



MINISTER OF STATE, PRIVY COUNCIL OFFICE

PRIME MINISTER

Prime Minister

For information
ms

DMS
14/10

QUALIFICATIONS

I thought you would like to know of a discussion document which the Management and Personnel Office has recently published. The document, "Qualifications", considers "the role of qualifications in the post-recruitment development of civil servants for administrative work" and is the report of a study by the Training Division of the MPO.
... I attach a copy of the report, together with a summary of its findings. We have published it as a discussion document so that I can take into account all the many responses to it, particularly those from outside Government, before moving to an action plan early in 1984. I will of course be consulting you and keeping you informed of progress.

The report recommends a discriminating use of certain qualifications as a means of deepening the knowledge and expertise of civil servants. But it does not see qualifications as an end in themselves - rather as part of an integrated approach to career development. The report does not recommend the development of a new qualification for the exclusive use of the Civil Service, which would not be sufficiently flexible to accommodate our widely differing needs. It also looks forward to greater structuring of the training of young executives, to make use of the best opportunities both inside and outside the organisation.

There is of course a resource cost in the proposal, which falls not so much in the direct cost of courses of study but in the opportunity cost of students' absence from their work. This important factor will have to be taken fully into account when considering the report's recommendations and determining just where to strike the balance.

I believe this is a well-researched and impressive study; and Miss Nisbet, who led the team, is to be congratulated. I am copying this minute to Sir Robert Armstrong.

sg.

LORD GOWRIE

13 October 1983



FUE

607

10 DOWNING STREET

From the Private Secretary

17 October, 1983

The Prime Minister was grateful for your Minister's minute of 13 October, with which he enclosed a copy of the discussion document on Qualifications.

The Prime Minister has taken note.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

(David Barclay)

Mrs Mary Brown
Privy Council Office

RM



QUALIFICATIONS

The role of qualifications in the post-recruitment
development of civil servants for administrative work

A discussion document

Isabel Nisbet
Training Division
Management and Personnel Office
CABINET OFFICE
1983

Price £3.00

PREFACE

The study which led to this report has benefited from contributions by a large number of individuals and organisations both within and outside government. Sincere thanks are due to all of them.

The report is a **discussion document**, not a statement of policy. Comments would be welcomed, and any views from outside individuals or organisations should be addressed to:

Training Division
Management and Personnel Office
Whitehall*
LONDON SW1A 2AZ

and arrive before **31 December 1983**. Those who have already contributed to the study should not, however, feel that they need to repeat their views in response to the report.

Additional copies of this report are available, price £3.20 (incl p&p) from:

Central Management Library
Management and Personnel Office
Whitehall**
LONDON SW1A 2AZ (telephone 01-273 5577)

Cheques or postal orders should be made payable to **Management and Personnel Office** and must be enclosed with the order.

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QUALIFICATIONS

THE ROLE OF QUALIFICATIONS IN THE POST-RECRUITMENT
DEVELOPMENT OF CIVIL SERVANTS FOR ADMINISTRATIVE WORK

A DISCUSSION DOCUMENT

SUMMARY

Isabel Nisbet
Training Division
Management and Personnel Office
CABINET OFFICE
1983

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Use of qualifications by other employers

1.13 A survey of the practice of other large employers in industry and commerce revealed that on the whole they were indifferent to professional qualifications for managers, with some exceptions, notably accountancy qualifications. There was also some hostility to Master's degrees in Business Administration. Practice in local government was very different: there qualifications were widely used and this was seen to have benefits both to the employer and to the individual. Some of these are relevant to the Civil Service. There were also costs, notably the resource costs of managers' time devoted to influencing the content of qualifications and making contact with colleges and professional bodies (Chapter 2).

Professionalism and professional qualifications

1.14 The demands of work in government in the 80s and beyond require a deepening of the knowledge and expertise of civil servants and that is the policy base of this report (paragraph 3.3). Discriminating use of certain qualifications has a part to play as a means to achieving this, but qualifications are not an end in themselves: they must be seen as part of an integrated approach to career development extending beyond the achievement of the qualification. It is necessary to achieve the correct balance among the different kinds of knowledge and skills required by managers (eg strategic, managerial and specialised skills) and I welcome the recommendation in "Civil Service Management Development in the 1980s" that pilot studies of these needs be carried out (paragraph 3.6).

1.15 Some needs can best be met by training within the Civil Service, but there are arguments for civil servants to undergo some training outside, including the advantages of mixing with fellow-students from other organisations and of developing a broader outlook on policy and management questions. There should therefore be greater involvement of the outside world in the education and training of civil servants. This might include involving outsiders in the planning as well as the delivery of some internal training programmes. The possibility of outside accreditation of some internal courses should also be explored (paragraphs 3.6-3.15).

1.16 Qualifications have a number of potential benefits to the Service, notably in providing employers with a sign, to themselves and to outsiders, that their staff have a certain level of knowledge, independently assessed, and in improving communication with the outside world. For the individual employee, they are a goal to aim for and a sign of achievement. The main value to employers and employees in the Civil Service would, however, derive from the content of the training rather than the badge of the qualification (paragraphs 3.15-3.22). The belief that working for a qualification will help civil servants to obtain jobs elsewhere is not always well-founded. It must, however, be acknowledged that greater involvement of the outside world in Civil Service training and development does imply losing some civil servants to the outside world. This risk is worth taking and is not a good reason for the Service to turn its back on qualifications. General arguments in favour of qualifications do not justify a blanket policy of using all qualifications. The case for each qualification needs to be considered on its merits (paragraph 3.33). Quite apart from the question of qualifications, more civil servants ought to develop links with professional bodies as part of a positive policy to open doors to the outside world (paragraphs 3.45-3.46).

1.17. The Civil Service should not develop a new qualification for its exclusive use. A qualification unique to the Service would lack esteem both outside and within government and it is difficult to envisage how any one qualification could be sufficiently flexible to accommodate the wide variety of career development patterns envisaged in "Civil Service Management Development in the 1980s." Introducing a Civil Service qualification would not encourage the Service to become more outward-looking through greater interaction with other areas of employment, and there are also grounds for doubting the practicality of developing a new qualification of this kind (paragraphs 3.41-3.44).

1.18 Wherever outside qualifications are used by the Civil Service, the approach adopted should be a triangular one, involving employers, professional institutes or validating bodies and colleges with a view to steering Civil Service students towards particular courses rather than leaving them to find their own courses. The involvement of departments should include advice to students while studying and the provision of opportunities designed to enable the student to make use of his knowledge after qualifying (paragraphs 4.11-4.12). It is essential that any development with qualifications include the involvement of fast-streamers, but doing this efficiently will require flexibility in modes of learning and in exemptions policy (paragraphs 4.14-4.22).

1.19 Developments in distance learning and in the use of new training technology are of considerable importance to the Civil Service and access to these may determine the extent to which the Service will be able to use qualifications (paragraphs 4.23-4.28).

1.20 The recommended approach will impose on the MPO a limited information role, involving keeping a record of Civil Service developments with particular qualifications and circulating the record regularly (paragraphs 4.29-4.31).

Qualifications in personnel management

1.21 The future role of personnel management, as envisaged by the Personnel Work Review, requires expertise including some contextual knowledge and a strategic view covering various aspects of the field. Each major department should have a leavening of personnel staff with the full qualification of the Institute of Personnel Management (IPM). There is also a need for skills training at a more basic level, and there are advantages in linking this to a qualification recognised outside, such as the IPM's Foundation Certificate in Personnel Practice. A number of staff in the MPO dealing with personnel management policy should also obtain the full IPM qualification, and the MPO should seek to import, through short-term loans, some qualified staff from operational departments (paragraphs 5.5-5.15).

Other specialised areas

1.22 Current work on financial training should be extended forthwith to cover the potential role of externally recognised qualifications with a financial bias for managers who are not in finance divisions, but have financial responsibilities. In other areas (eg contract work, purchasing and supply, export and overseas trade), small groups should be set up to consider how outside expertise might best be harnessed by the Service, and, in particular, whether qualifications would be useful. In some cases, the best solution may not involve use of qualifications (paragraphs 5.16-5.18).

Qualifications in general areas

1.23 It is difficult to quantify departmental need for qualifications in general areas such as public administration or general management. The approach should be to obtain as precise a statement as possible of the aims of each qualification and, if it seems likely that these would benefit departments, to take care to match qualifications and courses to individuals and to provide opportunities for the knowledge to be applied (paragraphs 6.1-6.4). The best way in which the Service can benefit from degree-level programmes in public administration is by a flexible approach involving use of modules or sections of courses (paragraphs 6.5-6.10). There would be scope for some civil servants to benefit from the "Public Service Stream" of the qualification of the Institute of Chartered Secretaries and Administrators, if the syllabus were slightly adapted, and there might be greater scope if it were possible for some candidates to combine elements of the "Public Service Stream" and the "General and Financial Administration Stream" (paragraphs 6.11-6.16). It is, however, unlikely that the ICSA qualification will be the standard one for most civil servants. In Scotland some civil servants should be steered towards the Diploma in Public Administration (paragraphs 6.17-6.19).

1.24 A small working group, comprising administrators and government lawyers, should be set up to consider the legal training needs of administrators other than those specific to legal departments. It is unlikely, however, than an existing outside qualification will be appropriate to meet these needs (paragraphs 6.21-6.26).

A new framework for the training of young executives

1.25 The Civil Service should aim to develop a framework for structuring the training of its young executives (ie Executive Officers, Higher Executive Officers and equivalent grades in their 20s, including the fast stream). Both the designing of the framework and its eventual operation should involve the outside world and the Civil Service in collaboration (paragraphs 7.1-7.13). The end result might be a modular structure with some units accredited by outside bodies. Designing the framework would involve identifying needs and devising a structure: a joint internal/external working group should be set up for both stages (paragraphs 7.12-

7.14). If this exercise is not undertaken, further work will be required with a view to identifying ways of meeting needs which fall short of full professional qualifications, eg through use of parts of existing syllabuses or of qualifications at sub-professional level (paragraphs 7.16-7.18).

Postgraduate qualifications

1.26 I looked in detail at some advanced part-time post-experience programmes in public administration and general management. Chapter 8 aims to give guidance to departments in matching courses to individuals as closely as possible. Individual programmes at this level vary greatly, and it is essential for management to make contact with schools or colleges before sending staff to them. The objectives of the qualifications discussed in this chapter are relevant to the Service, and justify experimental use, in whole or in part, of some public administration/public policy programmes (paragraphs 8.17-8.19) and Master's programmes in Business Administration (paragraphs 8.24-8.27), despite the unpopularity of the latter among other large employers. An experiment should be set up by one or more departments with a regional/local office network involving use of the Diploma in Management Studies (paragraphs 8.20-8.23).

Incentives to individuals

1.27 The most important factor in motivating individuals to work for a qualification is the belief that doing so will help them to get on in their careers. The fact that an individual has been successful in obtaining a relevant qualification should therefore be taken into account by promotion boards as providing information about the candidate relevant to the objectives of the department. Qualifications should not, however, be a **guarantee** of promotion to any grade in the Administration Group (paragraph 9.6). Neither should they be a general requirement for promotion to all posts at a particular grade. It may, however, be justifiable to make a qualification a requirement for an appointment to a particular post or group of posts (paragraph 9.10).

1.28 Large-scale financial payments of a sufficient magnitude to act on their own as an incentive to staff to work for a qualification, are not recommended. There is, however, a role for financial payments as an incentive to remain in the Service after qualifying. This depends on employment market circumstances, and central machinery should be sufficiently flexible to allow for market change.

1.29 Within the philosophy of performance related pay, there may be scope for single lump-sum payments as a reward for qualifying and as part of a package of incentives. Payment of these lump sums should be accommodated within the total budget for performance-related pay. If the rationale of the eventual system does not accommodate this, compensatory measures should be introduced to prevent performance-related pay from acting as a disincentive to qualify (paragraphs 9.26-9.28). The present system governing support for students under External Training terms involves too much detailed prescription from the centre. The relevant section of the Establishment Officers' Guide should be rewritten with the aim of providing for maximum departmental discretion.

Costs

1.30 The cost to departments of these recommendations in terms of money and staff resources is estimated in Chapter 10. The fees for long courses leading to qualifications are comparatively low, and, as with all training, the greatest cost is the opportunity cost of students' absence from the office. The recommendations in Chapters 5, 6 and 8 about existing qualifications and the new framework of the

training of young executives recommended in Chapter 7 imply additional expenditure because they imply more training, not because the training is external or leads to a qualification.

Conclusion

1.31 In summary, this report recommends greater involvement of the outside educational and professional world in the training of civil servants for administrative work. Qualifications have potential benefits for the Service but a blanket policy endorsing them all would not be the most efficient way to meet need. The approach must be one starting from needs for knowledge and skills and carefully matching courses to individuals in a way that integrates with their career development profiles, with a preference for opening doors to the outside world. Professional and educational bodies have a lot to give to the Civil Service, as well as a lot to gain from a closer relationship. The discriminating approach favoured by this report aims to harness their expertise in the most efficient way in order to make departments more effective in meeting the demands of the future.

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CHAPTER 1

INTRODUCTION AND SUMMARY

1.1 In July 1982 I was commissioned to report within a year on whether more civil servants doing administrative work ought to study for qualifications recognised outside. Over a number of years it had become clear that the general rationale of the Civil Service's use of qualifications should be reconsidered. Some staff were already working for qualifications, notably in accountancy and computer studies. This raised general issues about career development and training policy and the question of whether the Service might benefit from greater use of other qualifications. The commissioning of the study also reflected Ministers' emphasis upon improving the efficiency and effectiveness of the Civil Service and on equipping those working in government to adapt to new demands in the same way as other managers who required to do so in order to keep ahead of competitors.

1.2 The earlier part of the study was primarily concerned with the viewpoint of actual and potential customers of qualifications. We spoke to senior managers in 22 government departments (listed in Annex A) and, for purposes of comparison, sub-studies were undertaken of the practice of other large employers and of local government. Some information was also obtained about civil service practice in other countries. We contacted a number of individual civil servants who were studying for qualifications and talked informally with them about their progress and about the relation between their studies and their future careers. These discussions proved very useful indeed.

1.3 In February 1983 a seminar was held at the Civil Service College, Sunningdale, chaired by Mr J S Cassels, then Second Permanent Secretary at the Management and Personnel Office, which brought together a group of Principal Establishment Officers from government departments and senior representatives of a number of professional institutes and educational bodies. The views expressed at that seminar greatly influenced this report. The later part of the study focussed on the providers of qualifications and involved meetings and correspondence with professional institutes, universities and educational bodies. I also talked to a number of individuals, both inside and outside government, including academics who were known to have views about civil service training. The Council of Civil Service Unions was kept abreast of developments throughout the course of the study and submitted views in writing which are reproduced as Annex H.

Scope of the study

1.4 I was concerned with training policy after recruitment, although, arguably, the philosophy of parts of this report has implications for recruitment policy. The qualifications which were considered were primarily those awarded by professional bodies, universities and other institutions at about the level of full professional qualifications or first degrees. The study did not assume a clear distinction between academic and professional qualifications. Some of the qualifications at this level which were considered were in subjects relevant to specific functions within the Service, while others were potentially relevant more generally. The scope of the study extended, however, both below and above this educational level: I identified a need which outside educational and professional bodies could help to meet but which fell short of a need for full professional qualifications, and also considered postgraduate qualifications, including master's degrees.

1.5 The study was concerned with the relevance of qualifications to administrative work in government, and not with the value of specialist qualifications

(eg in chemistry or statistics) for the corresponding specialist group in the Service (eg chemists, statisticians). The civil servants whose needs were relevant were not, however, confined to the Administration Group: officers in specialist grades who did administrative work or who might do so in the future were also included. Broadly speaking, our target population was **civil servants between the age of around 18 and around 35, in a range of grades from Executive Officer to Principal, and some in equivalent specialist grades.** This group totals well over 30,000.

The policy context

1.6 Training and education after recruitment is one aspect of career development. The policy context for the study was dominated by two exercises which were in progress during 1982-83 and whose reports set the framework within which the recommendations of this study should be read. These are: the report of the **Review of Personnel Work**¹ and "**Civil Service Management Development in the 1980s**"². In particular, the latter report's remarks about specialisation and career development were used as the basis for my recommendations in Chapter 5 about specialised qualifications. More generally, both reports emphasise the importance of the role of the individual in his or her own development, and this study sought to apply that philosophy to the question of qualifications. My conclusions are offered as the best approach to qualifications in the context of the changes of philosophy in personnel management and career development reflected in the other two reports.

1.7 A number of other developments were of importance to the study. An accountancy functional specialism was set up within the Administration Group and the Government announced the objective of doubling the number of qualified accountants in the Service. The Civil Service College and outside colleges were collaborating in the training of computer staff for professional qualifications. In 1981 the Ministry of Defence established a scheme whereby a number of staff each year were given support to study for certain professional qualifications. This followed the submission of an internal report³ which, together with information which we subsequently obtained from MOD on the experience of the first years of the scheme, were invaluable to us. The MOD scheme raised the question of whether other departments would benefit from a similar approach.

Civil service attitudes

1.8 Our consultations with departmental managers and individual civil servants revealed that attitudes had changed in many respects since the pre-Fulton era. In particular, the management role of staff, including those in senior grades, was often regarded as equal in importance to the more strategic "policy" role. Indeed, for

¹Review of Personnel Work. Report to the Prime Minister by Mr J S Cassels CB, formerly Second Permanent Secretary, Management and Personnel Office. Management and Personnel Office, July 1983.

²Civil Service Management Development in the 1980s. Management and Personnel Office, July 1983.

³Professionalism in the Administration Group in the Ministry of Defence. D/CM(A) 1/12/2TT.

training purposes it was arguably more important, as new developments in this field, such as the Financial Management Initiative,¹ meant that civil servants who had not hitherto seen themselves primarily as "managers" were now doing so, and realised that they might require new kinds of knowledge and skills.

1.9 Attitudes to professional qualifications were mixed. The views put to us reflected an approach to work which might be described as pragmatic, emphasising the importance of "getting on with the job", and with less interest in theoretical questions or in studying the context of civil service work. In the words of Tawney, many civil servants were "more interested in the state of the roads than in their place on the map"². Qualifications did not have a high profile in the culture of civil service administrators: they were not cited in office directories and outsiders with long lists of letters after their names were sometimes for that reason objects of amusement.

1.10 There was also some remnant of a cultural distinction analogous to that between "gentlemen" and "players", with matters of detail - together with professional qualifications and the whole world of further education - seen as more appropriate for main-streamers than for high-flying administrators. This is discussed further in Chapter 4.

1.11 We also encountered a fear that increasing specialisation would have the harmful effect of "locking" staff who developed specialised expertise into a narrow area of work and restricting their career opportunities. Some felt that obtaining a specialised qualification would have the effect of turning the key in the lock. These attitudes are discussed further in Chapter 9.

Current use of qualifications by the Civil Service

1.12 We attempted to find out how many civil servants in the target population (see paragraph 1.4) currently held or were working for externally recognised qualifications. This proved impossible without lengthy and expensive additional work as no such aggregate figures for the UK were readily available. Statistics were, however, provided by one of the largest departmental groups - Environment and Transport (including the Property Services Agency). In 1981-82, 34% of administrative civil servants between the grades of Higher Executive Officer and Assistant Secretary held degrees, professional or technical qualifications. This might be compared with an OPCS finding that "less than 20% of British managers held university degrees or professional qualifications"³, although such comparisons are fraught with difficulty, eg over the definition of "manager". Our impression was that most graduates in the Service obtained their degrees before recruitment and that many who studied for qualifications after recruitment did so in the pursuit of personal interests rather than for job-related reasons. Excluding 16-18 year olds (who are encouraged to undertake further education) and officers working in certain functions, it is regarded as mildly unusual for an administrative civil servant to study for a qualification recognised outside.

¹Described in Appendix 3 of **Efficiency and Effectiveness in the Civil Service**, Cmnd 8616.

²RH Tawney, **The Acquisitive Society**, Wheatsheaf Books 1982, page 9.

³**Labour Force Survey**, HMSO, 1981

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Use of qualifications by other employers

1.13 A survey of the practice of other large employers in industry and commerce revealed that on the whole they were indifferent to professional qualifications for managers, with some exceptions, notably accountancy qualifications. There was also some hostility to Master's degrees in Business Administration. Practice in local government was very different: there qualifications were widely used and this was seen to have benefits both to the employer and to the individual. Some of these are relevant to the Civil Service. There were also costs, notably the resource costs of managers' time devoted to influencing the content of qualifications and making contact with colleges and professional bodies (Chapter 2).

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1.17. The Civil Service should **not** develop a new qualification for its exclusive use. A qualification unique to the Service would lack esteem both outside and within government and it is difficult to envisage how any one qualification could be

sufficiently flexible to accommodate the wide variety of career development patterns envisaged in "Civil Service Management Development in the 1980s." Introducing a Civil Service qualification would not encourage the Service to become more outward-looking through greater interaction with other areas of employment, and there are also grounds for doubting the practicality of developing a new qualification of this kind (paragraphs 3.41-3.44).

1.18 Wherever outside qualifications are used by the Civil Service, the approach adopted should be a triangular one, involving employers, professional institutes or validating bodies and colleges with a view to steering Civil Service students towards particular courses rather than leaving them to find their own courses. The involvement of departments should include advice to students while studying and the provision of opportunities designed to enable the student to make use of his knowledge after qualifying (paragraphs 4.11-4.12). It is essential that any development with qualifications include the involvement of fast-streamers, but doing this efficiently will require flexibility in modes of learning and in exemptions policy (paragraphs 4.14-4.22).

1.19 Developments in distance learning and in the use of new training technology are of considerable importance to the Civil Service and access to these may determine the extent to which the Service will be able to use qualifications (paragraphs 4.23-4.28).

1.20 The recommended approach will impose on the MPO a limited information role, involving keeping a record of Civil Service developments with particular qualifications and circulating the record regularly (paragraphs 4.29-4.31).

Qualifications in personnel management

1.21 The future role of personnel management, as envisaged by the Personnel Work Review, requires expertise including some contextual knowledge and a strategic view covering various aspects of the field. Each major department should have a leavening of personnel staff with the full qualification of the Institute of Personnel Management (IPM). There is also a need for skills training at a more basic level, and there are advantages in linking this to a qualification recognised outside, such as the IPM's Foundation Certificate in Personnel Practice. A number of staff in the MPO dealing with personnel management policy should also obtain the full IPM qualification, and the MPO should seek to import, through short-term loans, some qualified staff from operational departments (paragraphs 5.5-5.15).

Other specialised areas

1.22 Current work on financial training should be extended forthwith to cover the potential role of externally recognised qualifications with a financial bias for managers who are not in finance divisions, but have financial responsibilities. In other areas (eg contract work, purchasing and supply, export and overseas trade), small groups should be set up to consider how outside expertise might best be harnessed by the Service, and, in particular, whether qualifications would be useful. In some cases, the best solution may not involve use of qualifications (paragraphs 5.16-5.18).

Qualifications in general areas

1.23 It is difficult to quantify departmental need for qualifications in general areas such as public administration or general management. The approach should be to obtain as precise a statement as possible of the aims of each qualification and, if it seems likely that these would benefit departments, to take care to match

qualifications and courses to individuals and to provide opportunities for the knowledge to be applied (paragraphs 6.1-6.4). The best way in which the Service can benefit from degree-level programmes in public administration is by a flexible approach involving use of modules or sections of courses (paragraphs 6.5-6.10). There would be scope for some civil servants to benefit from the "Public Service Stream" of the qualification of the Institute of Chartered Secretaries and Administrators, if the syllabus were slightly adapted, and there might be greater scope if it were possible for some candidates to combine elements of the "Public Service Stream" and the "General and Financial Administration Stream" (paragraphs 6.11-6.16). It is, however, unlikely that the ICSA qualification will be the standard one for most civil servants. In Scotland some civil servants should be steered towards the Diploma in Public Administration (paragraphs 6.17-6.19).

1.24 A small working group, comprising administrators and government lawyers, should be set up to consider the legal training needs of administrators other than those specific to legal departments. It is unlikely, however, that an existing outside qualification will be appropriate to meet these needs (paragraphs 6.21-6.26).

A new framework for the training of young executives

1.25 The Civil Service should aim to develop a framework for structuring the training of its young executives (ie Executive Officers, Higher Executive Officers and equivalent grades in their 20s, including the fast stream). Both the designing of the framework and its eventual operation should involve the outside world and the Civil Service in collaboration (paragraphs 7.1-7.13). The end result might be a modular structure with some units accredited by outside bodies. Designing the framework would involve identifying needs and devising a structure: a joint internal/external working group should be set up for both stages (paragraphs 7.12-7.14). If this exercise is not undertaken, further work will be required with a view to identifying ways of meeting needs which fall short of full professional qualifications, eg through use of parts of existing syllabuses or of qualifications at sub-professional level (paragraphs 7.16-7.18).

Postgraduate qualifications

1.26 I looked in detail at some advanced part-time post-experience programmes in public administration and general management. Chapter 8 aims to give guidance to departments in matching courses to individuals as closely as possible. Individual programmes at this level vary greatly, and it is essential for management to make contact with schools or colleges before sending staff to them. The objectives of the qualifications discussed in this chapter are relevant to the Service, and justify experimental use, in whole or in part, of some public administration/public policy programmes (paragraphs 8.17-8.19) and Master's programmes in Business Administration (paragraphs 8.24-8.27), despite the unpopularity of the latter among other large employers. An experiment should be set up by one or more departments with a regional/local office network involving use of the Diploma in Management Studies (paragraphs 8.20-8.23).

Incentives to individuals

1.27 The most important factor in motivating individuals to work for a qualification is the belief that doing so will help them to get on in their careers. The fact that an individual has been successful in obtaining a relevant qualification should therefore be taken into account by promotion boards as providing information about the candidate relevant to the objectives of the department. Qualifications should not, however, be a **guarantee** of promotion to any grade in the Administration Group (paragraph 9.6). Neither should they be a general requirement for promotion to all posts at a particular grade. It may, however, be justifiable to make a

qualification a requirement for an appointment to a particular post or group of posts (paragraph 9.10).

1.28 Large-scale financial payments of a sufficient magnitude to act on their own as an incentive to staff to work for a qualification, are not recommended. There is, however, a role for financial payments as an incentive to remain in the Service after qualifying. This depends on employment market circumstances, and central machinery should be sufficiently flexible to allow for market change.

1.29 Within the philosophy of performance related pay, there may be scope for single lump-sum payments as a reward for qualifying and as part of a package of incentives. Payment of these lump sums should be accommodated within the total budget for performance-related pay. If the rationale of the eventual system does not accommodate this, compensatory measures should be introduced to prevent performance-related pay from acting as a disincentive to qualify (paragraphs 9.26-9.28). The present system governing support for students under External Training terms involves too much detailed prescription from the centre. The relevant section of the Establishment Officers' Guide should be rewritten with the aim of providing for maximum departmental discretion.

Costs

1.30 The cost to departments of these recommendations in terms of money and staff resources is estimated in Chapter 10. The fees for long courses leading to qualifications are comparatively low, and, as with all training, the greatest cost is the opportunity cost of students' absence from the office. The recommendations in Chapters 5, 6 and 8 about existing qualifications and the new framework of the training of young executives recommended in Chapter 7 imply additional expenditure **because they imply more training**, not because the training is external or leads to a qualification.

Conclusion

1.31 In summary, this report recommends greater involvement of the outside educational and professional world in the training of civil servants for administrative work. Qualifications have potential benefits for the Service but a blanket policy endorsing them all would not be the most efficient way to meet need. The approach must be one starting from needs for knowledge and skills and carefully matching courses to individuals in a way that integrates with their career development profiles, with a preference for opening doors to the outside world. Professional and educational bodies have a lot to give to the Civil Service, as well as a lot to gain from a closer relationship. The discriminating approach favoured by this report aims to harness their expertise in the most efficient way in order to make departments more effective in meeting the demands of the future.

CHAPTER 2

PRACTICE ELSEWHERE

2.1 In considering the customer's perspective on professional qualifications, we undertook sub-studies on the use of professional qualifications in the UK (i) by large employers in industry and commerce, and (ii) by local authorities. The information which we obtained about the attitude of other large employers to professional qualifications was something of a surprise, as the general finding was that, with some important exceptions, these employers did not value qualifications highly. This sub-study, which included the commissioning of a short survey by management consultants, covered a range of training issues as well as the question of qualifications, and a fuller account of it is given in Annex B. Local government managers told a very different story. Their staff made extensive use of qualifications and they were therefore able to give us a manager's perspective on qualifications based on considerable experience of sponsoring staff to work for them.

i. The practice of large employers in industry and commerce

2.2 We visited 5 large companies from a variety of industrial, commercial and financial sectors, including one public sector organisation and one bank. These are listed in Annex A. Large companies were chosen as they were analogous in terms of size to many government departments and we selected companies with reputations as good employers as the objective was to see what lessons could be learned from practice elsewhere. We also commissioned management consultants (Harbridge House Europe) to conduct and analyse a short survey of the use of qualifications by a wider range of large organisations - a target figure of 180 companies selected from the Times "Top 1,000". Drawing conclusions from our visits and the consultants' survey requires some caution for the reasons given in paragraph 2.7. Nevertheless, the trends detected were sufficiently distinctive to be worthy of note.

Functional specialism

2.3 In all the companies which we visited individual careers were more likely to develop within a single function than over several, although there was some variation within that pattern. In addition, unlike the Civil Service, they all appointed and promoted staff to individual specific posts rather than to grade levels. This facilitated the development of functionally specialised careers as it meant that someone could be promoted to a post requiring functional expertise even if he was not necessarily suitable for promotion to other posts at the same level.

Professional qualifications

2.4 On the whole, companies were indifferent to professional qualifications. As the consultants' report put it, "It is difficult to convey the feelings of indifference towards management qualifications [professional qualifications and Master's degrees in Business Administration] which we received from the majority of respondents. Not once were they spoken of as either beneficial or detrimental to company causes". There were, however, some exceptions: notably, accountancy qualifications were the norm in financial functions; some use was also made of the Institute of Personnel Management qualification and of certain supervisory qualifications. In addition, a number of companies used "industry-wide" qualifications such as the Associateship of the Institute of Bankers, which sometimes was a prerequisite for promotion to middle management grades. Another interesting trend was that public sector firms showed significantly more enthusiasm for professional qualifications than did private companies.

2.5 Almost all companies did, however, make use on an ad hoc basis of a variety of qualifications in more technical areas, ranging from architecture to effluent engineering. In more technical or specialised functions, membership of professional institutes was common. A variety of reasons were offered for this: in certain functions qualifications were statutory requirements; in others staff were given the opportunity to qualify as an incentive to join or to remain in the company; in others they were seen as intrinsically valuable. There was, however, no general correlation between the degree of functional specialisation in a company and the amount of enthusiasm for professional qualifications. Two of the companies which we visited practised functional specialisation to a considerable extent; of these one made widespread use of professional qualifications while the other did not.

Business schools and management colleges

2.6 Comments made to us and to the consultants on the MBA (Master of Business Administration) qualification revealed that most of the firms contacted did not accept young MBAs and only a handful were discovered which actively recruited them. Some companies attributed this to the reluctance or inability of MBAs to adapt to the mores of companies; others to the inability of companies to be sufficiently flexible to accommodate MBAs in their own structures. Those companies which did recruit MBAs tended to do so in the context of their general graduate recruitment programmes, and on the whole did not look specifically for the MBA degree. There was more, though still highly qualified, enthusiasm for sponsoring staff to study for MBAs after recruitment, but this was almost invariably confined to the highest flyers. Part-time courses were deemed impractical as they caused too much dislocation over too long a period. Block release was preferred.

Conclusions

2.7 We have been given no reason to question the general impression that other large employers are on the whole indifferent to qualifications for managers (except in accountancy). Some reservations have, however, been suggested to us about drawing conclusions for the Civil Service. For example, it is possible that our visits and the consultants' survey, which invited respondents to concentrate on qualifications relevant to "managers", led to the omission of fields such as computing and management services which the Civil Service regards as "administrative work" but other employers might think of as "technical". It is also possible that the target population of their staff which outside employers had in mind did not correspond precisely with our target population of civil servants and, in particular, that it did not cover the equivalent (if there is one) of non-graduate younger Executive Officers in the Civil Service. It was suggested to us that a survey of smaller companies might reveal greater use of qualifications and that a more sophisticated analysis by industrial sector might show greater divergence in practice. Another comment was that outside employers often bought in expertise from outside for particular tasks, and that they might expect those bought in to have relevant qualifications (including MBAs) even if they did not sponsor many of their permanent staff to work for these qualifications. One institute suggested that in practice companies made more frequent references in advertisements to qualifications as "desirable" than might be expected from their comments to us.

2.8 In any case, it does not, of course, follow that what other companies do is what they ought to do. In a paper delivered to the Sunningdale seminar, Mr D E Hussey, Senior Managing Partner at Harbridge House Europe, remarked critically on the inflexibility of British industry, and saw the inability of management structures to accommodate MBAs as an example of this and also as a reflection of the traditional low level of post-school education in British management. He suggested that greater use of MBAs might widen the perceptual

boundaries of management and equip companies to respond to change more effectively¹. Some professional bodies criticised the training practices of large companies as too narrow, short-term and inward-looking, and thought that this might be ameliorated by greater use of outside courses, including those leading to qualifications.

2.9 This report is not required to accept or reject these criticisms of industry, but it does have to consider what lessons, if any, can be learned by the Civil Service. One of the many aspects of practice outside which impressed us was the readiness of some large companies to involve outside organisations in the planning and delivery of their internal training programmes, and we saw benefits for the Civil Service in this approach (see paragraph 3.13). Another lesson is that the suggestion that professional qualifications are necessarily a ticket to employment outside is open to question, and more is said about this in Chapter 3.

2.10 Our visits and the consultants' report did, however, suggest that an argument that the Civil Service ought to make widespread use of qualifications **because other organisations do** is based on a premise which is almost certainly false. If the Civil Service were to copy uncritically the practice of large private sector organisations in relation to qualifications, the conclusion would be that there should be little or no change from current practice. I do not, however, draw this simplistic conclusion.

2.11 "Reading across" in a meaningful way from outside practice to the needs of the Civil Service is very difficult, and the answers about qualifications differ greatly depending on the kind of outside organisation copied. Our overriding impression was, however, that the basic issue facing other organisations in devising a strategy for the development and training of their staff was the same as that facing the Civil Service, viz to attain a proper balance between the different kinds of knowledge and skills required to meet the needs of the organisation and to respond to change. We were impressed by the amount of thought which the senior managers whom we met were clearly devoting to these strategic issues, despite short-term economic pressures, and by the synoptic view which they took on career development and training. The general categories of knowledge and skill do not differ greatly among organisations, and more is said about them in relation to the Civil Service in Chapter 3. The contribution of training and the most appropriate kind of training will vary, however, depending on historical recruitment practices, career development practices and the nature of the work. I would argue that the recommendations in this report make sense for the Civil Service. They are not posited as copies of outside practice, and correspondingly I do not suggest that they are necessarily the best recommendations for other employers.

ii. Local government practice

2.12 We visited 5 local authorities and these are listed in Annex A. As with our industrial visits, these were not selected as a representative sample of local authorities, but were recommended as examples of good local government practice in this field. Visits were also made to the Institute of Local Government Studies at the University of Birmingham and to the National and Local Government Officers' Association. We also corresponded with the School for Advanced Urban Studies at the University of Bristol. In this sub-study we benefited considerably from the advice of the Local Government Training Board whose Director, Mr M G Clarke, spoke at the Sunningdale seminar, as did Mr A J Greenwell, Chief Executive of Northamptonshire County Council.

¹ Similar arguments were put by Professor T Kempner, Principal of the Management College, Henley.

Functional specialisation

2.13 The role of local government has traditionally been the delivery of a range of discrete professional services. This is reflected in the organisation of local authorities on highly functionally specialised lines. At the centre of each functional area are one or more professional groups, each with its own administrative and clerical support, but with the professional group playing the key role. Career movement between local authority functions is rare, but movement among authorities is common.

Professional qualifications

2.14 Local government makes considerable use of professional qualifications and this was seen to follow naturally from the functional division of work. Qualifications also served as a "mobility ticket" for staff moving from one authority to another, particularly in early years when managers wanted more information about an applicant than a record of his short job-experience. Local government employees generally worked for professional qualifications as young entrants in comparatively junior grades - indeed it would be rare for somebody in his late twenties or early thirties to be studying for a qualification. All the authorities which we visited operated professional training schemes which linked career progression to the achievement of appropriate levels of qualification, coupled with satisfactory job performance. In some authorities, however, these schemes had been discontinued in favour of recruiting fully qualified staff, and this meant that most of the cost of professional training was now not borne by local government.

Administrators

2.15 Professionally qualified staff working in professional areas connected with a particular service dominated local government both numerically and culturally. Administrative staff were employed, but on the whole their role was a supportive one. Few, if any, local government employees had career profiles comparable to those of the Civil Service's traditional "generalist administrator" in more senior grades.

2.16 There was an increasing trend for administrators to obtain a professional qualification. Until the recent introduction of the Public Service Stream of the qualification of the Institute of Chartered Secretaries and Administrators (see paragraphs 6.11-6.16) there had been no qualification for local government administrators which carried equivalent national status to those of professional staff.

2.17 The Diploma in Municipal Administration (DMA), which had required 4 years' study, was now being phased out for a number of reasons, including its limited recognition outside local government and its lack of full professional status. Authorities in England and Wales now tended to use the ICSA qualification, while Scottish authorities used the Diploma in Public Administration under the aegis of the Scottish Business Educational Council (now the Scottish Vocational Educational Council) (see paragraphs 6.17-6.19). The use of qualifications by administrators owed much to their desire for parity of esteem with professionals. This was not merely a matter of pride: if an administrator was to do his job well, it was important for him to be able to command the respect of his professional colleagues and satisfy them as to his competence. One authority saw qualifications as meeting a need to improve the skills of administrators, particularly financial skills as present economic constraints meant that professionals were increasingly looking to administrators for advice on how to run operations more economically.

2.18 Local authority managers thought that use of qualifications had a number of benefits, quite apart from the question of esteem. It enabled young recruits to gain

knowledge which they could not be expected to pick up on the job for many years and which would be essential for later management posts. It also encouraged contact with other sectors of employment which widened perspectives and thus helped to make local government less insular. Institute membership provided opportunities for continuing professional education after qualification and local branches of some institutes were very active. The use of qualifications also, however, had costs and some of these are mentioned in paragraph 2.21.

Management training and development

2.19 Professional qualifications - including those for administrators - were **not** seen by local authorities as qualifications in management. There was, however, increasing recognition of the importance of management training and development for local government officers. Use was made of the Diploma in Management Studies (DMS), but on the whole the increased training effort in management did not take the form of a search for another qualification. Local authorities used shorter business school programmes and the network of regional management centres, together with programmes offered by management departments in the further and higher education sectors.

Conclusions

2.20 Some of the reasons for local government's widespread use of qualifications - for example, the traditional dominance of professionals over administrators in the culture and the consequent desire of the latter for parity of esteem - do not apply to the Civil Service. If anything, the culture of central government is at the other extreme in that administrators dominate. The need for a qualification as a "mobility ticket" to enable individuals to move from one local authority to another is not relevant to central government, where careers tend to be developed with a base in one department. Some of the perceived benefits of qualifications for local government administrators are, however, more applicable to central government, such as the suggestion that study in one's early twenties for a qualification develops intellectual and communicative skills and imparts a quantity of contextual knowledge relevant to future work. Also relevant are the potential benefits of continued institute membership.

2.21 Local government managers had the assurance that their young entrants were undergoing a considerable amount of study and training, without the managers having the responsibility of bearing all the costs of training or of designing and running it themselves. It was made very clear to us, however, that using qualifications did involve costs. The local authority manager had comparatively little control or influence over the courses which were taken by his staff. It was impressed on us that if the Civil Service was going to use professional qualifications, it would need to ensure that the Service as a customer was getting what it wanted. In the experience of local government, that did not happen naturally: it was felt that in several professional areas standards were too high in relation to the job to be done, and that the content of professional qualifications training could be better tailored to the needs of employers. Minority customers had to fight particularly hard to influence qualifications. If local authority managers were to have a greater influence, this had heavy resource implications in terms of time-consuming meetings with colleges and institutes, and this is an important lesson for the Civil Service.

2.22 Because of the historical dominance of qualifications, we had the impression that training in local government tended to be "front-loaded", with a concentration on extensive study soon after entry. This had some advantages in that younger staff had fewer family responsibilities and were also more in the habit of working for examinations, but it did mean that there was more emphasis on early training and

professional development than on continuing training and management development. We were impressed by several recent initiatives aiming to redress the balance, but a lesson for the Civil Service is that if qualifications are to be used, they must integrate with a continuing training prescription throughout the civil servant's career. Training should not be something that is undertaken at an early stage and then gratefully put behind the trainee when his qualification is obtained.

2.23 We were not attracted by the "paper chase" aspect of much of the early training and education of local government officers, but we were attracted by some of the benefits which local government managers saw as flowing from the use of appropriate qualifications. In many ways the training and career development practices of central and local government are at opposite extremes. We concluded that we should aim for a middle route, availing central government of some of the benefits of external qualifications while trying to avoid the weaknesses of a front-loaded training structure. Employer control must be maintained over the content of training and the degree to which the practice of functions in the Service should be influenced by professional bodies. The general approach recommended in Chapter 4 reflects these conclusions.

CHAPTER 3

PROFESSIONALISM AND PROFESSIONAL QUALIFICATIONS

Introduction

3.1 Arguments that the Civil Service requires greater professionalism are not new, and go back at least to the Fulton Report, which contained a famous passage well worth quoting in full:

"Civil servants today have to be equipped to tackle the political, scientific, social, economic and technical problems of our time. They have to be aware of interests and opinions throughout the country and of many developments abroad. They have to keep up with the rapid growth of new knowledge and acquire new techniques to apply it. In short, the Civil Service is no place for the amateur. It must be staffed by men and women who are truly professional." (*The Civil Service*, Cmnd 3638, paragraph 31).

It has never been true that civil servants are "amateurs" in the sense of lacking general expertise in handling government business, and justified indignation at the charge of amateurism has tended to divert attention from more positive aspects of the case for greater professionalism in the Civil Service.

3.2 In discussions about the Civil Service, the term "professionalism" has been used in a number of senses which it is useful to distinguish:

- possession of a formal qualification;
- grounding in the theoretical background to one's work;
- adoption of a thorough, workmanlike approach to tasks;
- specialised expertise.

It is particularly important to note that "professionalism" in the sense of "specialised expertise" is not necessarily linked with "professionalism" in the other senses - the issue of professionalism in the Civil Service is not necessarily the same as that of specialisation. A central question for the Professional Qualifications Study has been how much professionalism in the sense of "possession of a formal qualification" might contribute to professionalism in any of the other senses.

Depth of knowledge and expertise

3.3 Commitment to deepening the knowledge and expertise of civil servants is the policy base of this report, and "Civil Service Management Development in the 1980s" justifies that commitment on three grounds. First, the issues facing government departments are becoming even more complex: the backcloth of world recession makes social and industrial problems both more severe and more closely interrelated; the introduction of new technology has affected how departments operate and the context in which they work. Secondly, the Government will continue to emphasise the importance of achieving the highest standards of management at all levels in the Civil Service. More and more civil servants are seeing themselves as managers; and management has to be worked at. Thirdly, the Civil Service is becoming smaller and there is no room for passengers lacking expertise. In the words of the report, "a smaller service must be a knowledgeable - and better trained - service if it is to work with maximum efficiency."

3.4 Although the Civil Service is proud of its strengths, we found no complacency about standards or about the complexity of future needs. We discussed with departmental managers and with managers in other large companies the kinds of knowledge and skills which their employees needed. In the context of management development, our conclusion was that needs of departments were similar to those of other employers, but that the crucial issue was achieving the correct balance. These needs could be thought of as falling into three broad categories:

- (a) **Strategic abilities**, for advising ministers on policies and for planning and following through their implementation;
- (b) **Managerial abilities**, for managing people, money and other resources;
- (c) **Knowledge and skills in more specialised areas**, such as (taking the Administration Group as an example) accountancy, personnel work, automatic data processing or complex policy areas like the Common Agricultural Policy or local government finance.

3.5 The balance needed by each of the companies which we visited was different, and we were impressed by the awareness of senior managers that nearly all management posts required all three types of knowledge and skill to some degree. Although the main demand on managers was usually for strategic and managerial skills this was not taken to imply that managers could get by without depth of expertise in any more specialised areas.

3.6 "Civil Service Management Development in the 1980s" recommends at paragraph 4.3 that pilot studies of the needs of future middle and senior managers in terms of the knowledge and skills described above should be carried out in one or two departments with the help of MPO. **This report welcomes that recommendation.** It would, however, be a pity if other developments stemming from the Professional Qualifications Study were held back to await the pilot studies of needs. Although such an ordering of events would be logically pure, it would risk losing the momentum of change which is already evident.

Professionalism in the Civil Service

3.7 Our consultations with departments indicated a genuine desire to increase professionalism, but initial scepticism about the relevance of many qualifications to civil service work. Several departments acknowledged that civil servants required a grounding in the theoretical background to their work and there was general acceptance of the value of learning from outside, particularly about areas of work which were comparatively new to the traditional administrator, notably finance and information technology. A few civil servants and certain professional institutes were vigorous advocates of professionalism in the sense of a thorough, workmanlike approach to tasks and thought that greater use of qualifications would help to achieve this.

Internal and external training

3.8 The qualifications which were considered by the study were awarded by outside bodies, and many of the courses on offer leading to these qualifications were in outside colleges or used externally-produced distance learning material. This raised the question of the relative merits for the Civil Service of internal and external training. In private sector companies the trend was towards developing more in-house programmes, though often with outside involvement. Local government, on the other

hand, had decided to use the external educational system rather than setting up its own college, and a number of people, including the Public Administration Committee of the Joint University Council in Social and Public Administration (see Annex G) argued to us that external provision should be used as much as possible.

3.9 It seems to me that the general impression of internal and external training being in competition is misleading. Although there will be occasions when comparable courses are available internally and externally, there is little overlap in the case of long courses leading to qualifications. Internal training has the benefit that the training provided is by definition thought relevant to the needs of the organisation and that it brings together employees from different parts of the one organisation. For this reason, the interdepartmental mix of courses at the Civil Service College is highly valued.

3.10 Some kinds of training are undoubtedly best delivered within the Civil Service, whether in departments or at the Civil Service College. In particular, the Civil Service is often the repository of the best technical and training expertise on topics specific to central government. But there are arguments for civil servants to undergo some training outside: they will meet fellow-students from other organisations and be exposed to different ways of doing things. Several civil servants attending external courses told us that this was particularly valuable, especially for officers whose work involved personal contact with industry. Another relevant factor is the limit to resources within the Civil Service. If greater depth of knowledge is required, and if this means more training, there is a limit to what can be done in-house. The other side of the coin is that civil service expertise can benefit outside courses.

3.11 At the Sunningdale seminar, departmental managers accepted the case for greater involvement of the outside world in civil service training, but insisted that civil servants should not be released for courses which were "irrelevant". Reconciling these two views is to some extent impossible: there will always be a tension between going for outside qualifications and insisting on strict relevance to the needs of the Civil Service. At the end of the day, the manager who holds the purse strings should have control over the amount of training given to his staff. He should, however, consider taking a broader view of the relevance of experience in different types of organisations to the problems facing civil service managers, and accept that the benefits of external training require some flexibility about relevance. Otherwise, there is a danger that wholly internal, highly job-specific, training may produce employees with "tunnel vision". **This report welcomes the willingness of civil service managers to involve the outside world in the education and training of their staff and recommends that there should be more such involvement.**

3.12 Most of this report is about qualifications. But the scope for outside involvement in civil service training goes beyond the use of qualifications. One possibility is external participation in internal training programmes: examples of this were found in some companies and in some government departments. There was also a trend towards companies having appropriate parts of their internal programmes accredited by outside institutions.

3.13 **In my view the Service would benefit from greater involvement of the outside educational and training world in the planning as well as the delivery of some internal training programmes, and I so recommend.** This is not to say that all internal programmes should have outside involvement: in some cases, this would be unnecessary or ineffective, notably where the relevant expertise is within the Service. There are times, however, when it would be mutually beneficial for outside and inside expertise to be combined at an early stage in the planning of training programmes. This is more than the practice of inviting outside lecturers to fill

"slots" in courses designed internally. The Civil Service already adopts this collaborative approach to a considerable extent; and I welcome the recommendation in "Civil Service Management Development in the 1980s" that "more should be done, wherever practicable, to build on and develop this approach." (paragraph 5.10). A collaborative approach can be more complicated to administer than "going it alone" and it would be a mistake to suppose that it would save civil service time. But in my view the potential benefits can justify the administrative cost.

3.14 Outside accreditation of some internal courses would be particularly useful in the context of the flexible framework for the training of young executives recommended in Chapter 7. But it is also desirable in its own right as a mechanism whereby outside standards and expertise can be harnessed by the Service. It will not always be possible to achieve this, however, as the purposes of most internal courses are different from those of many outside qualifications, and as some kind of student assessment will almost always be required by the outside body (see paragraphs 3.34-3.40). Outside accreditation should not be pursued at the expense of other benefits of civil service training, but with some flexibility on both sides more developments of this kind should be possible, and I recommend that departments and the Civil Service College should, where practicable, explore these possibilities.

Arguments for qualifications

3.15 Arguments for qualifications must be distinguished from those for external training. A very useful and lucid analysis of the role of qualifications was provided for us by Professor Andrew Dunsire of the University of York, and this is reproduced as Annex F. The paragraphs which follow draw heavily on that analysis.

3.16 A qualification is a badge of achievement, usually requiring success measured by some form of assessment. From the point of view of government departments, it can be seen as a guarantee that their staff possess a certain basic level of knowledge and skill. Furthermore, this level has been accredited by an independent self-regulating body of professional peers, and thus serves as a quality control within the organisation.

3.17 Use of outside qualifications also has possible benefits in terms of esteem inside and outside the Civil Service. Some departmental managers told us that their outside customers would be more likely to place confidence in the judgement of civil servants who held externally recognised qualifications. This was most strongly felt by departments whose customers were in other parts of the public sector, notably local government. Qualifications might also improve the esteem of the Civil Service in the eyes of outside commentators. Departmental managers varied in the amount of importance which they attached to outside esteem. Some dismissed these considerations as "presentational", but I think that they are nonetheless important, particularly at a time when the quality of civil service work is sometimes made the subject of ill-informed outside criticism.

3.18 Another argument for the use of qualifications is that it enables civil servants to speak the same language as their counterparts in the outside world, and this was thought important, whether customers were located in the public or the private sector. There was some anxiety, however, that the result might be more jargon and a consequent decline in the Civil Service's traditional strength of presenting issues in clear English. I think that this risk is a genuine one, but that the advantages of better communication with counterparts in other forms of employment are important. As Professor Dunsire says, this "leads to willingness to exchange information and to extend trust". One professional institute representative suggested to us that a good course of training leading to a qualification ought not to create new language barriers but rather to equip the trainee with new concepts

to help him to understand his work better, and also to communicate technical ideas clearly to non-specialists. If this can be achieved, it is certainly a desirable objective.

3.19 Several professional bodies emphasised that short, job-related skills courses had different objectives from longer courses leading to qualifications. The latter were primarily concerned to provide a broad base for future development, and ensured that the knowledge which the trainee would develop throughout his career was built on a sound foundation. Use of qualifications for younger staff also had the advantage of extending their general education, in a context which was more directly relevant to their job than were the subjects which they had studied at school or university.

3.20 Qualifications were also seen to have a number of benefits for individual employees. A qualification was the employee's personal property, gave him a goal to aim for and a reward for achievement which he could take with him wherever his future career might lead. It also provided a structure to his training and enabled him to meet a wide range of fellow-students. Many professional institutes emphasised their concern for the welfare of the individual member, and this involved opportunities for post-qualification development, regular meetings with local counterparts in different organisations, and a back-up service independent of the member's employer.

3.21 It was suggested to us that the opportunity to obtain a professional qualification after joining the Civil Service would be an attraction to good-quality potential recruits, particularly undergraduates. One reason for this was that those still within the educational system often wished to remain so, and valued opportunities for continued education and development. This was reflected in my own experience as a University Liaison Officer for the Civil Service: I found that there were many more enquiries by potential recruits about training opportunities than, for example, about pay. Another reason was that undergraduates believed that the opportunity to obtain a qualification would keep their options open to move to employment elsewhere. Thus, a recent report on fast-stream graduate selection observed that "some potential candidates are anxious lest, once in, they should find themselves trapped, without any prospect of gaining professional qualifications to provide a passport to a career elsewhere."¹ The link between professional qualifications and career mobility is discussed in paragraphs 3.28-3.32.

Arguments against qualifications

3.22 Qualifications appear, then, to have a number of potential benefits for the Service, notably in providing employers with a sign to them and to outsiders that their staff have a certain level of knowledge, independently assessed; improving communication with the outside world; and (possibly) attracting good external recruits. From the individual employee's point of view, they provide a goal to aim for and a sign of achievement. Do they have any disadvantages?

3.23 One view put to us was that annual staff reports were better than qualifications as indicators of how good an officer was at his job. The findings of the Personnel Work Review and of an internal Interdepartmental Working Party into the Reporting System indicate, however, that annual reports have serious limitations. In particular, the assessments of aptitude and general abilities are often unreliable. In view of this, any additional information on such matters should surely be welcomed, particularly if it involves an outside assessment against established standards.

¹ Selection of fast-stream graduate entrants to the Home Civil Service, the Diplomatic Service and the Tax Inspectorate and of candidates from within the Service: Report by Sir Alec Atkinson, Management and Personnel Office, February 1983, paragraph 18.

3.24 Our discussions with departments and individuals suggested that civil servants placed little value on the badge of a qualification, and that in their view the main benefit of work for qualifications was the training content rather than the qualification itself. Qualifications which at any time had been available merely on application were not highly regarded, even if membership requirements had subsequently been tightened up. This lack of respect for "pieces of paper" contrasts with attitudes in some other organisations and in some countries overseas.

3.25 Some departments suggested that qualifications might give staff a misleadingly favourable impression of their own abilities, and encourage them to expect promotion, in which they might be disappointed and subsequently resentful. Many departments and other organisations had experience of "qualification-hunters" who collected qualifications but were not good at their jobs. One organisation even invited us to meet its "qualification-hunter" so that we could see how bad he was!

3.26 Another criticism of qualifications was that they tended to emphasise the retention of facts rather than the practical application of knowledge. This was thought to be reflected in over-emphasis on the use of examinations, and it was argued that many students appeared to forget or discard a lot of the facts which they had learned soon after sitting the examination. Our discussions with institutes suggested that these criticisms were not uniformly applicable. Some institutes emphasised project work and tried to test the application of knowledge rather than its mere retention, and more is said about this in paragraph 3.38.

3.27 A few people expressed the view that greater use of the qualifications awarded by professional bodies would increase the influence of those bodies over management practice in the Civil Service, and that this would be undesirable. It was thought that "credentialism" would result, with professional bodies pushing up the standards for recruitment and eventually influencing pay and promotion. One commentator¹ saw the increasing influence of professional bodies as a move towards "guildism" and as detrimental to management development. In my view this is a genuine risk. One way to counteract it is through continued management involvement in the external training of staff. This is discussed more fully in Chapter 4.

Professional qualifications and mobility

3.28 One factor which was looked upon favourably by some and unfavourably by others was the link between professional qualifications and mobility. A qualification was portrayed as an accredited "kit-bag of knowledge" which established the employee's credentials with prospective employers. This was seen to help the employee, as it kept his career options open, and some argued that it would benefit government departments, as greater use of qualifications would encourage interchange of qualified staff with other organisations, thus bringing in fresh blood from outside. Most departments felt, however, that any career movement would be in one direction only, resulting in a loss of qualified staff and a wasted investment of scarce training resources. These departments saw the "mobility ticket" function of qualifications as an argument against their use in a career Civil Service.

3.29 Our study of the practice of other large employers suggests that the belief that all qualifications are highly regarded by outside employers is false (see paragraph 2.4). This is not, however, to deny that working for a qualification, which involves mixing with fellow-students from other organisations and an introduction to practice outside, may broaden the civil servant's outlook and lead him to consider moving elsewhere. This is not necessarily a bad thing.

3.30 Although outside employers do not always value qualifications highly, there is some force in the suggestion that an outside employer might look more favourably

¹Simon Coke: "Putting professionalism in its place", *Personnel Management*, February 1983, pages 44-46

on a civil servant with a qualification, as the qualification would be seen as establishing that at least some of the civil servant's knowledge was relevant to the outside world.

3.31 One area in which qualifications are highly marketable is accountancy. Our enquiries support the conclusion that the opportunity to work for an accountancy qualification would improve a civil servant's opportunities of employment outside, and more is said about this in Chapter 9. Overall, however, the link between qualifications and the opportunity to move to other organisations is not a clear one. But there is a widespread belief in the link, and that belief is itself important.

3.32 "Civil Service Management Development in the 1980s" recommends that the basic concept of a career Civil Service should continue, although with greater use of secondments and other forms of interchange with outside organisations. In that context, I do not think that the "mobility ticket" function of qualifications should be decisive in determining the Civil Service's policy towards their use. Other factors should be given greater weight. Nevertheless, it is important to acknowledge that greater involvement of the outside world in civil service training does imply some risk of losing trained civil servants to the outside world. In my view, this risk is worth taking. It is not a good reason for the Service to turn its back on outside qualifications.

Qualifications: general conclusion

3.33 Some of the arguments for qualifications - in particular, those based on quality control and greater links with the outside world - are relevant to the Civil Service. They do not, however, justify a blanket policy advocating use of all qualifications. Our enquiries suggested that some qualifications were better than others, and that some were more relevant to the Civil Service. They also revealed that most existing syllabuses would require some modification before they were of maximum benefit to the Service, and more is said about this in Chapter 4. **The case for each qualification needs to be considered on its merits.**

Student assessment

3.34 Almost all of the externally recognised qualifications which we have considered involve some kind of assessment of the student's performance. This usually takes the form of written examination, although some institutes do have routes for "mature entry" for older applicants with considerable work experience, and more is said about this in paragraph 3.46. Some institutes cited their failure rate as an indication of the high calibre of the qualification, but we were assured that institutes did not operate a policy of failing a certain proportion of candidates each year, whatever the standard achieved. Assessment was seen by institutes to be very important in adding credibility to a qualification, and our enquiries supported this view. One commentator referred to certification which did not involve any assessment as "the BOAC qualification" ("Been On A Course") and this was one badge with little appeal either to civil servants or to their managers. Other arguments for assessment included the view that students worked harder if they knew that they were to be assessed and that assessment gave the student a sense of achievement and a goal to aim for. Several departmental managers shared this view, and it does seem plausible, although it only applies when the student, or his manager, cares about the assessment.

3.35 Another argument was that student assessment provides quality control of courses and of students. Institutes varied as to whether they operated centralised examinations or delegated examining responsibility to colleges, but those who examined centrally regarded the consequent uniformity of standards as an important

quality control over courses. Others relied on regular contact with colleges to ensure the quality of courses, but this was impossible for institutes with a high proportion of students studying overseas. This argument is, however, less important for the Civil Service: close collaboration with teaching institutions as recommended in Chapter 4 should be sufficient to satisfy the Service of the quality of courses used. Considered as a quality control of students, assessment has the advantage of indicating to the employer and to the outside world the extent to which the student has assimilated the knowledge imparted by a course. It also has presentational advantages - outside observers might be more impressed by the fact that civil servants had achieved a certain assessed standard than by the fact that they had attended certain courses.

3.36 There are many types of student assessment, including the practice of sending back to employers helpful comments about the student's performance which might be useful for career development counselling. Not all involve a distinction between "passing" and "failing", but such a distinction does seem to be required if assessments are linked to a qualification. At the end of the day, the student either obtains the qualification or does not.

3.37 Student assessment has some important disadvantages: it might, for example, inhibit students from participating fully in courses which encouraged them to experiment with new ideas or try out new skills. Again, there is a danger that the use of student assessments as a control of the quality of courses might mean that the courses were judged by the wrong criteria - the question would be how many students passed the examination instead of whether the course fulfilled its objectives. Most of the training which this study has considered aims to equip the student to apply knowledge to his job, either now or in the future. Many managers feel that the achievement of a high mark in an examination does not necessarily imply that the candidate will be able to apply his knowledge effectively. A further consideration is that, to be done well, student assessment requires considerable time and resources. Hasty or ill-designed assessment is worse than useless.

3.38 Professional institutes and colleges are now using a variety of methods of assessment, including project work and continuous assessment, and the final part of a number of syllabuses consists of a work-based project specifically designed to test the application of knowledge to a practical problem. On the whole, however, the form of assessment used most frequently for professional qualifications is that of written examination, although in some cases the questions are now more about applying knowledge than of the "write all you know" variety.

3.39 The arguments for and against assessment come into sharper focus when applied to examinations. One point made to us was that where the objective was for the student to assimilate and have at his fingertips a number of relevant facts (eg about court procedure), preparation for an examination was a useful discipline. Another consideration is that the skills required to pass written examinations, such as analytic skills and skills in written communication, are useful for job purposes. Nearly everyone is frightened of sitting examinations. This includes people who are "good at examinations". The result is that a move from a status quo of no examinations to one of compulsory or recommended examinations is highly unpopular. Paradoxically, another result is that introducing compulsory examinations has a "macho" image and is sometimes recommended by hawkish senior managers.

3.40 Greater use of qualifications implies student assessment. There is no possibility that institutions awarding qualifications will cease to assess students, although there are signs of flexibility in the means of doing this, and these trends are welcome. The more a qualification emphasises the importance of applying knowledge and the more it uses project work and other methods linking the syllabus

to the workplace, the more interested the Civil Service is likely to be in the qualification. Structured developments with particular courses of the kind recommended in Chapter 4 should allow scope for adapting the form of assessment to the needs of civil service students. Paragraph 3.13 recommends greater involvement of outside bodies in the planning, delivery, and accreditation of internal courses. Accreditation will imply some sort of assessment, and where this would be harmful in terms of the course's objectives, accreditation may not be advisable. It should be emphasised, however, that there is considerable scope for flexibility - not all assessments are written examinations and not all written work is the mere regurgitation of facts.

A new qualification for the Civil Service?

3.41 There are examples, both in this country and abroad, of qualifications designed specifically to meet the needs of civil servants including, in the UK, the now lapsed Diploma in Government Administration. One task of the study was to consider whether or not to recommend the introduction of a new qualification for the Civil Service. This might have some advantages: designing a syllabus exclusively for the needs of the Service would avoid the danger of irrelevant content and in theory would enable the syllabus to be matched closely to departments' needs. It might be suggested that the badge of the qualification would be a goal for individual civil servants, that it would motivate them, and that it would provide a structure for their training. Furthermore, if the qualification involved some sort of student assessment - and for the reasons given in paragraph 3.34 I think that it would need to do so to command respect - this would introduce into civil service training standards against which individual civil servants could be measured (as distinct from standards for assessing the delivery of training, which are already used).

3.42 The arguments against introducing a new qualification are, however, in my view, overwhelming. The standards against which civil servants were measured would not have much meaning to the outside world unless external bodies were involved in the validation of the qualification, and the absence of outside validation would detract from the esteem of a civil service qualification both inside and outside the Service. Lack of esteem among civil servants would not affect demand for the qualification if it were made a necessary condition for promotion. However, this approach is not recommended for the reasons given in Chapter 9. There are also practical considerations weighing against the introduction of a new qualification. First, because of the range of career development patterns which are expected to develop in the future, the qualification would have to be very flexible indeed to meet such a variety of needs. It is doubtful whether any one qualification, however flexible, would necessarily be better for a particular group in the Civil Service than one of the many existing outside qualifications and if there were any choice, experience suggests that the group would plump for the outside qualification because of its enhanced esteem. Secondly, if the new qualification required new college courses to be set up throughout the country, it is highly probable that the venture would never get off the ground because of cost and uncertainty of student demand.

3.43 A further objection to a civil service qualification is that it would not help the Service to achieve the objective of becoming more outward-looking through greater interaction with other areas of employment - an advantage which we have seen in the use of outside qualifications.

3.44 Lastly, we were not encouraged by the history of other comparable public sector qualifications in this country. Two - ie the Diploma in Municipal Administration and the Diploma in Government Administration - had lapsed and we were told that some health service administrators chose to work for a qualification recognised outside which used a wide range of material, in preference to an internal

qualification. For all these reasons, **I recommend that the Civil Service should not develop a new qualification for its exclusive use.**

Links with professional bodies

3.45 Several of the companies which we surveyed valued links at a personal level between staff (particularly senior staff) and professional institutes, even where they made little use of the institute's qualification. And for those who did take qualifications, there was a need to renew membership both to keep the right to use the letters after their names, and also to keep up with new developments. Many institutes have branch structures, and some of these are very active, providing regular opportunities for meetings and interchange of ideas, and enabling members from different sectors of employment to meet regularly. Some institutes hold occasional open meetings, and where civil servants attend these, their presence is highly valued. Some also have Associate Membership facilities for people with a number of years of relevant work experience. Involvement of this kind should be beneficial both to institutes and to civil servants and **I recommend that civil servants should make maximum use of such opportunities as part of a positive policy to form closer links with outside counterparts.**

3.46 Many institutes have "mature entry" routes for older applicants (usually those aged 40 plus) on the basis of work experience and/or a long piece of written work. **Where such routes exist, I recommend that civil servants at about the grades of Assistant Secretary and above should consider taking them.** This will require institutes to be flexible in what they regard as "relevant" work experience, given the varied job backgrounds of many senior civil servants. Many very senior civil servants already have extensive networks of outside contacts: mature entry to professional institutes should provide a route for colleagues in slightly lower management grades to do likewise.

CHAPTER 4

PROFESSIONAL QUALIFICATIONS: RECOMMENDED APPROACH

4.1 Chapter 3 recommends greater involvement of the external educational and professional world in the post-recruitment education and training of civil servants. It describes a number of benefits following from use of qualifications, but does not give a blanket endorsement of all qualifications. The approach must be one of "horses for courses". What, then, should be done in the short term? This Chapter outlines the approach which the Service should adopt whenever qualifications are used. The next three chapters consider which qualifications should be used and by whom.

The triangular approach

4.2 Our discussions have convinced us that the potential benefits to departments of staff working for certain qualifications will not accrue automatically by selecting staff and sending them off to play the field of the wide range of further and higher education provision available locally. Courses at some institutions are better than others, and some are more suited to the Civil Service. Furthermore, many of the current syllabuses which we examined were useful but not ideal for the Civil Service as they stood, and in the short term would need to be backed up by additional work to relate the material more closely to work in the Service. The job demands and domestic circumstances of some civil servants point towards alternative means of tuition to the traditional "evening class or day release" paradigm. Where this means distance learning, some back-up is required to keep the civil servant motivated and to help him relate the course to his work.

4.3 All these considerations support the conclusion that wherever outside qualifications are used for civil servants, the approach to be adopted should be a **triangular one, involving employers, professional institutes or validating bodies and teaching institutions.** The interests of the employer may be represented by an individual department, a regional group of departments, a national group of departments with similar interests or by a central department. The employer's part in this collaborative process need not - and in some cases should not - involve MPO, although that department will have a role in keeping others informed of developments, and more is said about this in paragraphs 4.29-4.31.

4.4 The triangular approach would involve employers working with professional institutes or validating bodies in selecting appropriate courses for civil servants and working with course providers to make sure that courses met civil service needs. In some cases, the teaching institution might be inside the Civil Service (eg the Civil Service College); more frequently, however, the approach would be to work with one or more outside institutions; yet again, distance learning material might be produced for use in a wide range of departments and backed up by tutoring or practical skills training either within the Service or outside. In all cases, however, civil servants should be steered towards particular courses. Our enquiries suggested that students left to find an appropriate course themselves often found this difficult and that in some cases the courses found had not been the best ones for the department or the individual. When this happened the time and effort devoted to selecting students might be wasted.

4.5 Most existing syllabuses for professional qualifications are not designed with the needs of the Civil Service in mind, and most courses leading to qualifications do not use much central government material. If the Civil Service is to make greater use of outside qualifications, this will need to change, and the change will require

co-operation by the Civil Service, notably in helping with the preparation of case-study material and in encouraging project-work in departments in collaboration with outside tutors. It will also in my view require an increase in the amount of publicly available material about relatively recent government initiatives, where this does not present genuine security problems. We were told that institutes and colleges would be reluctant to devote time to the development of such new material without some guarantee that civil service students would be forthcoming, and this is another argument for steering civil servants towards certain courses rather than dispersing them throughout the further and higher education system.

4.6 These changes will take some time. In the shorter term, it will probably be necessary to use the most promising outside courses in their current form and to back them up by training or tutoring within the Service to help students relate what they are learning to their job. Hence, even if an outside institution provided the main teaching input in preparation for a qualification, there might be a role for departments or the Civil Service College to provide supplementary training. In some cases, existing internal courses seem highly suitable for this purpose.

4.7 The triangular approach also requires institutes and validating bodies to be prepared to work with particular colleges in developing courses suitable for civil servants. This would involve collaborating with the Civil Service in identifying College x as suitable to develop a course particularly aimed at central government; collaborating with that college in the development of material; and subsequently steering departments away from Colleges y and z and towards College x. We asked institutes if this kind of involvement would cause them any problems, and on the whole we were told that it would not. Indeed, several colleges had designed courses specially for particular industries, and there were recent examples of collaboration between institutes and particular colleges in developing new courses. This approach was more difficult, though not impossible, for institutes which had a centralised syllabus and examination system, as all courses leading to their qualification had to equip students to answer the same examination questions. In some cases, however, the questions were framed in general terms with students encouraged to illustrate their answers with examples from their own sector.

4.8 The objective of developments of this kind is to increase the depth of knowledge and skill of staff, to enable them to apply the knowledge in their jobs, and thus to make departments more effective. Using qualifications has the important advantage of providing scope for individual initiative on the part of staff. If this is to be harnessed in the most effective way, however, **it is essential that the officers who are to obtain departmental support to study for qualifications should be selected by management.** This is important for three reasons: first, if the department is to obtain the hoped-for benefits, work for the qualification must fit in with the individual's career development profile. We obtained the impression that some individuals had decided to work for a qualification as a bargaining counter with their Personnel Divisions to obtain postings in jobs which they liked. From management's point of view, this process is the wrong way round - those who work for a qualification in, say, personnel management, should be those whom the department thinks best suited for further work in that area. Such forward planning inevitably involves a lot of uncertainty, and there are few officers for whom the direction of their future careers is certain either to them or to their departments. Nevertheless, consciousness of the link between qualifications and career development is essential at the selection stage.

4.9 A second reason for selection by management is that not all officers who aspire to work for qualifications will be capable of lasting the course. This might be due to insufficient intellectual ability, lack of perseverance or difficulty in finding sufficient time to undertake the required study. It is no kindness to encourage an

officer who is manifestly ill-equipped to cope with a qualification to embark upon it. Having said that, to some extent the individual should be allowed the benefit of the doubt. Most qualifications have stage examinations which weed out unsuitable candidates at an early point. Thirdly, even if it is in the department's interest for an officer to study for a qualification, the qualification which the individual has in mind may not be the right one for him - indeed, training that does not lead to a qualification may be more appropriate to meet his needs.

4.10 When a department is deciding whether to give support to an individual to work for a qualification, the views of the applicant's line manager should be taken into account. **In my view the line manager should not, however, have a veto.** His main preoccupation will often, understandably, be to get the immediate job done; while the benefit to the department of one of his staff working for a qualification may be realised later, when the person is working for someone else. It is also possible that the line manager might be suspicious of, or prejudiced against, outside qualifications. We were sorry to encounter one or two examples of civil servants working for qualifications who had felt it necessary to try to hide the fact from their line managers.

4.11 If departments are to benefit from their staff working for qualifications, the involvement of management in the individual's progress must not stop at selection. Some students told us that once they had started their course of study, they did not perceive any continued departmental interest in their progress. This had a demotivating effect as well as making it more difficult for them to relate course work to the needs of their department. **I therefore recommend that where an officer is given departmental support to work for a qualification, someone in the department should be identified as having responsibility for keeping an eye on his progress and advising him on project-work etc with a view to maximising the links between what he is learning and the needs of the department.** For status reasons, this person should be at least one grade senior to the person studying for the qualification, but departments may vary on whether the contact-point should be in the student's subject area or in the Training Division. Ideally, it should not be the student's immediate line manager. This practice is already carried out in some areas, notably accountancy and audit where most trainees have a "training principal".

4.12 The department's involvement ought to go further still. Training for a qualification will have maximum impact on the effectiveness of the department if **opportunities are provided explicitly designed to enable the student to make use of his knowledge after qualifying.**¹ The knowledge which the student has obtained should, of course, make him more effective to some extent in any case. But structured opportunities to apply his knowledge, for example through projects or reports to management which are topical and actually seen by senior management, can help cross the threshold in the student's application of his knowledge. Institutes and colleges may be able to help in setting up these opportunities, which should have an important motivating effect on the student and be a sign of the importance ascribed by management to his qualification. Setting up these opportunities makes demands on management resources, but without it there is a risk that some of the return on the investment in training may be lost. Even this step is, however, only part of the story. It is important to remember that the objective is to improve the expertise of staff and hence the effectiveness of government departments. This can only be done through integrating training (including qualifications, where appropriate) with career development and by posting qualified staff in jobs where they can continue their development. Obtaining a qualification is really the beginning rather than the end of this process.

¹I am indebted to Mr M F Stonefrost, Director-General of Finance, Greater London Council, for this point.

4.13 Where possible, then, use of qualifications should involve the triangular approach. In that context, Chapters 5 and 6 consider what ought to be done by departments and by the centre in relation to existing qualifications at about professional/degree level, whether in specialised areas (Chapter 5) or in more general subjects (Chapter 6). With some reluctance, I have decided against an overall quota approach, setting as a target a fixed percentage of civil servants who might obtain a qualification. Although this would have the attraction of simplicity, it would not necessarily contribute as much to the effectiveness of the Service as a more discriminating approach. The approach which I recommend is one of starting from the need for knowledge and skills and selecting the best training and education available to meet the need, with a preference for opening doors to the outside world. This will mean greater numbers of civil servants working for qualifications, but not a paper-chase, and there will be cases where it is not appropriate for an officer to work for a qualification.

The fast stream

4.14 The "fast stream" of civil servants are those who are selected for rapid advancement in the early stages of their career, and include those honours graduates who enter the Service as Administration Trainees. Although their numbers are fairly small, they are very influential, and many future senior managers will come from their ranks. We considered the question of whether fast stream civil servants would benefit from obtaining qualifications, and came to two conclusions:

- it is essential that any development with qualifications involve fast streamers;
- doing so efficiently will be very difficult.

4.15 Chapter 3 discusses the balance of different kinds of knowledge and skills which future middle and senior managers require, and suggests that it is wrong to assume that they do not require any specialised knowledge or skills, even though the priority requirement may be for strategic and managerial skills. Current practice in this regard will not change until more officers who have spent extended periods of time in comparatively specialised posts are appointed to senior management positions. Where it is appropriate for some staff to work for qualifications in specialised areas, that should therefore involve fast-streamers.

4.16 Chapter 1 refers to the "gentlemen and players" culture, with fast-streamers seen as "gentlemen" who do not need to concern themselves with too much detail. This view was reflected in many of our discussions, where it was often assumed that qualifications would only be relevant to main-streamers, with the consequence that, paradoxically, selection to work for a qualification might be taken as a sign that a civil servant was not destined for the top. It is vital for this impression to be dispelled. In my view the quest for greater professionalism concerns the Service as a whole - not just main-streamers. Where greater professionalism means discriminating use of certain qualifications, the fast stream must therefore be involved.

4.17 In a recent lecture to the Royal Institute of Public Administration¹, Sir Frank Cooper, formerly Permanent Under Secretary of State at the Ministry of Defence, remarked:

"There are many senior posts which would be filled better by people who had added a relevant professional qualification to outstanding basic ability. Accountancy, law, languages, computing, business administration and personnel management come immediately to mind. This could well be a mandatory requirement and should be rewarded either by promotion or a lump sum

¹ "Freedom to Manage in Government", 19 April 1983, part of the RIPA Winter Lecture Series 1982/83 on Public Sector Management.

payment. It is not enough to go on inventing new internal courses from time to time and merely publishing the need to attend them. The generalist must become more specialist and both he and the professional more skilled in management. ... This whole area requires thorough examination and firm decisions rather than continued fiddling whilst Rome burns."¹

The conclusions of this study strongly support the spirit of these remarks. For the reasons given in Chapter 9, I do not recommend that qualifications should be a guarantee of promotion. But I agree that the developments recommended by this report should involve fast-streamers, both to meet a real need for greater professionalism, and also to bring about a change of attitudes.

4.18 Doing this efficiently will, however, be very difficult. This is not simply because fast-streamers have a lot of other demands on their time, although it is true that they do. A more important difficulty is that a number of the current courses leading to qualifications are not designed for students with the level of education of many fast-streamers. An unstructured approach of sending all Administration Trainees to local colleges even if the classes consisted mainly of school leavers would probably be counter-productive. Some of the educational prejudices encountered among administrators in the Civil Service should rightly be dismissed as academic snobbery, but it is sensible to acknowledge that an officer with recent experience of advanced university study might find the pace of some courses leading to qualifications too slow and might find it difficult to adjust to different teaching methods or, perhaps, to larger class sizes.

4.19 It is important, however, for fast-streamers to realise that subjects and techniques which are at a comparatively low level of abstraction compared with some university subjects are not necessarily "easier". Hence, even if a course is at the same educational level as the fast-streamer's previous qualification, it will not necessarily be easy. And even if certain subjects are comparatively easy, they may still be important. The brightest of car-owners can benefit from basic knowledge about how his car works.

4.20 In my view it is important to adapt the mode of learning to the needs of fast-streamers as closely as possible, in order to obtain the most efficient result. This might involve the use of more intensive courses; replacing earlier stages of syllabuses with distance learning material which the officer can pursue at his own fast pace (and which also allows him some flexibility to cope with other work-demands); and the adoption by institutes of a reasonably flexible approach towards entry requirements. Many fast stream civil servants are graduates in subjects which are not deemed eligible for exemption from the foundation stages of certain qualifications: in these cases, institutes should provide a quick route to get over this problem, or be more flexible in their exemptions policy. Failure to do either will limit the usefulness of qualifications for fast-streamers. This is a matter of efficiency, not elitism.

4.21 In some cases, it is possible to distinguish between the requirements for a qualification and the syllabus of courses leading to the qualification. The Institute of Personnel Management, for example, accepts for membership those who successfully complete a variety of courses, at various educational levels. These include an intensive block-release programme and certain part-time Master's programmes, and either approach might be more appropriate for some fast-streamers than other courses leading to the IPM qualification. If the academic challenge of such a course engaged and stretched the fast-streamer, without losing the more practical benefits of the content of the qualification, then this would be the right option.

¹quoted by permission of the author.

4.22 My conclusion, then, is that the developments with particular qualifications recommended in this report should involve fast-streamers. For this reason, negotiations with institutes and colleges should raise the question of whether modes of learning appropriate to fast-streamers are available. It goes without saying that these modes may also be appropriate to able main-streamers, particularly graduates.

Distance learning and new training technology

4.23 Our discussions with professional and educational bodies indicated that methods of learning were in an era of fast change. The traditional "evening class or day release" stereotype of external training was no longer paramount. Study material for individuals to use at their own pace was often a far cry from the more traditional "correspondence courses" and used a variety of media as well as written material. The trend towards dividing up long programmes into self-contained modules was matched by a move to make these modules available for use at the work-place or at the student's home. New technology was enabling students to make use of a wide range of material using comparatively accessible equipment such as videos and computer terminals. The educational world was demonstrating considerable flexibility in backing up individualised tuition with other types of support, including telephone tutorials, occasional visits to colleges, weekend use of computer terminals, and opportunities to meet fellow-students. There were also interesting developments with "mixed modes" of learning, involving various combinations of the approaches described in this paragraph.

4.24 Many colleges and universities were involved in developments of this kind. Some business schools were making modules of their longer courses available as self-contained distance learning material. The Open University was extending its post-experience material in management education and the facilities afforded by the Open Tech Programme at the Manpower Services Commission were also potentially useful. We heard of one example where the Open Tech had been used by a college to develop distance learning material relating to a professional qualification, with local branches of the professional institute being used for back-up services to students.

4.25 One disadvantage of using individualised learning methods to provide the whole of the necessary tuition rather than in conjunction with other methods is that the student learns only from the material and not from mixing with fellow-students. If the objective is for staff to rub shoulders with counterparts from other areas of employment and see problems from their perspective, then departments should look for a course involving some group teaching, rather than one using only distance learning.

4.26 That said, developments in distance learning and in the use of new training technology are of considerable importance to the Civil Service. The wide variety of career patterns, training needs and educational backgrounds of our target population mean that the same mode of learning may not be appropriate for each. Flexibility will be required to ensure that training leading to a qualification is delivered in a way which meets the varied needs of civil service students with maximum efficiency. Another important consideration is the impact of resource constraints. It is not always possible for officers to be released regularly on a set afternoon to attend a college, and block-release may not be practicable either. Methods of learning which can be used at the work-place, as well as at home, would enable study to be adapted to meet irregular patterns of available office time.

4.27 Distance learning and new training technology are also important to the Service because they increase access to training for some groups who may have been disadvantaged in the past by their inability to use more traditional methods.¹ For

¹ see **Equal Opportunities for Women in the Civil Service**. Management and Personnel Office, 1982, paragraph 5.8.1.

example, officers with family responsibilities may find it difficult to attend residential courses, and those intending to return to work after a period of absence bringing up small children might be able to use opportunities for study at home, perhaps backed up by use of equipment in the department or at a local college. These factors particularly affect the opportunities for women in the Service to participate in the kinds of developments recommended in this report.

4.28 I therefore recommend that in the triangular collaborations of the kind described in paragraphs 4.2-4.13 above, the Civil Service raise with institutes and colleges the scope for making distance learning material available and using new training technology. In my view, the extent to which the Civil Service will in practice be able to make greater use of qualifications will depend on the flexibility of the methods of learning available and, in particular, on the impact of new training technology. If professional bodies take advantage of the assistance currently available to develop such material, their qualifications will be of greater interest to the Civil Service.

The information role of the Management and Personnel Office

4.29 Greater use of the external educational and professional world requires up-to-date knowledge about what is available. Experience of carrying out the study, with one filing cabinet full of brochures spilling over into another, convinced us that attaining and retaining this knowledge was difficult and time-consuming, particularly for Departmental Training Officers who have other things to think about than professional qualifications. Another consideration is that the triangular approach recommended in this Chapter requires co-ordination on the employer's side to avoid unnecessary duplication of effort by individual departments. MPO will not necessarily be the right department to take the lead in all developments with particular qualifications. Nevertheless, it must have a co-ordinating responsibility and a duty to help departments by providing information about what is happening elsewhere in the Service.

4.30 We considered the possibility of MPO's maintaining a comprehensive computerised index of available training courses, but decided against this on the grounds that it would be costly, might not be extensively used, and - most important - that much information of this kind is already available. **Instead, I recommend that departments should make use of a small number of standard reference works, and that MPO should let departments know if new, or better, reference material becomes available.** Current sources which appear suitable include - (for short courses, not those leading to qualifications) the **National Training Index**;¹ and (for short courses in management) **Post-Experience Courses in Management 1982/83**.²

4.31 It is not, however, sufficient for MPO to draw departments' attention to this material already available. **I recommend that the Training Division of MPO should keep a record of civil service developments with particular qualifications and circulate the record regularly (eg half-yearly), perhaps in the form of a "Qualifications Newsheet".** This would keep departments informed about courses

1 **National Training Index**, Graduate Appointments Ltd, 7 Princes Street, Hanover Square, London W1R 7RB. Enquiries should be addressed to Stuart Macnair, General Manager.

2 **Post-Experience Courses in Management 1982. A directory of Short Courses at Selected UK and other European Centres.** Alan Armstrong and Associates Ltd, 1982. For further advice on management courses of any length, contact Sue Wilkie at the Management Information Centre, British Institute of Management (01-405 3456, extension 131).

which are particularly suitable for the Service. It would also remedy what appears to be the major gap in the aggregated information already published elsewhere, namely information about long courses leading to qualifications. For this to work, departments would have to keep MPO informed of any developments in which other departments might share either at national or at regional level. **I further recommend that expert advice should be sought by MPO on the feasibility of automating this task with a view to enabling the information to be stored and printed with minimum demand on human resources in Training Division,** and, if possible, using equipment already available either in the Division or in the department. Ideally a clerical officer should be able to have quick access to the data to deal with telephone enquiries.

CHAPTER 5

QUALIFICATIONS IN SPECIALISED AREAS

5.1 How can the general approach outlined in Chapter 4 be applied to qualifications in specialised areas? I suggest that this should follow from a piece of work that departments have already been asked to do by "Civil Service Management Development in the 1980s", namely to consider the kinds of functions or subject-areas into which their work might be divided, and whether their staff should develop their careers mainly within these areas. This exercise could be extended by looking further at the identified functions or areas, locating the need for greater depth of knowledge (on the premise that there is likely to be such a need), and roughly quantifying the need. If any departments conclude that there is no scope for staff to return periodically to the same area of work, then it follows that there will be little point in staff working for specialised qualifications.

5.2 Equipped with this picture of the department's needs, the next step is to consider individually the target population of young civil servants and match training prescriptions to their abilities and potential, the needs of the department, and their futures in the department as envisaged by them and by management. In my view, the Civil Service ought to aim for a system whereby individuals in the target population can seek a Training Development Interview in which this matching process could take place, but I have no illusions that such a system could be introduced overnight. It would require personnel, manpower and training expertise in departments to be brought together and an information service to help departments to keep up to date with what was available (see paragraphs 4.29-4.31). Nevertheless, I think that this is the direction in which we should move.

5.3 Annex C contains a "decision-tree" illustrating how a training prescription might be matched to needs for knowledge and skill in a specialised area. It will be noticed that the resultant prescription is not always a qualification, although qualifications come into their own when the need for a specialised body of knowledge is combined with a general educational need and the capacity to learn from experience outside as well as inside the Civil Service. Where practical skills are required, it may be necessary to look elsewhere than at a qualification, although this remark does not apply to all qualifications.

5.4 The Study obtained a lot of material about qualifications in specialised areas, but we did not aim to make an assessment of each one. This was for a number of reasons. First, such judgements must be made by the right people, and in many cases I lacked the necessary subject expertise. Secondly, it was not sensible to intervene in some developments already in progress. A third reason was the sheer size of the task of assessing each qualification in a way that was fair to the large number of organisations offering qualifications. Because of our close access to relevant expertise in MPO we were, however, able to make an exception in the case of qualifications in personnel management. These are discussed in detail in the paragraphs which follow. We were also able to point up other areas for further work.

Qualifications in personnel management

5.5 "Civil Service Management Development in the 1980s" recommended (at paragraph 5.12 - 5.13) that further thought should be given to the possible benefits of civil servants obtaining qualifications in personnel management. The Professional Qualifications Study has considered this in consultation with departments and outside organisations.

5.6 We asked three questions:

- a. What knowledge and skills will be required in the future for personnel work in the Civil Service?
- b. In view of this and of career development policy, should the Civil Service make greater use of qualifications in personnel management at full professional level?
- c. Should some civil servants obtain a lower-level skills qualification in personnel management which was recognised outside?

Briefly, our answer to the last two questions was Yes; and the outside body which was of greatest interest to the Civil Service in both contexts was the Institute of Personnel Management (IPM).

5.7 To answer question a. above, we looked to the Review of Personnel Work for an indication of the future role of personnel managers in the Civil Service. That Report recommends that line managers should have more management responsibilities, with the role of personnel managers being more one of "providing information, support and expert advice to line management in its discharge of its personnel responsibilities; exercising a monitoring and co-ordinating function; and taking responsibility for personnel strategies" (paragraph 9.11). The conclusion of this study is that such a role requires expertise based on a greater depth of knowledge than can necessarily be picked up on the job. It must involve some contextual knowledge and a strategic view of personnel management which can see synoptically the various aspects of personnel work which are too often split up in civil service thinking (eg welfare, manpower planning, training, career development policy, industrial relations).

5.8 In addressing question b. we again looked to the Review of Personnel Work for an indication of the future career profile of personnel managers in government. That Review did not recommend that personnel divisions should be staffed exclusively by "personnel specialists". It did, however, remark that "there is much to be said for a few staff acquiring a specialised knowledge of the personnel field and developing their careers mainly in personnel work" (paragraph 9.12).

5.9 The professional education scheme of the IPM was recently redesigned to make each stage an integrated programme requiring the student to develop a synoptic view of personnel management covering, for example (in Stage 2), industrial relations, employee development and employee resourcing. The syllabus also includes practical work and emphasises the application of theory to practice, notably in Stage 3, which is a work-based project. This approach appeared to match the need which we had identified for greater expertise, and in view of this and of the recommendation in the Review of Personnel Work that some staff should acquire specialised knowledge in personnel work, there seemed to be a strong case for some staff in most departments to work for the IPM qualification.

5.10 This view was consistent with trends elsewhere. Almost every industrial and commercial company which we contacted had at least one person in the personnel function holding the IPM qualification, and a number felt that they needed more. In local government, the trend was more marked. All the authorities which we visited had either developed, or were in the process of developing, personnel management specialisms, and we were told that it would now be difficult to find any local authority of above medium size (ie serving a population of more than around 100,000) whose head of personnel did not have the IPM qualification or intend to complete it.

5.11 The conclusion of this study is that **each major department should have a leavening of personnel staff with the full IPM qualification.** As a rough guide, the aim should be for at least 10% of staff at HEO level and above in the personnel function to be qualified. Experience may point to a larger proportion. Smaller departments would also benefit from having a few professionally qualified personnel staff, and this might require career development arrangements allowing for secondment of qualified staff to the personnel divisions of other departments or to the MPO. To enable routes to full IPM membership to be set up using the kind of triangular approach recommended in Chapter 4, **I recommend that the Civil Service negotiate as a matter of urgency with the IPM with a view to identifying and developing courses particularly suited to the needs of the Service.** I suggest that the Management Studies Directorate of the Civil Service College should be involved in this process, whether the delivery of the training eventually involves them or not.

5.12 We discussed question c. (the scope for an outside qualification at a more basic skills level) with departments, and in many cases were met with the view that the most widespread training need for personnel managers was for relevant skills training, covering, for example, interviewing skills, job analysis and negotiating skills. It was acknowledged that there were advantages in this being linked with an outside qualification, as this would give the student a goal to aim for and would encourage him to develop links with the personnel world outside. I agree with these views. Skills training is not, however, the same thing as professional education, and a skills qualification is not a substitute for the full IPM qualification.

5.13 The Review of Personnel Work endorses the importance of basic training and recommends at paragraph 9.13 "that all new personnel managers should undertake a mandatory common core of three weeks' basic training in personnel management knowledge and skills at the Civil Service College". To this I would add that there would be considerable value in linking the basic training to a qualification recognised outside. Fortunately an appropriate qualification exists in the form of the IPM's Foundation Certificate in Personnel Practice, which is granted to those who successfully complete an approved course of basic skills training. **I therefore greatly welcome the fact that the College is negotiating with the IPM for successful completion of the three-week course plus one additional module to qualify for the Institute's Foundation Certificate, and I recommend that departments encourage staff to make maximum use of this opportunity.**

Personnel management qualifications and the Management and Personnel Office

5.14 The Review of Personnel Work envisages a greater amount of departmental autonomy in certain executive areas of personnel work, and the Financial Management Initiative also indicates a trend towards less detailed prescription from the centre on management issues. This implies that the role of the Management and Personnel Office will be less one of detailed prescription and co-ordination and more one of providing expert advice on personnel policy. The Review of Personnel Work notes that if MPO "is to have the confidence of departments, it must speak, and be seen to speak, with authority" (paragraph 10.14) and envisages that authority as coming from two sources, viz knowledge about the practice of departments and deeper knowledge about personnel management, including knowledge about outside practice. In the latter context, the Review's Report recommends at paragraph 10.15 ii. "that MPO ... consider enabling a small number of key personnel staff to acquire deeper knowledge through appropriate courses of study, possibly leading to the acquisition of professional qualifications". In this context, **I recommend that a number of staff in the Management and Personnel Office should obtain the IPM qualification; and that this should be done by developing a scheme through a triangular collaboration with the IPM and one or more teaching institutions.** If this recommendation is accepted, it should be possible for the first students to begin

work in the subsequent academic year, and a possible target figure to start with might be, say, 8 new students each year.

5.15 The Review also endorses the present policy of increasing interchange of staff between MPO and operational departments, particularly in relation to the group of divisions in MPO dealing with personnel policy. **I recommend that MPO should seek to import, through short-term loans, some staff from operational departments who already have the IPM qualification, as well as enabling some of its own staff to acquire it.**

Financial qualifications for general administrators

5.16 During the course of the study, urgent attention was being given throughout the Service to the training of civil service managers to carry out their financial responsibilities under the Financial Management Initiative. These duties concern many managers, not only "finance specialists". "Civil Service Management Development in the 1980s" describes in Chapter 4 the various target populations requiring training in financial management and outlines the provision which is currently being developed for them, notably at the Civil Service College. Our discussions with institutes and educational bodies revealed that they were aware of the rapidly increasing demand for financial training for non-financial managers, and we received an encouraging number of indications of outside willingness to help government in this area.

5.17 In my view, the possibility of using outside qualifications in the financial training of non-financial managers is particularly relevant to the training of younger civil servants to meet the needs of the future. Qualifications are less appropriate to the short-term task of equipping senior managers to carry out new duties very soon. **I recommend that current work on the financial training of non-financial managers in the Civil Service should be extended forthwith to cover the potential role of any relevant externally-recognised qualifications.**

Other specialised areas

5.18 We identified a number of other areas where qualifications existed and where we saw potential benefit in greater involvement of the external educational and professional world.

- Contract work, purchasing and supply;
- Management services;
- Export and overseas trade.

We contacted several of the outside bodies concerned with these areas, and, while all have something to contribute to civil service training, I do not recommend a blanket policy of using all their qualifications. It is important to match a qualification to the needs, educational level and age of potential civil service students, and in some cases the qualifications on offer are aimed at a young age-group and pitched at a comparatively low educational level. **I therefore recommend that the Civil Service set up a small group for each of these areas to consider i. whether there is a case for greater outside involvement in civil service training (on the general premise that greater external involvement is desirable); ii. what form this involvement should take; and iii. in particular, whether use should be made of appropriate outside qualifications.** The members of these groups should be those with the appropriate subject expertise, and they should not necessarily include MPO. Inevitably, however, a monitoring role will fall to MPO.

CHAPTER 6

QUALIFICATIONS IN GENERAL AREAS

6.1 There are a number of qualifications which are potentially relevant to the Civil Service as a whole, rather than to particular departments or functions. A lot of these are at an educational level either above or below that of most professional qualifications. Postgraduate qualifications are discussed in Chapter 8. The paragraphs which follow consider general qualifications at about the educational level of most professional qualifications or first degrees, and in general areas such as public administration, management and law.

6.2 Many specialised qualifications are, of course, useful as preparation for general management, quite apart from their value in providing specialised knowledge and skills: indeed, the first stages of many specialised qualifications are really foundation courses in business-related subjects, and later parts often also include elements with wider application. Most professional qualifications in specialised areas are not, however, primarily management qualifications and do not purport to be.

6.3 In considering general qualifications, it is not easy to adopt the approach recommended in paragraphs 5.1-5.2 in relation to more specialised qualifications, viz starting from a quantified need for knowledge and skills and selecting the best training and education available. While the philosophy of that approach still applies, the first steps - determining and quantifying the need for knowledge and skills - are the most difficult. Our discussions with departments revealed that the more general the subject-matter, the more difficult it was to identify needs. It was easier, for example, to judge whether staff in finance divisions required knowledge of accounting procedures than to judge whether staff would benefit from greater knowledge of the context of government or from a greater understanding of the policy process. This difficulty was matched by reluctance on the part of some providers of general qualifications to justify the usefulness of their courses to the Service in terms of increasing effectiveness.

6.4 To some extent, use of general qualifications must be an act of faith, but it need not be an act of blind faith. It does seem plausible that many departments could benefit from an increase in the kinds of knowledge and expertise described in the paragraphs which follow. It is not, however, possible to say precisely how many staff would benefit. The approach must be to obtain as precise a statement as possible of the aims of each qualification, and if it seems likely that these would benefit departments, to take extreme care in matching qualifications and courses to individuals and in providing opportunities for the knowledge to be applied. Because the first steps - identifying and quantifying need - are difficult, the subsequent steps are even more important.

Degree-level qualifications in public administration

6.5 The Public Administration Committee of the Joint University Council in Social and Public Administration provided a written submission to the study which is reproduced as Annex G. Its opening paragraphs outline the kinds of public administration course currently available leading to qualifications. Most degree-level qualifications in public administration are primarily designed for students who have not yet entered employment. With the exception of the qualification awarded by the Institute of Chartered Secretaries and Administrators and the Scottish Diploma in Public Administration (see paragraphs 6.11-6.19), most post-experience academic qualifications including public administration are either at a lower or a higher educational level than most professional qualifications.

6.6 An aim of post-experience courses in public administration appears to be to improve the student's performance in his job by giving him a more strategic view of his work and a better understanding of its context. Public administration accommodates a multi-disciplinary approach to the student's area of work, and is thus less compartmentalised than some more specialised academic subjects. This kind of contextual knowledge, it is argued, will enable the student to do his job better and give him the necessary flexibility to respond to change.

6.7 Who are the civil servants whose needs match these objectives and what should they be taught? There appears to be a lot of misunderstanding about these questions both by the public administration teaching world and by departments. We were told that some civil servants at grades of Executive Officer and Higher Executive Officer had taken external courses in public administration and had been subsequently frustrated by lack of opportunities to apply their knowledge. This may reflect on the hierarchical structure of the Civil Service, but it would be wrong to think that the situation could easily be changed: inevitably, a lot of junior/middle managers will spend a lot of their time on detailed practical issues of implementation. Some of them will therefore not be in a position to apply the knowledge and skills provided by some public administration qualifications, either at degree level or at the more advanced levels considered in Chapter 8. This common-sense observation does not, however, justify a blinkered approach to what is relevant to junior/middle managers. While an EO or HEO in a social security office might not be made more effective by a greater understanding of "the role of the Secretary of State", he might benefit from, for example, an insight into concepts such as equity and a greater understanding of the social context of his work. There is no justification for a general statement that junior/middle managers do not require contextual knowledge. The key is to identify the kind of contextual knowledge that would be beneficial, and to aim to match provision to need.

6.8 Most degree-level courses in public administration will inevitably include material which some civil servants know already, which is taught in internal training programmes, or which is not professionally relevant to many. Because of this, and because I am not convinced that all public administration syllabuses has to be taken as an integrated whole to be beneficial, I think that the kind of development with most promise for the Civil Service is making parts of syllabuses available as modules which can be taken independently. The Civil Service already has expertise within its ranks in teaching public administration - notably at the Civil Service College - but the courses available to civil servants internally are nearly always short ones, and there is some scope for them to be backed up by more extended courses taught externally or using distance learning material. This would have the advantage of enabling civil servants to benefit from outside academic expertise in public administration as well as from the expertise within the Service, and of giving them the opportunity to meet counterparts from other parts of the public sector. We were told of developments in "police studies" which had involved collaboration between teaching institutions and the police: a similar approach would have benefits for the Civil Service.

6.9 In my view it is preferable - but not essential - for successful completion of such a module or externally provided course to be rewarded by a certificate of some kind. This would provide the student with a goal to aim for and in the longer term might be incorporated in the kind of structured framework for training recommended in Chapter 7. In this area, however, the content of the training is much more important than the badge of a degree-level academic qualification, although the badge might have some attraction for an individual who wanted to obtain a degree. There are only a few post-experience degree-level academic courses in public administration currently available, and I do not recommend that the supply of these

should be increased specifically to meet the needs of the Civil Service. The approach which I recommend is a more flexible one, involving shorter modules or sections of courses.

6.10 I hope that these remarks will be taken by the public administration teaching world as an indication that departments and the centre of government would be open to suggestions of developments of this kind. There are already a number of useful examples at postgraduate level, and there seems no reason why similar flexibility could not be adopted at degree level.

The Institute of Chartered Secretaries and Administrators

6.11 One professional qualification which covers a wide range of subjects relevant to the Civil Service is that awarded by the Institute of Chartered Secretaries and Administrators (ICSA). The qualification has three different "streams", viz "Company Secretarial Stream", "General and Financial Administration Stream" and "Public Service Stream". The third of these is now increasingly used as a qualification for local government administrators and the current syllabus reflects the results of a number of years of negotiation between local government and the Institute. Local government representatives told us that a lot of discussion had been required but that the syllabus in its current form had much to recommend it. All the local authority managers whom we visited thought that ICSA was an improvement on the, now lapsed, Diploma in Municipal Administration (see Chapter 2).

6.12 The purpose of the ICSA qualification appears to be to furnish the administrator with a basic equipment of working knowledge in a range of relevant subjects (including economics, statistics, public administration and law) which will enable him to be more thorough and "professional" in his approach, improve standards of administration and, possibly, provide a base on which more specialised skills could be built in the future. The Institute told us that its qualification covered a core of subjects common to the work of most government departments, and suggested that it might therefore be useful as a basic qualification for many civil service administrators. The syllabus is centrally designed and the examinations are set and marked centrally. This, together with the need to cater for students studying overseas, makes it difficult to include practical elements or work-based projects, and on the whole the style of the syllabus and learning methods is fairly conventional, with written examinations the only method of assessment used.

6.13 In view of this report's commitment to deepening knowledge and expertise and opening doors to the outside world, the general objectives of the ICSA qualification must be seen as relevant to civil service needs. My conclusion is that the "Public Service Stream", with some adaptations (see below) would be suitable for some civil servants, but that it should not have the same role in central government as in local government, namely that of the basic professional qualification for most administrators. This is for a number of reasons: civil service administrators do a wider range of work than local government administrators, and some will specialise at an early stage in their careers. The ICSA qualification is based on a paradigm of generalising first and specialising later; and while some civil service careers will follow this pattern, others will be the other way round. Unlike their local government counterparts, civil service administrators do not require a professional qualification to achieve parity of status with "specialists" in the Service. Furthermore, although the qualification does cover areas of common interest to many departments, these are not necessarily the priority needs for each department. The idea of identifying a common core of needs and meeting them by a training programme is a very important one, and it is discussed further in Chapter 7. The conclusion there is, however, that meeting these needs will require more flexibility in content, structure and learning methods than is possible with any one professional qualification.

6.14 Who are the civil servants for whom the "Public Service Stream" would be suitable? In my view, they are executives in their twenties, probably in headquarters or regional office jobs which require some strategic perspective, and who are not likely to move to specialised jobs, eg in personnel, finance or computing, within the next five years or so, although they might do so later. They should have the application and perseverance to cope with a rather "bookish" course, and should also be able to benefit from the general educational stretching which the course will provide.

6.15 If civil servants such as these are to obtain maximum benefit from the qualification, it will be necessary to carry out a triangular collaboration of the kind recommended in Chapter 4, involving the Civil Service, ICSA, and one or two selected teaching institutions. The present syllabus is not designed with the needs of the Civil Service primarily in mind and it will be necessary to negotiate some adaptations, eg to the sections on public administration and personnel management. **I therefore recommend that the Civil Service enter into discussions with ICSA, first, to seek some changes in certain aspects of the syllabus, and, if this is achieved, to identify and work with one or two selected colleges to develop a course particularly suitable for some civil servants.** For reasons of efficiency, these negotiations would be best done for the Service as a whole, with either MPO or another department taking the lead, and other departments kept informed of progress.

6.16 These remarks relate to the "Public Service Stream". We also considered the "General and Financial Administration Stream" which is used on a small scale in MOD. In view of the priority need for the Service to consider financial qualifications for non-financial managers (see paragraphs 5.16-5.17), there might be greater scope for civil service use of the ICSA qualification if elements of both streams could be combined: in particular, "management accounting" and "business finance", which currently appear only in the "General and Financial Administration Stream", would be potentially of interest. I do not recommend, however, that the Institute should be encouraged to set up a fourth stream, concentrating on finance, specifically for the Civil Service. That would be too rigid an approach: sufficient flexibility to allow individuals to pursue more financial subjects if they chose would be preferable.

Diploma in Public Administration (Scotland)

6.17 The Diploma in Public Administration (DPA) is a qualification at postgraduate level awarded by the Scottish Business Education Council (SCOTBEC) (now the Scottish Vocational Education Council). It requires three years' part-time study. When the syllabus was designed, the major users were envisaged as local government, but it was hoped that central government departments located in Scotland would also find the qualification useful for some of its staff. In the event, civil service use of the DPA has been minimal. We were told that Scottish local authorities now tended to use the DPA for their administrators and that, despite some problems about comparability with other qualifications and degree of fit with graduated trainee schemes, the qualification was regarded as useful. At the time of the study, the syllabus was under review for the second time.

6.18 I was impressed by the scope of the current DPA syllabus, its topicality and the extensive use of case-studies. My conclusion is that the qualification would benefit some Scottish-based civil servants. These would broadly be in the category described in paragraph 6.14 in relation to ICSA, with the difference that the DPA requires less accommodation of a "bookish" style. **I recommend that an official in one of the Scottish-based departments be identified immediately as a focal point for civil service involvement in the planning and development of the DPA.** I further recommend that the Civil Service should aim to support a small number of candidates (perhaps 10-15) each year for the DPA. This recommendation is based on

a study of the present curriculum: if the outcome of the current syllabus revision were a more narrow focus on the interests of local government, it might be necessary to negotiate additions to meet civil service needs.

6.19 I do not, however, think that the Civil Service will in the near future be the main user of the DPA, for much the same reasons as are given in paragraph 6.13 in the context of ICSA, notably the fact that civil service administrators do not require a professional qualification purely for status reasons. The effect of my recommendation would be to enable the Service to benefit from the training content of the qualification as a minority customer. If, for any reason, the DPA were to lapse, the Service would need to look for other ways of meeting its needs in this area. There would be no question of demand from the Civil Service guaranteeing the survival of the qualification.

Degree-level qualifications in management

6.20 The study concentrated on two qualifications in general management, namely the Diploma in Management Studies and the Master of Business Administration degree, and these are discussed in Chapter 8. I did not undertake detailed work on management qualifications at degree level or below. This is not to undervalue such qualifications: it does, however, reflect my conclusion that on the whole in the field of management it is qualifications at a slightly higher level that can contribute most substantially to improving the expertise of the Service. Some of the ground covered by professional qualifications in administrative management, industrial management and supervisory management feature in management training programmes currently on offer in departments; other parts are arguably less relevant to government departments. Information about these qualifications is included in the Local Government Training Board publication **National Management Qualifications**.¹

Law

6.21 An area of knowledge relevant to all departments and which was raised in some of our discussions was law. In some European countries, legal knowledge has traditionally been regarded as very important for administrators, but it has been emphasised less in the UK. Leaving on one side the training needs of members of the Government Legal Service, we asked departments what the needs of administrators were in this area and subsequently considered whether these needs might be met by use of outside qualifications. The needs described to us by departments for knowledge of the law fell into four categories.

6.22 First, some departments identified a need for knowledge of the particular part of the law which was administered by that department, eg social security law, VAT law. On the whole, departments appeared to provide for this adequately in their internal training programmes and packages, some of which were highly developed and much envied by outside organisations.

6.23 Secondly, some departments perceived a need for a more superficial familiarity with the kinds of court cases coming up related to the department's work. One department suggested that this could be achieved by regular reading of relevant law reports; but while this is desirable, I am not convinced that it will provide the officer with an understanding of the basic principles at stake or help him sufficiently to anticipate the legal consequences of administrative decisions.

6.24 A third need which was identified by the Lord Chancellor's Department and the Scottish Court Service, and which was specific to these departments, was for a detailed working knowledge of the legal system in order to administer the courts. In the Lord Chancellor's Department, most of the legal training needs were met by

¹obtainable from the Local Government Training Board, 4th Floor, Arndale House, The Arndale Centre, Luton LU1 2TS.

internal training, although some Crown Court staff worked for membership of the Institute of Legal Executives and some Trust Officers in the Public Trustee's Office sat the examinations of the Institute of Bankers. The Scottish Court Service had in the past operated a departmental examination (with a law degree as an alternative) although this had subsequently lapsed.

6.25 The fourth kind of need was common to many departments, viz the need for an understanding of the basic legal principles relevant to the work of government, particularly administrative law. Short training courses are currently available to meet this need, both in the Civil Service College and in certain departments. The question remains of whether there is a need for an understanding of the legal context of government at a greater depth than can be provided by short courses. **I recommend that a small working group be set up, comprising government lawyers as well as administrators and covering several departments, to consider whether there is a training need in this area; and, if so, whether current provision at the College and in departments is sufficient to meet it.** If something more is required, the group should be asked to define the need in a way which will facilitate the identification of an appropriate training strategy.

6.26 My provisional view is that current external courses leading to qualifications would not be the best way of meeting such a need for administrators in non-legal departments, as the qualifications are too detailed and not sufficiently focused on the work of government. Traditional teaching courses involving lectures may not be the most efficient way of imparting this kind of knowledge, and a distance learning package might be preferable as it would ensure that the knowledge imparted was assimilated by each individual at his own pace. A possible end result might, therefore, be putting out to tender the designing of a distance learning package, and the working group should bear this in mind. This approach would have the advantages of tapping outside expertise (eg in university law departments) and requiring outside bodies to compete to meet the needs of government.

CHAPTER 7

LONGER-TERM RECOMMENDATION: FRAMEWORK FOR THE TRAINING OF YOUNG EXECUTIVES

7.1 Generally speaking, the majority of students who work for professional qualifications are in an age range from around 18 to early thirties. As well as considering qualifications, the Study gave more fundamental thought to the needs of the parallel age group in our target population, particularly staff at around Executive Officer, Higher Executive Officer and equivalent grades in their twenties. It was clear from our discussions with departments and from the developments described in Chapter 1 that the needs of this group were very varied now, and would be even more so in the future. Some staff would specialise early; some would specialise later; and some would not specialise at all. Some would be graduates and others would have no qualifications beyond A level or below. Different departments would develop different career development patterns, with different requirements for knowledge and skills.

7.2 In our consultations with educational bodies and other employers, we detected a trend away from long programmes of training and towards more flexible modular structures. Certain universities, business schools and other training organisations were developing shorter programmes specially designed to meet the needs of particular organisations. There was also a move towards developing modules which could be studied separately or combined in various ways. This approach was reflected in the forward thinking of the Business and Technician Education Council and the Council for National Academic Awards in the sphere of post-experience education.

7.3 In this context, and in view of the need to deepen the knowledge and expertise of civil servants and involve the external world more in their post-recruitment training and education, **I recommend that the Civil Service should aim to develop a framework for structuring the training of its young executives (ie Executive Officers, Higher Executive Officers and equivalents, including the fast stream).** Because of the benefits described elsewhere in this Report of collaboration with the outside educational and training world, **I further recommend that both the development of the framework and its eventual operation should involve the outside world and the Civil Service in collaboration.**

7.4 The end-result which I envisage is a modular structure involving units of training which could be combined in different ways. Some of the units would emphasise skills rather than knowledge, while others might be more cognitive or conceptual. The methods of learning would also be expected to vary, including project-work and distance learning as well as more traditional courses. The appropriate body to deliver the training would also vary, with individual departments, the Civil Service College and outside institutions all having a part to play.

7.5 **In my view some of the units should be accredited by outside organisations.** Accreditation would provide a goal for the students to aim at and would be a quality control, in which the student's performance was measured against outside standards. This would require student assessment, if the accreditation was to command respect (see Chapter 3.34), and this might not be appropriate for all modules. Where some form of assessment would detract from the effectiveness of training, the best option would be not to seek outside accreditation for that module. I suspect that a system based on certificates of the "Been On a Course" type would be treated with a healthy disrespect by most civil servants.

7.6 I do not recommend that the modules should be designed to combine together to lead to a new qualification unique to the Civil Service. For the reasons given in Chapter 3, I do not think that such a qualification would be particularly valuable or valued. It might, however, be possible to use the framework as a basis for stipulating the amount of training which civil servants at a particular stage in their careers might expect to receive.

7.7 Modular frameworks of this kind are not replacements for professional qualifications. It will still be desirable for some civil servants to obtain a relevant full professional qualification. In doing so they should be able to build upon the education and training which they will have received within the new framework, rather than having to start again at the first stage of the professional qualification. Thus, for example, a range of accredited blocks in the new framework might count for exemption from the foundation stage of certain qualifications.

7.8 We have discussed this idea with a number of professional bodies, and have been very encouraged by the responses. In all cases we were met by willingness in principle to co-operate, and there does appear to be scope for recognition of elements of the framework as a base for building towards institute membership. If outside educational and professional bodies are involved at an early stage in developing the framework, the later stage of linking it with programmes of professional education should be easier. Some institutes were willing to consider linking elements of the new framework to parts of their syllabuses, and marking successful completion of the module by some kind of certificate. At the same time, they rightly placed importance on their role of preserving and improving standards, and emphasised that parts of a syllabus could not be a substitute for a full qualification.

7.9 One institute expressed concern that this proposal was based on a confusion of the objectives of short job-related training courses and those of professional qualifications. In recommending the development of a framework with modular accredited blocks, I fully recognise that this is a different thing from a professional qualification. The proposed framework will, however, involve study at a greater depth than is possible on some short courses, particularly if student assessment is involved. Substantial participation in the modular framework might therefore be described as a half-way house between short training courses and a full qualification.

7.10 Some modular frameworks for civil service training already exist, notably the programme of Fast Stream Training at the Civil Service College, and others may be developed either by individual departments or by the College. This broader proposal does not aim to forestall these developments. Rather it should provide a framework within which programmes at the College or elsewhere can play a part, yet sufficiently comprehensive to give a structure to the whole of the young executive's training and education.

7.11 An important aim of the proposed framework would be to enable the individual officer to have a say in his own development and training. A programme which is set out clearly and which is seen by the officer as linked to his development, should enable him to see the direction in which he is going. I hope that it would also encourage staff to see training as an integral part of their development, rather than an occasional activity to fill gaps between posts. I accept that this approach runs the risk that staff might be disappointed in their expectations of the amount of training for which they can be released. Nevertheless, the risk is worth taking to reap the benefits of opportunities for more individual initiative and choice in career development and training. This approach is endorsed in "Civil Service Management Development in the 1980s".

7.12 The planning of the framework would require two stages: first, it would be necessary to identify the needs of the target population. An important aspect of this task would be to try to identify a common core of needs shared by most departments. This would not necessarily be an easy task, given the variety of career paths and backgrounds of the target population. Nevertheless it is important, as the "core" would make the structure much more understandable and workable. Some of the "core" needs would be for skills training, and not all would be appropriately met by academic courses or appropriately assessed by written examinations. For this reason, it is unlikely that any one of the existing professional qualifications could precisely match the core need, or that a new qualification could do so. The core area of needs might, however, overlap considerably with the requirements of the early stages of many professional qualifications. We were told that professional bodies were increasingly recognising that some of the early parts of different syllabuses covered similar ground, and that this was reflected in exemption policy and by the provision at some colleges of courses common to several qualifications.

7.13 **I recommend that this first stage be carried out by a working group involving representatives of Government Departments and outside advisers.** The civil service representatives should include some with training expertise but should also include some with other responsibilities, including at least one member who is neither in personnel management nor in training. We were grateful for indications from the Business and Technician Education Council, the Scottish Vocational Education Council and the Council for National Academic Awards, that these bodies would be willing to help in all stages of this development, including the identification of needs.

7.14 The second stage would be designing the structure. **I recommend that this should also be carried out by a mixed internal/external working group, but not necessarily the same group as carry out the first stage.** In particular, the civil service element in the working group will require a larger number of people with training expertise, and it may also be necessary to involve a larger number of outsiders.

7.15 This is a long-term recommendation, in that both stages of the framework would take some time; I suggest that the working group set up to carry out the first stage (identifying needs) should report within nine months of its first meeting and that the group carrying out the second stage be given a deadline of eighteen months. This means that the framework would not be ready for use for up to three years after the planning exercise began. In saying this I am not recommending slowness for its own sake: our discussions have convinced us that such an exercise is difficult and needs to be done well. It is not appropriate for a short-scale assignment for a very small number of people.

7.16 Although this proposal looks forward in time, it should be emphasised that in my view it is the most desirable outcome for the Civil Service. Short term developments of the kinds described in Chapters 5 and 6 would be an improvement on the status quo but would not on their own be sufficient. They would provide more opportunities for staff to work, where appropriate, for relevant professional qualifications but would represent only a partial opening of the door to the outside educational and professional world. They would not meet needs which contribute to greater professionalism but which fall short of full professional qualifications.

7.17 It would be possible to involve the outside educational and training world in meeting these needs without developing a new framework of the kind recommended in this Chapter. This would, however, require a large number of triangular collaborations with educational and professional bodies to secure civil service use of parts of some professional qualifications and certain qualifications at sub-professional

level, as well as the post-experience programmes offered under the aegis of the Business and Technician Education Council and the Scottish Vocational Education Council.

7.18 The new framework would provide a structure within which accredited training at this level would have an identified role. A large number of individual developments without the structure would be second-best, as the result might be a complicated system which was difficult for the individual to understand and costly to administer. Nevertheless, the second-best option would be better than no developments to meet needs falling short of full professional qualifications. **I therefore recommend that if the longer-term proposal for a new framework is not accepted, negotiations be carried out with individual educational and professional bodies with a view to meeting needs which fall short of full professional qualifications.**

7.19 The framework is aimed at officers in their twenties. This is not, however, to deny that there is a need for a similarly structured approach to the education and training needs of other groups. Work is already in progress within MPO on the mid-career development of future senior managers and on the role of developmental training at the Civil Service College. Although this goes beyond my remit, a logical extension of the philosophy of this report would be a similar exercise focussing on the needs of younger civil servants in the 16-19 age group.

7.20 In conclusion, the best route for the Service to take would be a longer-term exercise of the kind described in this Chapter. The eventual framework should enable a large number of civil servants in the target population to deepen their knowledge and expertise in a way that involves the outside world, structures their development, and is sufficiently flexible to meet their needs with maximum efficiency. Using the framework would, of course, have resource implications. It would undoubtedly mean that civil servants in the target population would undergo more training than they do at present, and this is discussed further in Chapter 10.

CHAPTER 8

POSTGRADUATE QUALIFICATIONS

8.1 Chapters 5 and 6 deal with qualifications at around degree level. We also discussed with departments and with educational bodies whether more civil servants should work for qualifications at a higher academic level, such as master's degrees or postgraduate diplomas. Our discussions with departments revealed that, as with qualifications at degree level, they found it easier to identify needs for specialised qualifications (eg Master's degrees in Computer Science) than for more general qualifications. Many departments were receiving marketing literature for newly developed part-time master's programmes at business schools, and found it difficult to evaluate how much importance should be given to these in competition with other potential demands on resources.

8.2 We decided to concentrate for the purposes of this report on post-experience postgraduate qualifications in general subjects such as public policy and management. We excluded long full-time programmes, as departments told us that current constraints made these impracticable. We also concentrated on programmes available in the UK. We wrote to a number of institutions offering post-experience postgraduate qualifications in public or social administration, public policy, management or business administration, and asked them what they thought would be the benefits to the Civil Service of using their qualification. We also asked them to supply profiles of "typical" and "ideal" students on their programmes. The institutions contacted are listed in Annex A, and I am most grateful to them for their assistance.

8.3 We soon found that, even within the category of qualifications on which we had decided to concentrate, generalisations about benefits were potentially misleading. Master's programmes in public policy had different objectives from Master's programmes in Business Administration (MBAs) and these differed again from the objectives of the postgraduate Diploma in Management Studies (DMS). And individual MBA programmes or DMS syllabuses differed greatly, which meant that generalisation even about the same qualification was dangerous. The remainder of this Chapter should be read with this in mind.

8.4 Because of this, personal contact should be made between civil service management and the institution offering a particular master's programme before staff are sent on the programme. Advice from the MPO or reading brochures is no substitute. **I therefore recommend that when qualifications at this level are under consideration the potential student and a representative of civil service management should, wherever possible, visit the educational institution and seek to talk to some of the students currently taking the course.** Although this has resource costs, it can avoid wasted expenditure on inappropriate courses.

Relation to needs

8.5 Chapter 3 discusses the knowledge and skills required by middle and senior managers as falling into three broad categories, viz strategic, managerial and specialised. Postgraduate qualifications in the general subjects which we are considering focus on the first two of these categories. Approximately speaking, advanced qualifications in public administration and public policy concentrate on the "strategic" end of the spectrum, with the emphasis on understanding the context of government and developing analytic skills. MBAs focus on the overlapping area between "strategic" and "managerial" skills, with the emphasis on encouraging managers to move from operational considerations to wider strategic thinking about

the management of resources and people. The Diploma in Management Studies is aimed at a target group with a slightly lower level of responsibility, and concentrates more on "operational management".

8.6 The following are some examples of descriptions provided by institutions of the aims of their courses:

"... To increase understanding of policy processes in government (including "political" as well as "management" dimensions) and, second, to examine possible approaches to the improvement of public policy making, implementation and evaluation." (MSc in Public Policy, Strathclyde University).

"... To understand the world they intervene in and increase effectiveness in making and implementing policy" (MSc in Public Policy Studies, School for Advanced Urban Studies, University of Bristol).

"... to raise the students' general level of understanding of management processes and to acquaint them with the tools and techniques of management Some courses ... aim to meet the needs of students drawn from ... a particular sector of the economy. At the same time, the philosophy of the DMS is that of the generalist approach to the study of management ... aiming to achieve an understanding of the problems common to most managers." (Entry on DMS in **National Management Qualifications**, Local Government Training Board, 1982)

"... to improve your management capabilities so that you not only know more about why things happen but can work with others to make them happen. We can achieve this by extending and developing your knowledge, judgement and skills. We also aim, by mixing participants from a variety of backgrounds in the public and private sectors, to compare different methods of working and therefore to provide the basis for dealing effectively with a wide range of organisations ..." (London Business School, part-time Master's programme)

"... to provide a general management education with the intention of improving professionalism in a managerial role. Considerable emphasis is placed on members stretching themselves intellectually in areas outside their initial competence, in relating this to organisational reality and developing a strategic rather than operational perspective. In addition we encourage members to reflect on their own managerial skills and abilities, to experiment with different styles and practice those skills essential for effective management." (MBA, the Management College, Henley)

8.7 It does seem plausible that most departments would benefit if more staff were able to take a strategic view of policy options, understood in some depth how their own and other organisations worked, and hence could advise on response to change in an imaginative way. The conclusion must therefore be that courses of education and training which aim to bring this about deserve serious consideration by the Civil Service. It is impossible to say precisely how many staff in each department would benefit from study of this kind, but the remainder of this chapter attempts to give some advice on which staff might benefit, and which courses they might use.

8.8 From the employer's point of view, the benefits of the qualifications described in this Chapter derive from the content of the training rather than the badge of the qualification. The claim that qualifications command the respect of counterparts in other organisations is, in my view, less applicable to general

qualifications than to specialised ones. And the older and the more experienced the student, the less need employers have for a qualification to provide information about his abilities. The qualification might, however, be valued by individual students as providing a goal to aim for, and, perhaps, as a credential for possible employment elsewhere in the future, although our enquiries suggested that in the case of MBAs this belief was largely ill-founded (see paragraph 2.6).

Which staff?

8.9 On the whole, the educational requirements for postgraduate qualifications are a good honours degree (an upper second or higher) or a professional qualification and some experience. Little importance is usually placed on the subject-matter of the first degree. Some institutions accept non-graduates with appropriate experience. The greatest flexibility appeared to be in relation to the DMS and some MBAs, while the entry requirements for MSc programmes were often more rigid.

8.10 The most suitable age for undertaking such qualifications, as perceived by the students themselves, appeared to be between about 27 and 35. Certainly, MBAs were deemed to be more beneficial for the student and the sponsoring institution if the student had had some practical experience in employment.

8.11 It is impossible to generalise about the grades of staff who might benefit from master's degrees. Some Master's programmes in public administration, for example, appeared to be suitable for staff at a lower grade than some management courses at the same academic level. But on the whole, **postgraduate qualifications in the subjects discussed here at this level are appropriate for staff likely to reach middle or senior management positions** (ie likely to become Principals, Assistant Secretaries and above). As most of these qualifications aim to develop strategic and managerial skills, staff supported to study for them ought to be those who will be able to make effective use of the training in the foreseeable future. In the case of the DMS, which emphasises the "managerial" end of the strategic-managerial spectrum, appropriate staff would be those who will be able to apply the knowledge and skills gained in their current and next managerial positions. More is said about this in paragraph 8.22.

8.12 Most institutions emphasised to us that a considerable amount of self-motivation is required if students are to complete programmes at this level successfully and to benefit from them. Whether full-time or part-time, these programmes require a lot of energy and application, and make considerable inroads into personal time. Unless a potential student is genuinely keen to take the course, he or she is unlikely to complete it. This means that compelling an officer to take a master's degree would be highly inadvisable. Indeed, some institutions refuse to accept students who are not personally committed to the course.

Cost

8.13 Chapter 10 discusses the cost to departments of staff working for external qualifications. The largest element is the opportunity cost of the student's time. Some part-time programmes involve evening work, but most require some attendance during office hours, and for staff in comparatively senior grades the opportunity cost of this is high. The cash cost of many of these courses is, however, quite low, and on the whole they are good value for money. Of the part-time Master's programmes which we surveyed, the fee per year was usually within the range of £250-£500, although the fee for certain programmes was almost double that figure. This compares very favourably with the cash cost of many short training courses provided by external organisations or by the Civil Service College.

Experience of different kinds of organisation

8.14 Most post-experience postgraduate programmes bring together students from a range of organisations, and the opportunity to mix with, and learn from, fellow-students with different backgrounds is often mentioned by civil servants as one of the principal benefits of these programmes. Learning about experience elsewhere can benefit civil servants in two ways: first, some civil servants want to learn more about particular sectors with which they have frequent dealings, such as local government, the health service, small businesses or manufacturing industry. Often these are the civil servant's "customers", and the need is for a greater insight into their world. Such a need points to courses which cater particularly for the appropriate sector, and it may be necessary to visit the institution and talk to current students to check this out. It is also important to check that the teaching staff of the institution include some with expertise about the sector concerned. It cannot be assumed, for example, that a business school teacher with "public sector experience" necessarily knows very much about local government or the health service. It must also be remembered that lecturers move on, and that the teaching expertise of a particular establishment cannot therefore be assessed from historical experience.

8.15 Secondly, civil servants might benefit from mixing with people with different perspectives and experiencing the challenge of alternative approaches to management and policy problems. In particular, civil servants who are not subject to the discipline of "the profit motive" may wish to compare views with others who are. This benefit will be obtained from courses with a wide mix of students, preferably covering the private and public sectors, and industrial as well as commercial organisations.

8.16 It is important to establish whether students on post-experience part-time programmes will be sharing classes with students on full-time master's programmes. If so, it is likely that many of the full-time students will be younger and have less work experience, and while this has the advantage of matching the theoretical emphasis of the full-timers with the more practical approach of the part-timers, it will not necessarily provide the best forum for exchanges of experience and ideas among post-experience students. An additional factor is the proportion of overseas students in a particular programme. If the proportion is high, then the advantage to a civil servant would be the opportunity to see UK issues in a comparative perspective. The disadvantage would be that most fellow-students would have less knowledge than the civil servants about the way central government works in the UK. All these factors emphasise the importance of scrutinising individual programmes before sending staff on them.

Postgraduate qualifications in public policy, public and social administration

8.17 We considered a number of post-experience part-time master's programmes in public policy, public and social administration, all of which were targeted at students from the public service. Some had been designed in the hope of attracting civil service students, but in practice very few had been forthcoming, and the main source of public sector students was often local government, the Health Service or nationalised industries. Civil service needs at this level and in this area can be subdivided into several categories, each of which has a slightly different target population and might be most appropriately met in different ways. They do not point to one kind of master's programme with one identifiable target population.

8.18 Relevant needs include the following:

i. **better knowledge about the structure of central government and better understanding of the context within which departments work.** The civil servants with this need include some Higher Executive Officers, Higher Executive Officers (Development) and others in certain specialist grades who will shortly occupy middle management posts which would benefit from this kind of understanding. Some of these might have attended the Foundation Course in Administration at the Civil Service College or the College's modular programme of Fast Stream Training, and might want to translate the awareness generated by these courses into a deeper knowledge. For these students, post-experience courses involving shared classes with full-time, immediate postgraduate, students would be no disadvantage. Courses designed to meet this kind of need are less suitable, however, for more senior staff who have already acquired considerable knowledge about the structure of central government;

ii. **particular techniques and analytic skills** (eg policy analysis, quantitative method of analysis). Civil servants who might benefit from these might be at a more senior grade than the group described in the previous sub-paragraph and include some specialists as well as administrators. One master's programme which we considered had a policy analysis emphasis throughout; in others policy analysis was part of the programme. In the latter case, I think that the Civil Service would benefit if individuals were permitted to take the policy analysis section without the rest of the programme and to get some kind of certificate for completing the section successfully. Civil servants who had had an introduction to policy analysis and its application in government through relevant courses at the Civil Service College, who wished to follow this up at greater depth, and who were in a position to apply these techniques in their jobs, might benefit from an opportunity of this kind.

iii. **knowledge about particular parts of the public sector, eg local government or the health service.** This is particularly important for civil servants in a range of grades from Executive Officer to Principal and above with policy responsibility for programme expenditure which is undertaken by other parts of the public service. The best programme for them would be one which had been developed primarily for students from the sector of particular interest.

iv. **knowledge about particular policy areas** (eg social security, defence policy). Civil servants with this need might again be in a range of grades, but their jobs should have a policy or strategic element. As with ii. above, the most appropriate option might be use of a section of a programme rather than the complete programme. One impressive example of a development of this kind involved the Department of Government at Brunel University, who allowed officers nominated by DHSS to take the social security module of an MA programme. The university had been flexible about entrance requirements and DHSS, in its turn, had scrutinised the aims of the social security module carefully, related them to the needs of the department, considered whether the course was good value for money, and selected appropriate DHSS students. This involved some administrative time in DHSS, but the end result was an efficient matching of provision to needs.

8.19 In my view, there is scope for the Civil Service to benefit more from the expertise in universities and other academic institutions about public policy and public administration. The provision of certificates of some kind to mark successful achievement either of complete programmes or of modules is of value as a goal to

the student, but from the employer's point of view the most important factor is the content of the training, which in some cases will point to modular developments rather than use of complete programmes.

The Diploma in Management Studies (DMS)

8.20 The Diploma in Management Studies is awarded by the Council for National Academic Awards (CNAA). It is a post-experience postgraduate qualification and there is usually some flexibility about entry requirements. Candidates aged 27 or over without the necessary academic qualifications may be admitted if they can provide evidence of a number of years appropriate experience, although the CNAA would be unlikely to approve courses with a preponderance of non-graduates.

8.21 The DMS is principally intended for the individual in a job involving some (but not all) aspects of management and in which he is likely to remain for some time. The qualification aims to broaden his managerial awareness by giving him an understanding of other aspects of the management function, while allowing him at the same time to deepen his expertise in his own special area. The emphasis is on problem-solving, and Stage II involves a work-based project which requires employers to participate in assessment. There is no central syllabus; the CNAA validates DMS courses in individual colleges. We were told that there was a great variety in the courses available, particularly at Stage II, and that it was essential to scrutinise individual courses before sending staff on them.

8.22 We concluded that the type of civil servant who might benefit most from the DMS was a middle-ranking manager with fairly substantial staff responsibilities, eg a local office manager at HEO or SEO level who had fairly recently moved to a post which required management decisions other than detailed application of set rules. The managers selected would need to be able to cope with a course at postgraduate level, but this should not exclude able non-graduate civil servants with some years of experience and good written skills. In my view it is likely that a course built on the basic CNAA pattern, using some central government material, but also catering for some students from other sectors of employment might be very valuable for some civil servants in the category described in this paragraph. **I therefore recommend that a department with a regional/local office network enter into a triangular collaboration with the CNAA and a college or colleges with a view to identifying and developing a suitable course or courses and sponsoring a few staff both from the negotiating department and also from other departments with offices nearby, as students.**

8.23 This development is recommended as an experiment: the department would be advised to monitor it and keep other departments informed throughout the exercise. The proposed MPO "Qualifications Newsheet" (see paragraph 4.31) would be an appropriate medium for distributing information. There is no reason why the number of experimental schemes should be limited to one: if more are set up, I suggest that one might be in a large English city other than London and one in Scotland.

Master's degrees in Business Administration (MBAs)

8.24 Recent years have seen an expansion in post-experience MBA programmes. Some are now available part-time, in "sandwich" arrangements interspersing work at the business school with job experience, or in modules which can be taken separately or combined, some of which use distance learning material. We observed a strange contrast between the high esteem in which the MBA qualification is held by many individuals and its low esteem with some large employers (see paragraph 2.6). Of the qualifications discussed in this chapter, the MBA is probably the most attractive to potential students, and the opportunity to work for an MBA might appeal to some

civil servants. The badge of the MBA qualification would, however, be of little attraction to other large UK employers and has little importance for civil service managers, except as a guarantee that the officer has successfully completed a demanding course of study.

8.25 Annex B outlines in some detail the reasons given to us by companies for their reluctance to recruit MBAs and their limited enthusiasm for sponsoring employees to take part-time programmes. After considering these, I came down on the side of those who thought that the views described above did not necessarily present a model which the Civil Service ought to copy. The merit of the MBA is that it combines advanced academic study with a firm grounding in practical management problems, and it is difficult to deny that the aims of the individual MBA programmes cited as examples in paragraph 8.6 are relevant to the Civil Service. Once again, it is impossible to say how many students would benefit: the key is to scrutinise individual programmes against the needs of individual staff.

8.26 It is important to find out who the other students on a programme would be, as the civil servants might learn a lot from them as well as from the course itself. A decision is also required on which of two distinctive patterns of MBA programme is more suitable: some are run exclusively for public sector organisations, aiming to deepen students' knowledge of problems specific to the public sector; others are designed to integrate public and private sector students, aiming to encourage an interchange of ideas and to broaden horizons. The latter approach has attractions, but it is necessary to check that the teachers have sufficient knowledge about the public service to enable the civil service student to relate what he is learning to his work experience. Otherwise, the impression which is reported back might be "all very interesting, but nothing to do with my work".

8.27 A number of Civil Service students are currently attending part-time master's programmes at business schools. **I recommend that small-scale use of MBA programmes by the Civil Service should continue on an experimental basis; that as a matter of deliberate policy the Service should use programmes at more than one institution; and that experience of these should be monitored and information distributed to departments.**

8.28 Business schools and other institutions offering post-experience management education are vigorous marketers, and in the future are likely to focus their attention even more on the public service as a major potential source of new students. My conclusion is that such marketing ought to be met on the part of the Service by healthy consumerism: individual schools should be visited, and as often as possible the selection of a programme should be made in competition with another. In all cases, individual courses should be measured against their own claims and the needs of the potential students. Less attention should be paid, however, to any comments by individual institutions about the quality of rival courses: we encountered, for example, evidence of mutual distrust between academics of different disciplines covering similar fields. The employer should be the judge of the competence and quality of the training which he is contemplating purchasing for his staff. Our meetings with business schools and universities convinced me that they would respond positively to constructive consumerism on the part of civil service employers, and that they were as interested in finding the right students for their courses as the Civil Service was in finding the right courses for its students.

Modules versus integrated programmes

8.29 Only a small number of civil servants can be released at any one time for a master's programme and most programmes can only accommodate a handful of students from any one sector of employment. Larger numbers could, however, benefit

from the availability of parts of these programmes as modules or from modular distance learning material provided by the Open University and some colleges and universities as well as by business schools. Integrated programmes have some advantages over modules, and particularly over distance learning modules, in that they provide an opportunity to learn from other students and to develop a broader perspective over a longish period. Modules are an efficient and focused way of deepening knowledge in particular areas. In my view, there is a greater need among able middle managers in government for integrated management education than for integrated master's programmes in public administration or public policy, although some would benefit from these (see paragraph 8.19). I suggest that on the public administration side, maximum use should be made by the Civil Service of the modular approach, and educational bodies should be encouraged to move in this direction.

Conclusion: check-list of questions

8.30 This Chapter has recommended a number of experimental developments with postgraduate qualifications, and has set out some factors which departments might bear in mind in determining who would benefit from a master's degree, and which qualification would be appropriate. These can be summed up in a check-list of questions:

About the customer

- i. What are the needs of the individual in relation to his future work in the department?
- ii. Does the student need a greater understanding of any kind of organisation in particular (eg local government, manufacturing industry, the health service)?
- iii. Would the student benefit from experiencing the perspective of counterparts in a wide range of organisations (including the private sector as well as the public sector)?
- iv. How will the department make use of what the individual has learned on the programme?
- v. How keen is the potential student to take the programme?
- vi. How is the potential student going to cope with the programme in the context of the demands of his job, domestic circumstances and other commitments?

About the programme

- i. What are the stated aims of the programme?
- ii. Who are the fellow-students likely to be (age, sector of employment, length of experience, academic ability)?
- iii. Do part-time students share classes with full-time students?
- iv. Is the programme specifically designed for the public sector or does it aim for a public/private sector mix?

v. Does the institution have staff who know about the Civil Service or about the particular sector of which greater understanding is sought?

vi. Are there any civil servants with recent experience of the programme? If so, what are their reports?

vii. What do current students think of the programme?

Our discussions with departments and with institutions offering postgraduate qualifications suggested that if this check-list were used, the result might be a better match of students to courses, and, in time, a closer match of courses to the needs of civil service customers.

CHAPTER 9

WHAT'S IN IT FOR THE INDIVIDUAL?

9.1 The argument of this report so far has been that it is in the interest of departments for the external education and training world to be more involved in the training of civil servants; for certain civil servants to work for outside qualifications in the context of developments of the kind described in Chapter 4; and, in the longer term, for younger civil servants to participate in a structured programme of training involving accredited blocks. This would involve a considerable degree of commitment and effort by individual civil servants and might encroach on leisure time and family life. It therefore raises the question of what incentives should be available to encourage individual civil servants to devote time and effort to study for a qualification.

9.2 There are, of course, a small number of officers who will be sufficiently motivated to work for a qualification for the intrinsic satisfaction of studying and of achieving the goal of the qualification. While the number in this category might be slightly increased if syllabuses and courses available outside were geared more closely to the needs of the Service, I am not convinced that intrinsic satisfaction alone is sufficient as a motivating factor if civil service practice is to be changed significantly.

9.3 From discussion with providers of qualifications and with departmental managers it is clear that some degree of self-motivation is essential if a student is to complete a course successfully, particularly if this involves work at home. Several elements appear to be particularly influential in persuading officers that it is worth their while to undertake work for a qualification: one is the belief that doing so will enable them to do their job better. Many civil servants are strongly motivated to improve their performance and the stronger the perceived link between the qualification and doing a better job, the greater their motivation will be to obtain it. An important reward will be opportunities to use their knowledge in future posts. Another factor is the desire to keep options open to move to employment elsewhere, although our findings were that this is less common than might be supposed, and that in any case it is sometimes based on a false belief about the marketability of certain qualifications. A third influential factor is the prospect of career advancement within the Civil Service. The desire to further one's career overlaps with the desire to do a good job, and also with financial ambition, and our conclusion was that it was the most important motivator. If someone really believed that working for a qualification would help him to advance in his career, he would be strongly motivated to do so.

9.4 We identified two important disincentives to individuals which made them reluctant to work for qualifications. First, many officers were afraid that obtaining a qualification in a specialised area such as accountancy or personnel management, would actually harm their career prospects by "locking" them into a specialism at a time when it would have been to their advantage to develop their careers in a more traditional "generalist" way. This view is very common and is a major barrier to achieving greater use of qualifications. Officers tend to be cynical about reassurance on this: they will not believe that the culture is changing until they see it happening, and this will probably not change unless people who have obtained specialised qualifications are seen to advance to senior posts in departments. Including work for a qualification in succession planning arrangements for senior posts such as Principal Finance Officer and Principal Establishment Officer might help here.

9.5 Secondly, and more generally, many civil servants simply do not believe that their work for a qualification will be valued by their department, despite assurances to the contrary. Indeed, some individuals told us that their line managers resented the effort they were putting into work for a qualification or suspected their motives (eg believing that they were planning to leave the Service). It was further suggested to us that smaller considerations - for example, the lack of any symbolic recognition of achievement when the civil servant obtained his qualification and the detail of the arrangements for financial support while studying - acted as irritants to a disproportionate degree.

Promotion

9.6 The greatest incentive to an individual to work for a qualification is the belief that doing so will help him to get on in his career. **I do not, however, recommend a general practice whereby a qualification is a guarantee of promotion to any grade in the Administration Group.** It is significant that no professional institute or educational body suggested such a practice to us, and several institutes took pains to say that their qualifications only provided some of the knowledge and experience required for promotion to management posts, and insisted that job experience and personal qualities were also very important. In none of the companies which we visited or which the consultants surveyed were qualifications a sufficient criterion for promotion, although in a few organisations, notably in the public sector, they were necessary for certain functions. Managers in government departments were also opposed to qualifications guaranteeing promotion, and I endorse their view. To say, as this report does, that greater use of external qualifications in certain circumstances could improve knowledge and expertise in the Civil Service is not to say that the possession of a qualification is the only significant indicator of fitness for promotion.

9.7 **For the same reason it would be inappropriate to make a general recommendation that those who obtained qualifications should necessarily be awarded temporary promotion.** In many departments such a practice would also distort the promotion system and create false expectations at a time when promotion opportunities in some grades are restricted.

9.8 An alternative possibility would be that a qualification should be a necessary condition for promotion but not a guarantee. This corresponds to the "Master's ticket" described by Professor Dunsire in Annex F. Examples of qualifications with such a role include the Associateship of the Institute of Bankers, which in many banks is a prerequisite for promotion beyond a certain level, and qualifications in certain professional areas in local government. If a qualification were a "Master's ticket", it might be expected that individuals would be highly motivated to obtain it. There was, however, evidence to suggest that the requirement on its own would not be a sufficient incentive to ensure use of a qualification: in one department a departmental qualification had historically been made a prerequisite for promotion to the HEO grade, but this had relied entirely on undirected private study, and in the absence of any structured training in preparation for the qualification, numbers sitting the examination were simply not sufficient to meet requirements for HEOs. Again there was evidence from other organisations that "Master's tickets" which were not seen as relevant by staff were grudgingly undertaken with the result that much of the study was ineffective in training terms as it was instantly discarded after the examination was passed.

9.9 Making a qualification a "Master's ticket" is not, therefore, in itself sufficient to provide an incentive to the individual to study for a qualification and to retain his knowledge to the benefit of the organisation. To be valuable a qualification must, of course, be relevant. But even when this is so and when

appropriate training is available there are still strong arguments against making a qualification a necessary condition for promotion. First, a recommendation that promotion to, say, the HEO grade throughout the Service should require a qualification of some kind is inappropriate in view of this report's rejection of a blanket endorsement of all qualifications. The degree to which qualifications meet departmental needs will vary from department to department and within individual departments, and a system whereby all staff had to find some qualification or other simply for the sake of working for a qualification rather than to meet training needs has little to recommend. Secondly, a general policy of making a qualification a requirement for promotion would distort the management task of selecting the best candidates for promotion. Again, it is significant that no professional institute suggested that their qualification should be a strict requirement for promotion to a civil service grade. **My conclusion is, therefore, that the Civil Service should not adopt a general practice whereby qualifications are a necessary condition for promotion to a particular grade.**

9.10 There may, however, be occasions where it would make sense in management and training terms for a qualification to have a position of importance among the requirements for a particular post or group of posts. In internal audit, for example, completion of the newly established basic training profile for internal auditors in the Civil Service, which includes obtaining an external qualification, may be made a requirement for appointment to certain audit jobs at a higher grade. Another example is "Q" posts in accountancy which require a qualification. The fact that this report recommends against a general policy of using qualifications as a "Master's ticket" should not be cited as a justification for preventing any such developments in particular areas. **On the contrary: in areas where a qualification is deemed important in relation to a particular job, it is justifiable to make it a requirement and to emphasise it.**

9.11 I have recommended against qualifications being a guarantee or a necessary condition for promotion. It is, however, essential, that, where an individual has worked for a qualification in the interests of his department, this fact should be taken into account by promotion boards. **I therefore recommend that the achievements of individuals in obtaining an appropriate qualification should be relevant for promotion.** If this does not happen, the recommendations in this report are unlikely to have much impact.

9.12 Taking a qualification into account for purposes of promotion is right as well as expedient in terms of its incentive effect. A promotion board is looking for indicators of ability to perform jobs at a higher grade, and while job performance at a lower grade will always be an important factor, training successfully undertaken to meet the department's needs in the future must also be relevant. It is unreasonable to expect all such training to be reflected immediately in better performance in the current job of the lower grade. More generally, success in obtaining a qualification indicates commitment and perseverance, in addition to an accredited level of knowledge.

9.13 This recommendation might give rise to a number of problems. One, which was put to us by the Council of Civil Service Unions, is the question of equity: if a qualification is deemed more appropriate for some areas of civil service work (eg personnel management) than others (eg, perhaps, managing a social security office) there is a danger that a personnel manager who had worked for a qualification might have an advantage in a general promotion board over his colleague in a local social security office who had not done so, even though the latter might have been willing to devote the time and energy required. I acknowledge that this is a problem, although it would be less so in the long term if the flexible framework for accrediting training were introduced as that framework should give scope for

participation by most civil servants in the target group, whatever their area of work. In the shorter term, it should be emphasised that the fact that a candidate had obtained a qualification would be only one factor in the promotion board's consideration. It would reflect a significant part of that officer's total effort in pursuit of the department's objectives, and failure to take that into consideration at his promotion board would be a greater inequity.

9.14 A second problem is opportunity. It has been suggested to us that officers whose domestic and other responsibilities did not enable them to attend evening classes would be disadvantaged if a qualification were made more relevant for promotion, and in particular that such a policy would disadvantage women. Another problem was that if some form of management selection were practised as is recommended in Chapter 4, selection for a qualification would have career significance and those who were not selected would be disadvantaged. Again, it was thought that unintentional prejudice against women might affect the selection process. In reply, it seems to me that the diversity of educational methods which are now being introduced, including distance learning packages which can be pursued at home, should widen opportunities. If an officer is not selected for departmental support to work for a qualification but avails himself of opportunities to do so on his own initiative, this should also be worthy of consideration by a promotion board if the qualification which he has obtained is relevant to the needs of the department. Some organisations - eg the Greater London Council and the National Association of Local Government Officers - told us that they saw qualifications as a means whereby those who were currently less competitive for promotion (eg non-graduates) could become more so.

9.15 The third problem is a more fundamental one, namely that of widespread scepticism within the Service about the feasibility of changing the practice of promotion boards. It was pointed out to us that in the short term most members of boards would not themselves have worked for qualifications, and that they might be inclined to promote those of a similar background to themselves and to place little value on qualifications. All that this report can do is to record that there is such scepticism, and to emphasise that it will remain until practice is seen to change. A policy statement by MPO that qualifications ought to be relevant for promotion will not in itself convince staff.

9.16 In conclusion, the most effective motivator to an individual to work for a qualification is the belief that doing so will benefit his career prospects. I do not recommend that the Service adopt a general policy whereby qualifications are made either a guarantee or a necessary condition for promotion, but I do recommend that they should be taken into account.

Financial Incentives

9.17 Another means of encouraging staff to work for a qualification would be through financial payments. The study has considered these and discussed their use with departments and a number of outside bodies.

9.18 Of the other large organisations which we studied, many local authorities operated graduated career development programmes for recruits whereby in the early years pay and promotion were linked to the achievement of appropriate levels of qualification together with satisfactory job performance. There were, however, no separate payments simply for the achievement of the qualification. In other large industrial and commercial organisations there was virtually no evidence of financial incentives to obtain qualifications beyond arrangements for support while studying. The consultants' survey of 80 large UK companies commented: "The lack of

enthusiasm for general professional and management qualifications is evidenced by the virtual absence of incentive structures. No firms mentioned specific 'bonus' schemes which had been devised to motivate employees to qualify in an area".

9.19 Financial payments on obtaining a qualification are not unknown in the Civil Service: there are, for example, provisions whereby an allowance may be paid to Executive Officers who complete certain stages of professional accountancy training. This is really however, a retention allowance and more is said about it in paragraph 9.24. The Service also makes special payments to officers in the ADP area, although this relates to the nature of the work and not to the achievement of a qualification. When the question of financial incentives was raised with departments, the response was generally hostile, with two arguments predominating: the first was that financial incentives might attract the "wrong" type of person, typically characterised as being financially ambitious but intellectually unable to complete a course of study. The second was that a situation in which two people doing the same job were paid at different rates for no other reason than that one held a qualification would be inequitable and resented.

9.20 In my view, the first argument - about the "wrong" type of person - should not in itself count against the use of financial incentives. It is possible that financial incentives might attract a greater number of volunteers, some of whom would have to be rejected by management because they would not be able to last the course. But it is unnecessary to make value judgements about motivation. The objective must be to encourage those for whom working for a qualification would best meet the department's needs to do so - if that is achieved, the question of whether their motivation is financial or otherwise is not relevant.

9.21 The second argument - that it is undesirable for two officers doing the same job to be paid different rates because one has a qualification and the other has not - has more strength. Different levels of pay based on seniority are, of course, common and it is possible that the introduction of performance-related pay (see paragraphs 9.26-9.28) may make the situation more flexible, but I accept that where criteria for differential payments are not related closely to performance on the job, such payments will tend to be resented.

9.22 Financial payments linked to a qualification might have three legitimate purposes:

- a. An incentive to embark upon study for a qualification;
- b. An incentive to remain in the organisation after qualifying;
- c. A reward for qualifying.

A financial payment would not on its own be a sufficient incentive to persuade an officer to undertake 3 or 4 years' time-consuming study unless the sum involved was very high. The prospect of a payment of a few hundred pounds would not in itself make the difference between reluctance and willingness to undertake the qualification. In my view, the prospect of promotion - with, of course, financial implications - is more central to civil servants' thinking.

9.23 Large-scale financial incentives to officers to embark on study for a qualification would be both inappropriate and costly. The cost of a system of financial incentives sufficient to make a real difference in the implementation of the recommendations of this report would be very high.¹ The MOD Report acknowledged² that an occasion might arise whereby severe shortages against identified requirements required financial incentives, and I accept this, but as a general practice, large-scale payments are not recommended as an incentive to staff to study for a qualification. Small payments would, in my view, be ineffective in this role, although they might serve as token rewards and this is discussed in paragraph 9.25.

9.24 The payments to certain Executive Officers with accountancy qualifications are of type b. above, viz incentives to remain in the organisation after qualifying. Such incentives might be justified when the qualification in question was highly regarded outside and when civil service salaries for qualified staff did not match the salaries offered by competitors. At this time the field of accountancy appears to satisfy both these conditions. Accountancy qualifications are apparently much more marketable than many others. We were told that many accountants change employer after qualifying, but that organisations employing accountants did not suffer overall as the procedure was a kind of "musical chairs" whereby they lost some staff trained at their expense but gained other staff trained elsewhere. A financial payment is a justifiable means of making the Civil Service more competitive at this post-qualification stage, if it is not to suffer a net loss of qualified staff. It is important, however, that the central machinery for dealing with such matters be sufficiently flexible to allow for market change: it is conceivable that other qualifications might become more marketable, and there should be scope for payments to be introduced to accommodate this or discontinued when they are no longer needed.

9.25 We found a few examples of financial payments of type c., viz rewards for achievement rather than incentives. These were often of smaller amounts - one company, for example, made occasional lump sum payments of between £50 and £100 to successful candidates who were presented with a cheque at a small ceremony in the office to mark their achievement. Apparently this practice was regarded by some employees as paternalistic, but the scope for small-scale payments as a reward for the achievement of a qualification should not be dismissed out of hand: conversations with individual students suggest that they might appreciate some sign of the organisation's recognition of their achievement. A payment of this kind would really be the culmination of support to the individual while he was studying.

Performance-related pay

9.26 During the course of the study, the Civil Service was considering the implications of introducing performance-related pay as recommended in the Megaw Report³. With work on this still in progress, the study had to consider in general terms whether the introduction of performance-related pay would affect the advisability of financial incentives to study for qualifications.

¹If an incentive of £3,000 were paid on achievement of a qualification and the objective was for 10% of our target population (see para 1.5) to obtain a qualification, the total incentive cost for the first group to qualify would be **£10 million**.

²Annex 5, paragraph 15.

³**Inquiry into Civil Service Pay** Cmnd 8590, July 1982, Volume 1: The Inquiry's Findings, Chapter 15.

9.27 In my view the introduction of performance-related pay would not alter the conclusion in paragraph 9.23 against large-scale financial incentives, on the grounds that these would be an inefficient and costly instrument of policy. Performance-related pay might, however, widen the criteria under which the pay of individuals is determined and create a climate within which small-scale lump sum payments could be made on the successful completion of an appropriate professional qualification. Staff in areas of work where professional qualifications were less appropriate would have access to performance-related pay through other routes. **I therefore recommend that, if the eventual framework for performance-related pay makes this appropriate, one kind of award should be a lump sum for successfully completing a professional qualification.** The amount would depend on the size of other awards, but it should be smaller than the kinds of payment mentioned in paragraphs 9.23 - 9.24. The cost of these awards, which is estimated in paragraph 10.13, would be accommodated in the total budget for performance-related pay.

9.28 If however, the eventual framework for performance-related pay does not easily accommodate such payments, it will be necessary to ensure that the system does not act as a disincentive to qualify. For example, a system based on short-term performance indicators might encourage staff to devote all of their attention to the job in hand to the detriment of study for qualifications with a longer-term pay-off in terms of increased effectiveness. In such a case, it would be necessary to take mitigating action, such as paying an allowance during the period of study to compensate for potential loss of performance-related pay; or making a separate award for the achievement of the qualification. **I therefore recommend that such action should be taken if required.** As the necessity will arise from the introduction of performance-related pay, the cost of the compensatory payments should be met from within the total budget for performance-related pay.

Practical considerations

9.29 Where financial payments are deemed appropriate, a variety of kinds of payment are possible, including advances on the incremental scale within a civil service grade, allowances and lump sum payments. Departments told us that they saw difficulties in a system whereby incremental advance or an allowance could be retained only while the individual remained in the functional area in which he had earned the qualification. This was rightly seen to be a potential barrier to mobility and thus undesirable both to management and to individuals. This difficulty might be overcome by allowing allowances outside pay to be retained whatever the post held by the qualified officer, but other practical considerations arise here, including the period of time during which the additional payment should continue, and whether some requirement of re-qualification should be introduced. Incremental payments which ceased when the officer was promoted to the next grade would be of limited use, as many officers might expect to be promoted by the time they had completed a long period of study leading to a qualification, or very soon afterwards. The simplest form of financial payment is a lump sum on completing the qualification, but it should be emphasised that this report does not recommend this as a general practice.

Payment of institute subscriptions

9.30 Most professional institutes require continued payment of annual subscriptions (usually around £30) as a condition of continuing to use the appropriate letters after one's name after qualifying. Continued membership also has advantages of opportunities for up-dating knowledge and meeting counterparts from other organisations (see Chapter 3). This raises the question of whether payment by departments of institute subscriptions should be recommended as an incentive. The study's conclusions about practice elsewhere is that, while many organisations pay

institute fees for an individual while he is studying for a qualification, very few continue to do so after qualification, except where retention of the qualifications is a legal requirement. A further consideration is that individuals are entitled to tax relief on institute subscriptions, and these do not therefore present such a financial burden. On the other hand, it was suggested to us that payment of institute membership might be a "morale-booster" and that the current situation where government does not pay subscriptions has a disproportionate irritant effect on staff.

9.31 The question of payment of subscriptions has been at issue for some time in relation particularly to professional civil servants. If this report were implemented, the issue would become as germane for many administrators as for their professional counterparts, and the role which I envisage for qualifications would strengthen the case for payment of subscriptions, both because of the benefits of continued institute membership and as an incentive for changing attitudes. If professional subscriptions were to be paid by departments, I would not recommend a system requiring detailed (and therefore costly) central scrutiny of individual requests for payment: the simplest and most equitable scheme might be to allow each civil servant payment of one professional subscription if it were within a range deemed relevant to the department's work. **I therefore recommend that the issue of payment of subscriptions be reconsidered in the light of the philosophy of this report.**

Support while studying

9.32 Another factor relevant to individuals who are considering embarking on courses of study leading to a qualification is the support which they receive during the course, in the form of time off and financial payments. Broadly speaking, the current situation is that most courses leading to professional qualifications take place externally and officers pursuing them can be supported under one of two categories of assistance which are prescribed by the centre, viz "External Training" (ET) and "Further Education" (FE). The broad basis of the distinction is that training pursued externally which is justified in terms of the needs of the Service may be considered for support under ET terms, while study of a broader range of subjects which is justified primarily in terms of the individual's own development comes under the FE category. **Study for qualifications in the circumstances described in this report is explicitly related to the needs of departments and prima facie the relevant category of assistance would therefore appear to be ET.**

9.33 Central guidance on assistance to individuals under ET terms is given in paragraphs 6260-6283 of the Civil Service Pay and Conditions of Service Code and more detailed guidance for management is provided in paragraph 9230-9353 of the Establishment Officer's Guide. Decisions on eligibility for assistance under ET terms is at the discretion of departments and the Guide covers various aspects of assistance, including the payment of full fees and release from work to attend courses.

9.34 In practice, departments have a wide degree of discretion in applying the provisions of the Guide. Our impression has been, however, that the guidance is still interpreted fairly rigidly by departments and that MPO is cited in justification of departmental management decisions on assistance to individuals. Certainly, on reading over the relevant paragraphs of the Guide, the overriding impression is one of too much detailed prescription from the centre. For example, the Guide still contains a requirement to obtain approval from MPO before a civil servant may take up a full-time post-graduate course, although this is not enforced. In practice the management judgement of the department concerned about granting assistance under ET terms is usually endorsed by MPO, and in the light of this fact, it would be appropriate to adapt the theoretical position to match reality. More generally, it would be in the spirit of the Financial Management Initiative if responsibility for decisions on

financial and other kinds of support were clearly allocated at the same point as responsibility for policy decisions on departmental training. **I therefore recommend that the provisions for assistance under External Training terms should be rewritten with a view to allowing maximum discretion to departmental management and leaving minimum responsibility on points of detail with MPO.**

9.35 There will, of course, still be a need for some central provisions, particularly in those aspects of financial support which impinge on pay policy, eg the question of the possibility of payment for study outside office hours. These questions would have to be discussed in the context of policy decisions on this report, but there is no evidence from our investigations that other organisations make overtime or other payments explicitly for personal time devoted to study.

9.36 In the context of support while studying, there is no reason for distinguishing in principle between external and internal training leading to qualifications of the kind discussed in this report. Where such study is in the department's interest departmental management has to make a decision on whether the benefits justify the costs, and basically I recommend that the structure in which these decisions are taken should be similar.

9.37 In addition to the provisions for assistance under External Training terms described above, a number of bursary schemes are currently run by MPO for qualifications in science, computer science, accountancy, economics and statistics. Despite the value of these schemes, it would be contrary to the philosophy of allowing maximum management discretion to departments to suggest that the recommendations of this report should be achieved by the introduction of a large number of new centralised bursary schemes, and I do not make such a recommendation.

CHAPTER 10

COST OF RECOMMENDATIONS

10.1 The recommendations in this report include a number of developments involving consultations with professional institutes and colleges; possible greater use by the Civil Service of certain professional qualifications; and a new framework for structuring the training of young executives. This chapter attempts to cost these proposals.

10.2 The largest element in the cost of all training is the opportunity cost of students' time. In comparison with this, the costs of delivering training and paying fees for courses delivered elsewhere are small. Annex D contains calculations of the total economic cost to departments of staff at EO and HEO level completing courses leading to some professional qualifications. A range of courses have been selected as examples, featuring different qualifications and different study arrangements, including part-time day release, part-time day/evening and evening courses. It will be seen from these examples that there is a wide range of economic cost figures depending on how much study is undertaken during office time, and on the grade of the student. The total economic costs might appear rather high but to help in their interpretation, the Annex also includes for purposes of comparison an economic costing on the same basis of a residential course at the Civil Service College.

10.3 The tables in Annex D reveal that the **cash cost** to departments of paying students' fees and paying a contribution towards books is comparatively low, averaging out at around **£400** for courses which in some cases take up to 4 years. In cash terms external courses leading to qualifications are good value for money. The fact that the recommendations in this report imply additional costs to departments is not, therefore, due to heavy cash costs of courses leading to qualifications.

10.4 Training which leads to a qualification is economical in a number of respects. Some of the study and class attendance is usually undertaken by the student in his own time, and to that extent has no resource cost to departments. It would, however, be misleading to suggest that the developments recommended in this report could be implemented wholly by study in civil servants' spare time. The fairest way to estimate the resource implications of study for qualifications is to average out the demands on office time of different modes of study and we have used this approach in paragraph 10.11.

10.5 Externally provided courses leading to professional qualifications are also economical in that the costs of delivering the training are met outside the Service, and the planning and designing of much of the training is done elsewhere. In the past, external courses had a disadvantage over internal courses in that departments had to pay fees, but now that some courses at the Civil Service College are on repayment, there is less justification for discriminating between internal and external training on this ground. In view of the time involved and the amount of attention which the student receives, the fees for long courses leading to qualifications are low compared with those for short training courses.

10.6 To recommend, as this report does, greater involvement of the outside educational and professional world in the training of civil servants, is not the same thing as recommending the substitution of external training for internal training. Training for professional qualifications has a different purpose from most of the training courses currently provided internally. The long-term framework recommended in Chapter 7 would incorporate some internal training, but there is no reason to think that it would mean that less internal training was required in the future.

10.7 The scope for use of distance learning and new training technology is important to the Civil Service for reasons of economy, quite apart from the other benefits of these developments, which are discussed in paragraphs 4.23 - 4.28. Self-instruction can mean savings on premises, travel and subsistence and the cost of instructors. And training technology which can be used at the workplace or at home can lighten resource costs to departments by using time to meet training needs with minimum disruption.

Return on investment

10.8 It would be a mistake to see the resource implications of this report's recommendations as expenditure with no return. Greater use of appropriate professional qualifications by the Civil Service is an investment which, it is hoped, will result in increased efficiency and effectiveness. As a guide to the interpretation of the economic costings in Annex D, we considered how this kind of investment might be appraised in the same way as other investments. With the help of HM Treasury, we took one example from Annex D - a course at Slough College of Higher Education leading to the Diploma of the Institute of Personnel Management - and explored the hypotheses that obtaining the qualification might increase an officer's productivity by 5% or 10%. These are, of course, only hypotheses - it is not possible to prove that working for a qualification in this area would result in a quantifiable productivity increase - but it seems reasonable as a means of putting figures to the idea that a qualification might increase efficiency. HM Treasury calculated how long a department would require to pay back the investment on the course and how long would be required to obtain a real return of 5%. These calculations are set out in Annex E. The results, calculated using the example of an Executive Officer, were that with a productivity improvement of 5%, the investment in training would be paid back within 6 years and a 5% real return would be obtained in 7½ years. With a 10% productivity improvement, the simple pay back period would be around 3 years and a 5% real return would be obtained within 3½ years. Hence, if a qualification were to increase productivity as straightforwardly as in the example, the investment would soon be more than repaid. And the principle has wider application: if the strategy recommended in this report increases efficiency and effectiveness, there are sound economic arguments for recommending it as an investment.

Administrative costs

10.9 The approach to qualifications recommended in Chapter 4, involving civil service management in collaborations with institutes and colleges, has resource costs in terms of administrative time. This was emphasised to us by local government managers who had experience in this field, but they also told us that the investment of management time was repaid in terms of efficiency in matching training to needs. Departments told us of their concern that greater use of outside qualifications would make additional demands on administrative resources in their Training Units. I accept that implementation of this report would impose some additional administrative work on departments and that this would often fall on the same people as the demands of implementing other current central initiatives. The proposed information role for MPO, described in paragraphs 4.29-4.31, aims, however, to minimise this and to provide as much help to departments as possible. To some extent, the result should be more digestible information, and this should ease the burden currently experienced by departments of receiving large amounts of disaggregated material.

10.10 If the report were implemented, the Management and Personnel Office would be required in the short term to monitor the triangular developments with particular qualifications, take the lead in some of them, and provide secretarial support to the

proposed working group to design the new framework for the training of young executives. I calculate that this would have a resource demand of one half of a post at SEO or Principal level, probably in the Training Division, one half of an HEO or HEO(D) post and some clerical support. The longer-term role of MPO would involve maintaining the information service described in paragraph 4.31, and I estimate that this would require one half of a CO post, plus one quarter of a post at SEO or Principal level to deal with continuing policy questions. Reconsideration of the guidelines on support to students under External Training terms (recommended in paragraph 9.34) might require up to one quarter of a Principal post over a short period. The longer-term resource implications for the Civil Service College depend on the extent to which it would be involved in the eventual delivery of training leading to qualifications and the extent to which the proposed framework would result in increased demand for College courses.

Cost of using professional qualifications

10.11 To help departments in considering the cost of supporting staff to work for qualifications, we have worked out some approximate guideline figures. Averaging out the examples in Annex D, which cover a range of modes of study with varying demands on office time, we calculated that as a very rough guideline the approximate total cash cost to departments of one officer at HEO level working for a full professional qualification with no exemptions was around **£400**. The guideline figure for the total number of days of office time which the students might require was **80 days**. The guideline figure for the approximate economic cost to departments of the officer's study for the qualification, calculated on the same basis as the examples in Annex D, is **£9,000**. Table 1 below, based on these figures, is a guide to the approximate total cost to departments of different numbers of staff working for full professional qualifications. The figures for "man years of departmental time" and "economic cost" are, if anything, too high: the resource cost to departments of courses using distance learning or evening classes will be lower.

Table 1

Guideline figures: Approximate total cost to departments of staff working for full professional qualifications

Numbers of students	Cash cost ¹ (£ thousands)	Man years of departmental time ²	Economic cost ³ (£ thousands)
1	0.4	0.37	9
50	20	18.5	450
100	40	37	900
5% of target population ⁴	665	615	14,967
10% of target population	1,330	1,230	29,934

Notes

1. "Cash cost" is the rounded average of the costs of fees and books in the examples in Annex D. This figure does **not** include travel and subsistence costs.
2. "Man years of departmental time" is the rounded average of the total demands on office time for attending classes, revision for examinations and sitting examinations in the examples in Annex D. The range is wide, depending on whether courses involve day-time or evening classes. (Conversion factors: 7.3 man hours = 1 man day (average of figures for London and elsewhere); 216.5 man days = 1 man year.) This figure does **not** cover administration costs.
3. "Economic cost" is the rounded average of the total economic costs to departments of an HEO taking one of the courses outlined in Annex D with no exemptions. Some of the examples in the Annex are calculated using Inner London rates, others using Outer London, and others using Elsewhere rates. The guideline figure averages these out.
4. "Target population" is interpreted as the total number of staff in administrative grades from EO to Principal (inclusive) and between the ages of 18 and 34 (inclusive) at 1 1 83 plus one quarter of those in the same age-range in a range of specialist grades (source: HM Treasury).

Proposed new framework for the training of young executives

10.12 The administrative costs of designing the new framework are fairly small, and would fall mainly upon MPO (see paragraph 10.10). The cost of implementing the framework should, however, be considered, and in my view there is little question that it would mean that the civil servants in the target population would undergo more training than before. For departments, the most important cost would be the time required for this additional training, and we therefore attempted to calculate how much this would be. Our conclusion was that if each young administrator in our target population obtained a total of 6 days' training in office time per year, the additional resource demand on the Service would be **218 man years**. The corresponding figure for 10 days' training in office time per year per young administrator is **508 man years**.

Small cash payments for qualifications

10.13 Paragraph 9.27 raised the possibility of small-scale lump sum payments for the achievement of a qualification. As a rough guide, the total cost of a payment of £100 to 10% of our target population (see paragraph 1.5) would be £0.3 million. Payments of £500 to the same group would cost £1.6 million.

Conclusion

10.14 In this Chapter, I have tried to set out the resource implications for departments of this report as fairly as possible. It should be emphasised, however, that the recommendations are made with a view to increasing the efficiency and effectiveness of the Service, and it is difficult to quantify these benefits in cash terms, although they are very important. It should also be remembered that flexibility in modes of study, the use of new training technology and close matching of courses to needs are all important ways of saving money. The discriminating approach recommended by this report is less costly than a policy endorsing blanket use of qualifications, and aims to meet need economically and efficiently.

LIST OF ORGANISATIONS AND INDIVIDUALS CONSULTED**Government Departments**

Ministry of Agriculture, Fisheries and Food
HM Customs and Excise
Ministry of Defence
Department of Education and Science
Department of Employment
Department of Energy
Departments of the Environment and Transport
Export Credits Guarantee Department
Foreign and Commonwealth Office
Department of Health and Social Security
Home Office
Departments of Industry and Trade
Inland Revenue
Lord Chancellor's Department
Management and Personnel Office
Manpower Services Commission
Northern Ireland Office
Overseas Development Administration
Property Services Agency
Scottish Court Administration
Scottish Office
HM Treasury
Welsh Office

Other employers visited by the study team

British Gas Corporation
British Petroleum plc
Cadbury Schweppes plc
Greater London Council
Hampshire County Council
Midland Bank plc
Royal Borough of Kingston-upon-Thames
Strathclyde Regional Council
Surrey County Council
Unilever plc

Management Consultants

Harbridge House Europe

Educational and training organisations, and professional institutes, consulted by the Study Team or represented at the Sunningdale Seminar

Association of Certified Accountants
British Computer Society
British Institute of Management
Business and Technician Education Council
Chartered Institute of Public Finance and Accountancy
Consultative Committee of Accountancy Bodies
Council for National Academic Awards

Joint University Council for Social and Public Administration
Local Government Training Board
Institute of Chartered Accountants of Scotland
Institute of Chartered Secretaries and Administrators
Institute of Export
Institute of Internal Auditors
Institute of Management Services
Institute of Personnel Management
Institute of Purchasing and Supply
Scottish Vocational Education Council

Trade unions

Council of Civil Service Unions
National Association of Local Government Officers

Other countries

Office of the Public Service Board, Australia
Treasury Board of Canada

Individuals consulted (excluding those working in government departments at the time of the study)

Professor Richard Chapman, Department of Politics, University of Durham
Mr M G Clarke, Director, Local Government Training Board
Professor Simon Coke, Professor of International Business, University of Edinburgh
Professor Nicholas Deakin, Department of Social Administration, University of Birmingham
Professor David Donnison, Department of Town and Regional Planning, University of Glasgow
Professor Andrew Dunsire, Professor of Politics, University of York
Professor Lewis Gunn, Department of Administration, University of Strathclyde
Professor George Jones, Professor of Government, London School of Economics
Professor T Kempner, Principal, The Management College, Henley
Professor Maurice Kogan, Professor of Government and Social Administration, Brunel University
Mr Andrew Likierman, London Business School
Mr William Plowden, Director, Royal Institute of Public Administration
Dr Cyril Smith, Social Science Research Council
Professor Ralph Smith, Open University
Professor John Stewart, Institute of Local Government Studies, University of Birmingham

Information on syllabuses and/or courses was also supplied by:

Anglian Regional Management Centre
Association of Accounting Technicians
Association of Certified Accountants
Aston Management Centre
British Computer Society
British Institute of Management
Brunel University
Chartered Institute of Public Finance and Accountancy
City of London Polytechnic
City University Business School
Cranfield Institute of Technology

Institute of Administrative Management
Institute of Chartered Secretaries and Administrators
Institute of Cost and Management Accountants
Institute of Data Processing Management
Institute of Export
Institute of Internal Auditors
Institute of Local Government Studies, University of Birmingham
Institute of Management Services
Institute of Personnel Management
Institute of Purchasing and Supply
Institute of Training and Development
Institution of Industrial Managers
Kingston Regional Management Centre
Leicester Polytechnic
London Business School
London School of Economics and Political Science
Loughborough University of Technology
Management College, Henley
Manchester Business School
Manchester Polytechnic
North West Regional Management Centre
Open University
Oxford Centre for Management Studies
Polytechnic of Central London
Polytechnic of the South Bank
Richmond College of Further Education, Sheffield
St Helens College of Technology
School for Advanced Urban Studies, University of Bristol
Scottish Business School
Slough College of Further Education
Southern Counties Regional Management Centre
South West Regional Management Centre
Thames Polytechnic
Thames Valley Regional Management Centre
University College, Cardiff
University of Birmingham
University of Bradford
University of Glasgow
University of Lancaster
University of Manchester Institute of Science and Technology
University of Strathclyde
University of Warwick
West Midlands Regional Management Centre
Yorkshire and Humberside Regional Management Centre

PROFESSIONAL QUALIFICATIONS: THE PRACTICE OF OTHER LARGE EMPLOYERS

This Annex outlines in some detail the findings of the sub-study, described in Chapter 2 (paragraphs 2.3-2.12), of the practice of other large employers. The objective was to find out how much importance these employers placed on professional and other externally recognised qualifications either for recruitment or for the training of staff. The information obtained ranged more widely, however, touching on other aspects of recruitment and training policy and is included here as it may be of general interest.

The study team visited five large companies, viz the British Gas Corporation, British Petroleum plc, Cadbury Schweppes plc, the Midland Bank plc and Unilever plc. All these companies have reputations as good employers, and no attempt was made to get a representative sample including companies with lesser reputations in this respect. The interviews covered companies' attitudes towards professional qualifications, and policy and practice on a number of other issues such as management development and internal training.

In addition, a management consultancy (Harbridge House Europe) was employed to conduct and analyse a short survey of a more representative sample of large employers, concentrating on the role played by professional qualifications in management development. The starting point for the survey was the largest 150 private UK companies, 7 banks and 12 large public corporations. From that list the consultants eliminated holding companies, decentralised groups and a number of companies who either had no management training programme or who would not comment on their attitude towards professional qualifications. The result was a sample population of 80 companies which included 10 public sector concerns and 7 banks.

The following section on functional specialism is based exclusively on the study team's visits. The subsequent sections draw both on the visits and on 'the consultants' survey.

Functional specialisation

Like the Civil Service, all the companies visited were "career" employers: in other words, with the exception of certain specialists in such areas as law and computer software, they aimed to recruit staff at the beginning of their careers and retain them throughout. Although vacant posts at senior levels were often advertised externally, this was generally regarded as the result of a failure of manpower planning.

In all five companies careers were more likely to develop within a single function than across several. There were, nevertheless, quite wide variations. In one company, managers did not start to bridge or cross functions until Board level, or just below. Another, which also practised functional specialisation, was becoming increasingly aware of the importance of being able to take a strategic view which did not come easily to employees who had spent their careers in a single function. One of the main reasons for the lack of mobility in practice between functions in this company was that in the current stringent economic climate line managers were reluctant to take the risk of appointing staff without experience in comparable jobs. A third company said that the dangers of over-specialisation were a recurring preoccupation at Board level. An extensive internal development programme had therefore been

developed to avoid the problem of managerial "tunnel vision". After 4 or 5 years in their initial function, the majority of middle and senior managers would move frequently between departments.

The Midland Bank described some 80% of its staff as employed in the basic function of lending. There was, however, a movement towards greater specialisation within the lending function as it was felt that the growing complexity of banking made it impossible for managers to maintain expertise in all aspects of lending.

All the companies visited appointed and promoted staff to individual specific posts rather than to grade levels. This made it easier for functionally specialised careers to develop because individuals could be promoted to specific posts which required functional expertise, even if they were not considered suitable for all posts at that level. A drawback of this system was, however, that staff were reluctant to make moves which were not also promotions.

On the whole movement between functions was considered desirable because it promoted a sense of unified purpose in large organisations with wide responsibilities. It is important to note, however, that all the companies visited were starting from an organisational norm of high functional specialisation and were making conscious moves away from it. And while they favoured greater mobility between functions, they were aware that this had costs in terms of the dissipation of expertise.

One might have expected to find a high degree of correlation between the extent to which careers were functionally specialised and the emphasis put on professional qualifications. Interestingly, this was not the case. Although all the companies which emphasised professional qualifications were functionally specialised, not all functionally specialised companies emphasised professional qualifications.

Professional qualifications

The evidence gathered by the study team and the consultants' survey led to the same basic conclusions:-

- with the exceptions noted in the following sub-paragraph, companies were generally indifferent to professional qualifications. Qualifications were rarely spoken of as either beneficial or detrimental to company causes, and on the whole commanded little attention;
- the major exception was accountancy qualifications, which were described by one of Harbridge House's respondents as "in a different league" from other qualifications, and which were the norm in the financial function. Other exceptions (although less marked) were the qualification of the Institute of Personnel Management; certain supervisory qualifications; and qualifications specific to particular industries such as the Associateship of the Institute of Bankers;
- public sector firms showed significantly more enthusiasm for sponsoring staff for professional qualifications than did private companies;
- professional and managerial qualifications were rarely as important a factor in recruitment decisions as personal qualities, relevant experience and, occasionally, "industry" qualifications. In particular, Master's degrees in Business Administration (MBAs) were not favoured;
- there was a discernable trend away from long and examined training courses to short training modules designed for the needs of a specific audience.

Recruitment

It was clear that one effect of the economic recession had been a drastic curtailment of recruitment of middle and senior managers, both in the public and the private sector. The emphasis was on training existing staff and filling vacancies from within the organisation. When recruitment from outside did take place professional qualifications were frequently described as incidental to recruitment decisions, although they might be taken into account in distinguishing between two candidates who were otherwise of equal merit. The main exception was accountancy qualifications. Harbridge House found three types of company policy regarding accountancy staff. Around a third of the sample - banks and oil companies in particular - recruited only qualified accountants. Another third - notably construction companies and public corporations - relied on accountancy trainee schemes for almost all their accounting specialists, with recruitment of qualified accountants limited to senior vacancies. The final third recruited qualified accountants on a regular basis but also ran some sort of training programme varying in size from a token handful to a large group.

Sponsorship

The financial function. In almost all companies careers would be unlikely to progress beyond junior levels in financial functions without an accountancy qualification. The qualification most commonly used by the organisations surveyed appeared to be that of the Institute of Cost and Management Accountants, although some use was made of chartered accountants.

The personnel function. Attitudes towards the Institute of Personnel Management qualification varied, but almost every company contacted by the consultants had at least one qualified person in the personnel function and a number felt that they needed more. In the companies visited by the study team, the numbers of professionally qualified personnel staff varied between one-fifth and almost none. A number of companies encouraged graduate entrants to obtain a qualification if they were likely to stay in the personnel management field.

The purchasing function. Only nationalised industries appeared to make systematic use of the qualification of the Institute of Purchasing and Supply (IPS), although one of the private sector organisations visited made use of some of the IPS's shorter courses.

"Industry" qualifications. A number of companies in both the public and private sectors emphasised the importance of qualifications relevant to specific industries, and encouraged staff to take them. Examples of institutes offering this type of qualification are the Chartered Institute of Transport, the Institute of Grocery, the Institute of Bankers, and the Hotel, Catering and Institutional Management Association. In some cases, industry qualifications were a statutory requirement.

Other qualifications. Of the companies surveyed, only two were found which made any systematic use of the qualification of the Institute of Chartered Secretaries and Administrators. Marketing qualifications were not, on the whole, highly regarded. A number of companies did, however, find the qualification of the National Examinations Board for Supervisory Studies useful and one sent nearly 300 employees each year to local colleges on day release to study for it.

Almost all organisations made ad hoc use of professional and technical qualifications, varying from the Royal Institute of British Architects to Master's degrees in effluent engineering. In technical functions, use of professional institute qualifications was

common. There appeared to be a variety of reasons for this: in some cases technical qualifications were thought intrinsically valuable; in other cases, they were a statutory requirement; and in others staff were given the opportunity to qualify as an incentive to join or remain in the company.

Incentives

A large number of companies were prepared to reimburse costs for most tuition and membership fees, and most organisations had centrally co-ordinated policies which provided for this. But few went further, and none mentioned specific bonus schemes which had been devised to motivate employees to qualify in an area. Of the companies visited by the study team, only one went beyond reimbursement of costs, offering a small lump sum to successful candidates for certain professional examinations.

Non-financial incentives varied from company to company and from function to function. In no cases were professional qualifications a sufficient condition for promotion. But in two nationalised industries they appeared to be a necessary condition in a large range of functions. In several banks, Associateship of the Institute of Bankers was a virtual pre-requisite for promotion above clerical levels. It has already been noted that accountancy qualifications were regarded as a necessary condition for promotion within finance functions.

Links with professional bodies

Regardless of attitudes towards professional qualifications, many companies thought that links with professional bodies were useful. Some thought that such links kept staff aware of current developments in their discipline; others saw professional bodies as good allies in certain forms of lobbying. In a period of retrenchment professional bodies acted as a useful contact point for those seeking employment. All of the organisations visited by the study team had members of staff at middle and senior management levels who were affiliated to professional bodies.

Business schools and management colleges

Master's degrees in Business Administration (MBAs)

Only a handful of organisations were found which actively recruited MBAs. Some banks accepted them for a small number of either general management stream or specialist corporate planning appointments, and certain companies with large operations in the US supplemented their normal graduate intake with graduates from American business schools. Other companies which had MBAs in their ranks tended to have recruited them accidentally rather than as a matter of deliberate policy.

Some companies attributed their unwillingness to recruit MBAs to the reluctance or inability of MBA graduates to adapt to the mores of the companies; others attributed it to the inability of the companies to be sufficiently flexible to accommodate MBAs. There were five general criticisms of young MBAs:-

- that they entered with little or no experience of industry, and tended to assume that textbook answers were directly applicable to specific company problems;
- that the salaries they demanded were unjustifiably out of line with company pay structures;

- that their high expectations and self-confidence in the job market often meant that they left within a year or two of joining;
- that those companies with well defined career progression patterns found it difficult to integrate MBAs;
- that very few felt that MBAs would be more competent in their performance than university graduates generally.

There was more, though still highly qualified, enthusiasm about sponsoring employees to take MBAs, although this was almost invariably confined to two or three of the highest flyers.

Short management courses

A large number of organisations used shorter management courses, although the numbers of staff involved were often small. The reasons for using such courses were varied:

- to develop the strategic skills of managers;
- to reduce the danger of senior management becoming too inward-looking;
- to increase familiarity with European and other international developments;
- to avoid the problem of senior managers being instructed by junior staff;
- to improve the organisation's perception of its own standing in relation to that of its competitors;
- to give managers a break. Many companies valued the purely social aspect of senior executive development programmes;
- to facilitate management restructuring.

Four sorts of courses were used regularly:

- UK business schools and management courses were the most frequently used. Many companies had arranged for courses to be run with material relevant to their own needs. Options about courses varied widely from company to company and each seemed to have links with particular institutions;
- American business schools and graduate colleges were felt to offer a slightly broader picture. Companies with a large stake in the US often used these schools to "Americanise" their UK managers;
- continental management centres were used to keep managers up to date with European developments;
- ad hoc use was also made of other courses including Outward Bound - type training, which was highly regarded by several companies as improving leadership ability.

No significant differences were noticed between public and private sector approaches to senior management training. This is in marked contrast to the difference in their attitudes towards professional qualifications.

Some general criticisms were levelled at business schools. Some companies found their syllabuses and teaching methods "too academic" and thought that they tended to undervalue practical problem-solving. There was some feeling that the development of public sector streams might dilute the business ethos of the institutions.

The numbers involved in this type of training were very small. External training at such senior levels was expensive and where a genuine need existed among even two or three top managers, companies often preferred to "buy in" the relevant expertise and incorporate it in an internal training programme.

Links between internal and external training

Most of the companies which expressed enthusiasm for the rôle of training in management development ran in-house management training programmes, usually modular in form, at their own residential centres.

These courses were usually flexible, with the emphasis on learning from relevant experience. At least a dozen companies interviewed by Harbridge House were attempting to increase the experiential element in their training programmes. As internal courses allowed for this flexibility, the great majority of respondents preferred them to externally provided courses.

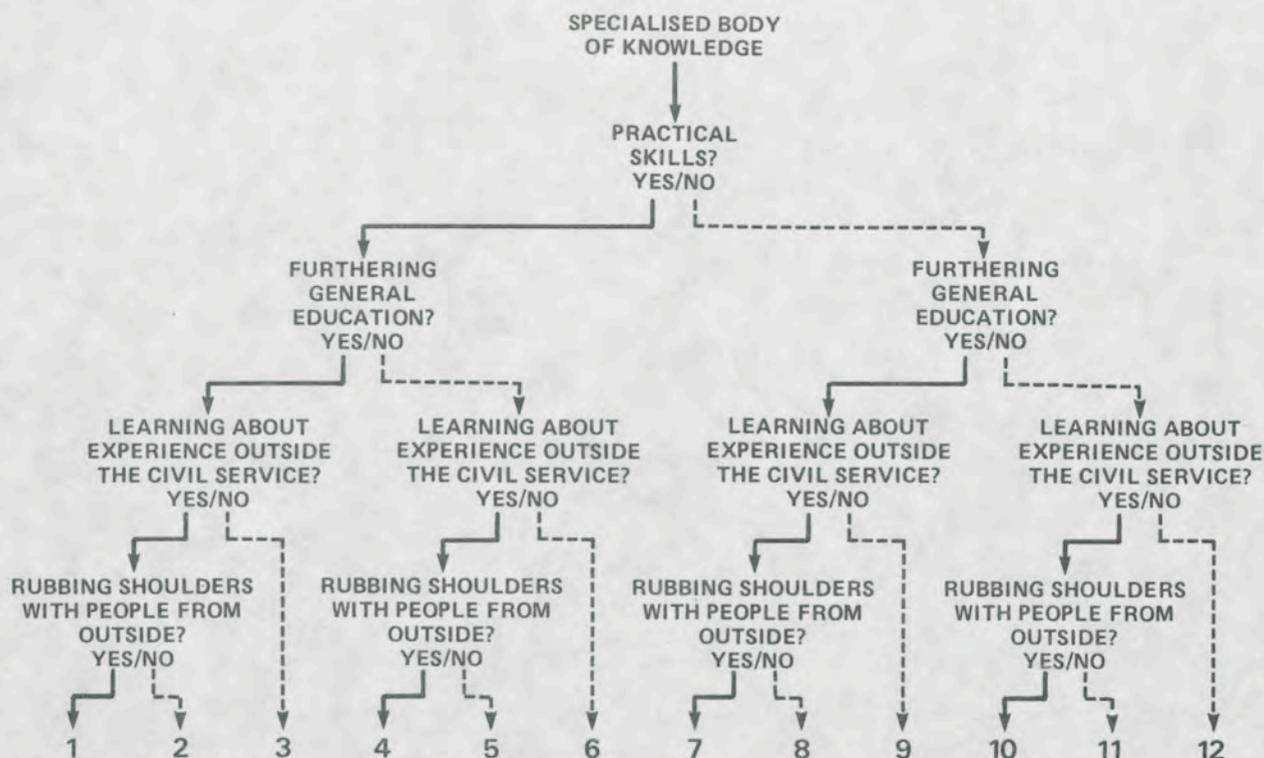
An interesting development was the "hybrid" combination of internal and external training. The advantages of this were that, while the programmes were specifically designed to be relevant to the company, external tutors and organisers gave a useful comparative perspective. The Harbridge House survey also detected some movement amongst companies to get outside accreditation of their internal programmes. One of the companies visited had employed a management consultancy to develop a modular management development programme somewhat similar in its conception to the Civil Service's own modular programme of Fast Stream Training.

The general pattern in the companies contacted appeared to be that basic management training was undertaken in-house, with business schools used for those likely to reach very senior positions, to plug gaps in in-house training in specific topics, or as "crash courses" for staff who had missed out on some part of internal training.

Summary

All the companies visited practised functional specialisation more than the Civil Service, but were trying to encourage more mobility between functions. On the whole, professional qualifications were not highly regarded by the companies visited or surveyed, with the major exceptions of accountancy qualifications and public sector companies, which tended to use qualifications more. The trend in management development programmes was towards greater use of internal programmes, increasingly modular in structure.

ANNEX C: DIAGRAM OF TRAINING PRESCRIPTIONS IN SPECIALISED AREAS



1. External college-based course with mixed private/public sector classes and leading to an externally recognised qualification. The course should include practical skills training as well as academic instruction, and if it does not, the gap should be filled by other training (internal or external).

2. Qualification course (or developmental training course involving extended written work) including material about experience elsewhere, but not necessarily involving mixing with fellow-students from other sectors. Could involve some distance learning, but must include some practical skills training. If necessary, skills training should be provided by an appropriate training course.

3. Are you sure that the student would not benefit from learning about experience elsewhere? If so, internal training is, *prima facie*, to be preferred, although there may not be courses available internally to meet the following criteria: the course should be long and involve some extended written work and opportunities for personal development. It should also include practical skills training, and if necessary this gap should be filled by additional short training courses. The badge of the qualification is useful as a goal for the student and, particularly for non-graduates, as evidence of degree-level education, but otherwise is not essential.

4. The specialised content of the training is more important than the educational benefit of working for the qualification, and a course should therefore be found which is as intensive as possible, allows for exemptions where appropriate, and has opportunities for short cuts for students already at a sufficiently advanced educational level. Must involve some attendance at teaching sessions shared with students from other areas of employment, but care should be taken to avoid landing the civil service student in a class comprised mainly of much younger students who have a lower level of general education. The practical skills need may require to be supplied independently by short training courses.

5. The specialised training content is more important than the general educational benefit of working for a qualification, and the qualification in itself may not be an important objective. The course should be as intensive as possible, and need not involve classroom attendance, but it must include material based on experience outside the Civil Service. The practical skills element may have to be provided separately through internal or external training courses.

6. Are you sure that the student would not benefit from learning about experience outside the Civil Service? If so, internal training is *prima facie* to be preferred to external training. The body of knowledge required might be available in distance learning form, which would enable the student to go at a fast pace, but the necessary practical skills would have to be developed through supplementary training, eg in the student's department or at the Civil Service College.

7. An external course involving college attendance in mixed private/public sector classes, and preferably leading to an externally recognised qualification. The classes should involve some opportunities for discussion, but need not involve skills training.

8. A long course involving extended written work and opportunities for personal development, preferably leading to a qualification. This could be taken by distance learning, but must involve course material relating to outside organisations.

9. Are you sure that the student would not benefit from learning about experience outside the Civil Service? If so, internal training, if available, may be preferable to external. The need is for a long course involving extended written work and opportunities for personal development and tuition. The badge of the qualification is useful as a goal for the student and/or as evidence of degree-level education, but otherwise not essential.

10. The course should involve teaching sessions shared with fellow-students from other areas of employment. It is important to check that the ages and educational levels of other students are appropriate. Intensive courses (eg block release) are often appropriate for this kind of student, and syllabuses should be preferred which have maximum scope for exemption for students with appropriate levels of education.

11. An intensive course should be sought involving material relating to outside organisations, but not necessarily including any practical skills training. Distance learning may be the most appropriate and efficient means of delivering such training. If it is not available, the course selected should be as intensive as possible and offer maximum scope for exemption from particular elements for students with appropriate educational qualifications.

12. Are you sure that the student will not benefit from learning about experience outside the Civil Service? If so, internal training may be preferable to external, if appropriate courses are available. The course selected should be as intensive as possible and have maximum scope for short-cuts for those with high educational qualifications. Distance learning material produced by the Civil Service may be the best solution here, and the badge of an outside qualification less important.

EXAMPLES OF THE COST OF COURSES LEADING TO PROFESSIONAL QUALIFICATIONS

1. This Annex gives some examples of courses leading to qualifications awarded by 3 Institutes, viz the Institute of Personnel Management (IPM), the Institute of Purchasing and Supply (IPS) and the Institute of Chartered Secretaries and Administrators (ICSA). Although all the Colleges referred to are held in high regard, they have not been singled out on grounds of merit, but rather with a view to covering a range of course arrangements and geographical locations.

2. To study for membership of the **IPM**, students must be at least 20 years of age with a certain number of A-levels (or equivalent) or be older with at least two years' acceptable work experience. The syllabus for **Stage 1** covers Personnel Management in Context, Introduction to Organisational Behaviour and Personnel Information and Decision-Making. Most graduates and holders of some other qualifications are exempt from Stage 1. **Stage 2** covers Employee Resourcing, Employee Development and Employee Relations and also requires some residential training in practical skills. **Stage 3** is a work-based project.

3. Entry requirements for the **IPS** are broadly similar to those for the IPM, and unqualified but experience students aged 26 or over will be accepted. The **Foundation Stage** covers Business Economics, Applied Business Statistics, Commercial Law, Business Accounting, Management Principles and Administration, and Introduction to Purchasing and Supply. Most graduates are exempt from all or part of the Foundation Stage. In the **Professional Stage**, students must cover Purchasing Practice and Techniques, Stores Management and Inventory Control or Retail Merchandise Management, Purchasing and Supply Management, Research Study and a case study, plus an additional option.

4. Entry requirements for **ICSA** are a degree or a good group of A-levels (or equivalent). The syllabus is divided into 3 streams, including a "Public Service Stream", in 4 parts. The subjects studied include Communication, General Principles of Law, Principles of Economics, Statistics, Financial Accounting, Government, Business Law, Public Finance and Principles and Policy of Management. The syllabus is currently under review. Most graduates, and holders of certain other qualifications, are exempt from Part 1.

5. The courses listed in the pages which follow involve day release, evening classes or a mixture of the two, and normally last for 3-4 years (2-3 years for students exempt from Part 1). A costing exercise has been carried out to estimate the **economic cost to Departments** of an EO or HEO taking courses leading to these qualifications, and to obtain an idea of the time commitment involved. The basis of the costing is explained, but it should be noted that extra costs such as travel and administrative costs in the Training Division might also be incurred.

6. Summary of economic costs

	EO	HEO
IPM (Slough College) (part-time day/evening)	£4193	£5156
IPS (Richmond College, Sheffield) (part-time day/evening)	£7701**	£9612**

ICSA (City of London Polytechnic)

i. evening course	£2560-	£3072-
	£2592***	£3104***
ii. part-time day release	£12,944-	£15,956-
	£12,976***	£15,988***

* Outer London rates

** National rates

*** Inner London rates

NB These totals assume **no** exemption from parts of courses.

7. To help in the interpretation of these figures, it is useful to consider the economic cost of a short, residential course with a quite different purpose such as the Foundation Course in Administration at the Civil Service College. This consists of a three-week residential course at Sunningdale, followed by a one-week additional residential module. On the same basis as the calculations summarised above, the economic cost to a Department of an HEO taking this course is:

£1948 (National rates)
£3060 (Outer London rates)
£3319 (Inner London rates).

ANNEX D1

Qualification: Stages 1, 2 and 3 of the Diploma of the Institute of Personnel Management (IPM)

College: Slough College of Higher Education

Basis of costing: **Staff cost:** average salary; superannuation and employer' NI contributions; stationery, telephones, postage and small office machinery, accommodation and related costs (1982/83, Outer London rates)

Course fees: 1982/83 academic year

Part-time day/evening course

Stages 1 & 2: one afternoon plus one evening per week (7 hours), plus 5 hours private study per week.

Stage 3: 12 hours of private study per week (no attendance)

	EO	HEO
Stage 1 (2 terms, Autumn and Spring, 26 weeks)		
Attendance in official time (26 weeks x 3½ hours)	£795	£998
Examination revision (10 hours)	£87	£110
Sitting examination (6 hours)	£52	£66
Course fees	£135	£135
Approximate cost of books	£20	£20
Total	<u>£1089</u>	<u>£1329</u>

Note

The costing excludes evening attendance (26 x 3½ hours = 91 hours) and private study (26 x 5 hours = 130 hours)

	EO	HEO
Stage 2 (4 terms, Summer - Summer, 46 weeks)		
Attendance in official time (46 weeks x 3½ hours)	£1407	£1766
Examination revision (10 hours)	£87	£110
Sitting examination (9 hours)	£79	£99
Course fees	£125	£125
Approximate cost of books	£30	£30
Total	<u>£1728</u>	<u>£2130</u>

Note

The costing excludes evening attendance (46 x 3½ hours = 161 hours) and private study (46 weeks x 5 hours = 230 hours)

	EO	HEO
Stage 3 (1 year, 36 weeks)		
Study in official time* (36 weeks x 4 hours)	£1259	£1580
Course fees	£97	£97
Approximate cost of books	£20	£20
	<u>£1376</u>	<u>£1697</u>
Total		

*On the assumption that 4 of the 12 hours of private study each week are carried out in official time.

Total cost of full qualification

The total cost of full qualification for a candidate who does not qualify for exemption from Part 1 would therefore be:

EO = £4193

HEO = £5156

and the total cost of full qualification for a candidate who did qualify for exemption from Part 1 would be:

EO = £3104

HEO = £3827

ANNEX D2

Course:	Foundation and Professional Stages of the Institute of Purchasing and Supply (IPS)
College:	Richmond College of Further Education, Sheffield
Basis of costing:	Staff cost: average salary; superannuation and employers' NI contributions; stationery, telephones, postage and small office machinery; accommodation and related costs (1982/83, National rates) Course fees: 1982/83 academic year

Foundation Stage

i. 1-year part-time day/evening course
(9 hours per week, plus 9 hours private study per week)

	EO	HEO
Attendance in official time (36 weeks x 6 3/4 hours).....	£1876	£2379
Examination revision (48 hours)	£371	£470
Sitting examinations (18 hours)	£139	£176
Course fees	£139	£139
Approximate cost of books	£50	£50
Total	£2575	£3214

Note

The costing excludes evening attendance (36 weeks x 2 1/4 hours = 81 hours) and private study (36 weeks x 9 hours = 324 hours)

ii. 2-year part-time half-day course
(4 1/2 hours per week, plus 4 1/2 hours private study per week)

	EO	HEO
Attendance in official time (72 weeks x 4 1/2 hours)	£2501	£3172
Examination revision (48 hours)	£371	£470
Sitting examination (18 hours)	£139	£176
Course fees	£157	£157
Approximate cost of books	£50	£50
	£3218	£4025

Note

The costing exclude private study (72 weeks x 4 1/2 hours = 324 hours)

Professional Stage

1-year part-time half-day/evening course
(6½ hours per week, plus 12 hours private study per week)

	EO	HEO
Attendance in official time (36 weeks x 4½ hours).....	£1251	£1586
Examination revision (48 hours)	£371	£470
Sittings examination (15 hours)	£116	£147
Course fees	£110	£110
Approximate cost of books	£60	£60
Total	<u>£1908</u>	<u>£2373</u>

Note

The costing excludes evening attendance (36 weeks x 2 1/4 hours = 81 hours) and private study (36 weeks x 12 hours = 432 hours)

ANNEX D3

Course: Parts 1 to 4 of Institute of Chartered Secretaries and Administrators (ICSA). 4-year course (1 year per part) for non-graduates; 3-year course for graduates (automatic exemption from Part 1)

College: City of London Polytechnic

Basis of costing: **Staff costs:** average salary; superannuation and employers' NI contributions; stationery, telephones, postage and small office machinery; accommodation and related costs (1982/83, Inner London rates)

Course fees: 1982/83 academic year

a. Part-time evening course
(3 evenings per week, 8 hours)

	EO	HEO
Examination revision (40 hours)	£412	£511
Sitting examination (12 hours)	£124	£153
Course fee	£72	£72
Approximate cost of books	£32-40	£32-40
	<u>£640-648</u>	<u>£768-776</u>
Total per Part		
Total 3 Parts	<u>£1920-1944</u>	<u>£2304-2328</u>
Total 4 Parts	<u>£2560-2592</u>	<u>£3072-3104</u>

Note

The costing excludes attendance (36 weeks x 8 hours = 288 hours pa), which all falls outside official hours, and private study (36 weeks x 8-12 hours = 288-432 hours pa).

b. Part-time day release course
(1 day per week, 7 hours)

	EO	HEO
Attendance in official time (36 weeks x 7 hours)	£2596	£3221
Examination revision (40 hours)	£412	£511
Sitting examination (12 hours)	£124	£153
Course fee	£72	£72
Approximate cost of books	£32-40	£32-40
	<u>£3236-3244</u>	<u>£3989-3997</u>
Total per Part		
Total 3 Parts	<u>£9708-9732</u>	<u>£11967-11991</u>
Total 4 Parts	<u>£12944-12976</u>	<u>£15956-15988</u>

Note

The costing excludes private study (36 weeks x 8-12 hours = 258-432 hours pa)

RETURN ON INVESTMENT IN AN EXTERNAL COURSE LEADING TO A QUALIFICATION: NOTE BY HM TREASURY**Introduction**

In thinking about the costs of external training, it is instructive to consider investments in training in the same way as one might appraise other investments. Hence this Annex asks how long it would take for a department to recover its investment in a course leading to a qualification on the hypothesis that working for the qualification improved the trainee's productivity. The example used, taken from Annex D1, is that of an Executive Officer studying for the Diploma of the Institute of Personnel Management by means of Slough College of Higher Education's part-time day/evening course.

Costing the department's investment

The largest element of the cost is the student's time, and the basis on which the MPO normally calculates training costs has been used in Annex D1 (average salary; superannuation and employers' NI contributions; stationery, telephones, postage and small office machinery; accommodation and related costs).

Valuing increases in productivity

The paragraphs which follow explore the implications of an assumption that when the Executive Officer obtains the full qualification he will be a. 5% or b. 10% more productive; ie, he will produce a. 5% or b. 10% more output than he would have done had he not obtained the qualification.

The value of the Executive Officer's post should at least equal, if not exceed, the extra (or "long run marginal") cost of staffing and supporting it. This "long run marginal cost" is approximately equal to the full cost of the post, which includes average salary; superannuation and employer's NI contributions; stationery, telephones, postage and small office machinery; accommodation and related costs; and common services (eg typing, duplicating, messengers etc). If the Executive Officer produces 5% or 10% more output, the value of this extra output should, therefore at least equate to 5% or 10% of the full cost of the post.

It is important to remember that realisation of the increase in productivity depends upon the department actually making use of the EO's new skills. If, for example, he returns to a post for which his training is irrelevant there will be no benefit. There will likewise be no benefit if his job involves delivering some inflexible output. In this latter circumstance, some benefit might accrue to the individual in the form of shorter de facto working hours, or less effort; but there would be no productivity improvement unless the department took action to extend the responsibilities of the job.

Time needed to recover investment

Since the benefit of increased productivity accrues some time after the cost of the initial investment has been incurred, the calculation of the length of time it would take to recover the initial investment must involve discounting costs and benefits by 5% for every year's delay. The following tables give the number of years which would be required for a 5% and 10% increase in productivity to justify the initial investment.

Cost of Training

(1)	(2)	(3)
	Cost £	Present value at 1 January in final year (see note i) £
Stage 1	1089	1201
Stage 2	1728	1814
Stage 3	1376	1376
Total	4193	4391

Value of Benefits

(4)	(5)	(6)	(7)
Productivity improvement (per cent)	Value of productivity improvement (see note ii) £/year	Simple payback period (see note iii) years	Years required to give a real return on investment of 5 per cent (see note iv)
5	727	5.8	7.5
10	1455	2.9	3.4

Notes

- i. The IPM Stage 3 costs are assumed for discounting purposes to fall on average on 1 January, Stage 2 costs 1 year earlier, and Stage 1 costs 2 years earlier. The discount rate used is 5 per cent.
- ii. Column (4), multiplied by an annual full cost of £14,547.
- iii. £4193, from Column (2), divided by Column (5).

iv. The period, from 1 June in the final year, required for an annual payment of £727 (or £1455) to give a return of 5 per cent on a capital sum of £4391 (Column (3)). This is calculated by dividing column (5) by column (3) and referring to the 5% column of Table 3 in the Treasury booklet on Investment Appraisal in the Public Sector.

ARGUMENTS FOR AND AGAINST QUALIFICATIONS: EXTRACT FROM A NOTE BY PROFESSOR ANDREW DUNSIRE, PROFESSOR OF POLITICS, UNIVERSITY OF YORK

Why are qualifications being sought? One does not need to rehearse the arguments about why civil servants should have training, at least at certain identifiable points during their career, usually designated Initial Training, Basic Training, Middle-management or Mid-career Training, and Senior Management Training. Inadequate they may be, but there are well-established programmes in each Department with that aim. The seeking of a **qualification**, however, implies more. In life outside the civil service, it usually implies that there is a gate which one cannot enter without a ticket; it is a gate which one wishes to enter; the ticket is only obtainable after the passing of tests for which some period of preparation is necessary, according to standard syllabuses; and these tests are carried out by a body independent of one's employer, with functions which at least in part are to limit entry through the gate, either absolutely in point of numbers, or contingently in point of quality (or a bit of both).

There exist, then, posts or positions (in this context: more generally, rights or privileges) which one cannot enjoy without possessing the qualification. Possessing the qualification may not **entitle** one to the post or position; it may simply exclude others not qualified from being considered. As in the merchant marine, one may hold a Master's ticket for years before one's employer appoints one to command a ship. But if anyone can be given command of a ship whether he has the Master's ticket or not, there is little incentive to obtain one.

From the employer's point of view, the qualification **certifies** the possession of knowledge, skills, and perhaps aptitudes that the occupier of the post or position in question requires to have; the certificate is a minimal guarantee, given by a body of people who are themselves qualified to judge. The qualification preselects among possible candidates, so that the employer can make his own selection on other grounds, confident that the basic capacities are present. If everyone in the field holds the qualification its value in this particular regard is much less. Similarly, a qualification is only valuable at the level just above that at which it was gained. An 'entry' qualification loses most of its value as soon as entry has been obtained; a 'basic' qualification, whether obtained as a result of training before entry or after entry, is of little use for mid-career promotions; and so on.

From the employee's point of view, the certificate is his/her personal property, and transferable from employment to employment; it may represent his/her chances of upward or sideways mobility, or it may be an insurance against redundancy. The right to 'put letters after one's name' is highly valued; it cannot be affected by one's employer.

An employer may, however, value a qualification for other reasons, not directly connected with selection for a particular post (whether from outside or inside the Service), or with promotability. For instance, an employer may be satisfied that his staff are adequately trained, and that they do possess the desirable knowledge, skills and aptitudes for the posts they occupy, as a result of in-house training; but he may feel that they do not enjoy the esteem of clients, or of other employers, because their qualities have not been **certified** by an external body according to the same rules and criteria as for all other forms of employment. Or he may decide that in-house training lacks a desirable element of interaction with other trainees, not in his employment; and he may be willing to trade the economic or other advantages of

in-house methods for this advantage of external training, accepting the **qualification** element as going along with it but not putting great store by certification as such. Interaction with other trainees from other forms of employment brings the ability to 'speak the same language' (always to some extent an **argot** or 'in-language') as others so trained (and qualified). Parity of esteem leads to willingness to exchange information and to extend trust.

If the qualification in question is held in low esteem generally, there is little gain in having parity of esteem with other employments. If the qualification is a highly-esteemed one, its value to the employer may rest more in the motivation it inspires in his employees to study in their own time than in the gain in knowledge, skills or aptitudes it actually brings to their work. The relative value of the certificate, the esteem, the training, and the interaction aspects may be different at different career points; at lower levels, these values may be in descending order (most for the certificate, least for the interaction), whereas at the higher levels, the importance is reversed. At higher levels, too, esteem sometimes depends less on the qualification as such than on the institution from which it was obtained (eg higher management courses).

The argument for a special new **qualification** designed specifically for central government does not appear to be strong on the grounds of parity of esteem, commonality of knowledge/skills/attributes, interaction, or even independent certification. It would appear to rely heavily on its pure training value, and, as a **qualification**, on its usefulness in selection and promotion. In other words, although a new qualification designed for civil servants (at whatever level) might be accorded a measure of parity of esteem if it were in form a version of an already-recognised certificate, diploma, or degree (HNC, DMS etc) and were assessed by an independent body outside the civil service, the incentive for civil servants to embark on preparation for it would probably be quite small unless a. its possession were a **sine qua non** for entry to certain posts, or, less strongly, b. its content were such as to enable it to be recognised by other employers as providing them with a 'certificate' they could accept.

If the case for encouraging more administrators in the civil service to work for qualifications recognised outside the civil service is considered to be a strong one, on any of the grounds mentioned above, or others, then it would seem preferable that the qualification be **not** one designed specifically for central government, but that influence should be (quite legitimately) brought to bear on those responsible for designing options and syllabuses for that qualification (or those qualifications) so that the training content of the courses available in preparation for the qualification would match the needs of the civil service. It would also seem desirable that the maximum advantage be derived from the 'parity of esteem' and transferability aspects, and from interaction, by utilising the existing national system of higher and further education as much as is feasible, and retaining in-house methods only for those training requirements that cannot be met outside the Service.

SUBMISSION BY THE PUBLIC ADMINISTRATION COMMITTEE OF THE JOINT UNIVERSITY COUNCIL FOR SOCIAL AND PUBLIC ADMINISTRATION

For almost fifty years the Joint University Council for Social and Public Administration has been concerned with the education and training of civil servants. Several conferences have been organised to discuss the problems and a number of reports published by the JUC - most recently in 1977 **Training in the Civil Service** edited by R A W Rhodes, and in 1979 **Public Administration Teaching in Further and Higher Education** by R Lewis and C Himsworth. In addition, Public Administration Committee (PAC) representatives have initiated meetings with departmental training officers and other officials in order to improve co-operation between academics and civil servants with respect to training.

The universities and polytechnics represented by the PAC already provide a wide range of educational and training courses for public sector institutions. First degrees in politics and public administration provide a broad education for students, some of whom intend to work in the public sector, or are already employed in it. A growing number of degree programmes are now being offered on a part-time basis in order to meet the needs of day release or evening only students.

Several academic institutions also specialise in providing post-graduate courses, recruiting senior officials in the public sector, again with an increasing emphasis on part-time modes of study. These advanced qualifications allow for the in-depth study of aspects of public administration. For example, Master's degrees in public administration, policy analysis or local government are offered at the Universities of Birmingham (Institute of Local Government Studies), Bristol (School of Advanced Urban Studies), Brunel, Manchester and London (London School of Economics).

Polytechnics in particular mount a wide variety of sub-degree and professional courses for public sector students. A few are full-time schemes, but most are part-time - usually day release. By far the largest category of such courses are schemes for the Higher National Certificate validated by the Business Education Council and planned in accordance with the guidelines set out by their B4 Committee. These courses are very much work-related in content - with emphasis on job-centred training rather than on education for public administration, and employers are encouraged to participate in course planning and assessment. BEC courses can be found in all regions of England and Wales - with the Scottish Business Education Council (SCOTBEC) providing equivalents in Scotland.

The Institute of Chartered Secretaries and Administrators offers a professional qualification for those working in the public sector. It is based on traditional subject disciplines, rather than the BEC work-related modules, but is narrower in content than a degree in public administration. ICSA courses are also provided in all regions of Britain on a day release basis. At present efforts are being made both by ICSA and BEC to relate their two qualifications to enable BEC students to proceed to full professional status. Both BEC and ICSA schemes could easily be modified so as to meet civil service requirements.

In addition, nearly all the institutions in membership with the PAC offer short courses on specific topics, post-experience courses and conferences, and similar schemes specifically designed to meet the particular needs of individual employers. Recently there have been courses or conferences on Computing in the Public Sector, Policy Analysis, Human Resource Management, and The Planning of Training Programmes. The costs of such programmes vary according to the scale of the

course, whether it is residential, its length, etc. Usually the courses or conferences are planned in consultation with the institutions concerned, and the cost to these employers agreed as part of this process. We would like to emphasise that universities and polytechnics have the ability to mount short courses designed to meet objectives specified by Government Departments. So far, comparatively limited use of these resources has been made by the civil service as compared to, for example, their use by local authorities.

Most of those enrolled on public administration education and training courses currently being offered have been drawn from local government. Both collectively and individually academic institutions have established good working relations with local authorities and also with the Local Government Training Board (LGTB). We believe that we have been successful in providing the sorts of courses required by local government, once these authorities have made their needs clear.

So far, civil service use of existing education and training facilities has been limited. The lack of any comprehensive training policy on the part of government departments has made it difficult for academic institutions to identify clearly how they can help the civil service. We welcome this study, therefore, and hope that once Whitehall has determined the sorts of education and training that is required at the various levels, a dialogue can be established so that the PAC and its member institutions can make a positive contribution towards meeting them. As we understand it, the study exercise involves Departments in an assessment of training needs. Clearly, this is important, and is an area where PAC members could help. We have experience of assisting local authorities in setting and achieving training objectives, and our experience is available to the civil service.

One possibility that has been raised is the creation of a special course to meet the particular needs of middle level civil servants. We would certainly be interested in contributing to the planning of such a scheme. We also believe that, in consultation with central government, some existing courses at all levels could be successfully adapted to meet these requirements. At the same time, almost all universities and polytechnics have 'associate studentship' facilities for part-time and full-time students who do not wish to follow a qualification course but do want to pursue their studies in a 'package' of subjects of their own choosing.

Existing university and polytechnic resources are likely to be adequate for the provision of full-time, part-time and short courses at competitive costs as compared with the provision of internal training.

Cutting back on training in the civil service is an attractive way of making apparent savings in the short term, but the long term, often expensive, costs are hidden in the deterioration of the services provided. There are other costs to be considered, those falling upon the individual student. If civil servants are to be encouraged to pursue these courses, both for qualifications or of a short courses variety, it will be necessary to provide appropriate incentives.

It is the strongly held belief of members of the Public Administration Committee that lengthy training courses should lead to a recognised educational or professional qualification. The absence of such a 'piece of paper' may be of little importance to an employer in the short run, but it needs to be remembered that a degree or professional diploma is a guarantee of both the standard of the course and of the standard attained by the student. It is also an incentive to employers to continue to support the course and will assist the student in seeking promotion. Broad qualification courses also have advantages over 'tailor-made' schemes aimed at a particular employer: by bringing together public servants from various institutions they encourage an interchange of experiences and ideas.

COMMENTS BY THE COUNCIL OF CIVIL SERVICE UNIONS (CCSU)**1. Introduction**

The CCSU's approach to training and professional qualifications, and hence towards this MPO study, is founded upon four basic principles as follows:-

- i. The need for increased quality and variety of training opportunities for all staff.
- ii. A planned programme of career development, based on equality of opportunity, for all staff.
- iii. Adequate incentives for staff to embark on training and professional study courses.
- iv. Positive support from the employer for staff engaged on training programmes.

The report takes most of these principles as read. Clearly the CCSU's position and the effectiveness of the recommendations must depend upon these principles being fully realised.

2. Increased training opportunities

The CCSU welcomes the proposals for increased training, although we are concerned at some of the limitations imposed. The 'module' approach for 'young executives' may well prove attractive, but in our view this opportunity should also be extended to staff later in their careers who have already gained a breadth of experience and may wish to develop in particular directions. We are concerned that the Fraser Report proposals for additional 'module' training for future senior managers, and the 'young executive' scheme proposed, including extension to the 16-19 age group (paragraph 7.19), should not exclude mid-career staff whose experience and proven commitment would generate mutual benefit through further training in particular areas.

The CCSU does not oppose the objective of more qualified staff in the personnel and finance fields. However, in the personnel discipline in particular we consider that because of the equal importance of direct line management experience, fully qualified staff should remain a 'leavening', as suggested, and not become the norm (paragraph 5.11).

We agree with the report that the content and relevance of the training are more important than the paper qualification itself, if any, obtained at the end. This accords very much with our view that paper qualifications should be only one component of the way in which administrative civil servants attain the necessary skills and experience to carry out their work. Consequently, we support the view that qualifications should not be a 'guarantee' or a 'necessary condition for promotion' (paragraphs 9.6-9.9). The qualification as such should not be the key element when considering someone for promotion. It may be, as the report recommends (paragraph 9.11), a relevant factor amongst all the other factors which should be taken into account in considering someone for promotion.

3. Career development and equality of opportunity

Our concern about the restrictive opportunities of the 'young executive' scheme proposed are clear from the previous section.

The emphasis on 'self-selection' for training and career development in this report, and in the Review of Personnel Management and the Fraser Report, is a cause for concern on our part. None of the three reports have adequately countered the charge that self-selection will inevitably produce some advancement of 'pushy' but not necessarily more able candidates; that it will increase the scope for favouritism as line managers 'sponsor' certain staff in preference to others; and that it will increase indirect discrimination as less confident staff, including women and ethnic minorities, may be disinclined to put themselves forward for advancement.

In the CCSU's view, the publication of more and better personnel information, including 'career profiles', should be complemented by a planned programme of career development in each department, founded upon regular and universal JARs and Career Development Interviews with specialist staff. CDIs are particularly important for ensuring that the right staff are directed in the right direction, thereby maximising benefits for the individual and the Service.

In short, training for and the attainment of qualifications for those on the administrative side of the Civil Service cannot be a substitute for a proper scheme of career development designed to enhance and build upon their individual strengths.

4. Incentives for staff

The overwhelming experience of the CCSU is that promotion opportunities and the consequential financial and responsibility gains are the major training motivations. The collapse of promotion hopes has seriously damaged morale and motivation, and this undoubtedly feeds through to incentives to embark on additional training.

We have repeatedly argued that stop-gap measures to reduce promotion fields and inject more line manager selection will worsen the situation. When circumstances are tight, it is essential that procedures are scrupulously fair, and seen to be fair by the people concerned.

The report largely admits that the introduction of financial incentives for paper qualifications in the administration group would generate more problems amongst staff than it would solve (paragraph 9.17 et seq). Biasing promotion boards in favour of staff with paper qualifications would be similarly detrimental, and would be of no benefit to management in terms of finding the most suitable candidate meeting the varied requirements of a given post.

The main incentives in encouraging staff to work for qualifications apply equally to all forms of training. These include all the necessary time off with pay to attend training courses, particularly where this is given by external bodies, proper complementing (training margins), appropriate procedures for measuring job performance, which must be difficult during training periods, when an individual cannot be expected to carry on a full-time job. As the report recognises, failure to take account of this last point could act as a disincentive.

The CCSU have a long-standing claim that the payments of subscriptions to professional bodies should be made by management. Membership of a professional body is sometimes mandatory but even where it is voluntary the payment of fees would enable all qualified civil servants to participate in the management and control of the institutions, and enable them to keep abreast of developments in the

particular specialisms in a structured way. The report lends support to the argument that fees should be paid by the employer.

The CCSU's objections to the concept of performance-related pay are set out fully in their evidence to the Megaw Inquiry, and are relevant to the consideration of this report.

5. Support from the employer

Current policy is that training is normally carried out in official time. Where it is given off the job, whether internally or externally, it is treated in most respects as a form of detached duty. However, particularly in the context of residential training, where it is carried on outside normal working hours it does not reckon for overtime. The CCSU have long believed and maintained that training should be treated in all respects as official duty, and should attract the terms and conditions appropriate to any other form of official duty. Whilst this approach has been largely accepted by the Official Side, there still remains a residual feeling that somehow training requires both a financial and a time commitment from the individual. This attitude may be considered to be even more relevant for those seeking professional qualifications as a part of their career development. There should be a clear statement that this form of training, like any other, should be regarded as official duty and treated accordingly.

The provisions which are currently made for those attending certain courses in ADP would also be appropriate for this form of training - ie time off to attend external courses, study time and a clear commitment to proper training margins.

If there is a clearer recognition that external training is simply internal training done externally, and that all training is official duty, it might be appropriate to relax the degree of central control over external training provisions. This would need to be considered very carefully by the Joint Committee on Training, and should not be contemplated if there is any danger of departments using any change to reduce rather than improve training opportunities and support.

In the CCSU's view, the need is not for the centre to endorse departmental decisions to send staff on courses, but to ensure that departments are making use of the courses available, and providing at least the minimum prescribed levels of support. At present, the temptation to sacrifice training to the exigencies of the cash limit is too great to allow departments greater discretion if the objective of greater use of training and qualification courses is to be achieved.

6. Welfare Officers

There is no reference to the training and qualifications of welfare officers. This might be an area where the attainment of qualifications would be appropriate.