

<b>Institution: University of Oxford</b>
<b>Unit of Assessment: 25 - Education</b>
<p><b>Title of case study:</b>          SKOPE (Skills, Knowledge and Organisational Performance): Influencing policy in the UK and abroad - a study of cumulative impact</p>
<p><b>1. Summary of the impact</b>          SKOPE has been an ESRC research centre since 1998. Successive pieces of research on linked themes have cumulatively influenced thinking, and practice, in policy circles and amongst practitioners more generally. SKOPE is recognised by these constituents as providing important oversight and challenging roles in the policy process, through its research on how skills are acquired, and where and how they are best used in the labour market. As indicated in a Frontier Economics report, its research findings, built up over the years, have provided an influential British critique of approaches to the making of skills policy.</p> <p>This work has resulted in changes and amendments to specific policies and processes not only in the UK (Train to Gain) but also in Australia (high skill eco-systems), New Zealand (tertiary education) and within the Organisation for Economic Co-operation and Development (OECD) (skills and competitiveness).</p>
<p><b>2. Underpinning research</b>          SKOPE has been in existence in the Department of Education at Oxford, since October 1998, directed by Professor Ken Mayhew. The Centre is multidisciplinary and was split over two sites. In 1998 it was also located in the Oxford Department of Economics and at Warwick Business School. In the autumn of 2006 it moved the Warwick operation to the Cardiff School of Social Sciences. In the autumn of 2008 the Oxford operation was consolidated in the Department of Education, but staff there have made a central contribution to the research outlined above from the very start of SKOPE. The impact described in this submission is attributable to research led and conducted by Oxford staff, often collaborating with SKOPE staff in Warwick and then Cardiff.</p> <p>The staff involved at the Department of Education in Oxford have been:</p> <p>Richard Pring, Head of Department and Professor of Education, 1998 –2003          Geoff Hayward, University Lecturer in Education, 1998-2010          Ken Mayhew, Professor of Education &amp; Economic Performance, 2008-date          Hubert Ertl, University Lecturer in Higher Education, 2008-date          Susan James, SKOPE Research Officer, 2008-date          Craig Holmes, SKOPE Research Officer, 2009-date          Rosa Fernandez, SKOPE Research Officer, 2008-09          Ewart Keep, Professor of Education, Training and Skills, from April 2013</p> <p>Many OECD governments, including that of the UK, are anxious to achieve the so-called 'high skills vision'. A succession of research projects (all funded by the ESRC), conducted by the team listed above (in collaboration with SKOPE colleagues located elsewhere), have explored the thinking behind this vision. These broad research projects are:</p> <ol style="list-style-type: none"> <li>i) the choice of different models of comparative advantage and the role that skills play within them (1998-2003);</li> <li>ii) models of comparative advantage, organisational performance and managerial capabilities (2003-08);</li> <li>iii) the reform of education and training provision and the emergence of smart education, training and economic development systems in the 21<sup>st</sup> century (2008-13).</li> </ol> <p>The high skills vision contends that a wealthy economy like the UK or US needs to move as large a proportion of its production as possible up-market, in order to compete effectively with emerging economies, and at the same time achieve a reasonable distribution of income. The higher the quality of production, it is argued, the greater the skill intensity of the production process. On this</p>

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view, therefore, an increase in the skills of the workforce is a necessary condition for achieving the high skills vision. However, the findings of these research projects argue that the UK and some other governments have gone further than this and regard human capital as **the** magic bullet – whereby increasing skills is a sufficient condition for achieving the high skills vision **[R1 and R5]**. SKOPE research argues that this is mistaken and that human capital policies on their own are not enough – changes in product strategies and in production techniques are also required. In other words it argues for the recognition of the importance of not just the supply of skills, but also of the **demand** for skills.

Other projects within the broader programme of research set out above have included the following:

- iv) The future of low end work, labour market segmentation and labour market mobility. Funded in 2004-09 by the Russell Sage Foundation and since then by the ESRC; Oxford staff involved: Mayhew, James and Holmes with the collaboration of Professor Caroline Lloyd and Dr Jonathan Payne (Cardiff) **[R4]**. This research highlights how and why different countries with different histories and institutions produce very different outcomes for similar low end jobs.
- v) The “graduatisation” of estate agency work. Funded by the ESRC ( a grant additional to the Centre’s core funding) with in-kind assistance from Asset Skills; Oxford staff involved: James in collaboration with Professor Chris Warhurst (Strathclyde) **[R6]**. This research explores how an occupation, which once recruited mainly non-graduates, is now recruiting graduates and what this implies for the employer and employees.
- vii) The Nuffield Review of 14 – 19 Education. Funded by the Nuffield Foundation. Oxford staff involved: Pring, Hayward, Oancea in collaboration with Ewart Keep (then at Cardiff), Dr Anne Hodgson and Professor Ken Spours (Institute of Education, London) and Dr Jill Johnson (UCAS) **[R3]**. A comprehensive critical review of developments in this area.
- viii) The effectiveness of both the formal education system and the work-based training system in delivering the right quantity and types of skill for economic success of individuals, organisations and the national economy (2004-06 and 2009-date). Funding from the ESRC. These two linked projects have involved, for example, analysis of the appropriate size and composition of the HE sector and evaluation of specific policies (for example Train to Gain) **[R2, R3 and R5]**. Oxford staff involved: Mayhew, Holmes, Hayward.

### 3. References to the research

**[R1]** E. Keep, K. Mayhew and J. Payne, “From skills revolution to productivity miracle – not as simple as it sounds”, *Oxford Review of Economic Policy*, Winter 2006, pp. 539-59.

**[R2]** E. Keep and K. Mayhew, “The economic and distributional impact of current policies on higher education”, *Oxford Review of Economic Policy*, Summer 2004, pp. 298-314.

**[R3]** R. Pring, G Hayward, A Hodgson, J. Johnson, E. Keep, A. Oancea, G. Rees, K. Spours, S. Wilde, *Education for All: the Future of Education and Training for 14-19 Year Olds*, Routledge, 2009.

**[R4]** C. Lloyd and K. Mayhew, “Skills: the solution to low wage work?”, *Industrial Relations Journal*, September 2010, pp. 429-45.

**[R5]** E. Keep and K. Mayhew, “Work, employment, society and skills: the big issues”, *Work, Employment and Society*, September 2010, pp. 565-77 (one of three WES articles nominated for the Sage Prize for Innovation and Excellence).

**[R6]** S. James and C. Warhurst, “Graduate skills or the skills of graduates – what matters most”, *Work, Employment and Society*, December 2013, page numbers not yet known.

**Research funding:** SKOPE’s research has been supported, inter alia, by competitively awarded grants from the ESRC (1998-2013) totalling £15m, the Russell Sage Foundation (2004-09) totalling £0.5m, and the National Apprenticeship Service totalling £0.5m.

#### 4. Details of the impact

Frontier Economics (for a study commissioned by the ESRC and published in 2009) interviewed senior English civil servants who reported that SKOPE's research [R1, R2] provided "the leading British critique of approaches to skills policy" and "an important oversight and challenge role by advocating alternative positions" [Section 5: C1]. Their report went on to state that "English policy makers valued the work of SKOPE as a type of 'unofficial' opposition and their research is widely acknowledged to have provided material to fill important gaps in the skills evidence base." The interviewees stated that SKOPE's research [R1] provided an important part of the evidence used to justify extra funding for management and leadership training under the Labour Government's flagship Train to Gain programme. The interviewees also mentioned the influence of SKOPE's research on official thinking about the utilisation of skills and about the quality of qualifications [C1]. As testimony to this continuing influence, SKOPE staff had several meetings with the team from the Prime Minister's Strategy Unit and the Department for Business Innovation and Skills (DBIS) preparing the 2009 Skills White Paper, and held an Oxford seminar for them. James and Keep were two of only three academics acknowledged as advising the National Audit Office (NAO) in its preparation of its 2012 report on adult apprenticeships, whilst Mayhew was the sole external reviewer of the final report [C3]. SKOPE's research [R1, R4 and R5] informed the NAO's thinking about the quality of apprenticeships, about their usefulness for the labour market prospects of the apprentices and about whether the government was getting value for money for the extensive subsidies provided to employers.

In an attempt to extend their influence beyond central government officials SKOPE established two Forums in 2003 - the Employers' Forum and the Policy Makers' Forum. Each forum has a membership of about 60 and meets twice a year. Typically about 25 members come to any given forum. Because they involve slowly evolving groups, members feel some ownership and the Centre has been enabled to develop long-term relationships with people in both the public and private sectors. The members have not simply been the recipients of finished pieces of work but have been involved in the initiation and progress of research. In particular these forums have allowed SKOPE to impact on the thinking of the sector skills councils, whose staff have been prominent in their membership – their numbers averaging 12 in any given year. SKOPE's research on skill utilisation and on the content of qualifications [R1, R2, R5] has had particular resonance with this group [C7, C8]. They have also been interested in the implications of the research findings for recruitment and selection strategies and particularly in the research [R6] of James and Professor Chris Warhurst (one of SKOPE's associates at Strathclyde University) on the "graduatisation" of estate agency work – that is the trend for greater and greater proportions of employees in this sector to be graduates – and its ramifications. The relevant sector skills council (Asset Skills) helped James and Warhurst in the conduct of their research and have published an initial report about the findings (Susan James, Chris Warhurst, Johanna Commander and Gerbrand Tholen, *Graduates on the Property Ladder; Skills, Work and Employment in the Real Estate Industry*, 2012, SKOPE and the Scottish Centre for Employment Research). The forums also led to work for UK Skills and World Skills, directly used to help improve the UK's performance in skills competitions [C9].

SKOPE's long existence as an ESRC centre has facilitated the development of long-term relationships with policy makers at home and abroad and in international organisations like the OECD and the European Commission. For example, Mayhew has been on the International Advisory Committee of the OECD Local Economic and Employment Development (LEED) Skills for Competitiveness Project. Its 2010 report contains demonstrable evidence of SKOPE's influence [R1, R5] on the OECD's thinking, for example in the high proportion of references which relate to SKOPE's work. A particular angle which SKOPE's research influenced was the OECD's insistence that human capital policies needed to be embedded in broader economic development strategies if their contribution to growth was to be maximised [C2].

Further examples of SKOPE's cumulative impact include the following:

a) In New Zealand the research [R2] had a major impact on the development of thinking in the National Tertiary Education Commission which funds further and higher education training. This impact related to the appropriate locations and levels for post-compulsory education and training

**[C5].**

b) The Keep, Mayhew and Payne article **[R1]**, together with lecture visits by SKOPE staff to Australia, had a significant influence on the establishment and subsequent development of the Queensland and NSW government's skill ecosystems projects. SKOPE research findings on the need for clear links between skills development and broader industrial strategies were particularly relevant here **[C4]**.

c) SKOPE's research **[R1, R5]** on skills policy and economic development has played a role in shaping the underlying direction taken by Scottish skills strategies, not least in encouraging the authorities there to undertake various pilot schemes to improve skills utilisation. The Centre's message that traditional supply led models might not translate into improved economic performance has found particular resonance, as testified by the Frontier Economics report based on interviews with Scottish officials **[C1]**.

d) The review of 14-19 education and training **[R3]**, funded separately by the Nuffield Foundation, has had a significant impact on thinking in policy circles and amongst other things has led to Pring's involvement with Royal Society and Edge Foundation initiatives on the alleged shortage of STEM skills **[C8]**.

e) Holmes' and Mayhew's research on low pay and labour market segmentation evolved from the project on the future of low end work and helped to shape the IPPR's Working out of Poverty project and informed the Resolution Foundation report on the changing shape of the UK job market. The IPPR's influential 2012 report on how to improve the UK's training performance was also heavily influenced by SKOPE's research **[R1, R4, R5], [C6]**.

#### **5. Sources to corroborate the impact**

**[C1]** Frontier Economics (2009) *Measuring the Impact of ESRC Funding*. A report prepared for the Economic and Social Research Council, April.

[http://www.esrc.ac.uk/images/Measuring\\_the\\_Impact\\_of\\_ESRC\\_Funding\\_tcm8-4549.pdf](http://www.esrc.ac.uk/images/Measuring_the_Impact_of_ESRC_Funding_tcm8-4549.pdf)

**[C2]** OECD, Skills for Competitiveness: Preliminary Results, May 2010, especially the annex on skills demand and utilisation. See also Skills for Competitiveness Project, Second Progress Report, November 2010

**[C3]** National Audit Office (2012) *Adult Apprenticeships*. Main Report and Appendices.

<http://www.nao.org.uk/report/adult-apprenticeships/>.

**[C4]** Queensland senior civil servant – held on file. Will confirm impact in Australia.

**[C5]** Executive Director of Ako Aotearoa, the New Zealand National Centre for Tertiary Teaching Excellence. Will confirm SKOPE's impact in New Zealand. (*letter on file*)

**[C6]** IPPR publication: *No Train, No Gain: Beyond Free Market And State-Led Skills Policy*.

**[C7]** (Former TUC), Chair of the SKOPE Policymakers Forum. Will confirm impact of SKOPE's forums (*letter on file*).

**[C8]** Former Chief Executive of NHSU – the National Health Service University, Chair of SKOPE Employers Forum. Will confirm impact of SKOPE's forums and contribution to STEM debate.

**[C9]** Former senior official for UK Skills. Will confirm impact on UK's preparation for and performance in skills competitions (*letter on file*).