



VQA & GTA Vic Research Project 2005 – Employer survey of the information needs of VET student performance: ‘A word from someone you respect can override all else’

**A Report compiled for the
Victorian Qualifications Authority**

**Group Training Association of Victoria
May 2005**

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Part 1: Purpose

The purpose of the this research project was to identify the information requirements of employers from certification and associated student results reporting in VET, and to ascertain whether they perceive their requirements being fully addressed under current arrangements.

1.1 Background

The Group Training Association of Victoria (GTAVic) was commissioned by the Victorian Qualifications Authority (VQA) to undertake research into a number of questions about what information employers require (or would be useful to them) from the reporting of student results in VET when selecting job applicants.

Group Training Companies (GTC's) are a network of employers with a high level of experience and expertise in the recruitment of entry level (and beyond) participants into the workforce. As a result of their business activities GTC's have access to a vast network of host employers which has the potential to provide a realistic and comprehensive view of what information is useful to employers from the certification and associated student results reporting in VET.

In order to collect the information for this project GTA Vic constructed an employer survey and a low impact data gathering process involving all companies in the network. Principally we utilised the host employer network of GTC's to undertake an employer survey across a range of employers and industry sectors.

1.2 Project Scope

The full scope of the project encompassed:

- establishing a working group with the VQA (to meet 3 times over life of project);
- constructing the survey tools and survey process which included written/email surveys; face to face interviews and focus groups;
- conducting the survey to achieve at least 200 responses from employers including small, medium and large businesses;
- facilitating five employer focus groups to validate/enhance the findings of the survey;
- identifying and reviewing relevant literature, including the current certification arrangements and results reporting in VET;
- providing a report from the survey/research findings;
- providing a statement of key issues and options for the VQA Board.
- The project was conducted between January 2005 and May 2005.

1.3 Methodology

The data for the research was collected in staged process:

Stage One consisted of two initial focus groups from which the survey instruments were developed and the employer survey.

Collection of the employer survey data resulted in *Stage Two* of the data gathering process in which 3 focus groups responded to the survey data and a series of extra questions based on samples of current VET certification.

Stage Three (which in effect ran concurrently with the survey activities) consisted of a literature review of recent research addressing the issue of employer use/valuing of qualifications; and the preparation of the project report.

An initial employer focus group was used to understand some of the issues around the current certification available and how it is used by employers. The outcomes of this were used to develop the survey instrument which was taken to a second focus group to 'dry run' the questions and test the validity of the instrument for the quantitative research with employers.

The survey aimed at a response rate of at least 200 employers. The employer sample was determined through discussions with the reference group. The employer sample for the research was designed to cover small, medium and large employers in a ratio to reflect their actual employment levels and their location across Victoria. The survey was distributed on the basis of gaining a 50%, 30%, 20% proportion of responses from the respective business sizes - small, medium and large.

Given the broad range of industry sectors with which Group Training has contact it was considered unnecessary to target particular industries to ensure a cross industry perspective. This was borne out in the survey responses which were received from a widely distributed range of industries.

The survey was administered across Victoria using a face to face delivery and collection method facilitated through the employer network of Group Training Organisations.

Group Training Companies were also asked to complete a survey forming a subset of employers with a particular knowledge of recruiting apprentices and trainees based on over twenty years of experience.

Survey results from other employers and Group Training Companies indicate there are a common set of issues, attitudes and behaviours related to the recruitment process for all employers.

1.4 Key Messages from the Employer Survey

- Employer information needs from certification and student results reporting in VET is reasonably pragmatic. They scan certification and results reporting to see – the highest level of schooling achieved; whether any subjects or units are relevant to the job; and if there have been any practical elements to the learning, for example, a work placement.
- Information in VET certificates and related student reporting is only one element - and often a minor one - in a comprehensive range of the information needed by employers.
- Overwhelmingly the employers responding to this survey confirm that certification is not accepted as a stand alone indicator of a candidate's ability. It is regarded as a signal of the potential for further learning and skill development, but not usually as a signal of immediate competence.

- Many employers/enterprises use their own forms of testing during the recruitment process; and/or probationary periods of employment in which to assess a candidate's actual skills and potential.
- The information needs of employers go well beyond what can be conveyed on a certificate or statement of results. The employer needs to know about the 'whole person'. To do this there would need to be a stronger link to other forms of complementary or supplementary information that assist in this regard.
- The VCAL with its broader purpose and range of learning activities/contexts, including work placement may be a good testing ground for developing a set of records and collated materials for students to take to employers that better reflects an employers' information needs.
- Most employers were only interested in the Statement of Results or Statement of Attainment in so far as it lists the subjects/units that may be of relevance to the position for which they are recruiting. This is what they consider important, not necessarily the results.
- Over 50% of respondents agree the certificate and the statement of results are important but statements of attainment for VET and other school reporting consistently rate much higher for over 70% of respondents.
- When asked to rate the relative value of a range of reported information, grades and study scores came a long second to descriptive comments, references and referees, and previous work experience – indicating a significant limitation in their usefulness to employers.
- The survey demonstrates evidence that employers doubt the usefulness of the information carried by certification such as s/n, study scores, grades, or competent for their immediate use.
- Employer comments recorded in this survey were largely ambivalent about, or dismissive of, the usefulness of grades for their needs. Any pressure for extending the grading of VET subjects/units does not appear to be coming from employers.
- There appears to be no consistent approach to the provision, or not, of graded assessment of VET in the post compulsory school and TAFE sectors which can be confusing for employers and may contribute to their limited understanding and/or perceived value of certification and student results. But either providing or not providing graded assessment will not necessarily change an employers' use of them – they would still only play a minor role in the employment process.
- A question for further research by qualifications authorities may be the 'shelf life' of various qualifications and their currency in a dynamic and changing world of work.

Commentary

Among employers, the VCE is the most widely known of the current post compulsory education certification. However, its design has not been driven by employer recruitment practices and/or the skill sets they are seeking in employees. Therefore its use in the selection process does not assume a great importance. It is evident from this survey and other research, that it does form part of the recruitment process and is a useful signalling device to the potential capacity of a person to learn, and to certain assumed levels of skills such as literacy and numeracy. But it does not provide stand-alone selection information.

Regardless, its broader original intention (the VCE and its purpose) is widely recognised by employers as a selection tool for university and as such it is 'fit for purpose'. Its immediate relevance to employment is much weaker.

Employers indicated that they used VCE results in the recruitment process but that they were not given a great deal of weight overall. The survey demonstrated that 21% always considered it, 24% often considered it but 45% considered it only sometimes and 10% gave it no consideration at all.

The results for the VCAL were similar at this stage which indicates a good level of knowledge of the VCAL and its use by employers. The slightly higher percentage of 'no consideration at all' – 16% may reflect the newness of the VCAL. This is also indicated by individual comments about a lack of knowledge of the VCAL, an understanding of its purpose and the way information is recorded on the VCAL Statement of Results.

The VCAL has been designed differently in its purpose and potentially can offer more in its reporting and certification in meeting the information needs of employers. But it is relatively 'young' in the recognition and use stakes.

It is likely that as the VCAL gains greater recognition by employers of its purpose - to better integrate or link post compulsory education into an employment pathway - the value of the certificate should increase in the eyes of employers as it ought to be more directly related to their needs.

The survey strongly indicates that what employers get from the certification and reporting of student results in a post compulsory qualification including VET is an indicative level of student ability and their willingness to learn. This is essentially signalled by their capacity to complete a certain level of education.

To a large extent the completion of the VCE, VCAL, and/or VET qualifications provides a 'threshold' for selection that employers add into a much broader process. This process is seen as much more important and involves gathering a range of information about the applicant predominantly from interviews, supplementary testing, references and referees.

The qualitative data gathered through the survey clearly indicates employers have a strong need for information about the person's personal qualities, attributes, previous experience and interest/desire to work in a particular occupation or industry.

It is unlikely therefore, that the extent of information needs employers have in the recruitment process can be met by the current information available to them

from certification and reporting of results in VET. Keating, et al, (2005 NCVET unpublished report) support the view that it is probably difficult for qualifications to strengthen their signalling capacity for 'personal qualities and attributes'.

However, he suggests there are implications for how certification could be better linked to or used in a complementary way with other forms of 'evidence' sought by employers.

Essentially qualifications authorities should look towards means of linking certification with the documenting/reporting of industry and work experience so that they can also be associated with behaviours and experiences that are most valued by employers.

This is not achieved from the design of or information in current certification. Other mechanisms would need to be used to complement the certification and student results reporting. For employers this need is met through evidence of work and industry experience, and personal testimony

When asked to rate the relative value of a range of reported information, grades and study scores came a long second to descriptive comments, references and referees, and previous work experience. This is largely to do with the perceived lack of relevance of the former to the role being applied for. Respondents indicated that they only consider individual subjects and results if they bear a direct relevance to the job they are recruiting for. In this context maths was the only subject singled out by employers as being something where the results might matter to a greater degree.

By and large senior school certificates have a tenuous link to the labour market, the inclusion of VET results is more likely to strengthen their value but there is some contention (Keating et al 2005) that the work placement which is a feature of many VET courses is the major factor that contributes to their better employment outcomes.

This is supported by the current survey where, when employers were asked to list other key factors they would consider, they consistently reported previous work and/or industry related experience. In attempts to reduce the recruitment risk and get the right person the overwhelming majority of respondents indicated that information related to previous work/industry experience, presentation, attitude, references and referees play by far the most important role in their decision making process.

While about 25% of the respondents indicated that they did not understand the information on the statements of results presented. Comments such as 'S and N don't mean anything' or 'Units 1 and 2 or 3 and 4 don't tell me what year level this is' were expressed when they were looking at samples of VCE and VCAL certification. When pushed further in a focus group it appeared that even if changes were made to the current certification (to clarify these things and/or to add more information) there was no guarantee, and in fact a strong likelihood that employers would not use them and/or give them any greater weighting in a recruitment process.

Notwithstanding, post compulsory education and VET certification seem to play about 20% – 25% in the recruitment process but uncorroborated they are not a reliable source of predictive information for employers.

Part 2: The Research

2.1 Data Analysis

All members of the Group Training Association of Victoria were offered the opportunity to take part in the survey. In all, 21 GTC's took part both as respondent employers and as distribution and collection agents for the survey to other employers. A total of 240 surveys were distributed to employers across Victoria and responses were gathered from 198 of these.

The survey was designed to elicit what information requirements employers have from the certification and associated student results reporting in VET and whether they think their requirements are being fully addressed under current arrangements.

The focus group activity involved some 48 employers and was used both to develop the survey tool and then to respond to the survey data gathered and discuss actual samples of VET certification and reporting. The purpose of this was to explore further how they interpreted the information, what role certification and student results plays in recruitment processes and what (if any) changes need to be made to current arrangements to address their needs.

The survey respondents

Q1. Which industry sector describes your core business activity?

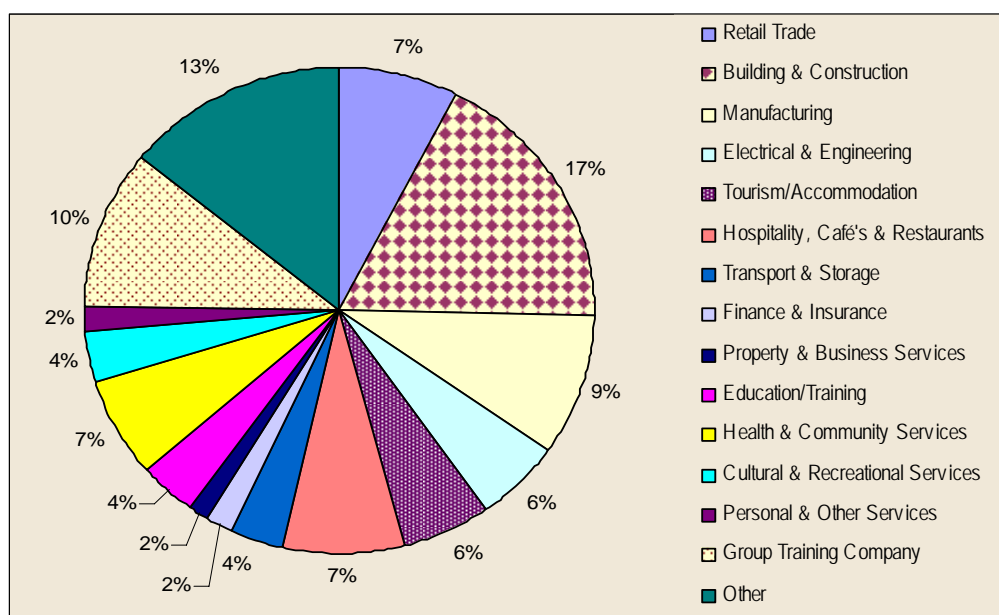


Figure A: The survey respondents appear to be generally representative of industry sectors and business sizes in Victoria. Approximately 45% of respondents are from the traditional trades areas including manufacturing; and 45% are from the retail and service industries. The subset of Group Training Companies as employers comprises the remaining 10%.

Q2. How many employees do you have?

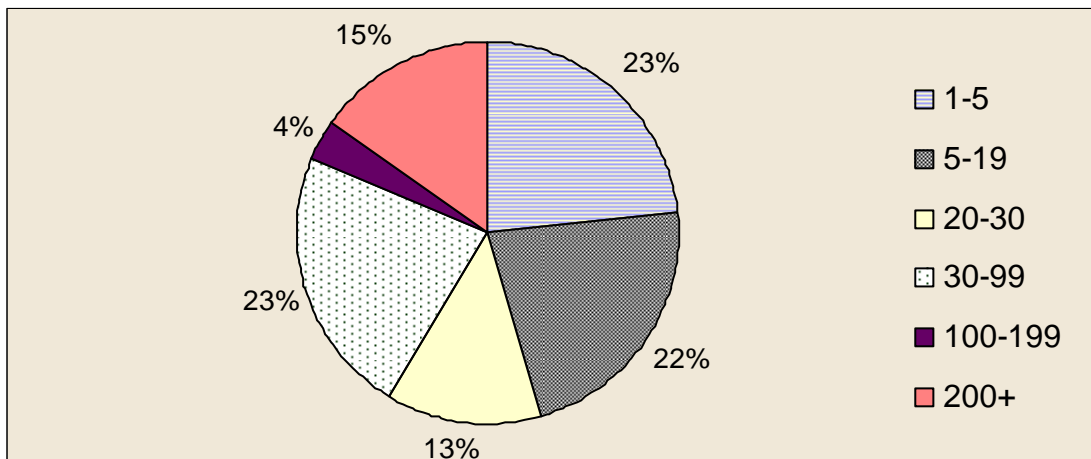


Figure B: The respondent profile in terms of business size is largely reflective of the actual composition of Victorian businesses. Small employers (1-19) accounted for 45% of respondents; medium employers (20-99) 36%; and large employers (100 – 200 +) 19%. The size of the business did not seem to influence to any great extent the way respondents identified their information requirements or the way they interpreted and used the available certification. Many of the smaller ‘man in the van’ respondents had taken the time to make extra comments where they were invited to on the survey and these were overall consistent with those of larger enterprises.

Q3. Where is your business located?

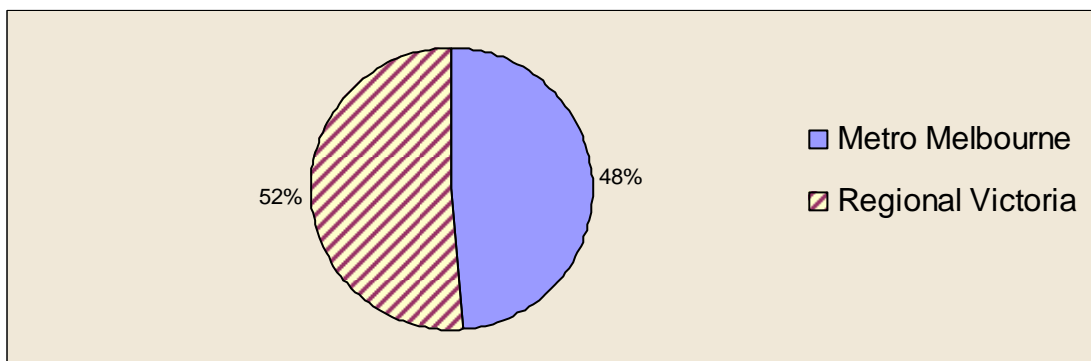


Figure C: GTA Vic member Group Training Companies were used to distribute the surveys. The 23 companies are evenly located in metropolitan and regional areas. The response rate from regional companies was slightly higher than from those in metropolitan locations. Geographical location did not appear to have a defining influence on the survey responses.

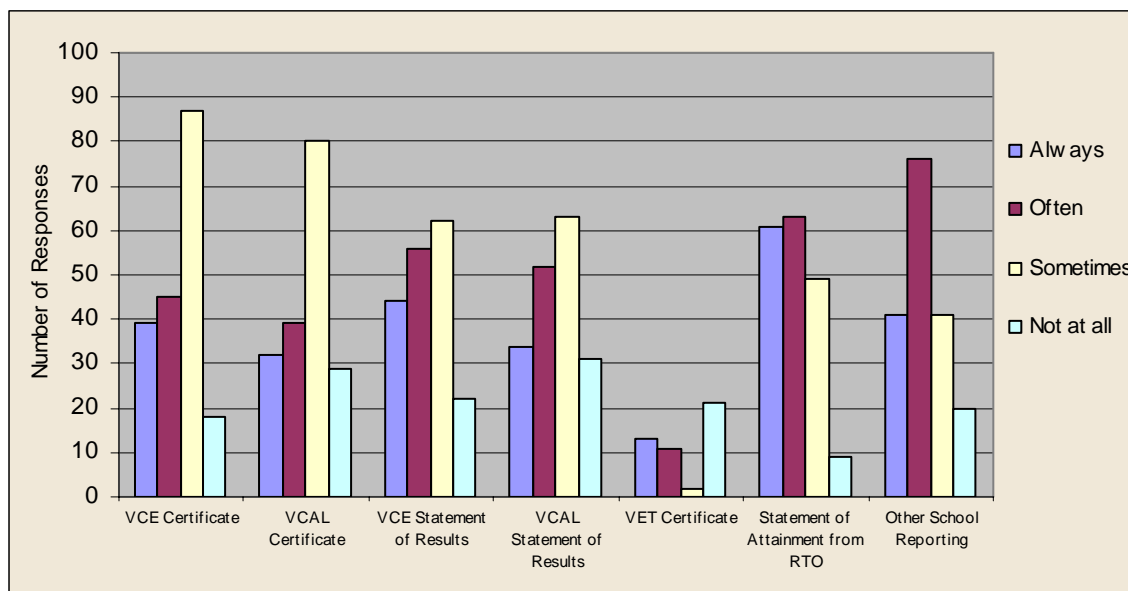
Survey Questions

Through a series of quantitative and qualitative questions respondents were asked to describe their use of current certification, their interpretation of the information contained in them and the value they place on them in the recruitment process. Each question allowed them the opportunity to provide comment on any other key factors they would consider important that were not conveyed by the certification.

For the first of the survey questions, employers were asked to respond to two categories of employment candidates – new entrants to the workforce and experienced/older workers.

Q1. When you are recruiting a new employee, what forms of certification/ results do you consider?

a) When they are a new entrant to the workforce i.e. direct from school



Commentary

The results showed that when recruiting a new entrant to the workforce (usually direct from school) the certification and reporting of student results is taken into consideration. As VET results are included in the VCE or VCAL statement of results these documents are usually sighted.

Employers indicated that they used the VCE Certificate in the recruitment process but that it was not given a great deal of weight overall. The survey demonstrated that 21% always considered it, 24% often considered it, but 45% considered it only sometimes and 10% gave it no consideration at all.

The results for the VCAL Certificate were similar at this stage which indicates a good level of knowledge of the VCAL and its use by employers. The slightly higher percentage of 'no consideration at all' – 16% may reflect the newness of the VCAL this is also supported by individual comments concerning a lack of knowledge about the VCAL, and understanding of its purpose.

In both cases use of the VCE and VCAL Statement of Results rated more highly in the recruitment process. This is largely attributable to the fact that these documents actually list the academic subjects and VET studies undertaken and the results. The additional comments from respondents indicated the importance of this information to employers varies in its relevance to the role for which they are recruiting.

Written and verbal comments in response to this question indicate employers are not necessarily looking for the result but are often more interested to see the range of subjects and how they might relate to the person's preparation for a particular role. For example mathematics was cited by a number of respondents as being an important area for their trade or occupation.

The lower response rate to consideration of VET Certificates may be an artefact of the age of the potential recruits and that any VET studies undertaken at the school level would be reported on the VCE or VCAL Statement of Results. It may also be that as above there was a high response rate to A Statement of Attainment from an RTO (34% Always and 34% Often) because this document lists the modules completed and competencies attained - information that is more readily related to an employers' needs

Other school reporting – such as generic or work related skills was very highly valued with 66% of respondents indicating they always considered or often considered it. This is not surprising given the emphasis by employers on personal attributes, willingness to work and evidence of experience in the workplace.

Any other key factors

Given the opportunity to list other key information needs respondents consistently mentioned twenty* different items. The top five most mentioned in priority order were:

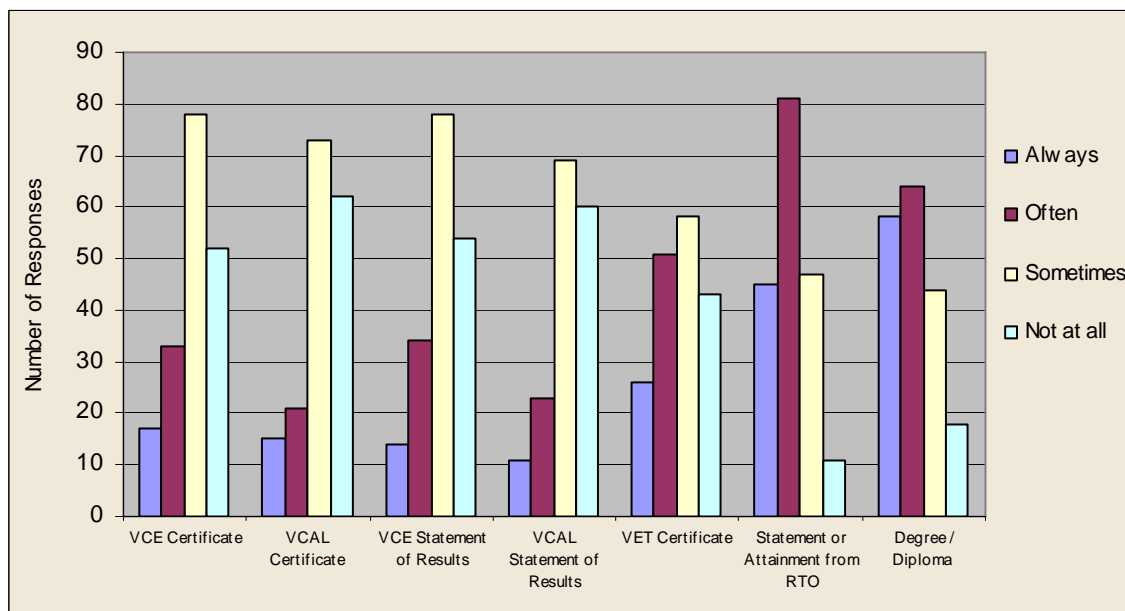
- Prior work history - on the job experience/work experience/ trade experience
- Personality/appearance
- Personal presentation
- Attitude
- Communication skills

It is evident that these attributes are very important information needs for employers but it is difficult to see how these things might be signalled on or by the current VET certification and associated student results reporting. It would seem some other form of supplementary or complementary information or reporting such as employment related skills would have to be considered.

**A full list is included in the Appendices.*

Q1. When you are recruiting a new employee, what forms of certification/ results do you consider?

b) When they are an experienced/older person?



Commentary

Predictably there is much less emphasis in the recruitment process for this cohort on the use of post compulsory school certificates and Statements of Results. The slightly lower results for the VCAL can also be explained by the newness of the VCAL and that it is almost certainly not applicable to many older workers.

It is evident that the use and value of senior school certification in an on-going recruitment and employment sense reduces over time. This may pose a question for further research by the VQA about the 'shelf life' of various qualifications and their continuing currency in a dynamic and changing world of work.

The major emphasis for this older cohort is given over to VET qualifications and certification that a person may have gained in or out of the workforce. In particular 68% said they would always or often consider a Statement of Attainment from an RTO; and 66% indicated they would always or often consider a Degree/Diploma when recruiting a new employee from an older age cohort.

Overall employers have a preference for VET compared with upper secondary although university qualifications obviously have stronger currency in some sections of the labour market. Few employers in this survey would be recruiting at this level and if they are there is plenty of information to support their needs.

Any other key factors

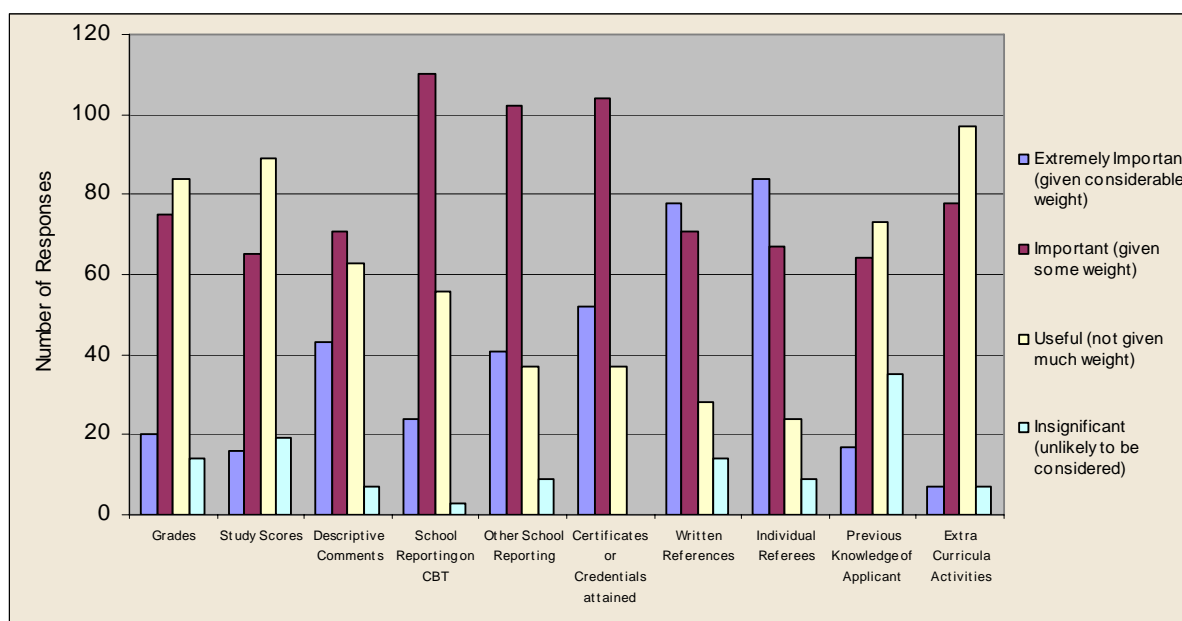
Interestingly but perhaps not surprisingly when given the opportunity to list other key information needs about this cohort, respondents again consistently mentioned experience, the broader generic skills and personal attributes as being more important. In all fourteen different items were repeatedly listed the most frequently mentioned being:

- Previous employment history
- Work experience/practical experience
- Related work skills

The information requirements of employers again were demonstrated to go well beyond formal qualifications and the type of information contained in certification and results.

Q2. In making employment decisions a range of factors and sources of information might be taken into account. Some of these are identified below. Please consider the range of factors identified.

What weighting or importance would you be likely to give these factors in making employment decisions?



Commentary

The lower weighting of grades and study scores relative to other factors in the selection process, indicates a weakness in their link to the employment process. Respondents remarked that choosing the 'right' person rather than the 'best' person academically was more important in the long run.

Only 5% of respondents considered grades to be 'Extremely Important' and given considerable weight in employment decisions, the response for study scores was similar at 4%.

Written comments from employers on the survey and verbal comments in focus groups indicate they are ambivalent about grades and scores. They are more interested in *how* the candidate got their results i.e. the effort they had put in to get the result rather than the result itself. Comments such as “‘A’ means a high level but they might have found the subject easy, and a ‘C’ might mean they have worked very hard to get that far”; or “I want to know how well they have applied themselves and how hard they are willing to work” support this view. It strongly indicates grades are subjectively interpreted and not accepted at face value.

A consistent number of responses did however point to a general consensus that grade levels denote a certain level of academic achievement and that more importantly they may signal the capacity to learn – a quality sought by employers. But this information is inferred rather than being clearly evident just from the provision of grades, which even when seen as useful are not given much weight in an overall selection process.

Employers in this survey were at best ambivalent and at worst dismissive of the usefulness of grades and scores for their information needs. The qualitative data from Question 2.1 and the subsequent focus group discussions give further credence to this position. Any pressure for extending the grading of VET subjects/units does not appear to be coming from this cross section of employers.

Employers undoubtedly seek a combination of skills both task specific and more generic and certification that provides information in these areas will be useful. But they do not necessarily look to certification and reporting of student results to provide this information currently, nor would they in the future.

The responses to the categories of Descriptive Comments through to the category of Individual Referees indicate a much higher level of value is attributed to the information that can be gleaned from these sources. They are clearly all important in the recruitment process and reflect the importance employers place on getting a picture of the ‘whole person’. A huge 85% of respondents agreed that information from these areas were apt to be extremely important and given considerable weight in the recruitment process. Noticeably references and referees play a vital role in meeting the information needs of employers – one employer noting that ‘a (verbal) reference from someone you respect can override all else’.

Any other key factors

As for previous questions respondents made comments here but not with the same frequency. The broader range of sources of information from which to choose likely reduced their need to articulate further. Regardless, about 20% did list other key factors that related to personal attributes and in some cases qualifications for industry compliance/regulation. These were:

- personality
- attitude
- licence/transport
- willingness to work unsociable hours/shift work
- industry specific licensing
- prior work history

- voluntary work (aged care sector)
- willingness to work.

Supplementary qualitative questions to Question 2

Responses to Questions 2.1 and 2.2 were quite extensive with 82% of respondents taking the opportunity to make comments. The comments provide a deeper view on what the information on certification signals to respondents and how they factor (or not) this information into their decision making process.

Q2.1 How do you interpret the information? For example what do you take the grades to mean?

The responses to this question appear to fall into two categories: one, that grades signal certain qualities or learning capacities; and two, what role they might play in the decision making process for employment.

Overall employers perceive grades to signal a level of educational attainment, a commitment to study and potentially a similar commitment to work, a capacity to learn and to apply self to a task. Comments such as:

- attained level of knowledge, skill, understanding & comprehension;
- (indicates) how they perform academically as well as how they apply themselves to things in life;
- (indicates) how well they accept responsibility;
- enthusiasm to work;
- capacity to learn;

were commonly repeated in response to this question. High grades were taken to mean a person was good at a particular subject/unit but this was often qualified by the comment that if the subject/unit was not relevant to the occupation it has little importance in the eyes of the employer whether you're good at it or not! The significance of individual subjects that are considered to be relevant to an occupation was mentioned several times but it was the familiarity with the subject matter that was considered to be more important than the result that may have been achieved.

As to the usefulness of the information in the decision to employ only one response actually nominated high grades as preferred in candidates. The majority of comments indicated that grades and scores had little relevance on their own and little importance in the overall information available about a candidate in the employment process. This was largely explained in frequently repeated comments such as:

- do own testing so grades are not important;
- can be confusing;
- I don't interpret them, they are of no relevance;
- grades don't play a large part;
- don't give them a thought;
- important, but not on their own; not essential;
- don't tell you what effort they have put in to get the grade;
- grades not important – hands on skills & strength is more important.

Q2.2 Do you value recommendations/references? If so, how do they rate in the recruitment process? If not, why not

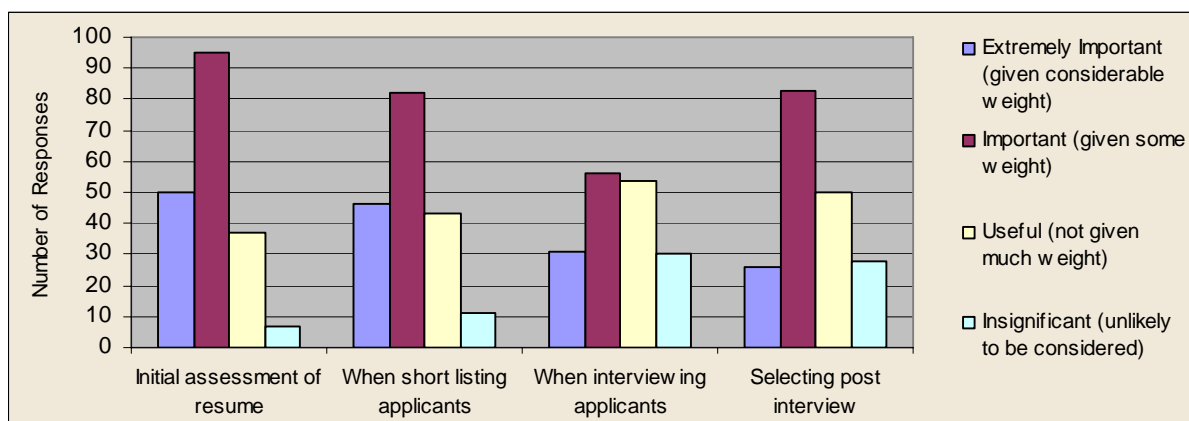
The responses to this question indicate the role of recommendations and references is very important to the information needs of employers. They are viewed as a vital part of the selection process and provide a level of information about the candidate not available through any kind of certification. In what is a comprehensive process (regardless of the size of the business) the referee check is more likely than not to be the deciding factor in the decision to employ.

While both references and referees were consistently highly ranked there was some degree of variation expressed over the value of written references. Comments such 'as never seen a bad one' in reference to written references were quite common and indicated a certain lack of trust in the information conveyed. It was felt there was a need to validate references with referees – as with certification for many employers little is taken at face value.

The frequency of comments related to the value and use of referees was very high. Employers want information that 'round (s) out the person' they want '(a) social/personal picture, not just skill level' and information that can provide a reliable validation of claims made by an interviewee - in this sense 'recommendations & verbal references (are) essential'.

Certification or associated student results reporting cannot adequately convey this sort of detail.

Q3. At what stage of the recruitment process do certification and/or subject/unit results cut in/out?



Commentary

The majority of respondents use certification and/or results in the recruitment process. The information indicates they have the most value in the initial stages of selection for screening and sorting applicants.

Qualifications/certification are used in the searching and short listing processes. Employers then invest in quite detailed selection procedures, with the vast majority conducting interviews

One focus group participant remarked that they usually 'talked about' the person's qualifications and looked at results in the interview but that was more

by way of a general conversation starter or perhaps to verify a particular claim - but in the overall process they held little weight.

The information needs of employers from certification are more about threshold signals to the level of education achieved, to the range of subjects/modules undertaken and their relevance to the job at hand. The level of attainment only seems to matter if a particular subject, such as maths, is important to the job. In a minority of instances comparison of results in a relevant subject may be used as a final discriminator between individual candidates for whom all else is equal.

A comment such as certification 'gives you a means to sort who you'll interview not necessarily who you'll employ' further indicates their use in the selection process. When investigated further in the focus groups it appears the sorting function of certification is usually related to the initial decision to include or exclude candidates from the employment 'pool'. Certification is more likely to be used as minimum criteria for inclusion rather than to rank candidates in the initial process. Although as has been indicated previously certification can be a useful thing to go back to at the end of the recruitment process if there are candidates of equal value and no other way to split them can be found.

Focus Groups

The focus group activity largely validated the survey data and probed further some of the other key factors that employers would consider important in the selection process. A consistent theme was the candidates' ability to 'articulate why they wanted to be doing the job/trade'. An interest in the occupation and evidence of that interest demonstrated by previous experience, part-time work or pre-apprenticeship were seen as very important.

Focus groups considered samples of the various certificate and reporting formats currently in use. They were asked to give a general view of their usefulness and to comment on any changes/additional information that might assist them in their current use and/or encourage them to make more use of them.

In general the Statement of Results for VCE and VCAL were seen as complex and confusing with the array of information they variously include about VCE units, VCAL units, VET studies, study scores, GAT and university studies. Participants acknowledged that there was a key to the information on the back of the statement and understand the desire to keep the certificate to one page but they were not likely to spend a lot of time trying to interpret the information. They were more likely to treat it in a superficial way or just look for the 'bit' that gives them any clues to its usefulness such as the actual academic subjects or VET units that have been achieved.

About 25% of the respondents to the survey indicated they did not fully understand the information presented on a VCE or VCAL Statement of Results. Individual comments in focus groups such as 'S and N don't mean anything' or 'Units 1 and 2 or 3 and 4 don't even tell me what year level this is' when looking at a VCE and VCAL certificate also demonstrated a level of frustration with the information presented.

However, when pushed further on these issues it appeared that even if changes were made to the current certification (to clarify these things and/or to add more information) there was no guarantee, and in fact a strong likelihood that employers would still not use them to any great extent and/or give them any greater weighting in a recruitment process.

There appears to be no consistent approach to the provision, or not, of graded assessment of VET in the post compulsory school and TAFE sectors. Participants did not consider the availability of grades as important but the inconsistency of reporting can be confusing for employers and may contribute to their limited understanding and/or perceived value of certification and student results. Participants were asked whether grades on a Statement of Attainment for competency based modules would assist them and the consensus was no. They considered employers were skilled at assessing competence to the level they need through interview and candidate testing.

In general the Statement of Attainment was seen to be more useful and a more straight forward document. It is uncluttered and the information it contains i.e. a list of units of competence is more readily understood in the context of elements of a particular job or role. Participants indicated they would still ask the candidate what they had actually done in achieving the module as the titles did not necessarily convey the relevance of the skills learnt or the context in which they were achieved.

Indeed, Keating et al in 'Qualifications use in the Australian labour market' (2005 NVCE unpublished report) confirms this in his comment that 'what makes a certificate potentially useful is what it says or conveys to an employer – if that is not clear it will be discounted and they will ask a candidate what they have done.'

Similarly when the availability of a report or some form of information detailing a persons' 'employability skills' was suggested to participants it was felt this would also need to be related to a context or demonstration of where/how the skills were gained.

Post compulsory education and VET certification seem to play at best about 20% - 25% in the recruitment process. The overwhelming majority of respondents and focus group participants indicated that information related to previous work or industry experience, presentation, attitude, references and referees play by far the most important role in satisfying their information needs.

Recruitment and employment decisions are subjective and pragmatic it is therefore hard to say how certification could be better designed to meet these variables - and if it could indeed whether it should. Simply adding grades or scores to VET results won't necessarily fulfil the type of information needs of employers.

2.2 The Literature Review – Summary and findings

In general terms the findings from this survey are well supported by other research in or related to the area of employer valuing of qualifications. Most of the research in this area has been done through research commissioned from

the National Centre for Vocational Education Research (NCVER). There have been a number of projects commissioned over the last four years in particular under the banner of Employer Use/Value of Qualifications.

The results of this work are as yet largely unpublished however a number of the authors kindly supplied copies of their reports for consideration in this study.

A review of the literature on employer use and valuing of qualifications provides a reasonably consistent story in terms of the findings. The reports tend to confirm what this survey and each other found and provide some new information to suggest ways forward.

The principal studies focus on the value of qualifications for employers, and to employees, while in employment rather than the use of certification in a selection process. Nevertheless, all mention this aspect at some stage, and where they all agree is that credential/qualifications have a sorting and selecting function in the recruitment process.

But the emphasis in the overwhelming majority of studies is that qualifications only play a part in the employers' decision to select a job applicant. Qualifications are regarded as a signal to a persons' capacity for further learning but not as evidence of immediate competence.

In 'The valuing of qualifications by employers' Lee Ridoutt, et al (2005 NCVER unpublished report) conducted an employer survey in all states and focus groups in NSW and Victoria to investigate the extent to which employers in a diverse range of industries value the qualifications that different employees have. The study also investigates under what circumstances employers do not value qualifications and what alternative recognition processes are valued.

The relevance of this work to the current project is limited in that it looks mainly at the importance employers place on qualifications held by their employees; it is not primarily concerned with the information needs of employers. However, Ridoutt does consider the value employers place on qualifications and what they use qualifications for. He found they use them for employee selection, motivation, promotion, and performance management. In addressing the issue of what alternative recognition processes are valued when qualifications are not, he also throws light on the relevance of industry experience, personal attributes and the value of personal references.

'Getting the job done: how employers use and value qualifications case studies' by Peter Waterhouse, et al (2005 NCVER unpublished report) uses a qualitative research approach to investigate how a range of employers appreciate and utilise qualifications across a range of industries. This study involved interviews with employers, employees and managers in ten companies in ten industry sectors in NSW, VIC, WA and Qld.

Like Ridoutt, Waterhouse was also concerned with the use of qualifications in the workplace and not strictly the information needs of employers from certification. However, as the research title indicates Waterhouse does draw some conclusions about what is important to employers in their employment decisions. This mainly

concerns the relevance of qualifications in signalling a person's immediate skill capacity and whether they have actually assisted in preparing them to do a job.

'Qualifications use in the Australian labour market' Jack Keating et al, is closest in content and analysis to this current project. The key question he attempts to answer is: what do qualifications signal for employers, and how much confidence do employers have in the predictive capacity of qualifications?

Keating's' primary methodology was a survey of 350+ employers across Australia to investigate a range of questions but the two most relevant to this study are:

- What use is made by employers of qualifications in recruitment at the entry level and in recruitment and personnel management at post entry level within the firm internal and external labour markets?
- What are the factors that influence the use of qualifications by employers and their degree of trust in qualifications?

In pursuing these questions he considers the use of certification and student results.

His research identifies that qualifications and thereby, certification/statements of results, act as testimonies of individual learning and carry intrinsic and economic or exchange value. Accordingly, intrinsic value can be associated with status, and traditionally has been important for academic qualifications. The exchange value has been associated with the utility of the learning and its relevance for employment.

He contends the use of qualifications by employers is poorly documented and yet employment outcomes are a valid expectation from those undertaking most qualifications and almost all post school qualifications.

The survey attempts to locate the use of qualifications within recruitment searching and decision making processes, the information that is carried by qualifications, the relevance and value of this information within selection criteria, and the degree of trust that employers vest in qualifications.

Keating acknowledges the wide range of variables that influence the recruitment and selection processes and identifies the use of qualifications for employers as screening and sorting tools.

To a significant extent Keating's work confirms the findings of the current survey for the VQA. It verifies that employers place a high degree of value in personal qualities of their workers, and that they place a high priority on previous work experience and experience in their industries. It indicates that about half of all employers use qualifications in their selection processes and most regard qualifications as important assets for potential recruits.

Keating points to variations in the use of and attitudes towards qualifications across types of firms and categories of employers which he finds are consistent with overseas findings about the different industry and occupational search and selection patterns. While this was not an explicit feature of the survey undertaken for the VQA, the comments made by employers from small, medium and large enterprises were not remarkably different in their view of certification

and results; or in the emphasis they place on other forms of information, principally references and referees.

Keating confirms that employers' perceptions of and reliance upon qualifications is relatively subjective. What they look for in certification is what is relevant to them and their recruitment and skills needs. The minor role of certification compared to industry and general work experience as a criterion for selection is supported by this.

He observes that employers he says acknowledge that qualifications signal greater potential for learning and skills acquisition, but they see them as weaker signals for more immediate competence because of the experiences for which they testify. In general he concludes that qualifications in the Australian labour market play both a sorting and a screening role. However, it would seem that the sorting or threshold role is stronger, and for Keating this raises the challenge of how education and training can build a stronger screening or allocative role.

Most employers tend to have a localised outlook towards recruitment, and this matched by a subjective view of qualifications. What constitutes a qualification is often based upon the potential utility of the qualification. Hence the interaction between qualifications and other signalling devices is critical for the currency or exchange value of qualifications in the labour market. It is likely therefore, he says that qualifications that can relay both sets of experiences will have enhanced exchange value.

Keating considered the use of student grades within the selection process in his survey and also demonstrates a relatively low use and a weak connection to the recruitment process. He supports the view that most of the pressure for grading within VET is not coming from employers he contends it is more likely a result of educational cultures and individual demand.

2.3 Key Issues and Options

To what extent does and can the certification and reporting of student results in VET meet the information needs of employers?

This survey and related research demonstrate that employers rate capacity to learn and general skills as the main attributes that are signalled by certification and associated student results. In this role they provide a base for gathering the corroborating information about personal qualities, attributes and experience about a person that is most valued by employers. It is probably difficult for certification and associated student to strengthen their signalling capacity in this regard. However, there could be an argument to broaden the results/reporting portfolio and not to change the existing formats significantly.

The results from this survey show that forms of VET certification and/or associated student results from post compulsory education only play a minor role in the information sought by employers. Indeed it is further evident from the survey that changes to the current formats would not alter that view in the foreseeable future. The addition of extra information such as grades to denote achievement levels or levels of competence would not, in any major way, affect either the usefulness or the use of certification and/or associated student results by employers.

As such a number of options are presented:

1. Status Quo - accept that certification and reporting for VCE, VCAL and VET has a limited contribution role in the information needs of employers and that this purpose is adequately served by the current arrangements.
2. Accept that the VCE and VCAL certificates contain a potentially confusing array of information for end users of the certificates and move to disaggregate or present the results in a clearer or simpler way.
3. Accept the VET Statement of Attainment is currently 'fit for purpose' with modules/units of competence clearly listed and attested with no further information required.
4. Leave the current certification as it stands but investigate ways to strengthen the link between education and training achievement and the labour market, through the provision of supplementary or complementary information about the attributes that are most valued by employers.
5. In relation to 4 above the VCAL has been designed differently in its purpose and potentially can offer more in its reporting and certification in meeting the information needs of employers. The VCAL with its broader purpose and range of learning activities/contexts, including work placement may provide a good testing ground for developing a set of records and collated materials for students to take to employers that better reflects an employer's information needs.

3. Appendices

Data Source

The survey sample may be slightly biased because it includes only a small number of public sector employers who historically value qualifications more highly in the recruitment process.

3.1 References

'The valuing of qualifications by employers' by Lee Ridoutt, Chris Selby Smith, Kevin Hummel and Christina Cheang, 2005 NCVET unpublished research report.

'Getting the job done: how employers use and value qualifications case studies' by Peter Waterhouse, Ray Townsend and Marg Malloch, 2005 NCVET unpublished research report.

'Qualifications use in the Australian labour market' by Jack Keating, Tanya Nicholas, John Polesel and Jocelyn Watson, 2005 NCVET unpublished research report.

'What it's worth: Establishing the value of vocational qualifications to employers' by Mark Cully, 2005 NCVET unpublished research report.

This is the fourth and final research project in this set. The research brief was sighted but the report was unavailable.

3.2 Employer survey questions

Q1. Which industry sector describes your core business activity?

Retail Trade	15
Building & Construction	35
Manufacturing	19
Electrical & Engineering	11
Tourism/Accommodation	11
Hospitality, Café's & Restaurants	15
Transport & Storage	7
Finance & Insurance	3
Property & Business Services	3
Education/Training	7
Health & Community Services	13
Cultural & Recreational Services	7
Personal & Other Services	3
Group Training Company	21
Other	28

Q2. How many employees do you have?

1-5	46
5-19	44
20-30	26
30-99	45
100-199	7
200+	30

Q3. Where is your business located?

Metro Melbourne	96
Regional Victoria	102

Survey Questions

Q1. When you are recruiting a new employee, what forms of certification / results do you consider?

a) When they are a new entrant to the workforce i.e. direct from school

	Always	Often	Sometimes	Not at all
VCE Certificate	39	45	87	18
VCAL Certificate	32	39	80	29
VCE Statement of Results	44	56	62	22
VCAL Statement of Results	34	52	63	31
VET Certificate	13	11	2	21
Statement of Attainment from RTO	61	63	49	9
Other School Reporting	41	76	41	20

Are there any other key factors you would consider important?
Please Comment...

- Prior work history - on the job experience/work experience/trade experience *
- Personality/appearance *
- Personal presentation *
- Attitude *
- Communication *
- Pre Apprenticeship Courses
- Traineeship Results
- Graduate Results
- Comments by Teachers

- Maths *
- Customer service skills *
- Work ethic *
- Self Confidence
- Broad range of interests
- Adaptability to environment
- Referees *
- Punctuality *
- Willingness to learn *
- Ability to verify claims – the more detail, the more reliable the result

**Comments (or similar) were recorded repeatedly*

b) When they are an experienced/older person?

	Always	Often	Sometimes	Not at all
VCE Certificate	17	33	78	52
VCAL Certificate	15	21	73	62
VCE Statement of Results	14	34	78	54
VCAL Statement of Results	11	23	69	60
VET Certificate	26	51	58	43
Statement or Attainment from RTO	45	81	47	11
Degree / Diploma	58	64	44	18

Are there any other key factors you would consider important?
Please Comment...

- Pre Apprenticeship Courses
- Previous employment history *
- Work experience/practical experience *
- Related work skills *
- Customer service skills
- Trade references
- Experience & dedication
- Knowledge of trade *
- Right personality fit *
- Broad range of interests
- Adaptability to environment
- General knowledge
- Proof of highest level of attainment
- Willingness to work
- Referees *

**Comments (or similar) were recorded repeatedly*

Q2. In making employment decisions a range of factors and sources of information might be taken into account. Some of these are identified below. Please consider the range of factors identified.

What weighting or importance would you be likely to give these factors in making employment decisions?

	Extremely Important	Important	Useful	Insignificant
Grades	20	75	84	14
Study Scores	16	65	89	19
Descriptive Comments	43	71	63	7
School Reporting on CBT	24	110	56	3
Other School Reporting	41	102	37	9
Certificates or Credentials attained	52	104	37	0
Written References	78	71	28	14
Individual Referees	84	67	24	9
Previous Knowledge of Applicant	17	64	73	35
Extra Curricula Activities	7	78	97	7

Qualitative data from Questions 2.1 and 2.2

Q2.1 How do you interpret the information? For example what do you take the grades to mean?

Comments recorded:

- Do own testing so grades are not important*
- Level of commitment to study/work*
- How they perform academically as well as how they apply themselves to things in life
- Can apply themselves to the task at hand*
- attained level of knowledge, skill, understanding & comprehension*
- A=High academic achievement, F=Low academic achievement
- Can be confusing*
- Higher Grades indicate an enthusiasm to work; quick learners/good learners; they can use knowledge; find school work easy/like the subject *
- should indicate higher IQ/competence level
- Higher education qualifications signal a capacity to learn*
- VET qualifications signal – general job skills/job stability
- Satisfactory & Proficient
- IQ Level
- Attitude
- Depth of knowledge/interest*
- Skills & knowledge base
- Commitment to study*

- How well they have done*
- How well they accept responsibility
- Competency in subjects that may be relevant eg: maths*
- I don't interpret them, they are of no relevance*
- High grades preferred
- Grades don't play a large part*
- Don't give them a thought
- I give them one-two week trial*
- No idea (what grades mean)
- Important, but not on their own; not essential*
- Very hard to determine*
- Trade qualifications mean experience & interest in the field of employment*
- Don't tell you what effort they have put in to get the grade*
- Grades not important – hands on skills & strengths more important (builders)
- Comments give broader overview*
- Level of experience, but not important

**Comments (or similar) were recorded repeatedly*

Q2.2 Do you value recommendations/references? If so, how do they rate in the recruitment process? If not, why not?

Comments recorded:

- Highly valued – especially verbal*
- Valued*
- Provides social/personal picture, not just skill level*
- References related to work experience*
- Referees over refs / a word from someone you respect can override all else
- Recommendations – yes if you know the person & they've referred others*
- References – round out the person*
- Written references – never seen a bad one*
- Recommendations & verbal references essential*
- Phone/personal 1:1 useful
- useful if you know the source/person*
- Gives more complete picture of the person*
- Used most often in entry level/new employees*
- About 25% of ratings process*
- Referees always contacted if provided*
- Like to trial themselves*
- Weighted highly*
- Only referees, not references*
- Good to gauge attitude to work environment
- Need to be careful of references in small towns.

**Comments (or similar) were recorded repeatedly*

Q3. At what stage of the recruitment process do certification and/or subject/unit results cut in/out?

	Extremely Important	Important	Useful	Insignificant
Initial assessment of resume	50	95	37	7
When short listing applicants	46	82	43	11
When interviewing applicants	31	56	54	30
Selecting post interview	26	83	50	28