



Labour Market Dynamics
Research Programme

Innovative research in employment

Work-Based Training in Auckland, Hawke's Bay and Rodney

Research Report No. 01/2009

Bronwyn Watson, Carina Meares, Anne de Bruin and Paul Spoonley

**ALBANY AND PALMERSTON NORTH
LABOUR MARKET DYNAMICS RESEARCH PROGRAMME
2009**

© Bronwyn Watson, Carina Meares, Anne de Bruin and Paul Spoonley, 2009

ISBN: 978-1-877355-29-5

Labour Market Dynamics Research Programme
Massey University
Private Bag 102 904
North Shore Mail Centre
AUCKLAND
<http://lmd.massey.ac.nz>

ACKNOWLEDGEMENTS

This research project was carried out as part of the Labour Market Dynamics Research Programme which is funded by the New Zealand Foundation for Research, Science and Technology. The Foundation's funding of the research into pathways to sustainable employment is gratefully acknowledged, as is the continuing support of Massey University, the host institution.

TABLE OF CONTENTS

LIST OF TABLES	7
INTRODUCTION	9
METHODOLOGY	11
SAMPLE CHARACTERISTICS	12
Type, Regional Location and Size of Survey Enterprises	12
Employment Forms	13
(a) Full-time Equivalent Employees	13
(b) Permanent Full-time Employees	15
(c) Permanent Part-time Employees	15
(d) Casual Employees	15
Legal Forms of Enterprises	16
Business Growth and Decline	16
Māori Enterprises	18
RESULTS	20
Work-Based Training	20
(a) Types of Work-based Training	22
(b) Reasons for Providing Training, How Decisions are Made	22
(c) Barriers to Providing Training	25
Industry Training Organisations (ITOs)	26
(a) Relevance, Use and Roles of ITOs	26
(b) Information and Communication	29
(c) Employer Perceptions of ITO Performance	31
Apprenticeships and Traineeships	34
(a) Apprenticeships	34
(b) Traineeships	35
(c) Formal Training for Apprentices and Trainees	36
(d) Recruitment of Apprentices and Trainees	37
(e) Reasons for Non-participation in Apprentice or Trainee Training	38
Other Accredited and Non-Accredited Training	40
(a) Other Accredited Training	40
(b) Non-accredited Training	43
Training for Owners and Managers	47
(a) Considerations in Choosing Training for Owners/Managers	47
(b) Training Providers for Owners and Managers	48
Employability and Productivity Skills	53
(a) Enhancing Employability Skills	53
(b) Enhancing Productivity Skills	55
(c) Linking Employability and Productivity	56
Central Government Policy Responses	58
CONCLUSION	59
REFERENCES	61

LIST OF TABLES

Table 1	Enterprises by region and industry sector	12
Table 2	Length of operation of participant enterprises	13
Table 3	Participant enterprises by region, size of enterprises, numbers of permanent full-time, part-time, and casual employees	14
Table 4	Enterprises by industry sector and number of casual employees	15
Table 5	Legal forms of enterprises	16
Table 6	Changes in the number of employees in the last 12 months	16
Table 7	Factors leading to business growth	17
Table 8	Factors leading to business decline	17
Table 9	Factors necessary for growing business	18
Table 10	Māori enterprise ownership, contact with Māori/iwi organisation	19
Table 11	Nature and benefits of iwi/Māori contact	19
Table 12	Enterprises undertaking training in the last 12 months	20
Table 13	Importance of work-based training for overall business success	21
Table 14	Enterprises with a dedicated budget for training	21
Table 15	Types of training offered in the last 12 months	22
Table 16	Reasons for providing training in the next 12 months	23
Table 17	How training decisions are made	24
Table 18	Who makes training decisions	24
Table 19	Barriers to the provision of training	25
Table 20	Industry sector use of industry training organisations (ITOs)	27
Table 21	Employers' perceptions of the main roles of an ITO	27
Table 22	Use of specific ITO services	28
Table 23	Reasons for not using the services of ITOs	28
Table 24	Adequacy of information about ITOs by industry sector	29
Table 25	Reasons for inadequate information about training providers	29
Table 26	Sources of provider information	30
Table 27	Industry sector satisfaction with ITO communication channels	31
Table 28	Performance of ITOs by industry sector	31

Table 29	Employers' suggestions for improving performance of ITOs	32
Table 30	Number of apprentices by size of enterprise	35
Table 31	Number of apprentices by industry sector	35
Table 32	Number of trainees by size of enterprise	36
Table 33	Providers of most formal training for apprentices and trainees	37
Table 34	Sources of apprentice and trainee recruitment	37
Table 35	Reasons for not offering apprenticeships or traineeships	38
Table 36	Providers of most other accredited training	40
Table 37	Reasons for choosing providers for other accredited training	41
Table 38	Industry satisfaction with providers of other accredited training	41
Table 39	Employers' suggestions for improving other accredited training	42
Table 40	How other accredited training needs are conveyed to providers	42
Table 41	Providers of most non-accredited training	43
Table 42	Reasons for choice of non-accredited training providers	44
Table 43	Industry levels of satisfaction with non-accredited training	44
Table 44	Employers' suggestions for improving non-accredited training	45
Table 45	How employers convey non-accredited training needs to providers	45
Table 46	Industry sector owner/manager training in the last 12 months	47
Table 47	Considerations in choosing future owner/manager training	48
Table 48	Providers of most owner/manager training	49
Table 49	Reasons owner/manager training providers were chosen	49
Table 50	Industry sector satisfaction with training for owners/managers	50
Table 51	Industry sector training satisfaction, by who the training was for	50
Table 52	Employers' suggestions for improving owner/manager training	51
Table 53	How employers convey their training needs to providers	52
Table 54	Number of enterprises enhancing employability skills by sector	53
Table 55	How employability skills are enhanced	54
Table 56	Employers' views on the role of enhancing employability skills	55
Table 57	Skills for enhancing productivity	56
Table 58	Comparison of skills for enhancing employability and productivity	57

INTRODUCTION

The 'Pathways to Sustainable Employment' (PASE) project is a five year research programme funded by the Foundation for Research Science and Technology. It examines the impact of diverse employment pathways on young people in New Zealand aged between 15 and 34 years. It also looks at the experiences of employers from a range of industries operating in a contemporary environment characterised by low unemployment and ongoing skills shortages. Over the life of the research, a range of methodologies have been used to examine the way in which individuals understand and negotiate access to employment and how employers obtain and manage labour in an increasingly dynamic labour market. The overarching aims of the project are to:

- explore the varied ways in which 15-34 year olds understand pathways into employment and negotiate their own employment trajectories;
- provide research from which tangible, relevant and user-oriented initiatives can be generated, both for the communities concerned and those agencies that have a policy responsibility in the area of employment;
- provide information on the best strategies for achieving the economic goal of sustainable employment for younger people; and
- establish the degree of alignment between labour supply and demand in relation to people within the chosen age cohort.

The PASE project comprises two major objectives. Objective One is concerned with supply-side employment issues, in particular the way in which younger people understand and negotiate access to employment. Objective Two focuses on the demand side of the employment equation, investigating both the strategies and expectations of employers with respect to an adequate supply of appropriately skilled labour.

This report contributes to the Objective Two, demand-side work of the PASE project, and investigates the training practices of small (4-9 full-time employees or FTEs) and medium (10-49 FTEs) businesses, collectively referred to as 'small to medium sized enterprises' (SMEs). The participants' enterprises are located in Auckland, Hawke's Bay or Rodney, and each belongs to one of four industry sectors: 1) horticulture, viticulture and primary food production; 2) building and construction; 3) accommodation, cafes and restaurants; or 4) aged care.

Research shows that in New Zealand in 2004, even while unemployment was very low (3.8 percent), skills shortages in all sectors were at their highest levels in 30 years (Sung, Raddon and Ashton, 2006: 66). By 2006, when our survey was carried out, although a combination of slower economic growth, higher immigration levels plus particularly high labour force participation had eased labour shortages slightly, skills shortages remained at sufficiently high levels to give rise to disquiet (Department of Labour, 2006). Underlining the gravity of the problem, further research (TEC, 2005: 3) shows that SMEs make up around 97 percent of private sector enterprises and 45

percent of private sector employment in New Zealand.¹ Moreover, as the TEC points out, where utilising industry training might contribute to alleviating their skills shortages, the uptake of industry training in this group of enterprises remains ‘a cause for concern’ (TEC, 2005: 3) with employees in some industries facing difficulties in gaining access to training.

A further recent cause for concern has been that the levels of labour productivity in New Zealand (the levels of Gross Domestic Product achieved per hours worked) are seriously lagging in comparison with most other OECD countries (see, for example, Sung et al., 2006; OECD, 2008). Harvey and Harris (2008) claim that improving labour productivity is a complex issue requiring not one but a series of interdependent actions. Among these are: ‘better training, enhanced managerial capability, employee engagement, improved employee recognition and reward, [and] innovative production practices’ (Harvey and Harris, 2008: 3). Harvey and Harris warn that training on its own does not solve the issue. We agree with the need to implement each of their suggestions, and also with their caveat that training that does not fit the context is unlikely to be used and is therefore wasted training (Harvey and Harris, 2008: 13). However, we would argue that training underpins each of their proposed interventions. For example, managerial capability may be enhanced through the further training of managers; employee engagement, recognition and reward are all linked not only to employee attitude and understanding but also to management systems and approach, which may all be improved through training of both workers and managers; and developing innovative production practices will also be given a boost by highly trained and motivated managers and employees.

With these concerns in mind, our aim for this phase of the research is to better understand the training practices, experiences and future training intentions of SME employers to enable training providers and policy agencies to better meet the skills needs of employers and workers and to raise the labour productivity levels in New Zealand.

¹ The TEC Definition of an SME includes firms with up to 19 FTEs (see TEC, 2005:3). Including up to 49 FTEs as we do means the figures cited are likely to be even higher.

METHODOLOGY

In 2006, for this phase of our research 160, employers were interviewed. The participants represented four industry sectors across three North Island regions. The industry sectors (horticulture, viticulture and primary production, building and construction, accommodation, cafes and restaurants, and aged care) were chosen because each had recently experienced both considerable growth and the resulting shortages of skilled, semi-skilled and unskilled labour. The regions were chosen to provide a comparison of employer views and experiences of work-based training for themselves and their employees in labour markets in urban (Auckland), rural (Hawke's Bay) and semi-rural (Rodney) locations. Rodney's selection as the semi-rural representative was to meet the needs of our local community end-users, the Rodney District Council.

The interviews were conducted via the Computer Assisted Telephone Interview (CATI) system used in several other Labour Market Dynamics research projects (see Cunningham, Fitzgerald and Stevenson, 2005; de Bruin, McLaren and Spoonley, 2005; Baron and McLaren, 2006; Inkson, Meares, Dupuis, Inkson and McLaren, 2007). They were carried out by Consumer Link, a private research company in Auckland who also selected the participants on a stratified sampling basis according to industry sector and size of business to ensure a coverage that was as representative as possible. The interviews followed a survey questionnaire designed by the Labour Market Dynamics team and included some open-ended questions which have been transcribed and the results included in the discussion in this report.

SAMPLE CHARACTERISTICS

Type, Regional Location, Size of Survey Enterprises

The 160 enterprises participating in our survey were located in Auckland, Hawke's Bay and Rodney, with the majority operating within the greater Auckland area. We were interested in the Auckland region because of its importance to New Zealand's economy, particularly with respect to the recent boom in building and construction. Hawke's Bay was chosen because it contains a range of primary food producing industries, seasonal employment dynamics and a tertiary education sector providing study programmes designed to match the specific skills needs of local industry. The three regions included in this report were also chosen to cover urban (Auckland), rural (Hawke's Bay) and semi-rural (Rodney) areas.

Table 1. Enterprises by region and industry sector

Industry	Auckland		Hawke's Bay		Rodney		Total	
	No.	%	No.	%	No.	%	No.	%
Horticulture, viticulture & primary food production	22	19.6	8	22.2	2	16.7	32	20.0
Building and construction	45	40.2	11	30.6	0	0	56	35.0
Accommodation, cafes and restaurants	40	35.7	11	30.6	4	33.3	55	34.4
Aged care	5	4.5	6	16.6	6	50.0	17	10.6
Total	112	100	36	100	12	100	160	100

Four industry sectors are represented in the sample: 1) horticulture, viticulture and primary food production; 2) building and construction; 3) accommodation, cafes and restaurants, and 4) aged care. As shown in Table 1, building and construction, and accommodation, cafes and restaurants are almost equally represented (35 and 34.4 percent respectively) and together make up more than two-thirds of the sample, while a fifth of enterprises were in horticulture, viticulture and primary food production and a tenth were in the aged care sector. These industries were chosen because they had all experienced considerable recent growth and associated shortages in the supply of skilled, semi-skilled and unskilled labour. This was an issue noted by Sung, Raddon and Ashton (2006: 66) who reported that in 2004, even though New Zealand had an unemployment low of 3.8 percent, across all sectors, productivity levels compared poorly with other OECD countries and skills shortages were at their highest levels in 30 years.

The 112 Auckland businesses are represented in each of the four different sectors, with the bulk of them fitting into building and construction industries or accommodation, cafes and restaurants (Table 1). Similarly, while each industry is represented in the Hawke's Bay sample, the majority of those surveyed in this area are located in the same two industries. The Rodney sample differs from the other regional groups in three ways. Firstly, it is much smaller than the other two, comprising only

12 businesses compared to 112 in Auckland and 36 in Hawke’s Bay. Secondly, rather than containing businesses from each of the four industry sectors, as did the Auckland and Hawke’s Bay samples, the Rodney sample has no enterprises in the building and construction industries. Lastly, the majority of the surveyed businesses in the Rodney area are found in the aged care sector.

Table 2 shows that the majority of participating businesses were well established. More than 70 percent had been in operation for longer than ten years, and nearly a quarter for between three and ten years. Only five enterprises had been in business for less than one year. In this, our sample very closely matches that of the *Skills and Training Survey 2007* (Green, Huntington and Summers, 2008: 62) which comprised 68 percent of businesses older than ten years and just five percent that were less than one year old. The Auckland and Hawke’s Bay samples include businesses that had been in operation for less than a year through to those that had been established for more than ten years. Similarly, they both contain a large majority of enterprises that were more than five years old: 86.6 percent in Auckland and 88.8 percent in Hawke’s Bay. The Rodney sample includes an even greater majority percentage of enterprises that had been established for more than five years (91.7 percent) but contains no enterprises that had been established for less than two years.

Table 2. Length of operation of participant enterprises

Length of time in operation	Auckland		Hawke’s Bay		Rodney		Total	
	No.	%	No.	%	No.	%	No.	%
Less than 1 year	4	3.6	1	2.8	0	0	5	3.1
1-2 years	2	1.8	2	5.6	0	0	4	2.5
3-5 years	9	8.0	1	2.8	1	8.3	11	6.9
6-10 years	19	17.0	7	19.4	1	8.3	27	16.9
More than 10 years	78	69.6	25	69.4	10	83.4	113	70.6
Total	112	100	36	100	12	100	160	100

Employment Forms

The different forms of employment within the sample businesses are presented in Table 3. The forms include: 1) permanent full-time (30 hours or more a week); 2) permanent part-time (less than 30 hours a week); and 3) casual, which includes seasonal and temporary staff, but excludes contractors.

(a) Full-time Equivalent Employees

The number of full-time equivalent employees (FTEs) in participant businesses ranged from a minimum of four to a maximum of 49 (Table 3). Although the vast majority of New Zealand businesses employ fewer than 20 FTEs (Statistics New Zealand, 2007), our sample contains a smaller percentage of enterprises in this

category (55.6 percent compared with the national 97 percent). The largest group in this sample are the companies employing between 20 and 49 FTEs.

With the exception of the Rodney sample, which has no businesses employing five or fewer FTEs, all the regional samples contain enterprises from each size category. Approximately a third of all the samples, however, are comprised of businesses employing between 10 and 19 FTEs: Auckland 31.3 percent; Hawke's Bay 33.3 percent; and Rodney 33.3 percent. Each region's sample is also dominated by larger businesses (20-49 FTEs): 44.6 percent in Auckland; 41.7 percent in Hawke's Bay; and 50 percent in Rodney.

Table 3. Participant enterprises by region, showing size of enterprises and numbers of permanent full-time and part-time employees and casual employees

	Auckland		Hawke's Bay		Rodney		Total	
	No.	%	No.	%	No.	%	No.	%
Numbers of FTEs								
4-5	10	8.9	2	5.6	0	0	12	7.5
6-9	17	15.2	7	19.4	2	16.7	26	16.3
10-19	35	31.3	12	33.3	4	33.3	51	31.8
20-49	50	44.6	15	41.7	6	50.0	71	44.4
Total	112	100	36	100	12	100	160	100
Permanent Full-time								
1-10	64	57.1	22	61.1	8	66.7	94	58.8
11-20	22	19.6	9	25.0	2	16.7	33	20.6
21-30	18	16.1	4	11.1	1	8.3	23	14.4
31-40	4	3.6	0	0	1	8.3	5	3.1
41-50	4	3.6	1	2.8	0	0	5	3.1
Total	112	100	36	100	12	100	160	100
Permanent Part-time								
0	47	42.0	11	30.6	0	0.0	58	36.3
1-10	52	46.4	18	50	8	66.6	78	48.7
11-20	10	8.9	4	11.1	2	16.7	16	10.0
21-30	2	1.8	3	8.3	2	16.7	7	4.4
31-40	1	0.9	0	0	0	0	1	0.6
Total	112	100	36	100	12	100	160	100
Casual								
0	88	78.5	25	69.4	9	75.0	122	76.3
1-10	21	18.8	9	25.0	3	25.0	33	20.6
11-20	2	1.8	2	5.6	0	0	4	2.5
21-30	1	0.9	0	0	0	0	1	0.6
Total	112	100	36	100	12	100	160	100

(b) Permanent Full-time Employees

The data in Table 3 makes it clear that the sample is dominated by companies employing between one and 10 permanent full-time staff (58.8 percent), while only 6.2 percent of the participant businesses have between 31 and 50 permanent FTEs. When the number of permanent full-time employees is examined across the three regions, it is evident that larger employers of this kind of labour are found mainly in the Auckland region. While there are eight companies in Auckland employing either 31-40 or 41-50 permanent full-time staff, the Hawke's Bay and Rodney samples contain only one enterprise from these categories. Despite this difference, however, businesses employing between one and 20 permanent full-time staff predominate in each of the three sample areas.

(c) Permanent Part-time Employees

Almost half of the participant businesses employ between one and 10 permanent part-time staff, although 36.3 percent do not employ anyone in this category (Table 3). The Auckland sample is distinguished by the relatively high number of companies that have no permanent part-time employees: 42 percent compared to 30.6 percent in Hawke's Bay and none in Rodney. The majority of businesses across all the regions have between one and ten permanent part-time staff.

(d) Casual Employees

As Table 3 indicates, most companies surveyed (76.3 percent) do not employ any casual, seasonal or temporary staff. Those that do, generally employ between one and ten staff of this kind. At just 21.5 percent, businesses in the Auckland region are the least likely to employ casual employees, compared with 30.6 percent in Hawke's Bay and 25 percent in Rodney. Nevertheless, it is evident from the data in Table 4 that there is a divergence in numbers of casual staff employed across sectors. The percentage of firms employing casual staff is highest among businesses operating in the horticulture, viticulture and primary food production industry: 34.4 percent compared with 23.6 percent in accommodation, cafes and restaurants, 23.5 percent in aged care and 17.9 percent in the building and construction sector.

Table 4. Enterprises by industry sector and number of casual employees

Casual employee numbers	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
0	21	65.6	46	82.1	42	76.4	13	76.5	122	76.3
1-10	8	25.0	9	16.1	12	21.8	4	23.5	33	20.6
11-20	2	6.3	1	1.8	1	1.8	0	0	4	2.5
21-30	1	3.1	0	0	0	0	0	0	1	0.6
Total	32	100	56	100	55	100	17	100	160	100

Legal Forms of Enterprises

Participating companies represent a wide range of legal business forms (Table 5) but four forms are predominant. These are: the private limited liability company; family ownership; New Zealand publicly listed limited liability company; and partnerships. As Green et al. (2008: 62) also found in their survey, clearly the most prevalent form of business ownership in our survey is the private limited liability company with 73 companies making up almost half of the businesses surveyed. This is followed by equal numbers of family-owned and New Zealand publicly listed liability companies (28 companies, or 17.5 percent) and then, completing the dominating forms, by 19 partnerships.

Table 5. Legal forms of enterprises

Enterprise Forms	Number	Percent
Private limited liability company	73	45.6
Family owned	28	17.5
NZ publicly listed limited liability company	28	17.5
Partnership	19	11.9
Franchise	3	1.9
Overseas publicly listed limited liability company	2	1.3
Other	2	1.3
Not-for-profit organisation	1	0.6
Branch of parent company	1	0.6
Incorporated society	1	0.6
Sole trader	1	0.6
Charitable trust	1	0.6
Total	133	100.0

Business Growth and Decline

Perhaps reflecting the strong economic growth in the years just prior to the survey period (see Department of Labour, 2006), Table 6 shows that a large majority of businesses in the sample reported either a stable (62.5 percent) or an increased (23.7 percent) number of employees. Only 13.8 percent of businesses reported a decline in the number of staff.

Table 6. Changes in the number of employees in the last 12 months

Employee number changes	Number	Percent
Grown	38	23.7
Remained stable	100	62.5
Declined	22	13.8
Total	160	100.0

When those companies reporting a growth in employee numbers were asked what factors had led to this growth, the most common response by far (56.8 percent) was ‘general business growth’, which included higher occupancy, more clients and higher turnover (Table 7). Of the remaining responses, three businesses had gained growth through an expanded range, or new products or direction; all the other factors were mentioned by only one or two participants.

Table 7. Factors leading to business growth

Factor leading to growth	Number	Percent
General business growth	21	56.8
New products/direction, expanded range	3	8.1
More staff	2	5.4
Extension/revamp/new building	2	5.4
Buoyant economy/industry	2	5.4
Ownership/management change	2	5.4
Increased productivity	1	2.7
Advertising/marketing	1	2.7
Improved systems	1	2.7
More/better management	1	2.7
Improved product/better service	1	2.7
Total	37	100.0

Conversely, those businesses that had experienced a decline in the number of staff over the previous 12 months most frequently attributed this to a general decline in, or lack of, business. However, as Table 8 indicates, this response was closely followed by a belief that the decline had been caused by economic downturn, the quality or calibre of staff, or management change.

Table 8. Factors leading to business decline

Factor leading to decline	Number	Percent
Decline in/lack of business	5	22.7
Other	3	13.6
Economic downturn	3	13.6
Quality/calibre of staff	3	13.6
Management change	3	13.6
Lack of staff/difficulty recruiting	2	9.1
Government	1	4.6
Young people going overseas	1	4.6
Exchange rate	1	4.6
Total	22	100.0

More than three-quarters (76.9 percent) of participant businesses claimed that they would like to grow their business in the future (Table 9). When participants were asked what they would require in order to grow the business, the most common

response was higher occupancy, more clients or greater turnover (25.3 percent). Other frequent replies were extension, revamp or new buildings (10.1 percent) and capital, equipment or finance (8.9 percent). Interestingly, while three participants had stated that new products, expanded range or change of direction had helped their business growth, only one mentioned this category as a factor necessary for further growth.

Table 9. Factors necessary for growing business

Factors for growing business	Number	Percent
Higher occupancy/more clients/greater turnover	40	25.3
Extension/revamp/new building	16	10.1
Capital/equipment/finance	14	8.9
Continue	12	7.6
Trained/skilled/qualified staff	12	7.6
Advertising and/or marketing	12	7.6
Other	10	6.3
Don't know	8	5.1
More staff	7	4.4
More buoyant economy or industry	5	3.2
More land/space	4	2.5
Government or council policy	4	2.5
Bigger market/export	3	1.9
Exchange rate	2	1.3
Location	2	1.3
More or better management	2	1.3
Greater productivity	2	1.3
New products/expanded range/change of direction	1	0.6
Word of mouth	1	0.6
Improved systems	1	0.6
Total	158	100.0

Māori Enterprises

A qualitative survey of 30 Māori employers that included an examination of their views on skills shortages and training provision was undertaken as part of a separate study for Objective Two within the Labour Market Dynamics research programme. For a detailed analysis of the results, see Fitzgerald and McLaren (2006: 23-27). Discussion of the work-based training needs of Maori employers' was not, therefore, revisited in this research. Instead, we were interested in exploring the size of the Māori economy within our survey group. We asked participant businesses whether their business ownership was Māori, non-Māori or both and whether they had contact with a Māori or iwi organisation. Table 10 shows that a large majority (85.6 percent) of companies in the survey had non-Māori ownership. However, almost one-eighth of businesses had some Māori ownership, while more than a quarter of participant companies reported contact with an iwi or Māori organisation.

Table 10. Māori enterprise ownership and contact with Māori or iwi organisation

Ethnicity	Number	Percent
Māori	2	1.3
Non-Māori	137	85.6
Both	17	10.6
Refused	4	2.5
Total	160	100
Contact with Māori/iwi organisation		
Yes	42	26.3
No	118	73.7
Total	160	100

Businesses reporting contact with iwi or Māori organisations were asked about the nature and benefits of this interaction. The most common responses to this question were: as clients or customers (28.9 percent) and through Māori employers (10.6 percent). A further 10.6 percent cited contact with Māori organisations as providing ‘cultural and educational contacts and benefits’ but, as can be seen in Table 11, this percentage rises considerably when associated benefits such as ‘consultants’, ‘kaumātua’, ‘sacred sites’, ‘maintenance of community links’, ‘advocates for Māori’ and ‘Māori wardens’ are included in this category.

Table 11. Nature and benefits of iwi/Māori contact

Nature and benefits of contact	Number	Percent
As customers or clients	11	28.9
Māori employers	4	10.6
Cultural, including education	4	10.6
Sponsorship/donation	3	7.9
Consultants	3	7.9
Fisheries quota or Beehive	2	5.3
Kaumātua	2	5.3
Advice to ensure good service/meet needs	2	5.3
Maintenance of community links	1	2.6
Fundamental to doing business in NZ	1	2.6
Through social workers	1	2.6
Māori wardens	1	2.6
Sacred sites	1	2.6
Advocate for Māori	1	2.6
Ministry of Health requirement	1	2.6
Total	38	100.0

RESULTS

Work-Based Training

In this section, we examine the training practices and attitudes of participating businesses towards work-based and in-house training. Overall, as Table 12 demonstrates, almost 85 percent of the enterprises had undertaken some form of training in the last 12 months. This is slightly lower than the 90 percent levels of training over a 24 month period reported in the *Skills and Training Survey 2007* (Green et al., 2008: 15). Nevertheless, such a high majority indicates that uncovering problems with, and barriers to, training as well as the benefits of training are topics of widespread relevance.

Table 12. Enterprises undertaking training in the last 12 months by region, sector and size of enterprise

	Yes		No		Total	
	No.	%	No.	%	No.	%
<u>Region</u>						
Auckland	92	82.1	20	17.9	112	100
Hawke's Bay	33	91.7	3	8.3	36	100
Rodney	10	83.3	2	16.7	12	100
Total	135	84.4	25	15.6	160	100
<u>Sector</u>						
Horticulture, viticulture & primary food production	27	84.4	5	15.6	32	100
Building & construction	45	80.4	11	19.6	56	100
Accommodation, cafes & restaurants	47	85.5	8	14.5	55	100
Aged care	16	94.1	1	5.9	17	100
Total	135	84.4	25	15.6	160	100
<u>Size of enterprise</u>						
4-5 EFTs	4	33.3	8	66.7	12	100
6-9 EFTs	19	73.1	7	26.9	26	100
10-19 EFTs	44	86.3	7	13.7	51	100
20-49 EFTs	68	95.8	3	4.2	71	100
Total	135	84.4	25	15.6	160	100

At more than 91 percent, Hawke's Bay contained the highest percentage of companies who had undertaken training during the previous year. Rodney and Auckland were very close at 83 and 82 percent respectively. By sector, the companies in the aged care industry had the highest participation rate at 94.1 percent, while those in building and construction were lower than the average at 80.4 percent. This result departs from the trend reported in Green et al. (2008: 15) where the manufacturing, construction and infrastructure sector, at 97 percent, was recorded as second only to the government, education and health sector in training provision.

Both Pio (2007: 75) and Green et al. (2008: 16) found that there tends to be a higher rate of formal training among larger enterprises. This is reinforced by data in Table 12 showing that in our survey, participation in training also increased with the size of the companies. Although only a third of smaller companies (4-5 FTEs) had participated in training, this figure jumped to 73.1 percent for businesses with 6-9 FTEs, 86.3 percent for those with 10-19 FTEs, and 95.8 percent for those with 20-49 FTEs.

Table 13. Importance of work-based training for overall business success

Importance of work-based training	Number	Percent
Very important	108	67.5
Important	37	23.1
Neither	8	5.0
Unimportant	5	3.1
Very unimportant	2	1.3
Total	160	100

Employers surveyed were asked to rate the importance of work-based training to their overall business success on a scale ranging from ‘very important’ to ‘very unimportant’ and with ‘neither important nor unimportant’ and ‘don’t know’ options also available. Respondents affirmed the importance of work-based training. Although 85 percent had participated in training, more than 90 percent considered it as very important (67.5 percent) or important (23.1 percent) to their overall business success (Table 13). This indicates an apparent gap that needs examining, a gap between employers’ desire to provide training and their ability to do so.

Table 14. Enterprises with a dedicated budget for training by size of enterprise

Training budget	Enterprise size								Total	
	4-5 EFTs		6-9 EFTs		10-19 EFTs		20-49 EFTs			
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	3	25.0	5	19.2	11	21.6	21	29.6	40	25
No	9	75.0	21	80.8	40	78.4	50	70.4	120	75
Total	12	100	26	100	51	100	71	100	160	100

One possible contributing factor requiring further examination may be represented in Table 14. Here it can be seen that, despite the fact that more than 90 percent of participant businesses consider training an important or very important part of their overall business success, only 25 percent had a dedicated budget for training. Reflecting their higher provision of training, the existence of a dedicated training budget was most common in the largest companies surveyed. Even so, at less than 30 percent, this was still very low. Moreover, the tendency for training participation to increase incrementally with the size of the business was not mirrored in training budget provision. In fact, a greater percentage of the smallest companies with 4-5 FTEs (25 percent) had a dedicated training budget compared to the two middle groups of companies: just under a fifth of those with 6-9 FTEs and just over a fifth of those with 10-19 FTEs.

What these figures show is that the correlation between training provision and enterprises having a training budget is not a simple one. There is a link between the two, but there must be other factors at play. This complex relationship is also borne out by Green et al. (2008). While they did not discuss whether firms had a dedicated budget for training, they found that for employers, having a higher proportion of employees in training did not necessarily ‘translate into greater expenditure on training’ (Green et al., 2008: 21).

(a) Types of Work-Based Training

A wide variety of training types have been utilised by the participating businesses over the last 12 months (Table 15). The most frequently offered training reported was through workshops, seminars and conferences (27.1 percent). In-house courses were undertaken by 14.8 percent of companies, and apprenticeships by 11.0 percent. However, external courses including polytechnic and university courses together, accounted for just over a fifth of the training undertaken, and cadetships/traineeships and on-the-job training together added a further 17.4 percent.

Table 15. Types of training offered in the last 12 months

Training	Number	Percent
Workshops/seminars/conferences	42	27.1
In-house courses	23	14.8
Apprenticeship	17	11.0
External training courses	15	9.7
Polytechnic courses	14	9.0
Cadetship/trainees	14	9.0
On-the-job training	13	8.4
Online/e-learning	10	6.5
University	4	2.6
Other	2	1.3
New Zealand Qualifications Authority (NZQA)	1	0.6
Total	155	100.0

(b) Reasons for Providing Training and How Decisions are Made

Participants’ responses indicated that many of those who provided in-house training did so for skills-related reasons: to address skills shortages and provide skills related to the job (Table 16). This reflects TEC (2005: 4) findings that:

[O]wners tended to be preoccupied with ‘short-term, survival issues.’ They often preferred short duration, as-and-when-required training directly related to their business, rather than more formal, qualifications-based training.

Other important considerations were legislative and statutory requirements and the maintenance of industry and professional standards; improving the quality of service

and products; responding to new technology and new working practices; and to improve productivity. Interestingly, given the attention that the issue of productivity has received over the past several years (e.g. see TEC, 2005; TEC, 2006; Department of Labour, 2006; Keep et al., 2006; TEC, 2007; ITF, 2008b; New Zealand Government, 2008), it was mentioned by only one participant. However, as Table 16 demonstrates, remaining competitive, improving the quality of service or goods, responding to new technology, addressing skills shortages and the benefit of the organisation, aspects which together contribute to productivity, were each mentioned by several participants.

Table 16. Reasons for providing training in the next 12 months

Reasons for providing training	Number	Percent
Provides skills required for job	36	24.0
New working practices	19	12.7
Upskilling/ongoing training	11	7.3
Legislative/statutory or licensing requirements	9	6.0
To maintain industry or professional standards	7	4.7
To remain competitive	7	4.7
Other	7	4.7
Staff satisfaction and motivation	7	4.7
Safety	6	4.0
Funding/cost	6	4.0
Improving quality of service/goods	5	3.3
If required	5	3.3
Relevant/good courses	5	3.3
Responding to new technology	4	2.7
Retention	4	2.7
To address skills shortages	3	2.0
For new employees	2	1.3
Benefit to enterprise	2	1.3
Apprenticeships	2	1.3
Don't know	2	1.3
To increase productivity	1	0.7
Total	150	100.0

When asked about how key considerations were made in offering or continuing to provide training over the next 12 months, the most frequent response (23.2 percent) was that training was open to everyone (Table 17). Nevertheless, almost one in five businesses claimed that the most important factor in making training decisions was the company's requirements and, as such, was subject to a management/owner judgement call. This contingent and non-committal attitude towards training is perhaps reflected in the small minority of companies with a dedicated training budget (see Table 14).

Added to the company or business-focused factors, more than 20 percent of responses stated that training decisions depended on the performance, attitude and loyalty of employees. The categories here included performance/competence/ability (9.6

percent), willingness to learn/interest displayed in job (7.7 percent), if underperforming (2.6 percent) and if loyal and there to stay (2.6 percent).

Table 17. How training decisions are made

How training decisions are made	Number	Percent
Training is open to everyone	36	23.2
As needs/judgement call	30	19.2
Depends on performance/competence/ability	15	9.6
Depends on job	12	7.7
Willingness to learn/interest displayed in job	12	7.7
New employees	9	5.8
Statutory/legislative	6	3.8
Other	6	3.8
Employees make decision	5	3.1
If underperforming	4	2.6
If loyal and there to stay	4	2.6
Between supervisor and employee	4	2.6
Seniority/authority	3	1.9
Promotions/leadership/advancement	3	1.9
Don't train/none	3	1.9
Employees, including office staff/caregivers	2	1.3
Performance review/appraisal	2	1.3
Total	156	100.0

Reflecting the responses to the question about *how* training decisions were made, Table 18 indicates that the large majority (81 percent)² of those *who* make training decisions in participant businesses were managers or owners. The more collaborative approach, as represented by the ‘in collaboration with staff’ and the ‘group/team meeting’ responses, accounts for fewer than ten percent of replies.

Table 18. Who makes training decisions

Who makes training decisions	Number	Percent
Manager	47	29.7
Interviewee	46	29.1
Owner	35	22.2
In collaboration with staff	8	5.1
Group/team meeting	7	4.4
Other	7	4.4
Director	5	3.2
Partners	3	1.9
Total	155	100.0

² As interviewers asked to speak to owners, managers or the most senior person available, the interviewee response is included in the owner/manager category.

(c) Barriers to Providing Training

Lastly on the issue of training provision, participating employers were questioned about barriers to providing training (or more training) for their employees. As Table 19 indicates, the most common response to this question was that there were no barriers (31.2 percent). However, given that the respondents were SMEs, there was no surprise that a lack of time featured most prominently as a barrier for 29.3 percent of participants. Lack of funding was a further significant barrier to providing training for 14 percent of employers, with even the larger employers finding funding a constraint. TEC (2005) in a nation-wide survey and UMR Research (2005) in their report on the training and education needs of employers on the Manawatu-Wanganui-Horowhenua regions also found that time off for training and lack of funding were frequently mentioned barriers to the provision of training. Similarly, a report on skills productivity in the United Kingdom found that while employers faced a range of barriers to increasing their investment in training, funding and releasing staff for training were significant factors (EEF, 2006).

Table 19. Barriers to the provision of training

Barriers to training	Number	Percent
None	49	31.2
Time off required for training	46	29.3
Lack of funding	22	14.0
Staff reluctance	11	7.1
Lack of course information	4	2.5
Workload/lost production	4	2.5
Language barriers	3	1.9
Unreliable/unmotivated staff	3	1.9
Location	3	1.9
Lack of provider information	2	1.3
Other	2	1.3
Staff turnover	2	1.3
The time training is scheduled	2	1.3
Suitability of training	2	1.3
Lack of courses	1	0.6
Poor financial returns	1	0.6
Total	157	100.0

The remaining responses identified the barriers as either in different aspects of the training experience, such as location (1.9 percent) or lack of provider information (1.3 percent), or in their employees, for example staff reluctance (7.1 percent) or unreliable or unmotivated staff (1.9 percent).

Industry Training Organisations (ITOs)

An important strand of data gathering in the third study was on employers' use and perceptions of Industry Training Organisations (ITOs). The TEC reports (e.g. TEC, 2007; TEC, 2008b) show a steady increase in the numbers of employers participating in the provision of employee training, with 37,641 participating nationwide by the end of December 2007 (TEC, 2008b: 3). In our survey, almost 42 percent (67) of the 160 respondents made use of services offered by ITOs (Table 22). But although close to 40 percent said that there were no ITOs relevant to their enterprises and a further 4.5 percent did not know which ITOs were relevant to them, only a handful of employers stated that they did not have any regard for their industry ITOs (Table 23). In a few instances, this represented an entrenched attitude of an individual, as the quotation below indicates:

... I think they are dinosaurs that haven't kept up with modern techniques. You don't have to be smart to do this job. To be quite honest I did my apprenticeship as a joiner. Nothing I learned from the apprenticeship helped me. Can't beat good hard work. (Manufacturing sector employer)

This sentiment may also illustrate the point that formal qualifications might not be seen as necessary by all employers. As Keep (2006: 7) cautions, there is a danger in using qualifications as the sole proxy for skills. He says: "[I]t is clear many employers do not share the passion for qualifications that is a hallmark of national policy makers' thinking about VET" (Vocational Education and Training). Qualifications measure only part of the skills spectrum.

A further word of caution might also be added here: although a tendency toward an upskilling of employment is evident, part of upskilling is simply a response to the improved educational levels of the population. If education standards are generally rising, the educational levels of the persons engaged in any particular occupation will be seen to rise. It does not necessarily follow from this that the skill level of the work itself has risen. Employers are likely to wish to make productive use of the increased capacities of their employees. However, a recent Treasury study (Hislop et al., 2003) reports that, at least until 2001, there is no evidence that employment growth and a growth in skill intensity are linked.

(a) Relevance, Use and Roles of ITOs

When participant businesses were asked which ITOs were relevant to their industry, almost 40 percent (62 respondents) claimed that there was none. Green et al. (2008) found a similar response in their survey, although the level of awareness had improved since a previous survey in 2003. They argue that, in fact, ITOs 'cover the majority of enterprises in New Zealand' (Green et al., 2008: 28). In their view, therefore, further research is needed to uncover the reasons for such a high proportion of respondents stating that there was no ITO relevant to their industry. In our survey, the most common form of training organisation mentioned was a private training enterprise such as Site Safe (12 participants or 7.6 percent). Twenty-nine other ITOs

were each referred to by fewer than 10 participants, with six of those being mentioned twice and 11 only once.

Table 20. Use of ITOs by industry sector

Use of ITOs	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	9	28.1	24	42.9	26	47.3	8	47.1	67	41.9
No	23	71.9	32	57.1	29	52.7	9	52.9	93	58.1
Total	32	100	56	100	55	100	17	100	160	100

Table 20 shows that among the 42 percent of businesses making use of at least one ITO in the last 12 months, there are distinct usage variations across industries. In the accommodation, cafes and restaurants, and aged care sectors, 47 percent of enterprises took advantage of training offered by their ITOs, while building and construction enterprises were not far behind at 43 percent. On the other hand, only 28 percent of those in horticulture, viticulture and primary food production had used the services of their ITOs.

Table 21. Employers' perceptions of the main roles of an ITO

Main roles of ITOs	Number	Percent
Monitoring and assessing training needs	25	24.8
Other	15	14.9
Setting training standards	10	9.9
Keeping companies up-to-date and informed	10	9.9
Training/upskilling	10	9.9
Arranging training	7	6.9
Don't know	6	5.9
Nothing/useless	4	4.1
Apprenticeship co-ordination and administration	4	4.1
Customer service and employability skills	3	3.1
Basic industry training/grounding and preparation	3	3.1
They don't do anything/not interested	2	2.0
Technical information	1	0.7
Tutoring/teaching	1	0.7
Total	101	100.0

Survey respondents who had named an ITO were then asked their views of the main roles of ITOs. The responses in Table 21 indicate that almost a quarter believed ITOs' roles involve monitoring and assessing training needs. Close to another quarter focused on aspects of teaching or training, including arranging training and teaching specific skills such as customer service and employability skills. Ten percent identified the setting of training standards, and 10.6 percent suggested they keep companies up-to-date and inform and provide technical information.

Table 22. Use of specific ITO services

Use of ITO services	Number	Percent
Courses/training	26	49.0
Health and safety	5	9.4
Statutory/industry requirements	4	7.5
Apprenticeships/cadetships	4	7.5
Seminars/workshops	2	3.8
Leadership development/management training	2	3.8
Industry studies and auditing	2	3.8
All services	2	3.8
Other	2	3.8
As a resource	1	1.9
Polytechnic	1	1.9
Tutors on site	1	1.9
Don't know	1	1.9
Total	53	100.0

Almost 50 percent of participant businesses who had used the services of their ITO and who responded to the question asking how they had used them stated that they do so through courses or training (Table 22). This rises to nearly 60 percent when other specific forms of training mentioned are included, such as leadership development and management training, seminars and workshops, apprenticeships/cadetships and tutors on site. Although training was by far the most common service used, other responses included health and safety (9.3 percent), and statutory and industry requirements (7.4 percent).

Table 23. Reasons for not using the services of ITOs

Reasons for not using ITO services	Number	Percent
Training done in-house/don't need them	8	24.1
Problems with quality of service	6	18.2
Budget/cost	4	12.1
Know nothing about it	3	9.1
Lack of time/too busy	3	9.1
Staff are trained	2	6.1
Not relevant	2	6.1
Haven't thought about it	2	6.1
Other	2	6.1
Location	1	3.0
Total	33	100.0

Those respondents who stated that they do not use the services of their ITO were asked why. The most widespread response to this question (24.1 percent) was that they were not needed and/or that training was done in-house (Table 23). Other common responses included problems with the quality of service (18.2) and budget or cost (12.1 percent).

(b) Information and Communication

Overall, there was a very high level of satisfaction with the availability of information about ITOs, with 82.5 percent of participants expressing satisfaction (Table 24). However, variations can be seen among the sectors. Although all of those in the aged care industry reported that they had adequate information about their training providers, the responses from businesses in other industries ranged from a low of 78.1 percent in the horticulture, viticulture and primary food production industry to a high of 83.6 percent in the accommodation, cafes and restaurants area.

Table 24. Adequacy of information about ITOs by industry sector

Adequate information	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	25	78.1	44	78.6	46	83.6	17	100	132	82.5
No	7	21.9	12	21.4	9	16.4	0	0.0	28	17.5
Total	32	100	56	100	55	100	17	100	160	100

The 17.5 percent of companies who believed they did not have adequate information about the ITOs in their industries were asked their reasons. More than a third of these (7 participants) stated that they had no need or were not looking for trainers or that they do their own training (Table 25). Of the remaining 17 companies, the large majority (13 participants, or 76 percent) focused on the difficulty in obtaining the information, citing lack of advertising or marketing, lack of contact with employers and lack of a central information point.

Table 25. Reasons for inadequate information about training providers

Reasons for inadequate information	Number	Percent
Providers don't publicise/inform/market	8	30.8
Have no need/not looking	5	19.3
Do own training	4	15.4
Interviewees need to look for information	2	7.8
They make no contact with employers	1	3.8
They are not advertised to niche markets	1	3.8
There is no central point for information	1	3.8
They don't offer the courses we need	1	3.8
Don't know	3	11.5
Total	26	100.0

All participant businesses were asked where they obtained information about ITOs. Table 26 shows that participants had accessed their information from a variety of sources. The most common answer to this question (20.9 percent) was that information was obtained from the providers themselves. Industry associations and

organisations provided a further 19 percent and networking or word of mouth 8.9 percent. Mail-outs from the providers (9.5 percent), information on the internet or websites (8.9 percent) and advertisements (2.5 percent) are among other responses that might be added to the ‘information from providers’ category, taking that to almost 42 percent. The strongest point made by some participants, also apparent in the responses in Table 22, would seem to be that they would prefer a more proactive or direct marketing approach from the providers about appropriate courses they have to offer.

Table 26. Sources of provider information

Sources of provider information	Number	Percent
Training provider	33	20.9
Industry association/organisation	30	19.0
Mail-outs	15	9.5
Internet/websites	14	8.9
Networking/word of mouth	11	7.0
Local/general knowledge	8	5.1
Industry magazines/journals/books	7	4.4
Industry Training Organisation (ITO)	7	4.4
Don't need it	6	3.7
Other	5	3.2
Employers Association/Chamber of Commerce	4	2.5
Advertisements	4	2.5
There isn't any	4	2.5
Local Council/EDA*/District Health Board	3	1.9
Suppliers	3	1.9
Head Office/HR	2	1.3
Safety related (Site Safe, ACC**/OSH***/Health & Safety)	2	1.3
Total	158	100.0

* Economic Development Agency

** Accident Compensation Corporation

*** Occupational Safety and Health

Participants who reported making use of the services of their ITO were asked how satisfied they were with communication channels between the ITO and their own enterprise. Generally, there was a high degree of satisfaction with the communication channels of the ITOs with 77 of the 101 respondents for whom this was relevant, being either very satisfied or satisfied (Table 27). Nevertheless, as two employers stated, there was scope for improvement. One manufacturing sector employer believed that their ITO could improve communication on several levels to more actively participate in helping them locate appropriately trained employees. The employer suggested that this could be done ‘...by keeping us more informed as to who is coming through nearly finishing their courses, making potential employee lists, and make advertising a job in a polytech more accessible’. The second, an employer from the hospitality sector, stated: ‘...They need to communicate with us; they need to market it to us’. This echoed Fraser’s (2005: 6) findings in research for the Industry Training Federation that: ‘Small businesses value face to face contact more than larger businesses.... [I]t is more likely to result in engagement than written material’.

Table 27. Levels of satisfaction with ITO communication channels by industry sector

Levels of satisfaction	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Very satisfied	3	15.0	11	31.4	11	28.9	6	75.0	31	30.7
Satisfied	9	45.0	15	42.9	20	52.6	2	25.0	46	45.5
Neither	3	15.0	3	8.6	3	7.9	0	0.0	9	8.9
Dissatisfied	1	5.0	3	8.6	1	2.7	0	0.0	5	5.0
Very dissatisfied	2	10.0	1	2.9	0	0.0	0	0.0	3	3.0
Don't know	2	10.0	2	5.6	3	7.9	0	0.0	7	6.9
Total	20	100	35	100	38	100	8	100	100	100

Moreover, when the satisfaction levels are broken down by industry, as demonstrated in Table 27, there are industry variations in the mostly positive assessment of ITO communication channels. One hundred percent of respondents in the aged care industry were either ‘satisfied’ or ‘very satisfied’, but only 60 percent of participants in the horticulture, viticulture and primary food production industry expressed the same levels of satisfaction. Correspondingly, while fewer than three percent on the accommodation, cafes and restaurant sector stated that they were dissatisfied, the horticulture, viticulture and primary food production industry contains the highest level of participants (15 percent) who were either ‘dissatisfied’ or ‘very dissatisfied’ with the communication channels with their ITOs.

(c) Employer Perceptions of ITO Performance

Participants who reported using the services of their ITO were also asked to rate their performance. Overall, as shown in Table 28, there was a high level of satisfaction with almost three-quarters (74.3 percent) claiming that their ITOs were performing either ‘very well’ or ‘well’, while less than ten percent (9.9 percent) were rated as performing ‘poorly’ or ‘very poorly’.

Table 28. Performance of ITOs by industry sector

How ITOs are performing	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Very well	4	20.0	7	20.0	19	50.0	4	40.0	34	33.7
Well	7	35.0	17	48.6	14	36.8	3	37.5	41	40.6
Neither	2	10.0	4	11.4	0	0.0	0	0.0	6	5.9
Poorly	1	5.0	5	14.3	0	0.0	1	12.5	7	6.9
Very poorly	2	10.0	0	0.0	1	2.6	0	0.0	3	3.0
Don't know	4	20.0	2	5.7	4	10.6	0	0.0	10	9.9
Total	20	100	35	100	38	100	8	100	100	100

Table 28 further shows that like the industry assessments of communications channels discussed above, there are industry-based variations in the performance assessments of participants’ ITOs. Interestingly, although all the aged care respondents evaluated

their ITO communication channels positively (see Table 27), one aged care respondent rates the overall performance of their ITO as ‘poor’. More than 80 percent of the accommodation, cafes and restaurants industry using their ITOs rated them as performing either ‘very well’ or ‘well’, and only 2.6 percent of the same industry rated their ITOs as performing ‘poorly’ or ‘very poorly’.

At the other end of the scale, and matching their view of their ITOs’ communication adequacy, only 55 percent of the enterprises from the horticulture, viticulture and primary food production industry who had used their ITOs rated their performance ‘very well’ or ‘well’, and 15 percent claimed that they were performing either ‘poorly’ or ‘very poorly’. Among the building and construction representatives, there was a higher level of satisfaction (68.6 percent), but there were also relatively high dissatisfaction levels (14.3 percent).

Table 29. Employers’ suggestions for improving the performance of ITOs

How ITO performance can be improved	Number	Percent
Don't know	18	18.4
Already doing well/no improvements needed	18	18.4
Communicate better with employers/promote their services	13	13.3
Don't think they can/don't need them	11	11.2
Maintain standards and quality	5	5.1
Follow-up or monitor progress	5	5.1
More courses/training	4	4.1
More relevant/practical experience	3	3.2
No comment	3	3.2
Reduce cost/free	2	2.0
Better administration	2	2.0
Greater uptake of training	2	2.0
Simplify system	2	2.0
Listen to E&T providers	1	1.0
More convenient time	1	1.0
Better information on students completing training	1	1.0
Better resourcing (including more assessors)	1	1.0
Training delivered in promised time frame	1	1.0
Awareness of employers' needs	1	1.0
Better selection of customers	1	1.0
More accessible/training in area	1	1.0
Provide certificates	1	1.0
Move apprentices around	1	1.0
Total	98	100

Participant businesses made a range of suggestions about the ways in which ITOs might improve their performance. The results are presented in Table 29. As can be seen, almost 50 percent of the replies formed a group who made no specific recommendations for improvements. These included the responses: don't know (18.4 percent); ITOs are already doing well and no improvements are needed (18.4 percent); and don't think ITOs can improve or don't need them (11.2 percent). Reflecting the

responses in Tables 26 and 29, the most frequent specific recommendation (13.3 percent) was that ITOs need to communicate better with employers and more actively promote their services. Only two other responses constituted more than five percent of the sample: that ITOs need to maintain standards and quality; and that they need to follow up or monitor progress. The former recommendation is in line with the results of Table 28, which show that 18.2 percent of those businesses that do not use the services of ITOs do not do so because of concerns about the quality of the service.

Twenty-eight (17.5 percent) of those employers who considered ITOs relevant to their enterprises, then, believed they did not have adequate information about training providers for their industry. In addition to this overall lack of information per se on training providers, when employers were asked how ITO services to their enterprise could be improved, two major concerns emerged. The first is that employers were very concerned that ITOs provide courses that are directly relevant to the work place and on-going industry needs. Illustrative comments from employers included:

They could create courses that are directly related to the ongoing training of industry people in a working environment because a lot of the courses are just theoretical and do not provide the experience levels in the real work place that are required for the hospitality environment.

... With the Plumbers, Gasfitters and Drainlayers' Board they set down a prescriptive list of training which we have to do. If we could go outside of that, other training providers who are not registered with the Plumbers, Gasfitters Drainlayers' Board would provide better management-type training.

The second concern to emerge is that providers need to cater for enterprises in areas outside the main urban centres. As one respondent strongly urged, the courses must *'be more accessible to rural areas. It's a huge problem'*.

Apprenticeships and Traineeships

(a) Apprenticeships

Apprentice training issues was the dominant theme that emerged in the first two LMD studies of employers (see de Bruin, McLaren and Spoonley, 2005; Baron and McLaren, 2006). The general lack of both apprentices and apprenticeships was seen as a major contributory factor of the trades' skills gap. Reasons cited for this were: an institutional bias within the education system against the trades in favour of white collar careers such as IT leading to a decline over the past 10 years in the numbers of young people deciding to follow careers in the trades; despite high levels of demand from employers, young people who wanted to pursue a trades career faced considerable difficulties in gaining entry due to the insufficient apprenticeships available under the Modern Apprenticeship Scheme (MAS); the high costs and limited benefits associated with hosting an apprenticeship, hence many employers, and particularly smaller concerns, choosing not to participate in the MAS.

The requisite outlay in time, resources and money for an investment that offered little, if any, real return, acted as a barrier to hosting an apprentice. Many of the respondents identified the financial cost of hosting an apprentice, who the business might have to carry financially for one to two years (including the cost of any mistakes made by the apprentice), as the key factor discouraging firms from participating in the MAS. Other shortcomings of the MAS were raised too, particularly concerns about the organisational and managerial processes involved. For example, some participants reported difficulties synchronising the training schedule of apprentices with the business requirements of the factory.

The third LMD study which focused on the training practices of 160 small-medium enterprise (SME) employers which we are now reporting on, affirmed the importance of work-based training with 90 percent considering it as very important (67 percent) or important (23 percent) to their overall business success. Findings of earlier LMD studies about the general shortage of apprenticeships, limited numbers of new trades people being trained and difficulties small firms faced in undertaking training, were also confirmed: only 23 enterprises hosted apprentices and of these, the majority (15 enterprises or 65 percent) had either one or two apprentices. Table 30 shows the number of enterprises involved in apprentice training. Only three SMEs had five or more apprentices in their workplaces.

Caution is needed with regard to the interpretation of apprenticeship figures. There were responses from 90 of the 160 participants (56 percent) who stated that apprenticeships or traineeships were either not applicable to the industry or not needed (see Table 35 below). Thus apprenticeships were relevant to 70 enterprises and of these, 33 percent were engaged in apprentice training.

Reinforcing Pio's (2007: 75) claim, our data makes it clear that the size of the enterprise mattered when it came to hosting apprentices. The smallest enterprises, that is, those with four to five full-time equivalent employees (FTEs), did not have any apprentices and only one employer with six to nine FTEs had an apprentice. As

indicated in Table 30, the largest enterprises with 20-49 FTEs were those that had the highest number of apprentices and these enterprises were also the only ones with four or more apprentices.

Table 30. Number of apprentices by size of enterprise

Number of apprentices	Enterprise size						Total	
	6-9 EFTs		10-19 EFTs		20-49 EFTs			
	No.	%	No.	%	No.	%	No.	%
1	1	4.4	4	17.4	3	13.0	8	34.8
2	0	0.0	3	13.0	4	17.4	7	30.4
3	0	0.0	1	4.4	3	13.0	4	17.4
4	0	0.0	0	0.0	1	4.4	1	4.4
5 or more	0	0.0	0	0.0	3	13.0	3	13.0
Total	1	4.4	8	34.8	14	60.8	23	100

Table 31 presents apprentice hosting according to industry sector. The data indicates that the sector was also a relevant factor when it came to apprenticeships. For example, there were no apprentices in the aged care sector. The only apprentices in the horticulture/viticulture/primary food production were four who were hosted by two companies. The majority of firms (56.5 percent) involved with apprentice training were in building and construction which, as a sector, represented 35 percent of those surveyed. This finding was in line with expectations since this sector has a high requirement for trade skills and apprenticeships are a traditional training mode for several trades groups in the sector. Nevertheless, high skills shortages in this industry sector reported at the time of the survey coupled with the fact that only 13 enterprises hosted apprentices in the sector, illustrate that there are barriers to firms' participating in apprentice training and particularly in the MAS. These barriers, therefore, need to be addressed.

Table 31. Number of apprentices by industry sector

Apprentice numbers	Horticulture, viticulture and primary food production		Building and construction		Accommodation, cafes and restaurants		Total	
	No.	%	No.	%	No.	%	No.	%
1	1	4.4	5	21.7	2	8.6	8	34.7
2	0	0.0	4	17.4	3	13.0	7	30.4
3	1	4.4	1	4.4	2	8.6	4	17.4
4	0	0.0	1	4.4	0	0.0	1	4.4
5 or more	0	0.0	2	8.7	1	4.4	3	13.1
Total	2	8.8	13	56.6	8	34.6	23	100

(b) Traineeships

Table 32 gives trainee numbers according to the size of the enterprises. As can be seen, 33 (21 percent) of the surveyed enterprises had trainees compared to the smaller

number of only 23 enterprises hosting apprentices (see Table 30 above). Although our data do not include actual numbers of trainees or apprentices, our findings show that the numbers of enterprises employing trainees compared with those employing apprentices reflect Tertiary Education Commission findings (TEC, 2007: 4, 14) that in December 2006 trainees (123,673³) considerably outnumbered modern apprentices (9,466). Encouragingly, TEC data shows a steady increase in both forms of work-based training (e.g. see TEC, 2008b; TEC, 2007; TEC, 2006). For example, in December 2007, the numbers of modern apprentices (10,850) had increased by 14.6 percent from December 2006 (TEC, 2008b: 14). Moreover, in the same period, the numbers of trainees had grown five percent from 123,673 to 130,163 (TEC, 2008b: 4).

Table 32. Number of trainees by size of enterprise

Full-time trainee numbers	Enterprise size								Total	
	4-5 EFTs		6-9 EFTs		10-19 EFTs		20-49 EFTs			
	No.	%			No.	%	No.	%	No.	%
1	0	0	0	0	2	6.1	3	9.1	5	15.1
2	0	0	1	3	3	9.1	5	15.1	9	27.3
3	0	0	0	0	1	3.0	2	6.1	3	9.1
4	1	3	0	0	3	9.1	2	6.1	6	18.2
5 & over	0	0	0	0	3	9.1	7	21.2	10	30.3
Total	1	3	1	3	12	36.4	19	57.6	33	100

Also evident in Table 32 is that the majority of enterprises hosted two or more trainees. Smaller sized enterprises, too, took on trainees. Thus, whereas no small business (four to five FTEs) had any apprentices, one small enterprise with four to five FTEs had four trainees. And while only four enterprises had four or more apprentices, 16 had four or more trainees, with 10 of those having five or more.

(c) Formal Training for Apprentices and Trainees

As Table 33 indicates, training for apprentices and trainees was provided by a wide variety of training providers. While more than half of the providers were utilised for both apprentice and trainee education, it was apparent that trainee education was sourced from a wider pool of providers. ITOs were the main source (40 percent) of formal training for apprentices, while ITOs together with polytechnic (Manukau and Unitec) and university training providers (AUT) accounted for 52 percent of their formal training. Direct and in-house training provided by the enterprise accounted for 24 percent of formal training of apprentices. By contrast, direct and in-house training formed 45 percent of formal training for trainees, while for them, ITOs, polytechnics and university together provided 22 percent (Table 33). Interestingly, the numbers using in-house training for both groups were considerably lower than among the employers interviewed for the UCOL survey of employer training and education

³ Following the TEC (2007; 2006), the number of trainees cited here includes apprentices.

needs (see UMR, 2005: 44) where for 64.3 percent of participants, in-house trainers were their main source of training provision.

Table 33. Providers of most formal training for apprentices and trainees

Training organisations	Apprentices		Trainees		Total	
	No.	%	No.	%	No.	%
ITOs	10	40.0	4	12.1	14	24.1
Directly	5	20.0	8	24.2	13	22.4
In-house	1	4.0	7	21.2	8	13.8
Other	3	12.0	3	9.1	6	10.3
Unitec	1	4.0	2	6.1	3	5.2
AUT	1	4.0	1	3.0	2	3.5
Hospitality Standards Institute	1	4.0	1	3.0	2	3.5
Manukau Polytechnic	1	4.0	1	3.0	2	3.5
ACE	0	0.0	2	6.1	2	3.5
Training provider	1	4.0	0	0.0	1	1.7
Auckland Chef and Hospitality Training School	1	4.0	0	0.0	1	1.7
Polytechnic	0	0.0	1	3.0	1	1.7
DEREX DEMAG	0	0.0	1	3.0	1	1.7
McInnes Training	0	0.0	1	3.0	1	1.7
Hospitality Solutions	0	0.0	1	3.0	1	1.7
Total	25	100	33	100	58	100

(d) Recruitment of Apprentices and Trainees

Table 34. Sources of apprentice and trainee recruitment

Sources of recruitment	Apprentices		Trainees		Total	
	No.	%	No.	%	No.	%
Directly	9	34.6	8	25.8	17	29.8
Other	5	19.2	11	35.5	16	28.0
Ad in paper/on-line	1	3.8	6	19.4	7	12.3
ITOs	5	19.2	1	3.2	6	10.5
Word of mouth	3	11.5	0	0.0	3	5.3
Training provider	1	3.8	2	6.5	3	5.3
Labour hire company	1	3.8	2	6.5	3	5.3
Schools	1	3.8	1	3.2	2	3.5
Total	26	100	31	100	57	100

Table 34 shows the sources for recruitment of apprentices and trainees respectively, with multiple sources being possible for respondents. Direct recruitment was the main named mode of recruitment overall, with almost 30 percent of responses citing this source, and 34.6 for apprentice recruitment. Industry Training Organisations (ITOs, 19.2 percent) together with other, unnamed, sources (also 19.2 percent) were the next most popular options for apprentices; while unnamed sources, which were the highest for trainees at 35.5 percent, were followed by an advertisement in the paper or on-line

for trainee recruitment at 12.3 percent. Schools as a recruitment source were mentioned by only one employer in each category. Perhaps as work experience programmes for secondary school students, such as the Gateway Programme,⁴ become more established, schools as a possibility for apprentice and trainee recruitment might feature more prominently.

(e) Reasons for Non-Participation in Apprentice/Trainee Training

Responses to the question on why an enterprise did not participate in apprenticeship or traineeship training are reported in Table 35. As noted earlier in this section, for 60 enterprises such training was not applicable to the industry and a further 30 enterprises had no need for apprentices or trainees. Added to these 90 employers, five others ‘did not know’. This means that 71 percent of responses to this question had nothing to add to discussion on the topic.

Table 35. Reasons for enterprises not offering apprenticeships or traineeships

Reasons for not offering apprenticeships/traineeships	Number	Percent
Not applicable in this industry	60	45.1
Don't need apprentices/trainees	30	22.6
Cost/lack of capital	2	1.5
Teach on the job/in-house	1	.8
Business too small	4	3.0
Bad experience (leave before complete)	4	3.0
Can't find suitable people	6	4.5
Problems with scheme	5	3.8
Employ trained people	6	4.5
Not set up/too difficult	2	1.5
Time off for training	1	.8
Don't know anything about MAS/not approached	4	3.0
Other	3	2.3
Total	133	100.0

Of the other relevant 38 responses, size of the enterprise featured as a barrier, with four employers believing their enterprise was too small to cater for such training. If we add cost and lack of capital considerations to this group (which can be related to smallness of size), there were a total of six enterprises, or 16 percent of relevant responses, with these related reasons. Interestingly, supply-side reasons featured as an important barrier. Six responses cited inability of finding suitable people and another four found that previous bad experience with apprentices/trainees was a reason. Thus

⁴ Gateway is a programme for senior secondary school students providing ‘structured workplace learning across more than 50 industries and hundreds of businesses around New Zealand. Students pursue individual learning programmes, which allow them to gain new skills and knowledge in a workplace in their local community. The learning is hands-on and practical. Students are assessed in the workplace for unit and achievement standards which contribute to the National Certificate of Educational Achievement (NCEA), as well as industry specific qualifications’ (TEC, 2008a).

10 (26 percent) responses were related to the supply-side of apprentices/trainees. Enhanced information so that more employers are aware of the MAS is a recommendation that arises from our survey since there were some employers (four respondents) who had either inadequate or no information about the scheme.

An important issue to consider is one not mentioned by the employers in this survey. Jeffcoat and Jeffcoat (2006) found that a sticking point for some employers is that an aim of the MAS is to increase the numbers of young people in work. They argue that: 'Employer resistance to hiring young people was identified as the greatest barrier to increasing the number of young people in Modern Apprenticeships' (Jeffcoat and Jeffcoat, 2006: 12). In our survey (cf Table 31 and Table 32), a total of 23 employers hosted apprentices, compared with 33 who hosted trainees, but the discrepancy in numbers is considerably higher as only four employers hosted four or more apprentices, while 16 employers hosted four or more trainees. The larger number of traineeships in our survey may, therefore, support the view of Jeffcoat and Jeffcoat (2006) as there is no age limitation for trainees. This is an issue also raised by Cully (2008), writing of the traineeship programme in Australia. Cully's fear is that traineeships may be used by employers to cut their labour costs rather than to improve skills levels. He writes of traineeships that:

Many equip people with skills needed to establish themselves in jobs in growing areas of the economy with skills shortages, such as aged care. What is apparent, however, is that traineeships in some sectors of the economy are operating as a de facto labour market program, though not one targeted at those most in need of assistance, such as early school leavers (Cully, 2008: 11).

The results of our survey are, then, a reminder that care needs to be taken that we do not lose sight of the reason behind the introduction of apprenticeships and traineeships, which was to assist school leavers into employment while raising the skills levels of the workforce.

Other Accredited and Non-Accredited Training

As well as training offered through apprenticeships and traineeships, just over a third of surveyed enterprises provided other forms of accredited training while more than half provided non-accredited training. In this section, we examine the forms this has taken, the training providers utilised, and the employers' levels of satisfaction with both the quality of the training and the adequacy of the information provided.

(a) Other Accredited Training

Slightly over a third of enterprises (54) provided their employees with accredited training other than apprenticeships and traineeships. With a fifth of other accredited training being through ITOs, they were the most frequent providers of training for this group (Table 36). Formal training for apprentices and trainees clustered largely around two forms each (ITOs and direct for apprentices and direct and in-house for trainees, see Table 33). However, for this group, the training was provided by a more even and wider spread across polytechnics (14.8 percent), external consultants (13 percent), professional associations (11.1 percent), in-house supervisors (11.1 percent) and private training establishments (9.3 percent), with the remaining providers being used by only one or two enterprises.

Table 36. Providers of most other accredited training

Training providers	Number	Percent
ITOs	11	20.4
Polytechnic	8	14.8
External consultants	7	13.0
Professional association	6	11.1
In-house (e.g. supervisors)	6	11.1
Private training establishment (PTE)	5	9.3
Other	4	7.4
Universities	2	3.7
Don't know	2	3.7
New Zealand Qualifications Authority (NZQA)	1	1.9
Council/government department	1	1.9
Industry association	1	1.9
Total	54	100.0

When asked their reasons for their choice of providers for other accredited training, more than 44 percent stated that it was because the provider was the most relevant, the leading provider or the provider specified by their industry (Table 37). Five chose their provider because they do a good or professional job and the same number because they are conveniently located. Cost was a factor for only two participants. Supporting the comments noted by participants (see p. 29 above) that they would like more direct and proactive marketing from providers, it may be of interest to providers to note that three enterprises had used the services of providers who had approached them.

Table 37. Reasons for choosing providers for other accredited training

Reasons for choosing training providers	Number	Percent
Most relevant/leading provider/industry specified	24	44.4
Closest/handy/convenient	5	9.3
Do good job/professional	5	9.3
Meets legislative/contractual requirements	4	7.4
Told to by head office/owners/franchise	4	7.4
Other	4	7.4
Approached us	3	5.6
Cost effective/no cost	2	3.7
Don't know	2	3.7
Hasn't happened yet	1	1.9
Total	54	100.0

Table 38 shows that the level of satisfaction with the quality of training provision for other accredited training was very high with almost 90 percent being either very satisfied (51.9 percent) or satisfied (37 percent). No participants in this group were either dissatisfied or very dissatisfied. This is a higher rate of satisfaction even than the 74.3 percent for ITOs (Table 28).

Table 38. Levels of satisfaction with providers of other accredited training by industry sector

Levels of satisfaction	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Very satisfied	4	40.0	5	41.7	13	61.9	6	54.5	28	51.9
Satisfied	3	30.0	5	41.7	8	38.1	4	36.4	20	37.0
Neither	0	0.0	0	0.0	0	0.0	1	9.1	1	1.9
Don't know	3	30.0	2	16.6	0	0.0	0	0.0	5	9.3
Total	10	100	12	100	21	100	11	100	54	100

It also is evident in Table 38 that the accommodation, cafes and restaurant sector expressed especially high levels of satisfaction, with 100 percent being either very satisfied (61.9 percent) or satisfied (38.1 percent). Those in the aged care sector were almost 90 percent satisfied, while those in the building and construction sector were rather less satisfied at 83.4 percent, with two participants not being sure of their satisfaction. The horticulture, viticulture and primary food sector participants were still less sure of their satisfaction at 70 percent, with three participants stating that they did not know whether they were satisfied.

When asked how the education for other accredited training might be improved, more than half (59 percent) of the 52 respondents involved had no suggestions (Table 39). However, the remaining participants offered a range of suggestions. These included three who suggested that the training needed to be more streamlined and co-ordinated, and three who felt the quality of training could be improved by making it more relevant. Two participants wanted more communication with the providers and more understanding by them of employers' needs. This last, together with suggestions including the need for changes in training hours and times, more local, accessible

training, lower costs and more regular follow-ups and refresher course (each also mentioned by two participants), make a set of suggestions based on employers' needs. These employer-based needs combined constitute almost a quarter of the suggestions made concerning improvements.

Table 39. Employers' suggestions for improving other accredited training provision

Training improvement suggestions	Number	Percent
No/none	31	59.6
Better quality/relevant/standard	3	5.8
More streamlined/co-ordinated	3	5.8
More communication/understanding of employers	2	3.8
Training hours/timing	2	3.8
Training costs/subsidise/cheaper/tax breaks	2	3.8
Regular follow-ups	2	3.8
Attract more people into industry	2	3.8
More local/accessible training	2	3.8
More courses/refresher courses	2	3.8
Other	1	1.9
Total	52	100.0

In Table 40, it can be seen that when asked how they convey their training needs to providers, 17.3 percent stated that they do not convey their needs or have no contact with the providers. A further 15.4 percent said they have a set course or standard qualification to follow, so are unlikely to convey their needs either, making this around 30 percent of employers who do not convey their training needs to the providers.

Table 40. How businesses convey training needs to providers

Means of conveying training needs to providers	Number	Percent
Ring them/contact them/e-mail	12	23.1
We don't/no contact	9	17.3
Set course/standard qualification	8	15.4
Other	6	11.5
Come to us/meet regularly	4	7.7
Communication/ person to person (non-specific)	3	5.8
Nominated person/trainer/assessor/HR/representative	3	5.8
Through course feedback/appraisals	3	5.8
Industry body/ITO	2	3.8
Don't know	2	3.8
Total	52	100.0

The largest group of respondents (23.1 percent) who convey their needs, do so through contacting the training providers by phone or email, with a further 5.8 percent specifying that this is done through a nominated representative from the firm and a further 5.8 percent saying it is done through unspecified person to person

communication. From this, it would seem that more than a third of respondents initiate the contact with their training providers. For a smaller group, the providers initiate the communication to enable employers to make their needs known through such actions as calling on the businesses and meeting them regularly (7.7 percent) and setting up course appraisals and feedback (5.8 percent).

(b) Other Non-Accredited Training

More than half of the surveyed enterprises (84) provided non-accredited training for their employees. It was perhaps not surprising that, according to the survey participants whose enterprises provide non-accredited training, by far the most common means of training provision was through in-house supervision. As can be seen in Table 41, almost 60 percent used this means (cf Table 37, which shows that for other accredited training, in-house supervision was used by a much lower 11.1 percent of respondents). Table 41 further shows that private training establishments made up 9.5 percent of non-accredited training and external consultants a further 6 percent, followed closely by ITOs and professional associations at 4.8 percent. Unlike other forms of training discussed above (apprentices, trainees and other accredited training), two enterprises in this group named a supplier or manufacturer as a training provider.

Table 41. Providers of most non-accredited training

Training providers for non-accredited training	Number	Percent
In-house (e.g. supervisors)	50	59.5
Private training establishment (PTE)	8	9.5
Other	8	9.5
External consultants	5	6.0
ITOs	4	4.8
Professional association	4	4.8
Council/government dept	2	2.4
Supplier/manufacturer	2	2.4
Universities	1	1.2
Total	84	100

Whereas 44.4 percent of companies offering other accredited training chose their providers because they were the most relevant, only 12.8 percent of non-accredited providers were chosen for this reason. Instead, a third of the 78 companies stated that the reason for their choice of training providers for non-accredited training was because it worked for them, fitted their company's requirements or was the way they do things (Table 42). Nine participants said that their choice meets legislative or contractual requirements. Other reasons were convenience of location (5 participants), the provider had been used before (5 participants), the cost and best or most flexible time (4 participants each), because the provider does a good job, was the easiest option or was the supplier (2 participants). Of interest was that, as in the group providing other accredited training (Table 37), a further two providers were chosen because they had approached the employers.

Table 42. Reasons for choice of non-accredited training providers

Reasons for training provider choice	Number	Percent
Works for us/fits company requirement/way we do things	26	33.3
Most relevant/leading provider/industry specified	10	12.8
Meets legislative/contractual requirement	9	11.5
Closest/handy/convenient	5	6.4
Used it before	5	6.4
Cost effective/no cost	4	5.1
Best timeframe/flexible	4	5.1
Do good job/professional	3	3.8
Approached us	2	2.6
Supplier	2	2.6
Easy/easiest option	2	2.6
Don't know	2	2.6
Other	2	2.6
Told to by head office/owners/franchise	1	1.3
Highly recommended	1	1.3
Total	78	100

In Table 43 it is evident that the overall satisfaction levels of the performance of their training providers were also very high in this group, with 90.4 percent being either very satisfied or satisfied. However, in this group, two participants stated that they were dissatisfied and another was very dissatisfied with the performance of their training providers. The most satisfied were those in the building sector, with 96.7 percent either very satisfied or satisfied, but this was also the sector with the only person who was very dissatisfied. While the accommodation, cafes and restaurants sector expressed complete satisfaction with their accredited training, four members stated that they were neither satisfied nor dissatisfied with the non-accredited training provision, dropping their satisfaction levels to 84 percent, the lowest overall. One member of the horticulture, viticulture and primary food production sector was dissatisfied with the non-accredited training provided, and another did not know, but their overall satisfaction was 90.4 percent.

Table 43. Levels of satisfaction with non-accredited training by industry sector

Levels of satisfaction	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Very satisfied	8	38.1	12	40.0	12	48.0	6	75.0	38	45.2
Satisfied	11	52.3	17	56.7	9	36.0	1	12.5	38	45.2
Neither	0	0.0	0	0.0	4	16.0	0	0.0	4	4.8
Dissatisfied	1	4.8	0	0.0	0	0.0	1	12.5	2	2.4
Very dissatisfied	0	0.0	1	3.3	0	0.0	0	0.0	1	1.2
Don't know	1	4.8	0	0.0	0	0.0	0	0.0	1	1.2
Total	21	100	30	100	25	100	8	100	84	100

Table 44. Employers' suggestions for improving non-accredited training

Training improvement suggestions	Number	Percent
No/none	53	63.1
Other	6	7.1
Train in-house	5	6.0
Training hours/timing	4	4.8
Training costs/subsidise/cheaper/tax breaks	4	4.8
More practical training/applied	3	3.6
Employability skills e.g. customer service	2	2.4
Better quality/relevant/standard	2	2.4
More streamlined/co-ordinated	2	2.4
Start at school	1	1.2
Work ethic/attitude	1	1.2
Attract more people into industry	1	1.2
Total	84	100

When asked for suggestions that might improve non-accredited training, a large majority (63.1 percent) stated that they had no suggestions or that no improvements could be made (Table 44). Looking at the suggestions for improvements from the remaining 31 employers providing non-accredited training, although there were inevitable similarities with suggestions for improving accredited training provision (e.g. streamlining provision, cutting costs, making the hours more flexible to suit employers' needs), there were also several issues mentioned that were not raised in connection to accredited training. First, five employers would like to see more in-house training offered by training providers. Second, three employers suggested a need for more practical or applied training. Third, two employers saw a need for the teaching of employability skills such as customer services and another for the teaching of work ethic or attitude. Fourth, one participant would like to see such training begin at school.

Table 45. How employers convey their non-accredited training needs to providers

Means of conveying training needs to providers	Number	Percent
We don't/no contact	27	33.3
Ring them/contact them/e-mail	15	18.5
Other	12	14.8
Communication/ person to person (non-specified)	8	9.9
Set course/standard qualification	7	8.6
Don't know	4	4.9
Come to us/meet regularly	3	3.7
Through course feedback/appraisals	3	3.7
Industry body/ITO	1	1.2
Nominated person/trainer/assessor/HR/representative	1	1.2
Total	81	100

As noted above, among the employers from the other accredited training group, around 30 percent appeared to have no specific system for conveying their needs to

the training providers. This appeared to be an even larger issue among the enterprises offering non-accredited training to their employees. As Table 45 shows, a third of this group stated that they have no contact with the training providers and a further 8.6 percent follow a set course or standard qualification. Among this group, of those who do convey their wishes to providers, almost thirty percent do so through their own initiative, such as phoning and emailing (18.5 percent), person to person communication (9.9 percent) and through a nominated representative (1.2 percent). The providers, on the other hand, initiate contact through coming to meet the employers (3.7 percent) and through course feedback and appraisals (3.7 percent) – a total of 7.4 percent.

Training for Owners and Managers

In this section, we examine the training undertaken by owners and managers. We were interested in how many were participating in training and in which sectors this was occurring as well as their considerations in deciding on whether to undertake further training in the next 12 months. Further interest centred on where their training takes place and their levels of satisfaction with the training they have accessed.

Table 46. Owner/manager training in the last 12 months by industry sector

Owner/manager undertaking training	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	14	43.8	25	44.6	33	60.0	15	88.2	87	54.4
No	18	56.3	31	55.4	22	40.0	2	11.8	73	45.6
Total	32	100	56	100	55	100	17	100	160	100

Just over half (54.4 percent) of the owners/managers participating in this research stated that they have undertaken education or training in the last 12 months. As Table 46 indicates, the industry with the greatest percentage of participation was the aged care sector where 15 of 17 respondents (88.2 percent) had been involved in training. Thirty-three of 55 (60 percent) of owners/managers in the accommodation, cafes and restaurants had participated in training, while in the building and construction and the horticulture, viticulture and primary food production sectors, the percentage dropped to 44.6 and 43.8 respectively.

(a) Considerations in Choosing Training for Owners and Managers

Participants were asked what they were looking for in their training over the next 12 months. They were invited to present multiple responses. Curiously, the number of responses (87) matches the number of owners and managers who stated they had undertaken training in the previous 12 months, indicating that possibly each gave just one response (Table 47). The same considerations were mentioned as in their reasons for offering training for their employees (see Table 16). However, the emphasis was on different facets. For example, while providing skills required for the job was the highest rated consideration for their employees by 24 percent of respondents, for their own training, this was the second highest rating consideration, but for only 10.3 percent. New working practices was the most frequently mentioned consideration for employers' training (11.5 percent), while it was second in terms of training for their employees (12.7 percent). For themselves, 9.2 percent of managers would be training for legislative, statutory or licensing requirements (6 percent for employees). Equal numbers (5.7 percent) were interested in manager training to maintain industry and professional standards, to improve the quality of their service or goods and for improving staff satisfaction, motivation and development. For four percent, manager training would be done if required and, for another four percent, it would depend on the cost and availability of funds. Three percent were keen to respond to new technology and improve safety and management.

Table 47. Considerations in choosing owner/manager training for the next 12 months

Considerations in owner/manager training	Number	Percent
New working practices	10	11.5
Provides skills required for job	9	10.3
Legislative/statutory/licensing requirements	8	9.2
Other	8	9.1
None	6	6.9
To maintain industry/professional standards	5	5.7
Improving quality of service/goods	5	5.7
Staff satisfaction/motivation/development	5	5.7
Funding/cost	4	4.6
Upskilling	4	4.6
If required	4	4.6
Responding to new technology	3	3.4
Safety	3	3.4
Improve management	3	3.4
To increase productivity	2	2.3
Don't need any more training	2	2.3
Don't know	2	2.3
To address skills shortages	1	1.1
To remain competitive	1	1.1
For new employees	1	1.1
Relevant/good courses	1	1.1
Total	87	100.0

(b) Training Providers for Owners and Managers

When the 87 owners and managers who stated that they had undertaken training or education in the last 12 months were asked to name the provider of the majority of their training, 13 participants said that they either had not started training or had no training provider. In order to examine the actual utilisation of training providers, this group of 13 has been removed from Table 48 which concerns the training providers who had conducted the majority of training for owners and managers during the previous 12 months. As can be seen, the two most commonly used providers by owners and managers were professional associations (18.9 percent) and external consultants (17.6 percent). Other frequently used providers included ITOs (8.1 percent), suppliers and manufacturers, universities and industry associations (each 6.7 percent).

Interesting, if not unexpected, variations were shown between the use of providers for employers' training purposes and those used for employee training. For example, while 40 percent of apprentice training (Table 33) and 20.4 percent of other accredited training (Table 36) was provided by ITOs, at only 8.1 percent for employers, this was a much less frequently used form of provision. In-house training at 9.5 percent for employers was much lower than the 59.5 percent for non-accredited training (Table 41). Nevertheless, it was the third most frequent form of training used among employers. The use of polytechnics at 4.1 percent by employers was rather lower than the 14.8 percent for other accredited employee training (Table 36), 12.1 percent for trainees and 8 percent for apprentices (Table 33).

Table 48. Providers of most owner/manager training

Main providers of training	Number	Percent
Professional association	14	18.9
External consultants	13	17.6
In-house (e.g. supervisors)	7	9.5
Industry training organisations (ITOs)	6	8.1
Supplier/manufacturer	5	6.7
Universities	5	6.7
Other	5	6.7
Industry association	5	6.7
Don't know	4	5.4
Private training establishments (PTEs)	3	4.1
Polytechnic	3	4.1
Employer association (EMA, Auckland City Council)	2	2.7
Council/government department	1	1.4
Voluntary organisation (e.g. St John's)	1	1.4
Total	74	100.0

Of the 85 owners and managers who responded to the question asking the reason for their choice of training, 11 (12.9 percent) stated that their training had not yet begun. As with the question above regarding who had provided the majority of the training, these 11 responses have been omitted from Table 49 as we look at owner and manager reasons for choosing providers. Reflecting their reasons for choosing training providers for accredited training for employees, a large majority of almost 30 percent (44.4 percent for accredited training for employees; see Table 36) chose their providers because they were the leading provider in their field, were industry specific or were the most relevant.

Table 49. Reasons owner/manager training providers were chosen

Reasons for choosing provider	Number	Percent
Leading provider/industry specific/relevant	22	29.7
Closest/handy/convenient	10	13.5
Meets legislative/contractual requirement	7	9.5
Approached us	7	9.5
Don't know	4	5.4
Other	4	5.4
Do good job/professional	3	4.1
Cost effective/no cost	3	4.1
Told to by head office/owners/franchise	3	4.1
Works for us/fits company requirements/way we do things	3	4.1
Helps grow business/improves service	3	4.1
Used it before	2	2.8
Highly recommended	1	1.4
Best timeframe/flexible	1	1.4
Supplier	1	1.4
Total	74	100.0

Also similar to the other accredited training group, the second most common reason for choosing an owner/manager provider was convenience of location (13.5 percent). Works for us, fits company requirements or the way we do things was the reason for provider choice for the training of only three owners and managers (Table 49), whereas for non-accredited training for employees, it was the main reason for a third of respondents (see Table 41). For owners and managers, direct approach by training providers was an even more popular reason for choosing a provider (nearly 10 percent) than for accredited (5.6 percent, Table 36) and non-accredited (2.6 percent, Table 41) training provider choices.

Table 50. Levels of satisfaction with training for owners/managers, by industry sector

Levels of satisfaction	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Very satisfied	4	40.0	10	50.0	17	54.8	7	50.0	38	50.7
Satisfied	3	30.0	6	30.0	11	35.5	4	28.6	24	32.0
Neither	0	0.0	1	5.0	1	3.2	0	0.0	2	2.7
Don't know	3	30.0	3	15.0	2	6.5	3	21.4	11	14.7
Total	10	100	20	100	31	100	14	100	75	100

In terms of their levels of satisfaction with the quality of training for owners and managers, no respondents claimed that they were either dissatisfied or very dissatisfied with the quality. As Table 50 demonstrates, though, there were 14.7 percent who did not know whether they were satisfied and a further 2.7 percent who were neither satisfied nor dissatisfied. There was a variation in satisfaction levels across the industry sectors with those in the accommodation, cafes and restaurants sector at 90.3 percent being generally the most satisfied, with building and construction less satisfied at 80 percent, followed by aged care at 78.6 percent and then horticulture, viticulture and primary food production the least satisfied at 70 percent.

Table 51. Participants who were very satisfied or satisfied with their training providers, by industry sector and who the training was for.

Industry sector	Who the training was for			Average
	Owners/managers	Other accredited	Non-accredited	
Horticulture, viticulture & primary food production	70.0	70.0	80.4	73.5
Building & construction	80.0	83.4	96.7	86.7
Accommodation, cafes & restaurants	90.3	100.0	84.0	91.4
Aged care	78.6	90.9	87.5	85.7
Average	79.7	86.1	87.2	84.3

Table 51 presents a comparison of the percentages of participants in each industry sector who were very satisfied or satisfied with their training depending on which group the training was being provided for. It can be seen that overall, the accommodation, cafes and restaurants sector was the most satisfied with the training provision, with their greatest levels of satisfaction being for training provided for the other accredited training group (100 percent) and their lowest satisfaction for the non-accredited training group (84 percent), although both levels were high. In this, they run counter to the other industry sectors whose lowest satisfaction rates lie with the training provision for owners and managers (although for horticulture, viticulture and primary food production at 70 percent, this is equal to satisfaction for the training provision for the other accredited group). Like accommodation, cafes and restaurants, aged care was most satisfied with the training for the other accredited group (90.3 percent), while horticulture, viticulture and primary food production (80.4 percent) along with building and construction (96.7 percent) were most satisfied with training for the non-accredited training group.

When asked for suggestions for improvements in training provision for owners and managers, almost 60 percent said that they had no suggestions. Of the remaining 29 respondents, seven suggested the hours or timing of training could be improved, three suggested a need for an improvement in the quality, relevance or standard of training, a further three wanted more locally situated, accessible training and two would like to see more practical or applied training available. Other suggestions were each made by just one owner or manager. They included more employability skills, lower costs, improved communication and understanding of employers' needs (Table 52).

Table 52. Employers' suggestions for improving provision of owner/manager training

Suggested improvements for owner/manager training	Number	Percent
No/none	43	59.7
Other	8	11.1
Training hours/timing	7	9.7
Better quality/relevant/standard	3	4.2
More local/accessible training	3	4.2
More practical training/applied	2	2.8
More education in general/start at school	1	1.4
More communication/understanding of employers	1	1.4
Employability skills (e.g. customer service)	1	1.4
Training costs/subsidise/cheaper/tax breaks	1	1.4
Regular follow-ups	1	1.4
Work ethic/attitude	1	1.4
Total	72	100.0

When asked how they convey their training needs to the providers, almost 20 percent of owners and managers participating in training stated that they do not because they have no contact with their training providers, 7 percent said that they do not need to convey needs because they use set course materials, 7 percent do not know and a further 4.2 percent said that they have not done so yet (Table 53). Of the remaining 63 percent, more than 40 percent of the contact is initiated by the owners and managers

by phoning or emailing the providers, through person-to-person communication, either via a nominated representative or a non-specified person, or by looking around to find training that suits them. And just over 10 percent is initiated by the training providers through regular visits or through course feedback.

Table 53. How employers convey their training needs to providers

How employers convey training needs	Number	Percent
We don't/no contact	14	19.7
Ring them/contact them/e-mail	13	18.3
Communication/ person to person (non-specific)	9	12.7
Come to us/meet regularly	7	9.9
Look around for what suits/shop around	6	8.5
Don't know	5	7.0
(Don't need to because) set course/standard qualification	5	7.0
Industry body/ITO	4	5.6
Haven't done it yet	3	4.2
Nominated person/trainer/assessor/HR/representative	2	2.8
Other	2	2.8
Through course feedback/appraisals	1	1.4
Total	71	100.0

Skills

In this section, the focus is on skills. We were interested to gauge owner/managers' perceptions about the enhancement of skills related to two aspects of their labour force: the skills needed for the general employability of workers and the skills needed to improve productivity.

The first area was related to the general employability of a person. It was stressed to participants that here our interest was not in technical skills that the job or occupation specifically requires. Instead, it was the foundation skills any worker needs such as literacy, responsible attitudes toward work, team work, being able to communicate well and the motivation to continue to learn. While some participants clearly understood what was meant by employability skills, others did not seem so sure. Moreover, there was an apparent widespread lack of understanding over how owners and managers might go about enhancing employability skills among their workforces as well as diverse opinions over whose role it was to enhance employability skills.

We were also interested to learn of employers' views on the enhancement of skills necessary for improved productivity. Here again, there was a wide divergence in employers' opinions. Importantly, what emerged was that there was a considerable overlap in employers' understanding of what comprised workers' employability skills and the skills necessary for productivity. In our view, this indicates a vital link between the level of employability skills and the level of productivity of a labour force.

(a) Enhancing Employability Skills

When asked if they were engaged in enhancing the employability skills of their workers, a large majority (80.6 percent) of respondents stated that they were, while slightly fewer than 20 percent were not. Aged care had a larger majority at 88.2 percent and horticulture, while viticulture and primary food production (87.5 percent) were just ahead of accommodation, cafes and restaurants at 85.5 percent. However, building and construction was considerably lower with more than 30 percent not enhancing employability skills in their workforces (Table 54).

Table 54. Number of enterprises enhancing employability skills by sector

Enhancing employability skills	Horticulture, viticulture and primary food production		Building and construction		Accommodation cafes and restaurants		Aged care		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	28	87.5	39	69.6	47	85.5	15	88.2	129	80.6
No	4	12.5	17	30.4	8	14.5	2	11.8	31	19.4
Total	32	100	56	100	55	100	17	100	160	100.0

Of the 124 responses to the question asking how employability skills were enhanced in their workforces, 11 stated that they could not teach such skills and that they needed workers to arrive on the job with them (Table 55). A fifth of respondents

appear to have named employability skills rather than stating how they were being enhanced. For example, 10 participants said that key transferable skills, communication, IT, customer service were important; another eight valued basic transferable skills, literacy, numeracy, verbal presentation; five looked for essential attributes, presentation, punctuality and willingness to work; and two sought employees with personal competencies, motivation and confidence. These are core employability skills and it is to be hoped that, along with their awareness of these skills and their importance in the workforce, the employers who cited them are in some way contributing to their ongoing enhancement among their workers. Interestingly, they were not specifically listed among the reasons why employers would be providing training in the next 12 months, except perhaps implicitly under such general responses as ‘to provide skills required for the job’ or ‘to provide upskilling or ongoing training’ (see Table 16).

Methods of enhancing their workers’ employability skills were noted by some participants, as also shown in Table 55. Thirty-one participants, for example, said that workers are taught the skills in-house, or on the job, although they did not elaborate on particular ways of doing this. Others were more specific. Ten suggested that they enhanced employability skills through nurturing, encouraging, praising and motivating their staff. Seven used performance reviews and monitoring as an opportunity to pass on skills. Six said they used good communication, three said it was done through incentive schemes, a further three through tutoring, coaching, one-on-one or a buddy scheme, one gave responsibility and one set an example. Four respondents used high level team work to pass on job specific technical skills and four took advantage of external courses and seminars to impart employability skills.

Table 55. How employability skills are enhanced

How employability skills are enhanced	Frequency	Percent
On the job/in-house	31	25.0
We can't/need them when we hire	11	8.9
Key transferable skills (communication/IT/customer service)	10	8.1
Nurturing/encouraging/praising/motivating	10	8.1
Wherever a gap exists/deficiency	9	7.3
Basic transferable skills (literacy/numeracy/verbal present)	8	6.5
Performance review/monitoring	7	5.6
Other	7	5.6
By communicating well	6	4.8
Essential attributes (e.g. present/punctuality/willingness)	5	4.0
High level TA (team work, job specific technical)	4	3.2
External courses/seminars	4	3.2
Incentive schemes	3	2.4
Tutoring/coaching/one-on-one/buddy system	3	2.4
Personal competencies (motivation/confidence)	2	1.6
Don't know	2	1.6
Giving responsibility	1	.8
Setting an example	1	.8
Total	124	100.0

Considering the high percentage (80.6 percent, see Table 54) of participants who stated that their enterprises were enhancing employability skills, very few (28 participants, or 17.5 percent) responded to the question asking who should be responsible for enhancing employability skills. Table 56 shows that of these, five claimed it was not the role of employers and that workers should already have employability skills. In a similar vein, another five suggested that gaining employability skills was the employee’s responsibility, while four said it was up to the schools or education system and three up to the parents or family. That is, although 70 participants mentioned *how* they enhance employability skills (Table 55), in response to the question on responsibility, just seven participants believed the employer or manager might play a role in enhancing employability skills, with five participants suggesting that it was the employer or manager’s responsibility and two suggesting employer and employee take joint responsibility. In this, the participants tend to reflect the findings of TEC (2005) that SMEs are likely to view increasing employees’ skills as more beneficial for the employees than for the employer. They state:

SME owners perceived that formal, portable qualifications were more valuable to employees than employers. Some feared formal qualifications might make their employees more likely to be poached by competitors (TEC, 2005: 4).

Table 56. Employers’ views on whose should be the role of enhancing employability skills

Responsibility for enhancing employability	Frequency	Percent
Should have these skills (not our role)	5	17.9
Employer/manager	5	17.9
Themselves/individual	5	17.9
Don't know	4	14.3
Schools/education system	4	14.3
Parents/family	3	10.7
Both employer and employee	2	7.1
Total	28	100.0

(b) Skills Necessary for Enhancing Productivity

Employers were then questioned about the skills they thought were important for enhancing productivity. Table 57 lists the frequency of the various skills and worker characteristics that employers mentioned as important. Communication and verbal communication together featured the highest with a total frequency of 30 (or approximately 20 percent) of responses. Personal attributes and competencies such as reliability, work ethic, willingness to learn, honesty, positive attitude and enthusiasm were all mentioned as necessary for enhancing productivity. Also mentioned were interpersonal skills, including customer service, team work, compassion and presentation. Interestingly, while 12 employers deemed ‘required technical skills’ to be important for enhancing productivity and product or job knowledge was important to eight, only three employers cited literacy and two numeracy. Moreover, IT, computer skills and technical skills were mentioned by only three employers as skills necessary for enhancing productivity.

Table 57. Skills for enhancing productivity

Skills and attributes	Number	Percent
Communication (including verbal)	30	19.3
Customer service	12	7.7
Required technical skills	12	7.7
Don't know	11	7.1
Hard working/work ethic	9	5.8
Product/job knowledge	8	5.1
Reliability	7	4.5
Team work	6	3.8
Willingness to learn	5	3.2
Honesty	5	3.2
Positive attitude	5	3.2
Interpersonal skills	5	3.2
Motivated	4	2.6
In-house training/upskilling	4	2.6
Literacy	3	1.9
IT/computer	3	1.9
Organisation/time management	3	1.9
Commonsense	2	1.3
Presentation/hygiene	2	1.3
Punctuality	2	1.3
Initiative	2	1.3
Enthusiasm	2	1.3
Numeracy	2	1.3
Happy in job	2	1.3
Fit/physical/strong	2	1.3
Marketing	2	1.3
Other	2	1.3
Responsibility	1	.6
Caring/compassion	1	.6
Confidence	1	.6
More money	1	.6
Total	156	100.0

(c) Linking Employability and Productivity

Respondents were not asked specifically which skills workers needed for enhanced employability. However, a variety of employability skills were mentioned incidentally when employers responded to the question asking how employability skills were enhanced (Table 55). When these employability skills are analysed alongside the comprehensive list of skills cited by employers as necessary for worker productivity (Table 57), the skills can be arranged into three groups: interpersonal skills; essential personal attributes or competencies; and work-related skills. The results in Table 58 below, indicating a very close similarity between the two lists of skills, clearly demonstrate that enhancing workers' employability skills is directly linked to enhanced productivity. Therefore, although very few employers appear to consider it

their role to enhance the employability skills of their workers, the strong links between skills and productivity indicate that employers who do so stand to benefit as much as their workers. This point is stressed by the New Zealand Government, Business New Zealand, the New Zealand Council of Trade Unions and the Industry Training Federation in their recent publication *New Zealand Skills Strategy 2008*:

One of the most important drivers of productivity and economic growth in developed countries is the skills and technical knowledge of workers. New Zealand's continuing wealth will increasingly depend on the skills of its people and the ability of firms and industry to support New Zealanders to work to the best of their potential. Skills are what people use to create value in their workplaces, leading to business profit, better wages and economic growth (New Zealand Government, 2008: 12).

Table 58. Comparing skills necessary for enhancing employability and productivity

Skills for enhancing employability	Skills for enhancing productivity
<i>Interpersonal skills</i>	<i>Interpersonal skills</i>
Communication (including verbal)	Communication (including verbal)
Team work	Team work
Customer service	Customer service
<i>Essential attributes/personal competencies</i>	<i>Essential attributes/personal competencies</i>
Presentation	Presentation/hygiene
Punctuality	Punctuality
Willingness	Positive attitude/enthusiasm/happy in job
Motivation	Motivation
Confidence	Confidence
Responsible attitude to work	Work ethic/reliability/responsibility
Willingness/ability to continue learning	Willingness to learn/upskilling
	Time management/organisation
	Initiative/commonsense
	Honesty
	Caring/compassion
	Physical fitness/strength
<i>Work related skills</i>	<i>Work related skills</i>
Literacy	Literacy
Numeracy	Numeracy
IT/computer skills	IT/computer/technical skills
	Product or job knowledge/marketing

Central Government Policy Responses

Employers were canvassed on where they considered greater emphasis or support is needed from central government in relation to the training of New Zealand's workforce. Consistent with findings in our other studies, 24 of 160 (or 15 percent) of employers suggested improving education standards. This was the highest of all responses. In addition, literacy and numeracy were highlighted by nine percent. Taken together therefore, it would appear that nearly a quarter of the respondents believed the foundation skills of the workforce to be somewhat inadequate. Almost a quarter of the participants stated that the government should take more direct financial responsibility for the training of employees: 14 percent wanted tax incentives for enterprises to train employees and 11 percent wanted employee training to be subsidised. Thirteen percent said the government should place more emphasis on trades training, including an expansion of the apprenticeship scheme. Eleven percent wanted more communication between central government and employers.

CONCLUSIONS

Employer views expressed throughout this report indicate that our research findings reflect conclusions drawn by the Tertiary Education Commission's 2005 survey (TEC, 2005). The most obvious conclusion is that there are still hurdles in the path of increasing SME involvement in employee upskilling, especially upskilling that is linked to the National Qualifications Framework (NQF). The TEC report states:

The conclusion of this research was that while there were a number of possibilities for increasing the participation of SMEs in NQF-linked training, there were no simple all-encompassing solutions. Stakeholder feedback indicated that increasing SME engagement with formal training would be a long-term process. Any solutions would have to be aligned with SME characteristics and the context within which they operate (TEC, 2005: 4).

The first hurdle mentioned by TEC that is reflected by our participants' views is that more effort is needed to convince SME employers of the link between increased productivity and upskilling their workforce, including ongoing upskilling of the employers/managers themselves. In the TEC's (2005) words:

The research findings reinforced the need to change perceptions among SMEs about the value, role and relevance of formal industry training linked to the National Qualifications Framework (NQF). More needed to be done to promote the Framework among SMEs as there was a lack of awareness about the benefits that NQF-linked training might bring. There was a perception that the NQF was intended for employees rather than employers (TEC, 2005: 5).

The second hurdle shown in our survey is the need to fit NQF training to the requirements of the employers, rather than expecting employers to adapt to the constraints (such as time and place) of training provision. The TEC (2005: 5) noted: 'The research also highlighted the need for greater flexibility so that NQF-linked training could be structured in ways that better met the needs of SMEs'.

Amid the current international and national economic fears of business collapse and redundancies, all thoughts of providing further training for employers and employees might be in danger of slipping from consideration. However, skills shortages and the importance of continuing workforce training were high on the list of priorities raised among employers surveyed by Business NZ (see Collins, 2009a) and also by those leading the Jobs Summit in Manukau on 27 February, 2009 (see Collins 2009b). In 2005, TEC recommended that:

[C]hanging perceptions would require effective role models — SMEs who value and are already successfully participating in industry training. SME owners need to see that training can be tailored to their business and deliver a tangible 'pay off' for them. The challenge is to create a more positive training climate for SMEs to participate in formal training. Business owners need to be given greater encouragement to participate in structured industry training and receive better recognition and endorsement when they do (TEC, 2005: 5).

Suggestions for easing the employment and business crisis range from increasing training schemes ‘to give redundant workers the skills they need to fill the skills shortages’ (Phil O’Reilly, Business NZ Chief Executive, in Collins, 2009a); to a ‘nine-day fortnight’ (Andrew Little, union executive, in Collins, 2009b) that includes a training day; to increasing the flexibility of training provision to suit the changing needs of each industry, ‘such as automotive repair – when you stop buying new cars everyone spends a lot more on maintaining their existing fleet’ (Jeremy Baker, Industry Training Federation director, in Collins, 2009b); to ‘bonuses for employers who keep apprentices until they complete their training’ (Jeremy Baker, Industry Training Federation director, in Collins, 2009b).

Such wide-ranging suggestions from diverse interest groups are signs that the economic crisis of 2009 may be the jolt that is needed to ensure a concerted effort between business and government, employers and training providers to examine these issues more creatively and co-operatively and contribute to the increased productivity levels the New Zealand government and business community have been seeking.

REFERENCES

Baron, Patrick and Eva McLaren (2006). *Overcoming Skill Shortages: Employer Perspectives and Strategies*, Research Report 4/2006, Palmerston North and Albany: Labour Market Dynamics Research Programme, Massey University.

Collins, Simon (2009a). 'Skilled Staff Still Needed, Say Firms'. *New Zealand Herald*, National News, 25 February 2009. Retrieved 25/02/09.
www.nzherald.co.nz/news/print.cfm?c_id=1&objectid=10558532&pnum=0

Collins, Simon (2009b). 'Government to Fund Extra Support for Employers'. *New Zealand Herald*, National News, 27 February 2009. Retrieved 27/02/09.
www.nzherald.co.nz/news/print.cfm?c_id=1&objectid=10558994&pnum=0

Cully, Mark (2008). 'Doing the Maths', *Campus Review*, 24 November, 2008: p. 11. Retrieved 24/02/09. <http://pluginless.campusreview.com.au/?iid=19410>

de Bruin, Anne, Eva McLaren and Paul Spoonley (2005). *Labour Demand in a Tight Labour Market: A Survey of Employers*. Research Report 2/2005, Palmerston North and Albany: Labour Market Dynamics Research Programme, Massey University.

Department of Labour (2006). *Skills in the Labour Market – November 2006*. Wellington, NZ: Department of Labour. Retrieved 03/12/08
<http://www.dol.govt.nz/lmr/archive/skills-nov-06/lmr-Skills.asp>

EEF The Manufacturers' Organization (2006). *Skills for Productivity: Can the UK Deliver?* London. Retrieved 13/10/08.
<http://www.eef.org.uk/uksteel/publications/uk/policy/public/Skills+for+Productivity>

Fitzgerald, Eljon and Eva McLaren (2006). *Recruitment, Training and the Māori Labour Market Supply: An Analysis of Māori Employers*. Research Report 2/2006, Palmerston North and Albany: Labour Market Dynamics Research Programme, Massey University.

Fraser, Toni (2005). *Small Businesses and Industry Training: Individualised Approaches that Work*. Industry Training Federation, New Zealand. Retrieved 28/04/2008. <http://www.itf.org.nz/>

Green, Nicholas, Nicholas Huntington and Stephen Summers (2008). *Skills and Training Survey 2007*. New Zealand: Business New Zealand and Industry Training Federation. Retrieved 25/11/08
www.businessnz.org.nz/file/1462/140708%20Final%20Skills%20%20Training%20Report%20-%20full%

Harvey, Owen and Peter Harris (2008). *The Skills-Productivity Nexus: Connecting Industry Training and Business Performance*. Department of Labour and Industry Training Federation. Retrieved 28/04/08
<http://www.dol.govt.nz/workplaceproductivity/resources/research/>

Hyslop, Dean, David Mare and Jason Timmins (2003). *Qualifications, Employment and the Value of Human Capital, 1986–2001*, New Zealand Treasury Working Paper 03/05, <http://www.treasury.govt.nz/publications/research-policy/wp/2003/03-35/twp03-35> Retrieved 13/10/08.

Industry Training Federation (ITF) (2008). *Investing in Skills and Productivity*. Retrieved 30/04/08 from <http://www.itf.org.nz/publications.html>

Jeffcoat, Stuart and Michelle Jeffcoat (March 2006). *Evaluation of the Modern Apprenticeships Programme*. Report prepared for Tertiary Education Commission. <http://www.tec.govt.nz/upload/downloads/Industry-Training> Retrieved 30/04/08

Keep, Ewart (2006). 'Market Failure in Skills', *SSCA Catalyst* Issue 1, February 2006. <http://www.ssda.org.uk/pdf/060131percent20Dpercent20SSDApercent20Catalystpercent20no1percent20Marketpercent20Skillspercent20Failure.pdf>. Retrieved 03/07/2006

Keep, Ewart, Ken Mayhew and J. Payne (2006). 'From Skills Revolution to Productivity Miracle – Not as Easy as it Sounds?', *Oxford Review of Economic Policy*, 22(4): 539-559.

New Zealand Government (2008). *New Zealand Skills Strategy 2008: Discussion Paper*. Tripartite Forum with Business New Zealand, New Zealand Council of Trade Unions and Industry Training Federation. Wellington, NZ: New Zealand Government.

NZIER (2009). *Quarterly Survey of Business Opinion, January 2009*. NZIER: Wellington.

OECD (2008). *OECD Estimates of Labour Productivity Levels*. Accessed 03/12/08 at <http://stats.oecd.org/wbos/Index.aspx?DataSetCode=LEVEL>

Pio, Edwina (2007). 'International Briefing 17: Training and Development in New Zealand', *International Journal of Training and Development*, 11 (1): 71-83.

Statistics New Zealand (2007). *New Zealand in Profile 2007*. Wellington, New Zealand. Retrieved 13/10/08. <http://www.stats.govt.nz/products-and-services/new-zealand-in-profile-2007/default.htm>

Sung, Johnny, Arwen Raddon and David Ashton (2006). *Skills Abroad: A Comparative Assessment of International Policy Approaches to Skills Leading to the Development of Policy Recommendations for the UK*. Leicester, UK: Centre for Labour Market Studies, University of Leicester.

Tertiary Education Commission (TEC) (2008a). *Education and Training: Gateway*. Tertiary Education Council, New Zealand Government. Accessed 07/11/08. <http://www.tec.govt.nz/templates/standard.aspx?id=469>

TEC (2008b). *Industry Training 2007*. Tertiary Education Council, Department of Labour, New Zealand Government. Retrieved 25/11/2008. <http://www.tec.govt.nz/upload/downloads/industry-training-report-2007.pdf>

TEC (2007). *Industry Training 2006*. Tertiary Education Council, Department of Labour, New Zealand Government. Retrieved 25/11/2008.
<http://www.tec.govt.nz/upload/downloads/Industry-Training-2006-v4-final.pdf>

TEC (2006). *Industry Training 2005*. Tertiary Education Council, Department of Labour, New Zealand Government. Retrieved 25/11/2008.
<http://www.tec.govt.nz/templates/StandardSummary.aspx?id=1203>

TEC (2005). *The Challenge of Engagement: Involving Small and Medium Sized Enterprises in Industry Training*. Wellington, NZ. Retrieved 30/04/08
<http://www.tec.govt.nz/upload/downloads/challenge-of-engagement>

UMR Research (2005). *Survey of Training and Education Needs of Employers in the Manawatu - Wanganui - Horowhenua Regions*. Final report for UCOL Business.
<http://www.ucol.ac.nz/~upload/Research/UCOL%20Employer%20Survey%20Report.pdf>. Retrieved 25/11/08