LEVEL 2 NATIONAL VOCATIONAL QUALIFICATIONS: 
THE CHARACTERISTICS OF THOSE WHO OBTAIN THEM, AND THEIR 
IMPACT ON EMPLOYMENT AND EARNINGS GROWTH

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Through the Skills Strategy, the government is committed to ensuring that adults have a first, full Level 2 qualification (most often a National Vocational Qualification) as a basic platform for progression and employability. To improve knowledge about the characteristics of adults who gain NVQ Level 2 qualifications and the impact of doing so, DfES commissioned the Office for National Statistics to follow up a sample of adults in the Labour Force Survey between March 2001 and February 2003 who held or gained an NVQ Level 2 qualification.

Key findings

• Just over three fifths of the sample with a Level 2 NVQ were women and the average age at acquisition of the qualification was 32.

• 73% of the sample were working when they gained their NVQ Level 2 and, of these, 22% reported that their employer required them to study for the qualification and 81% thought the qualification was relevant to their job at the time.

• The most commonly-reported motivations for gaining the NVQ were to improve work-related skills (by 62%), to prepare for further study (28%), and to adapt to new technology (22%).

• The time taken to complete the qualification varied considerably with 12% of learners reporting completion in under 6 months, 22% 6 months – a year, 44% one year – two years, and the remainder more than two years.

• One in four had acquired other qualifications since the NVQ Level 2 and 17% were studying for a further qualification at the time of the survey.

• 40% of the sample were in a different job at the time of the survey to the one they were in when they acquired their NVQ Level 2. A quarter were in the same job, but half of these said that the NVQ made a difference to the way they worked and 29% said they had been given more responsibility.

• 36% reported that the NVQ had helped them get better pay and 35% of those who had been in work since acquiring the NVQ said that it had given them greater job security.

• A majority felt that the NVQ had given them skills which were useful outside work, had given them confidence in seeking work and encouraged them to do further study.

• There is some limited evidence that obtaining a Level 2 NVQ may be rewarded with an immediate pay increase but not of a statistically significant increase in earnings compared with other employees.
**Introduction**

The White Papers *21st Century Skills: Realising Our Potential* (2003) and *Skills: Getting on in business, getting on at work* (2005) recognised the UK’s poorer skills profile and productivity performance than some competitor countries. The resulting Skills Strategy had a strong focus for public subsidy on ensuring that low-skilled adults have adequate literacy and numeracy skills and, beyond that, hold a first, full Level 2 qualification (usually a National Vocational Qualification – NVQ) as a basic platform for employability and progression.

In order to understand more about adults who gain a first Level 2 NVQ, DfES commissioned the Office for National Statistics to carry out a follow-up study of respondents to the Labour Force Survey (LFS) who had gained a Level 2 NVQ in adult life. The aims of the research were:

- to provide information on the perceived benefits of a Level 2 NVQ;
- to learn about the experience of Level 2 NVQ acquisition;
- to learn about the background and motivations of people obtaining Level 2 NVQs;
- as far as possible, to relate these factors to the impact of the qualification.

**Method**

The LFS is a quarterly random sample survey of households at private addresses in Great Britain. Each quarter’s sample of 60,000 households is made up of five “waves”, each approximately 12,000 households. Each wave is interviewed in five successive quarters so that, in any one quarter, one wave will be receiving their first interview, one wave their second, and so on. The sample for this survey comprised all those in the wave 1 LFS sample from March 2001 to February 2003 who could be identified from their first or final interview as having a Level 2 NVQ. In total, this amounted to 4226 adults.

Most interviewing was by telephone with face-to-face used where no telephone number was available. Target response rate was set at 50% and an overall response rate of 52% (2216 interviews) was achieved. A comparison with the LFS data suggested that there was little evidence of response bias in variables relevant to the aims of the survey.

**Characteristics of those with Level 2 NVQs**

Three fifths of the sample with Level 2 NVQs were women but the gender balance varied considerably by subject area - e.g. 94% of those with a Level 2 NVQ in construction were men, but only 4% of those with a Level 2 NVQ in hairdressing and beauty therapy. Average age at the time of acquiring the Level 2 was 30 for men and 33 for women. 26% had acquired their first Level 2 before they were 20 and 18% after the age of 45.

73% were working at the time they obtained their Level 2 NVQ, but the proportion varied with subject, from 38% in ICT to 94% in retailing, customer services and transportation.

**Circumstances in which the qualification was undertaken**

81% of respondents who were working at the time they obtained their Level 2 NVQ said that it was relevant to the job they had at the time. Higher proportions of those whose qualifications were in IT and hairdressing tended to report that their NVQ was not relevant to the job they held at the time.

Of those working at the time, 22% said their employer required them to study for the NVQ (and up to 34% in engineering). Among those not working, 45% said the NVQ was to help them return to work after an absence.

Respondents gave a variety of reasons for undertaking the Level 2 NVQ, the most commonly cited being to improve work-related skills (by 62%), followed by preparation for further study (28%) and to adapt to new technology (22%).

35% acquired their NVQ Level 2 through college-based training, 34% through work-based training and 27% through a combination of the two. ICT courses were more likely to be exclusively college-based, and retailing, customer service and transportation exclusively workplace-based.
Funding for the Level 2 NVQs was provided in a variety of ways. Employers were reported to have provided funding for 65% of those working when they studied for their NVQ - half of all those taking a Level 2 NVQ. 33% reported funding from government training bodies or local authorities and in 10% of cases, the funding came from the individuals studying or their families.

The courses
The time taken for learners to complete their NVQ Level 2 varied considerably with 12% completing in under 6 months, 22% in 6 months - one year, 44% between one and two years and the remainder taking longer (though only 4% took three years or more). Those not working at the same time tended to study more intensively than those in work. Studying was also more concentrated in courses that were entirely college-based than those that were workplace-based.

14% of those in work at the time of NVQ acquisition reported working fewer hours for their employer as a result of their studies but only half of these said that their earnings were affected (more likely on hairdressing courses and less likely on health & social care, business administration, engineering or retailing courses). Three fifths of those in paid employment said that other people at the place of work had taken the same NVQ course at the same time and this was most common in health & social care.

Future study
One in four respondents had acquired one or more of a wide range of other qualifications since their Level 2 NVQ (from 13% in retailing to 32% in construction or health & social care), most commonly another Level 2 NVQ (by 8% of respondents). 17% were studying towards a qualification at the time of the survey (more likely amongst those who had already gained subsequent qualifications) and a further 29% said they had definite plans to do so. Of those currently studying for a qualification, most were aiming for Level 3.

Effect on employment
40% of respondents had a different job when surveyed to the one they had when acquiring the Level 2 NVQ and 24% had remained in the same job. Older respondents were less likely to have changed job. 8% of respondents were not working when they obtained the NVQ or at the time of the survey. Those whose NVQ was in health & social care were the most likely to have stayed in the same job (37% compared with 13% in business administration or IT).

Overall, half of those who stayed in the same job immediately after they gained their Level 2 NVQ said that the qualification made a difference to the way they worked (ranging from 42% for retailing to 58% for health & social care) and 29% said they were given more responsibility (more likely amongst younger people and those in lower technical craft occupations).

Among those who had tried to find or change jobs since acquiring their Level 2 NVQ, 60% thought that the qualification had made a difference when seeking work and those who did not tended to see the NVQ as not relevant to the jobs they were seeking.

Around two thirds of respondents felt that their Level 2 NVQ had given them skills needed to carry out their work. 35% of respondents who had worked at some point since obtaining the NVQ had tried to obtain promotion at work and, of these, two thirds thought the NVQ had helped them. 36% of respondents thought that the qualification had helped them to get better pay (more likely in construction than any other subject) and 35% of respondents in work at some point since acquiring the NVQ felt that it had given them greater job security.

An analysis of actual earnings of respondents who gained a Level 2 NVQ compared with those who already held one (controlling for a range of other influences) found no statistically significant effect of gaining the NVQ, though there is some suggestion that the NVQ may lead to an immediate one-off pay increase for some in employment.
Additional Information

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