

CITB WHITE PAPER

# ACHIEVERS AND LEAVERS:

Barriers and opportunities for people entering construction



## Research Summary

The second in a series of CITB Research White Papers on Attracting New Talent  
July 2017



## Executive Summary

Stretching back decades, recruiting and retaining a sufficient talent pool has been one of the key challenges for the Construction and Built Environment (CBE) sector. But if that has been the case for some time, the urgency is even more acute today.



**The lack of diversity feeds into an image problem for the CBE sector.**

The challenge of finding and training the next generation of construction workers is one that must be taken on without delay. CITB's latest Construction Skills Network (CSN) report shows that the industry will need 36,000 new recruits per year from 2017 to 2021. In some specialist occupations the need for new workers remains acute, particularly wood trades and interior fit out. There is also the ongoing challenge of replacing an ageing workforce, which will become more pressing if Brexit stems the flow of mainly younger workers from abroad.

At the same time, an industry that is committed to innovate and modernise has the opportunity to set out a compelling image to the more diverse and skilled new entrants it needs to attract if it is to realise this vision. Currently, as is well known, construction attracts too few women and ethnic minorities, which means it is not making the most of a much vaster pool of talent. Across the sector, 86% of the workforce is male, while 94% describe themselves as white.

The lack of diversity feeds into an image problem for the CBE sector. There is a perception that apprenticeships are a less favourable option for the most able students – research has shown 92% of parents

think apprenticeships are a good option, but only 32% would want their son or daughter to take one. This creates a vicious circle, whereby inability to recruit from the widest possible cross section of society feeds back into the sector's projection of an outdated and unattractive image.

In this report, we bring together three related pieces of research on:

- The value vocational qualifications offer to both individuals and employers in construction
- What happens to those leaving FE after completing a construction-related course, and how many end up working in the sector
- The reasons people leave construction jobs or apprenticeships early

New entrants into construction who are training and gaining qualifications, as well as existing workers who upskill or retrain, are feeding construction's hunger for new skills. Our research showed that those qualified at Level 2 in construction gain a significant 13% wage uplift compared to those with no qualification, rising to 16% at Level 3 and 25% at Level 4 and above. Six in ten of employers said that investing in training had a significant impact on improving productivity.



However, too few of construction learners are entering construction careers, either because they choose to enter other sectors or because they do not complete their course. In this report, we examine these trends and some of the reasons for them. It provides a compelling insight into the problems faced by young people entering the industry, particularly those who are not white British men. Part of the explanation for this is the prevalence of entry routes via personal contacts. Four in ten (43%) of white British learners who were working in construction found work through personal contacts, as opposed to only 17% of non-white British learners.

The research also shows the need to extend work experience opportunities for young people looking to enter the industry. Six in ten (59%) of learners who unsuccessfully applied for construction work since finishing their course said this was because they did not have the work experience that employers wanted.

CITB has recognised several of these issues and will continue to work in partnership with construction employers to help people find jobs and work experience, and address the reasons for people leaving work or apprenticeships early. We will also support employers to upskill their workforce through vocational qualifications, and support further education providers to improve the support they give to their learners. Through our three strategic priorities we will work to improve the supply of skills to the construction industry:

**Careers:**

- Build on the success of Go Construct, the first industry-wide website for construction careers, to provide information to hundreds of thousands of young people and career changers on the range of exciting jobs in the industry.
- Work with industry to further develop the Construction Ambassadors programme to engage with schools on the opportunities a career in construction can offer.

**We found a clear need for more work experience opportunities to enable young people to more easily enter construction.**



- Develop the Experience Matching Service to provide newly qualified FE leavers from all backgrounds the opportunity to find local work experience that leads to long-term construction careers.
- Develop, in collaboration with employers, a wider work experience programme, including identifying the best models to deliver work placements for the new T-Levels.

#### **Standards and qualifications:**

- Work with Government to develop the new T-Level construction courses, ensuring they meet the needs of employers and lead to long term, sustainable careers.

#### **Training and Development:**

- Establish a National Register that allows employers to see what training their workers have done and to help them to identify what additional training they need.

Government has the opportunity to transform levels of educational attainment in construction and to ensure more people are able to work in the industry.

To do this:

- New T-Levels, with their mandatory work experience element, should be sufficiently incentivised, enabling them to become a preferred full-time college route into construction.
- The long-awaited Careers Strategy should be published to outline how Technical and Professional Education will finally be placed on an equal footing with academic routes, opening up construction as an exciting career for talented and work-ready people of all ages.
- Further Education provision must continue to be placed on a sound financial footing, to enable colleges to better respond to the changing training needs of industry.

Finally, colleges and other training providers need to work closely with industry to ensure:

- More pre-qualification work opportunities are available to learners while they are studying, to help them to find jobs after completing their courses.
- Better pastoral support is provided to learners to address concerns and provide clear advice about their courses and future careers in the construction industry.
- Students are effectively sign-posted to high-quality industry careers resources, including Go Construct and the Experience Matching Service, to help them successfully enter the industry.



# Findings

## The value of vocational qualifications

Vocational qualifications form the bedrock of skills in the construction industry and are commonly a recognised 'currency' among construction employers. But to attract and retain the right talent, candidates need to know what pay and progression opportunities they can expect from gaining recognised construction qualifications. Similarly, employers need to know the benefits of investing in vocational qualifications for their workers.



The research clearly demonstrates that gaining vocational qualifications increases wages.

CITB commissioned research to identify what increase in pay people can expect from gaining qualifications, compared to those without construction qualifications. The research broke this down by level of qualification and specialism within the construction industry.

This was complemented by in-depth qualitative interviews with both employers and employees. Employers were asked what support they provide to employees in training, and for their views on the value of training. Employees were asked about what they value in training, how it has helped their careers and pay, and what they thought of their courses.

### Improved rates of pay

This report clearly demonstrates that gaining vocational qualifications raises wages. Critically, this increase is seen across all disciplines within construction. This demonstrates that there is a direct, monetary value to workers from gaining construction qualifications.

- **Workers increase their wages after gaining industry qualifications.** This increase in wages is greater for higher level qualifications. Workers with

Level 4 qualifications or above earn on average 25% more than those with no formal qualifications. Lower levels of qualification also lead to higher earnings compared to those with no qualifications, with Level 3 qualified workers earning 16% more, and those qualified to Level 2 earning 13% more. Increases in wages are seen outside of those taking college based courses, with people completing trade apprenticeships earning 14% more, and those completing qualifications below Level 2 earning 8% more.

- Increases in earnings vary by construction occupation. Civil engineers gain the highest increase in average wages, at 42% for those achieving a level 4 or higher qualification compared to their colleagues without relevant qualifications.

### The view from employers

Construction employers recognise the value of training their workforce. The vast majority support training in the workplace and fund college courses. However, some employers are concerned about how well prepared people are for work after completing college, particularly when compared to apprenticeships.

**Table 1.** Effect of achieved qualifications on earnings compared to no achievement, by construction subsector

Qualification	Construction sector overall	Construction of buildings	Civil engineering	Specialised construction activities	Architecture and engineering
Level 4 or above	25%***	11%**	42%***	17%***	37%***
Level 3	16%***	9%**	23%***	18%***	23%***
Level 2	13%***	10%**	20%***	13%***	20%**
Below level 2	8%***	3%	8%***	4%	19%*
Trade apprenticeship	14%***	5%	13%***	10%**	28%*

Source: ONS LFS data; ICF regression analysis. Note: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. The percentages presented in this table were obtained through an exponential transformation of the original regression coefficients. They can be interpreted as an average percentage increase in earnings of a worker who achieved a given qualification compared to a worker with no qualification achievement.

▪ **Nine in ten employers support their workers to become more qualified.**

Employers see having a more qualified workforce as valuable to the business and are happy to meet the cost of in-job vocational training leading towards a qualification. More than nine in ten (93%) employers have supported staff in attaining qualifications in the last three years.

▪ **Three quarters (76%) of employers fully pay for any college costs not covered by Government.**

Employers identify this as being financially worthwhile, with 74% rating the investment as four or five out of five in terms of value for money. Only a very small proportion of employers (4%) said they do not cover any costs of vocational training.

▪ **Employers often view apprenticeships as providing more valuable skills than purely college based courses.**

Around half of employers said they have had negative experiences of the work readiness of learners from college courses. Nearly half (48%) of employers believe vocational qualifications are an effective gauge of new entrant’s motivation and ability to work in the sector, while just 17% believe they are not.

**The view from workers**

Workers appreciate the non-monetary value of their courses as well. They identified that their new skills had helped them progress in their careers and gain promotion. After completing their courses, they felt more confident in their roles. They also identified that college courses were meeting their needs.

▪ **Most employees were promoted or moved into a different role after qualifying.**

More than half (57%) of those who had completed qualifications said they had since been promoted or moved into a different role. About three quarters

said qualifications helped with their career progression and retention in the construction industry. Of those who had been promoted, nearly three quarters (73%) believed they would not have been promoted as quickly without their qualification.

▪ **In the qualitative phase of the research, workers stated they felt more confident in their roles after gaining their qualifications, which made it easier for them to understand different parts of the business and take on new responsibilities.**

▪ **Courses are meeting the demands of learners entering construction.**

Nine in ten (90%) of employees agreed that their course was well taught and relevant. Satisfaction was highest among workers who had completed apprenticeships, with 95% agreeing that their course content was very relevant to their job. Among further education learners, 85% believed their course was relevant to their job.



## Further Education leavers – where do they go?

Historically there has been insufficient data collected about those entering the construction industry from Further Education (FE) courses. Until now we have not had a detailed understanding of where they go on to work, and why they make the choices they do.



The 2017-2021 CITB Construction Skills Network forecast predicts that the number of workers employed in the construction sector will reach 2.69 million in 2021. The report projected the UK construction industry will need to recruit 36,000 people per year from 2017 to 2021.

In 2015/16, nearly 74,000 learners started a course in construction at Level 2 or above. While many of these already work in the industry, FE learning can still provide a valuable source of skilled workers. Increasing the proportion of leavers who enter and stay in construction jobs would start to address the skills needs of the sector.





## Experience of construction

Work experience plays an important role helping young people to gain an insight into working life, as well as reducing the likelihood that they drop out of their FE course or leave construction altogether.

- **Just under half of FE learners studying construction had no relevant industry experience before starting their course.** Some FE learners entered into further education while already working in the sector, and are upskilling.

The more advanced the level of training, the more likely the learner was to have relevant work experience. Just 20% of Level 4 and above learners had no construction experience. We also found that 70% of all female learners had no construction experience compared to 47% of male learners.

- **Only 41% of FE leavers currently move directly a job or an apprenticeship in construction.** A further 25% go on to additional study on a construction related course. Of concern, just under a third of people do not enter the industry, with 16% of this group moving into work in a different sector and 12% unemployed.
- **Learners working in construction while studying are far less likely to drop out of their courses.** However, only a third of learners were working in construction-related jobs. During interviews conducted six months after courses were due to finish this

trend became more pronounced. Learners who had completed work experience in construction during their course were far more likely to still be working in the sector.

## Satisfaction

The evidence clearly shows that most learners were satisfied with their course while they were studying. However, people's perceptions can change in the period after they have qualified.

- **Four in five learners were satisfied or very satisfied with the course they were studying.** This satisfaction rating declined at each higher level of training. So, at Level 4 and above, only 63% of learners were satisfied with their course.
- **Almost nine in ten learners expected to be in construction work or training six months later.** However, in our follow up survey carried out six months after people's courses were due to finish, only two thirds were still involved in the industry. A quarter were working in construction jobs, a further quarter were studying another construction related course, and 16% had started construction apprenticeship

## Success finding work in construction

Finding a well-paid construction job after completing an FE course is certainly the goal of most people who begin study. It is therefore encouraging that those working in construction after having taken a construction-related course earn more than those who decided to work elsewhere. However, results also demonstrate that gaining work

**4 in 5 learners were satisfied or very satisfied with their course. 9 in 10 expected to be working in construction when they had qualified.**



experience in construction prior to qualifying, as well as having personal contacts in the industry, can create a significant advantage in gaining employment after qualifying.

- **After completing FE courses, those working in construction earned higher wages than their peers working in other industries.** The average salary for those working in construction full-time was £21,600, compared to £17,200 for those who had taken construction-related courses but were working outside the sector. For learners working part-time six months after their course finished, those in construction jobs earned a median wage of £14,300, but those in other sectors just £8,000. On top of increased salaries, the vast majority (94%) of those working in construction after their course felt that taking the course had bettered their career prospects.

- **A lack of work experience was the main reason people could not find work after their courses.** The second biggest reason was the high level of competition for work.
- **Learners on higher level courses are more likely to be working in construction afterwards.** Those working in construction while studying were also significantly more likely to be in construction employment six months later. These results, to an extent, reflect the fact that it is easier for more experienced workers to find work, irrespective of study.
- **White British men were the most likely to find work six months after their course.** More than a quarter of male learners (26%) were working in construction jobs after six months compared to 11% of females. Similarly, among white British learners 27% were working

in construction jobs six months after their course, but that figure dropped to 17% for non-white-British learners.

The discrepancy between the two groups could come down to how learners look for work in the construction industry. More than two fifths of white British learners working in construction (43%) found work through personal contacts but this proportion fell to just 17% for non-white-British learners.



## Early Leavers Survey

Early leavers, that is new entrants trainees and apprentices who leave the sector within two years of joining, is a growing problem for the construction industry, both in scale and importance. Four in ten employers (38%) report that it has become more common in the last two to three years, and six in ten (62%) agreed it was a problem for their business.

With industry facing growing skill needs and with margins as tight as ever, the cost of new workers leaving the industry, both in terms of money and lost time, can have serious consequences. However, instances of early leaving still remain low, with 6% of employers reporting apprentices leaving the sector early in 2016 (4% for other new entrants).\*

This research established the circumstances of early leavers, their reasons for leaving their jobs or training programmes, as well as the impact that their leaving has on their employers. It then seeks to investigate what can be done, working with both employers and employees, to encourage longer careers in the industry.

**A third of employers felt the new entrants were poorly prepared for the reality of working in the sector.**

### Expectations

Careers guidance and advice in schools plays an important role in helping young people make decisions about their future career choices. Our results show there is currently a clear disconnect between how well prepared new entrants to the construction sector feel before they have started and the reality of their experience once they begin working.

- **People leaving construction believe they did not get enough good quality careers advice.**

Although some 88% of early leavers had received some form of information or advice before choosing construction, a high proportion did not think that advice was sufficient when asked later.

- **Four in ten believe that advice they received was 'not very good',** while 74% said they would have liked more guidance about the sector when considering their options.
- **Only around a quarter (23%) of early leavers entered construction as their preferred choice of career.** Others went into construction with it being one of a few options they were considering (53%) or as an alternative to a preferred career route (24%). Most said they felt either 'quite' or 'well' informed before starting to work in construction.
- **One in three employers felt the new entrants, including apprentices, were poorly prepared for the reality of working in the sector.** In comparison, just 23% felt new entrants were well prepared.



## Destinations

Determining which industries people who leave a construction job early move to helps explain what entices people to different working environments. Results indicate that early leavers are often making short term non-career based decisions with short term benefits.

- **Most leavers entered a non-construction job or apprenticeship in another sector.** More than three quarters of leavers (77%) were engaged in a non-construction job or training. The sectors in which they worked were varied, with wholesale and retail (21%) leading the way.
- **Two-thirds of leavers who took up non-construction courses said this was because they were more interested in their new subject.**

## Reasons for leaving

Employees and employers offer different views about why people leave the industry early. Leavers say they are attracted to jobs with more obvious immediate benefits. There is

a minority of leavers who are being put off by the working culture of construction. They often cite a lack of support from management as a reason for leaving. In a minority of cases experiences of bullying were given as a reason for leaving. Employers on the other hand are not recognising these perceptions, instead attributing early leaving to a lack of preparedness and awareness of the rigours of the industry.

- **People who left for a 'better job' outside of construction mostly (59%) did so because of better pay.** Almost a third (32%) simply said they enjoyed the work more. Other common factors mentioned were shorter hours (16%) and better career progression (12%).
- **Three in ten were dissatisfied with how they were treated by managers and colleagues.** Of those, 59% reported feeling bullied or disrespected.
- **Employers thought the main reason for people leaving the industry was that they did not understand what the work would involve.**

- **Not being ready for the physical demands of the work was given by employers as the second biggest reason for people leaving the sector.** These results tally with findings from the qualitative part of the report and more in-depth interviews with employers. Employers suggested that some perceptions of the industry had been derived from television shows that made it seem more glamorous than it often is.

## Impact on businesses

As previously stated, early leaving in the construction industry – whether by new entrants or apprentices – is still a relatively rare phenomenon. However, our research suggests that, where it does occur, early leaving is a serious cause of concern for employers.

- **Nearly two thirds of employers said it was problem for their business when workers left early.** More than a quarter (28%) described it as a 'major problem.' These numbers were broadly the same for new entrants and apprentices leaving.



- **Four in ten employers thought early leaving was on the increase.** One in ten said it had become less common and around half said there had been no change.
- **Early leavers can negatively impact on the finances of the business.** Just under a quarter (24%) said early leaving had financially affected them, with 14% saying it had increased the workload on other staff.
- **Two thirds of employers state that it takes apprentices at least six months to start producing more in revenue than they cost.** For new entrants, it's a similar story, with 44% not becoming cost-positive until after six months. However, 54% of early leavers resign within six months (See figure 1 and figure 2).

- **Most firms that have experienced early leaving still plan to take on apprentices or new entrant workers.** Nearly half (47%) who had apprentices leave early said they expected recruitment to stay at the same level. Some 36% said they thought they would be recruiting more, although this could be based on other circumstances. Just over one in ten (12%) expected a decrease in apprentice recruitment.

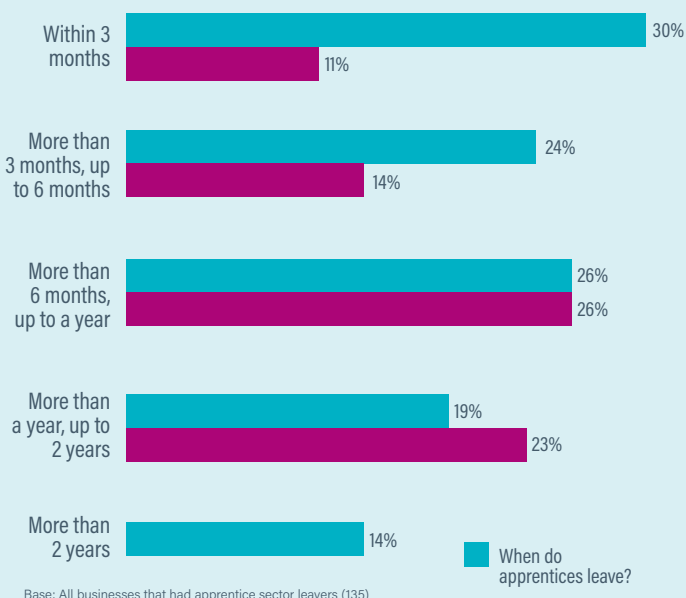
### Role of advice and guidance in addressing early leaving

It's clear that good advice and guidance should help those starting a career in construction to form realistic expectations about their new job. Results show that most early leavers did not receive any advice prior to

starting, and feel they would have benefitted from it were it available.

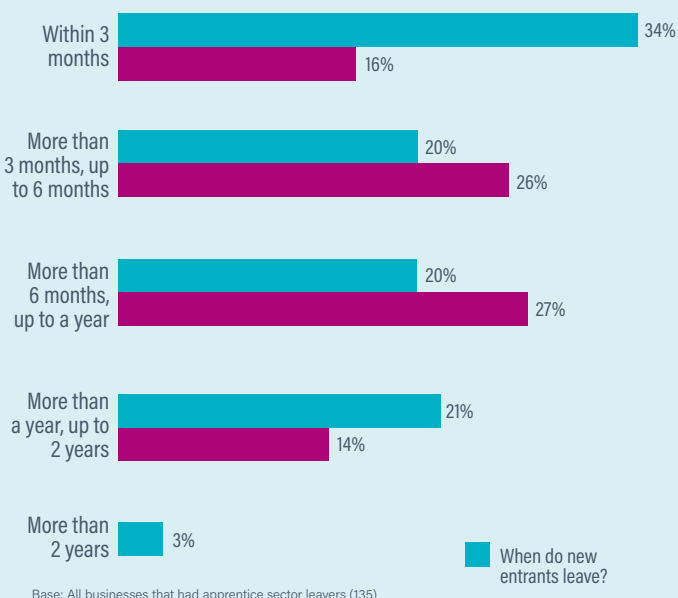
- **Only a third of those leaving the sector said they received any advice or guidance at the point when they were 'wavering' about their future in construction.** Over half of those who did leave said it would have been helpful. The desire for better advice was widespread across different demographics and leaver types.
- **Over half (53%) of leavers felt their college or training provider would have been best placed to offer advice.** Only a quarter (25%) received advice from their college tutors, and one in five leavers (21%) thought that advice from their tutors may have encouraged them to stay in the sector – the most common answer.

**Figure 1.** How long apprentice leavers tend to stay with employers, compared with how long it takes for them to be producing more in revenue than they are costing their employers



N.B. 'Don't know' responses not shown in the chart (1% did not know when apprentices tended to leave; 12% did not know how long it took for apprentices to be producing more in revenue than they were costing their business).

**Figure 2.** How long new entrants tend to stay with employers, compared with how long it takes for them to be producing more in revenue than they are costing their employers



N.B. 'Don't know' responses not shown in the chart (1% did not know when new entrants tended to leave; 12% did not know how long it took for new entrants to be producing more in revenue than they were costing their business).

## Methodology

### Vocational qualifications: Our study on their value for employers and individuals



This study used both qualitative and quantitative research to assess the benefit of gaining construction qualifications, and to reveal the thinking behind employers' decisions around recruitment, training and qualifications.

The quantitative study draws on the Labour Force Survey (LFS), which collects information from 100,000 people across the country every quarter to examine earnings and working conditions. Typically 4,000 to 5,000 respondents each quarter identify as working in the construction sector. To build up a sufficient sample size, the study used 11 years' worth of LFS data (2005-2015). These data were used to model wage differences for people with each level of qualification, from trade apprenticeships up to Level 4+,

and to evaluate the impact of different qualification levels on level of employment within the CBE sector.

The qualitative research surveyed 500 employers, ranging from SMEs with fewer than 30 employees to large companies employing more than 250 people. In addition, 200 employees of these organisations were surveyed. In-depth telephone interviews were conducted with 40 employers and 20 employees to develop:

- A more detailed understanding of the costs and impact associated with vocational qualifications
- The value of such qualifications from both an employer and employee point of view





## FE Destinations: Our study on where further education leavers go

This study compared learners' expected outcomes from completing their course with the actual outcomes. It was therefore conducted in two waves.

Wave 1 (April-May 2016) was based on 1,729 quantitative telephone and online interviews, covering topics such as learners' situations prior to and during study, their reasons for choosing a construction-related course, their satisfaction with the course, and their future employment plans.

Wave 2 (January-March 2017) surveyed a total of 821 respondents from Wave 1, six months after their course was due to finish. They were asked details about their employment status or further study, how satisfied they had been with their course, and the experience of looking for work since leaving their course.

Respondents included full-time further education students, apprentices, and those already in the sector who were taking additional training.

## Early Leavers: Our study on why people leave the sector

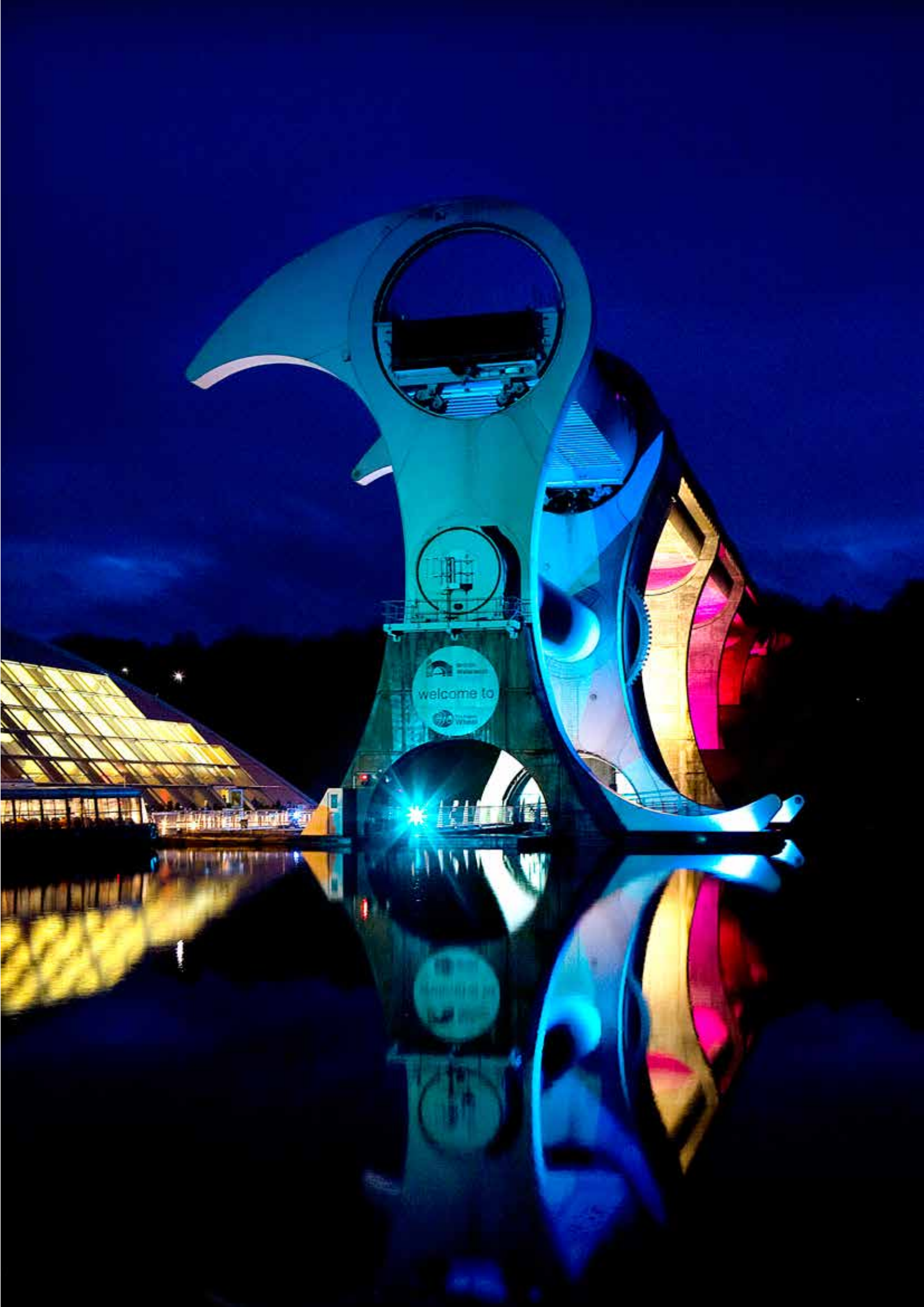
This report is based on a quantitative study of early leavers – defined here as those leaving apprenticeships, courses or first jobs voluntarily within two years of starting and without taking another position in the sector – and of firms that experience early leaving.

The research was based on interviews with 200 employers who had experienced people leaving apprenticeships or work early. A further 200 interviews were conducted with early leavers. These were carried out between December 2016 and February 2017.

The 200 individual interviews broke down as follows:

- 125 early leavers from construction apprenticeships
- 60 early leavers from other construction courses
- 7 early leavers from jobs
- 7 who completed other courses but not taken up a job
- 1 who left the sector having completed an apprenticeship





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