



Improving employer engagement with skills and training in Greater Lincolnshire

Executive Summary

This project explores how to encourage employers in Greater Lincolnshire to invest in the skills of their staff. This is important for Greater Lincolnshire to ensure that the local population can access the new high-skill jobs which are projected to be created in the area over the next ten years. We explore this broader question by testing how we can motivate employers to take a first step toward investment by meeting with a new skills brokerage service, the ‘Specialist Skills Advisor service’ set up by Greater Lincolnshire Local Enterprise Partnership (GLLEP).

This report summarises the three key parts of this project:

1. An academic literature review, exploring how to motivate employers to invest in the skills of their staff.
2. A randomised control trial testing two different email messages sent to Greater Lincolnshire employers asking them to sign up to find out more about the Specialist Skills Advisor service.
3. A randomised controlled trial, testing four different letters sent to Greater Lincolnshire employers asking them to sign up for the Specialist Skills Advisor service and to have an initial appointment with the service.

Literature review

There are a range of barriers that result in employers (especially small- and medium-sized firms) not investing sufficiently in the training and development of their staff. These barriers fall under three broad themes:

- ◆ **Institutional barriers.** These are wider, often macro-economic, barriers which are usually beyond the control of an individual company

- ◆ **Dispositional barriers.** These are about whether employers believe that such investment will be worthwhile; and
- ◆ **Situational barriers.** These are about practical or logistical difficulties in investing in and arranging training.

The literature suggests that a range of behavioural approaches could be effective in tackling these barriers and encouraging employers to consider skills investment. In particular, they may encourage employers to sign up for the GLLEP Specialist Skills Advisor Service. Particular examples of approaches which could be successful include: reducing the hassle costs of taking up support, evoking reciprocity, and building up from smaller, and more manageable steps to more significant investment decisions.

The trials

We conducted two randomised controlled trials as part of this project. The two trials we conducted were:

1. A light-touch email trial, in which we tested the impact of two behaviourally-informed emails ('social norms' and 'future focussed') at encouraging employers to express their interest in the Specialist Skills Advisor service by subscribing to a mailing list to 'find out first' when it launched
2. A larger trial where we tested four different versions of an invitation letter posted to around 9,000 businesses across Greater Lincolnshire, inviting them to sign up for the Specialist Skills Advisor service.

In both trials we do find suggestive, but not statistically robust, evidence that a 'Future Focused' message may be more effective than alternatives at encouraging businesses to take a first step toward investing in the skills of their staff. For example, in the second trial, this was the message used:

Imagine your business in ten years' time. What do you want to achieve?

Growth, profit or productivity? Reputation? Being part of your local community?

Whatever you want to achieve, Greater Lincolnshire's free Specialist Skills Advisor service can help. We will work with you to find and organise the training your business needs to reach your goals.

First and foremost, as a result of this trial, fourteen businesses in Lincolnshire registered their interest in learning more about skills opportunities. While this was lower than anticipated, it was still a starting point for the roll-out of the new skills brokerage service.

Unfortunately, neither trial resulted in a clear, statistically significant difference between messages. The messages in both trials suffered from low overall response rates from employers. These low overall response rates made detecting meaningful differences between the different messages trialled difficult.

However, the fact that this style of message trended towards higher response rates in both trials suggests it is worth investigating further. It may provide some very indicative evidence that part of the reason employers fail to invest in the skills of their staff is linked to present bias and that encouraging them to visualise the future of their company can help to overcome this.

Further, research suggests that smaller firms see formal skills and training programmes as less appropriate for their needs than those of larger companies. This opposition to more formalised types of workplace training has been interestingly connected by some research to the impact of a manager's own education. Managers with fewer formal qualifications

themselves are more likely to consider training less important than those with more formal qualifications.

Conclusion

The results from these trials demonstrate the difficulty of engaging employers in a generic offer to help them improve the skills of their staff. Light-touch behaviourally-informed communications did not make a significant impact on this. This largely appears to be the case because of the low attention paid by the employers to the communications themselves.

However, this project has highlighted approaches that local authorities and Local Enterprise Partnerships (LEPs) could test to improve engagement with businesses. These approaches are likely to be effective for communications about any kind of business support offer, not just those regarding skills investment.

We recommend that local areas who want to engage with businesses:

1. Bundle communications

A key challenge in getting businesses to engage with government support is getting their attention for long enough to explain what is on offer. LEPs and local authorities should explore what opportunities they have to provide timely prompts to businesses about the support they have available by bundling these offers with other routine communications. For example, when businesses pay their business rates or set up a direct debit online, could they be prompted to immediately express an interest in areas where they might want support?

2. Test the use of different messengers

LEPs and local authorities should explore using alternative messengers to advertise their business support services. Further work is needed on which messengers and media employers pay attention to. For example, are mailshots or emails from local Chambers of Commerce or Federation of Small Businesses (FSB) more likely to be read by key decision-makers within businesses, or is a more network-based approach of encouraging engaged employers to speak to their peers likely to be more effective? LEPs or local authorities could also work together to encourage central Government to make its communication routes with businesses available to local areas, as these may be more salient; for example, we've seen higher (albeit still low) response rates to messages about apprenticeships sent via HMRC.

3. Target and personalise communications

Public bodies can hold a lot of information about businesses. For example, most councils hold a wealth of information about businesses in order to issue their business rates bills. We know that personalising communications, and making them seem relevant to their intended reader, can have a large effect on whether people read and act on them. We therefore suggest that councils explore how this could be used for other purposes; for example, to send out personalised information on business support offers. However it will be important that local councils are first confident that the medium through which the message is being delivered is salient to employers (see Points 1 and 2).

4. Systematically build up electronic contact lists for companies

One of the major challenges of our second trial in this project was the use of physical letters rather than emails. This introduced additional hassles and frictions into the sign-up process and we know from other settings that these small additional frictions can have an inordinately large impact. The email list used for the first trial also had a higher rate of bounce-backs than anticipated. We therefore recommend that LEPS, local authorities and other local organisations test out new ways to build up the list of businesses for which they hold up-to-date electronic contact information. This could be done, for example, by prompting the collection of information after people complete routine administrative processes like paying business rates bills or submitting planning applications.

Next Steps

The Greater Lincolnshire LEP Specialist Skills Advisor programme will continue as part of the broader work of the Greater Lincolnshire Growth Hub. While our trials did not provide conclusive evidence on effective messaging to engage employers, we hope that the wider learning from this project will inform the Growth Hubs continuing work.

In particular, we know that the Growth Hub and the Specialist Skills Advisor Service intend to explore how to make more direct and personal approaches to employers, using the networks between employers to stimulate interest and demand for training and development.

“Making sure that employers can fill vacancies and continue to grow their businesses is an important priority for Lincolnshire. With around 200,000 job roles likely to be available over the next ten years, it is important that employers have the right succession planning and

recruitment solutions in place. That includes training people who are already in work for new jobs and new opportunities.

The project with the LGA and the Behavioural Insights Team has provided a valuable opportunity to explore the effectiveness of communicating with local employers in relation to engaging with training. The large and rural nature of the local geography provides a physical and financial barrier to training providers based outside of the area, and our evidence suggests that extensive telemarketing and poorly targeted 'direct marketing' for training does not work.

The locally developed Specialist Skills Advisor Programme aims, instead, to facilitate discussion with employers and stimulate demand for training, particularly across the SME community. The research report provides a useful insight and the findings will be used to inform our Growth Hub, and local training and business support provision with the aim of engaging more employers to help them prepare for future jobs. ”

Clare Hughes, Principal Commissioning Officer, GLLEP
