Unaccredited training: why employers use it and does it meet their skilling needs?

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Background and aims

- In Australia, the full extent of unaccredited training and reasons for its use are largely unknown.

- Aim of this research was to better understand and identify insights about the role and use of unaccredited training in meeting the skills needs of employers.

- Inform public policy, RTO’s, industry groups and other stakeholders.
Survey of employers’ use and of the VET system (SEUV)

About the survey

The Survey of Employer Use and Views of the VET System collects information about employers' engagement and satisfaction with the VET system and the various ways employers use the VET system to meet their skill needs.

The survey covers training provided in the previous 12 months. The sample of employers is randomly selected from the ABS Business Register, and they are contacted using computer-assisted telephone interviewing (CATI). Approximately 8000 to 9000 employers are interviewed each survey.

Information is available at the national level, as well as disaggregated by industry, business size and state. The survey was first conducted in its current form in 2005.
Methodology

- Review of literature to identify and synthesise existing research on employers training choices.


- Review and analysis of additional data sets:
  - UK Employer Perspectives Survey
  - Industry surveys.
Why do employers train their staff?

Most employers provide some form of training to their employees (91% according to the 2017 SEUV)

Reasons employers train their workforces (Smith et al. 2017):

• Constant need to improve the quality of products and services
• Adoption of new technology
• The need to meet increasing regulatory requirements

These reasons had not changed appreciably over time.
## Importance of adequately trained staff

In a survey of over 400 business, TAFE Enterprise (2018) reported that 79% of respondents identified lack of trained staff as inhibiting their growth potential.

### Strategies used to cope with lack of proficiency of employees, 2013-17 (% employers)

<table>
<thead>
<tr>
<th>Strategies</th>
<th>2013</th>
<th>2015</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal reorganisation</td>
<td>50</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Recruitment of new staff</td>
<td>47</td>
<td>59</td>
<td>57</td>
</tr>
<tr>
<td>Trained existing staff</td>
<td>81</td>
<td>86</td>
<td>87</td>
</tr>
<tr>
<td>Taken other action</td>
<td>23</td>
<td>32</td>
<td>31</td>
</tr>
</tbody>
</table>

Base: Employers with employees not fully proficient at their job and was impacting on how the organisation performs.

Source: NCVER, SEUV 2013-17
Employers choose between different types of training for their workforce:

**Accredited:** Structured and leads to a nationally recognised qualification

**Unaccredited:** Structured but does not lead to a formally recognised qualification

**Informal:** Unstructured occurring through day to day interactions at work
The SEUV found that 51% of employers surveyed in 2017 used unaccredited training to meet their skilling needs in the previous 12 months.

### Employer training choices in previous 12 months

<table>
<thead>
<tr>
<th>% Employers</th>
<th>2013</th>
<th>2015</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>using the VET system</td>
<td>52</td>
<td>53</td>
<td>54</td>
</tr>
<tr>
<td>using unaccredited training</td>
<td>48</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>using informal training</td>
<td>78</td>
<td>80</td>
<td>81</td>
</tr>
<tr>
<td>providing no training</td>
<td>12</td>
<td>11</td>
<td>9</td>
</tr>
</tbody>
</table>

Base: All employers

Source: NCVER, SEUV 2013-17
Common reasons for choice of training type

Accredited

• Legislative, regulatory or licensing requirements (35%)
• Staff career development (25%)

Both accredited and unaccredited

• Provide skills required for the job (AT: 47% / UT: 54%)
• Meet and maintain professional/industry standards (AT: 26% / UT: 31%)

Unaccredited

• Meet highly specific training needs (22%)
• Develop and maintain a flexible and responsive workforce (14%)
• In response to new technology (12%)

Base: Employers using nationally recognised training / unaccredited training
Source: NCVER, SEUV 2017
Choosing unaccredited training over accredited training

Availability of comparable nationally recognised training when unaccredited training was used, 2013-17 (% employers)

<table>
<thead>
<tr>
<th>Availability</th>
<th>2013</th>
<th>2015</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>13</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>64</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td>Did not investigate availability</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: NCVER, SEUV 2013-17

Reasons:

- More cost effective
- Approach was tailored to our needs
- Convenient or flexible times
- Complexity of the accredited VET system
Is unaccredited training meeting employers skill needs?

Employers satisfied with training as a way of meeting their skills needs by type of training, 2013-17 (%)

Source: NCVER, SEUV 2013-17
Main reasons for choosing provider of unaccredited training:

- Specialists with a high level of industry knowledge
- Content of training course was suitable
- Only suitable provider available
- Convenient and flexible times
Employers motivations for the use of unaccredited training varied widely between industries.

Common theme is unaccredited training tends to be aimed at meeting skills that are highly job relevant or organisation specific.

Less evidence of employers using unaccredited training for foundation skills (e.g. language, literacy, numeracy) or employability skills (e.g. communication, planning, organisational)
## Industry training choices

Training choices in the last 12 months by industry (% employers)

<table>
<thead>
<tr>
<th>ANZSIC Division</th>
<th>Accredited VET system</th>
<th>Unaccredited training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>Mining</td>
<td>59</td>
<td>61</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>64</td>
<td>47</td>
</tr>
<tr>
<td>Electricity, gas, water and waste services</td>
<td>44</td>
<td>40</td>
</tr>
<tr>
<td>Construction</td>
<td>79</td>
<td>40</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>39</td>
<td>49</td>
</tr>
<tr>
<td>Retail trade</td>
<td>36</td>
<td>47</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td>Transport, postal and warehousing</td>
<td>30</td>
<td>48</td>
</tr>
<tr>
<td>Information media and telecommunications</td>
<td>35</td>
<td>55</td>
</tr>
<tr>
<td>Financial and insurance services</td>
<td>58</td>
<td>68</td>
</tr>
<tr>
<td>Rental, hiring and real estate services</td>
<td>64</td>
<td>68</td>
</tr>
<tr>
<td>Professional, scientific and technical services</td>
<td>47</td>
<td>57</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>39</td>
<td>51</td>
</tr>
<tr>
<td>Public administration and safety</td>
<td>65</td>
<td>70</td>
</tr>
<tr>
<td>Education and training</td>
<td>70</td>
<td>68</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>58</td>
<td>60</td>
</tr>
<tr>
<td>Arts and recreation services</td>
<td>46</td>
<td>50</td>
</tr>
<tr>
<td>Other services</td>
<td>73</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>51</strong></td>
</tr>
</tbody>
</table>

Base: All employers

Source: NCVER, SEUV 2017
Use of unaccredited training: Industry examples

**Information Communications Technology**
High use of vendor certified courses due to specialist nature of products. As vendors seen as experts in the products / systems they supply.

**Mining**
Organisation specific, e.g. site induction and safety training. Also training to operate specialised plant and machinery from original equipment manufacturers.

**Pulp and Paper Manufacturing**
Companies designing their own internal programs that meet their specific skilling needs. Limited number of RTO’s with PPM training package on scope.

**Road Freight Transport / Meat**
Use accredited training to meet strict regulatory requirements. Unaccredited training used to reinforce and enhance the skills learnt in accredited training.

Sources: Industry Reference Committee Skills Forecasts
Australian employers are using a mix of both accredited and unaccredited training to meet their skilling needs. With a wide variance between industries.

Unaccredited training is most likely to be selected to address job relevant or organisation specific training needs, and in response to new technology.

Cost, the ability to tailor the training and flexibility in provision are the key reasons for employers choosing unaccredited over accredited training.

Most employers using unaccredited training are satisfied it is meeting their skilling needs.

In Australia over half of employers were providing unaccredited training internally.
Implications for stakeholders in the VET system

- Future impact of training type on the employee
- Formal recognition of unaccredited training
- Market for RTO’s
- Lack of data on unaccredited training and employer training in general
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