other variables that had more explanatory power – these were generally the attitudinal variables.

The analysis has revealed that rates of likely uptake of the SCF would not be greatly altered at pricing levels between £50 and £140. This would suggest that demand for the SCF was price inelastic, ie, businesses either see the benefits of it or they don't. If they do see the benefits, they will buy it at any price within the range represented in this study. However, it would be unsafe to assume that this price inelasticity would continue at prices higher than £140, as no data are available on demand at these higher levels. It is also possible that at higher price levels, business size may become a significant determinant of wtp.

It is probable that a greater degree of statistical concordance would have been achieved, ie the logit model would be a better predictor of bid acceptance, had the survey included bid levels over a range that yielded a greater price response (ie, greater price elasticity of demand). This would have made the BID1 variable a far better predictor of bid acceptance. The weakness of this variable as a predictor has led to the decision not to attempt a follow-up analysis of the second round bids (ie the double-bounded approach) using probit analysis. Because there is no variation in the rate of bid acceptance at any level between £50 and £140, second round bids within the same range would yield no new information.

It is possible that had the range of bids been extended to include higher prices, a higher priced wtp estimate may have resulted. The requirement for higher bid levels in the presented range would not have been easy to foresee. *A priori* expectation amongst industry representative bodies, including Lantra, suggested a much lower threshold price for the SCF than was included even in the Pilot Study. The Pilot Study results did suggest that some businesses would be willing to pay in excess of £80 for the SCF, and it was for this reason that the upper price range was extended in the main study to £140.

Appendix 5 – Technical annex: full results and analysis – land-based businesses

Analysis – Willingness to pay

Table A5.15 - Variables used in WTP modelling

Variable	Format	Meaning	Question Number
EDUC	Ordinal scale	Age left full-time education	Q2.7
RETAIN	Ordinal scale where 1= very difficult and 4= not difficult	Have difficulty retaining good staff	Q3.6
BSIZE	Dummy variable	Business size where 0= sole trader; 1 otherwise	Q2.3
IMPROVE	Ordinal scale, where 1= very important and 4= not at all important	Attitude to role of training in improving business efficiency and profits	Q3.4(1)
BUY?	Binary variable, where 1='yes' and 0='No'.	Willingness to buy the Skills Competence Framework	Q8
AGE	Ordinal scale, where 1= <25 & 6= >65	Respondent age	Q2.7
IND_SELF	Binary variable, where 1='yes' and 0='No'.	Respondent attends industry training events	Q2.5(1)
PROF_SELF	Binary variable, where 1='yes' and 0='No'.	Respondent is a member of a professional body	Q2.4(1)
RECRUIT	Binary variable, where 1='yes' and 0='No'.	The business has recruited staff in the last year	Q3.1(1)
IMPORT	Ordinal scale, where 1= very important and 4= not at all important	Importance of recruiting properly trained staff	Q3.2(1)
PUB_SELF	Binary variable, where 1='yes' and 0='No'.	Respondent subscribes to industry publications	Q2.5(5)
RETAIN	Ordinal scale, where 1= very true and 4= not at all true	Agreement with statement that business has difficulty retaining good staff	Q3.6
OWN	Binary variable, where 1='yes' and 0='No'.	Respondent owns or part owns the business	Q2.2
IMAGE	Ordinal scale, where 1= very important and 4= not at all important	Importance of worker skills to image of company	Q3.5
att_onjo	Ordinal scale, where 1= strong agreement and 4= strong disagreement	Agreement with statement that workers learn best on the job	Q3.7
att_cost	Ordinal scale, where 1= strong agreement and 4= strong disagreement	Agreement with statement that employing better qualified staff will cost more	Q3.7
att_expe	Ordinal scale, where 1= strong agreement and 4= strong disagreement	Agreement with statement that staff training is too expensive	Q3.7
att_leav	Ordinal scale, where 1= strong agreement and 4= strong disagreement	Agreement with statement that acquiring more qualifications will encourage staff to leave	Q3.7
SECTOR	Dummy variable with values of 0 and 1	Where 0 = agricultural businesses and 1 = all others	
BIDI	Interval data	Price of first bid.	Q9

Appendix 5 – Technical annex: full results and analysis – land-based businesses

Analysis – Willingness to pay