

UK companies respond to recession by 'training smarter,' study finds

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Fears that most UK companies would slash investment in skills training as a result of the recession have proved to be largely unfounded, researchers at Cardiff University and the University of London have concluded. Although some employers have cut spending to the bone, total expenditure on training has reduced only slightly.

Many employers are also "training smarter", according to a new study from researchers at Cardiff University and the Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), at the Institute of Education, University of London. The [recession](#) has caused companies to focus their training on key business needs, organise more in-house courses, and use their own staff as trainers. They have also renegotiated contracts with external trainers and increased their involvement in e-learning.

The study's authors interviewed a wide range of public and private-sector employers representing large and small organisations. "A majority of these employers believed that they would persist in 'training smarter' when the economy recovers," they say.

The researchers also examined responses to several surveys that gather information on staff training: the CBI's Industrial Trends Survey, the British Chambers of Commerce Quarterly Economic Survey, the National Employers Skills Survey, and the Quarterly Labour Force Survey, which questions 60,000 workers about a range of issues including recent job-related education and training.

At the start of the recession many employers were anticipating sharp cuts in training expenditure, judging by the CBI data. The British Chambers of Commerce survey responses were a little more optimistic while the National Employer Skills Survey (NESS) provided further evidence that the reduction in training was not as severe as many feared. "Although a minority of NESS employers had cut spending in the previous 12 months, most reported no significant change and some had even increased their commitments," the researchers comment.

The findings of this new study suggest that the UK has seen a slow decline in training from a peak in 2001/2, rather than a recession-related crash. Total expenditure on all types of company training in England amounted to £39 billion in 2009. This was only 5 per cent less in real terms than in 2007.

The study concludes that an "overwhelming majority" of employers recognise that some types of training are essential, even in a recession. These are called "training floors". Such "floors" include training that helps firms to:

- comply with legal requirements
- meet operational needs
- counter skills shortages
- address market competition
- fulfil managerial commitments, and
- satisfy customer demands.

Some of the 52 employers that the study's authors interviewed also believe they now need [training](#) that 'multi-skills' their workforce. "If anything, the recession has taught me that we need to make sure that our whole workforce is trained in several tasks," one industrial employer told the researchers. "If we do have to make redundancies in the future we will then have the people to fall back on if we lose key employees."

Provided by Cardiff University

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