



*General Secretary
Roger Lyons*

A Guide to NVQs in the Financial Services sector



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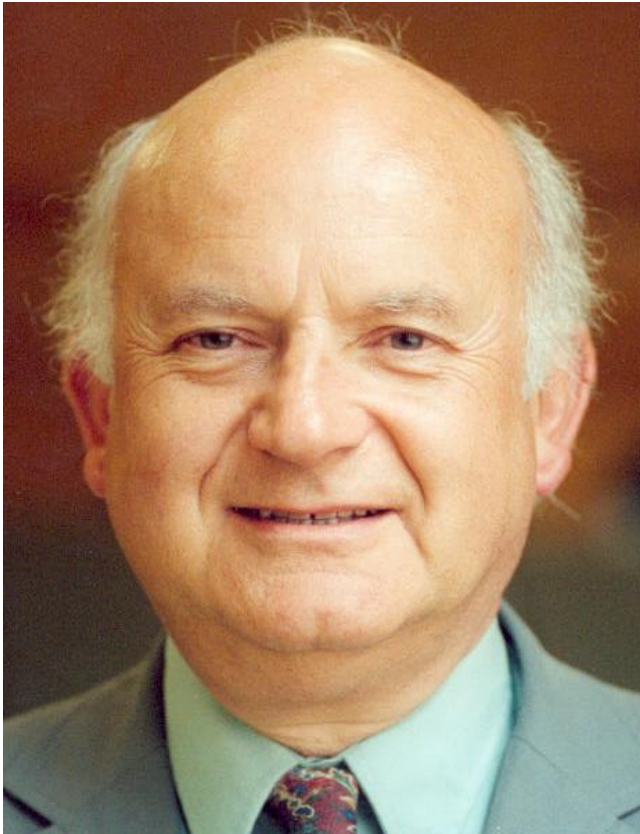
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FOREWORD

MSF is committed to promoting better education and training for its members. Lifelong learning is at the core of our agenda, and our growing network of workplace learning representatives are at the forefront of that campaign.

In the finance sector, and across the union, learning reps are being trained to promote awareness of learning opportunities.



They offer information, advice and guidance about learning to our members, and are working with employers to ensure access to vocational training and lifelong learning for all. In many cases, this includes negotiating training leading to NVQs and advising our members who are going through the assessment process.

This guide is designed to help learning reps in the finance sector to do this. It presents a factual account of what NVQs are and how they work. It emphasises how NVQs can benefit our members, but also advises on the difficulties connected with them and how they can be overcome.

This guide has been made possible thanks to the financial support of the government's Union Learning Fund. I am sure that it will greatly assist MSF representatives in the finance sector in their efforts to promote learning and skills in the workplace.

Roger Lyons, General Secretary, MSF

The need to learn and update skills and knowledge on a regular basis has never been more important to our members. This is especially true in the financial services sector where increasing numbers of members are experiencing or facing job insecurity or loss as a result of mergers, competition, and the impact of new technologies.

These developments illustrate why MSF is campaigning around the issue of employability in the finance sector. Employability is about having a career for life, if not a job for life. It means gathering a basket of skills over a lifetime of employment that are portable, transferable and universally recognised.



NVQs are only part of the picture and it is essential that we, as a union, understand them and can explain them to our members and to employers. This handbook cuts through the jargon and puts NVQs in the context of the wider debates about lifelong learning and employability in the financial services sector.

Ken Perry, National Secretary Finance

How to use the manual

A user's guide

This handbook is intended for all MSF officials, officers and members who are concerned about the development of education and training opportunities for members. We have tried to describe what National Vocational Qualifications (NVQs) are, how they work and how they can benefit MSF members. We have also, at a number of points, indicated clearly what the policies of MSF are in relation to developing more and better education and training for our members. The publication is directed in the first instance at members in the Insurance industry, where there has been a very poor take-up to date of NVQs. However, many of the general points about NVQs will also be of interest to members in other sectors. Eventually, MSF intends to produce versions of this booklet for members in a variety of sectors.

Part A and Part B

Part A sets the scene. It describes current developments in education and training in the context of the present government's commitment to 'lifelong learning'. It explains why learning and qualifications are important to members. It places National Vocational Qualifications (NVQs) as one specific example of education and training available to members.

Part B describes in more detail what NVQs are and how they work. We consider how they can benefit MSF members, the system of assessment and how a company can implement NVQs from scratch. This part ends with Section 9 (Common questions about NVQs). This attempts to tidy up any remaining uncertainties you may have about NVQs.

The Appendices

Appendix 1 is a glossary of terms used in education, training and learning generally, and in the world of NVQs. The over-complicated language used by NVQs has been a constant source of concern and criticism. We have tried to explain terms on the first occasion they are used, but this glossary will help to remind you of the most important words and phrases.

Appendix 2 is a list of useful contacts.

PART A:

The World of Lifelong Learning

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Section 1: Education, training, lifelong learning and accreditation

The changing world of work



The world is changing all around us. Nobody knows exactly where these changes are taking us. Some people think things are changing for the better, some for the worse. The only thing we can be sure of is that things will continue to change, and change fast. Years ago, it took many years for new inventions to become part of everyday life. Now the gap between invention and use gets ever shorter. A lot of these changes, both at work and in our private lives, are related to computers. Or rather to computers used alongside telephones, televisions and other equipment to create complex networks of communications between people.

In financial services, those links are:

- *between people at work in the same place*
- *between different sections and offices of what can be large, international companies*
- *between employees and customers.*

Whatever happened to 'jobs for life'?

As the way we work changes, so individual jobs change. We all need to learn new skills just to stand still. You may find yourself with a completely new job requiring a different range of skills. Even within one company, a 'career' is no longer a matter of steadily climbing a ladder. It may well be more like a climbing frame, on which you move sideways as often as you move upwards.

The present situation is often called the 'knowledge revolution'. What you know will affect:

- *The sort of job you have got now*
- *Your chances of promotion in the future*
- *Your continuing employment as technology and jobs change.*

Some workers will find themselves made redundant, and have to look for new jobs. These new jobs may be in the same industry or outside of it. Some people may decide to 'jump ship' before they are forced to do so. All of these events and decisions can have implications for your skills: what you know, what you need to know, and how to bridge the gap between the two.

There are a lot of important issues here about how we live (our society) and how we work (the economy). As a trade union, MSF has views on how we can best use technology to improve our lives, make our society more democratic, create wealth and share that wealth. But its prime concern will always be for its members. This means acknowledging that employers will often use technology for very different purposes. They may try to increase the speed of work, the control and monitoring of workers. They may use new technology to close branches and make cuts in the workforce.

Above all, don't panic. Help is at hand. You are a member of MSF, which is a good start. Your union is there to support and assist you through times of change.

Learning to survive

Your initial education, even if directed at a specific career, no longer prepares you for a whole working life. Work, and the range of skills needed to do a job, are changing all the time. You know this from your own experience. In the time that you have been with your company, new technology (computers and so on) have come to dominate the world of Financial Services.

For example:

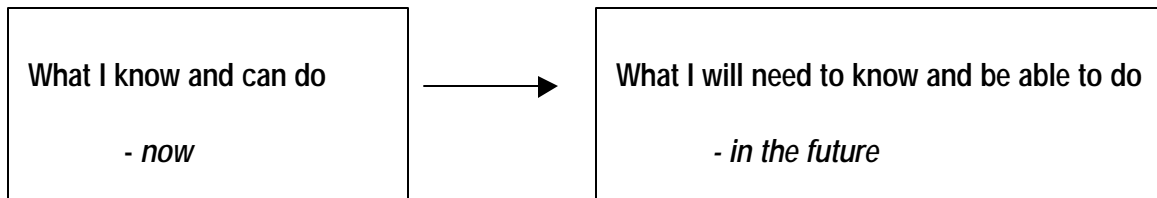
- *new software has been created for those computers*
- *more business is done over the 'phone than face-to-face*
- *the Internet has opened new possibilities of doing business*
- *the relationship between financial institutions and their customers has changed*
- *the call centre has replaced the office as the characteristic financial services workplace*
- *Traditional demarcations between banking, insurance and building societies have broken down, with banks and building societies selling insurance, banks selling mortgages and insurance companies offering banking facilities.*

This has implications for the sorts of people who will be employed in the future.

For example, there are likely to be:

- *Less managers*
- *Less routine clerical staff and secretaries*
- *More computer specialists, accountants and lawyers*
- *More tele-sales staff, many of them working in call-centres*
- *Less on-the-road salespersons*

These changes have implications for the skills that employees need. For example, in call centres there is a strong emphasis on customer care skills. Learning is a key element in equipping organisations and individuals with the knowledge and skills they need to survive. Your company may well call itself a 'learning organisation'. Your best response is to become a 'learning individual'.



There is a lot you can do yourself to bridge that gap between what you know now and what you will need to know in the future. We have summarised this in a simple table. Other parts of this manual will try to put flesh on the bones of this checklist:

What I can do myself	Who is there to help me
Log carefully what I already know – the skills and qualifications I had before I started my present job, and what I've learned while I've been in the job	Talk to friends and colleagues. How have they developed their skills and qualifications?
Keep abreast of what's happening in Financial Services, reading the papers, reading publications put out by employers, and by MSF	See 'Key Publications' below
Find out from managers about further training possibilities at work	It is the job of training officers to help you to develop your skills. More and more line managers also have this responsibility as part of their job
Find out through my MSF representative about the education and training MSF provides or supports	MSF provides education and training for its members. It is developing a network of 'learning representatives' in companies to talk to members about what education and training is available and how to tap into it
Look at prospectuses from providers of education and training – colleges, universities, the adult education service, the Open University	Providers usually have 'advice and guidance' staff available to talk you through the choices available

Key Publications

Amin Rajan, Penny van Eupen and Kirsty Chapple, Competing through Skills, Centre for Research in Employment and Technology in Europe (CREATE) / BBSNTO / FSNTTO, 1999.

Gordon Noble, Achieving Employability in the Insurance Industry, MSF, 1999.

The Importance of Qualifications

In the new world of learning organisations and learning individuals, another important factor is qualifications. In a world where change comes slowly and builds on what came before, it was often enough to 'know a job'. Many employers and employees were sceptical of the value of 'bits of paper' that showed that you knew the theory of a job but not necessarily the practice. In a world that is changing fast, and where you may need to move from one job to another and from one employer to another, having a qualification becomes much more important. One further aspect of this is important in Insurance. As new types of policy are developed, staff may need an FSA 'licence' to sell those products. In order to get the licence,

specific training will be required. This will assure the government that the industry is being run properly. It will assure the customers that the employees they are dealing with are competent to sell them the right sort of policy.

Skills and knowledge

For most purposes we do not distinguish between skills and knowledge. Indeed, the two are often hard to separate. To 'know' something (knowledge) is to be able to 'do' it (skill). However, these two words are used in slightly different ways, and this difference is important to understand National Vocational Qualifications (NVQs), as we shall see in Part B of this manual.

Skills, are what we can do (our 'know-how'). Some of these skills are quite specific to our job, for example, working out risk factors for a complicated insurance premium; others may be general across a lot of jobs such as word-processing or spread-sheets on the computer. A recent study of skills needs in the Insurance industry suggested that one of the skills most at a premium was the ability to write good, clear English! Other skills may be things you use at home or with friends – sewing, karate, playing sports or caring for children or elderly parents. We also refer to 'people' or 'interpersonal' skills. These can be very important at home and work. They include the ability to:

- *be a good listener*
- *calm down angry customers (or children!)*
- *be a good team-worker or team-player*
- *be assertive about your rights, either at work or at home or as a consumer.*

Knowledge refers to what we know, what's in our heads. We may know it because we've read it in books, seen it on the television, or heard it from a friend. We can also be wrong about knowledge. We no longer believe that the earth is flat or that bleeding is a good cure for an average illness. Some knowledge is useful – we can use it in our work or everyday life. Some knowledge is useless – the capitals of all the states in the USA is not something most of us want to know, though it can help at a quiz night.

Knowledge and skills together. Knowledge relates to skills because often our performance depends on previous knowledge. We will be better at word-processing if we occasionally look at the manual or ask advice from a colleague. An insurer who understands the concept of risk is more likely to spot an unacceptable insurance risk than someone who always 'goes by the book'. It's not much use being able to juggle a football on your head if you don't know the rules of the game. Someone who uses their skills and knowledge in tandem is likely to be

described by colleagues as ‘good at the job’, by other parents as ‘a good parent’, and so on.

Ways of learning

Learning is used in this manual to describe any way in which we acquire skills or knowledge. There are different ways of learning and, again, it is important to understand this general point before we move on to NVQs.

Formal learning refers to what we learn at school, college and universities, usually as part of a course. It includes ‘going on a course’ as part of your job. One important distinction is between face-to-face learning, in a classroom or workshop or training room, and open (distance) learning where you work from printed texts, send ‘homework’ in by post, and may only meet your tutor occasionally or talk to her or him over the phone. This is the system used by the Open University and by Correspondence Colleges. More recently, learning via computer and the Internet has become available too. This is sometimes called ‘on-line learning’.

Informal learning refers to what we ‘pick up’ in a job from colleagues and managers. Often this is vital learning to ‘survive’ in a job – handy tips, little short cuts, how to get along with people you work with. Some companies have now realised how important informal learning is in a job. They have a system of ‘mentors’ – more experienced colleagues or supervisors who support less experienced staff as they learn the job. Mentors can also help staff doing formal courses to apply their new skills and knowledge at work.

Education – training – learning – accreditation: a summary

Education is a term which covers all formal learning. This may be learning ‘for its own sake’ or it may be learning related to a particular area of personal interest or to the kind of work you do.

Training is used in a more specific way to refer to learning the skills and knowledge that you need for a particular job.

The two terms – education and training – are often used to mean the same thing. For example, ‘IT training’ can teach you general educational skills of how to use a computer. You may learn how to link different functions, for example, spreadsheets and word-processing or scanning pictures into a document. Equally, it can teach you how to use the specific software for your day-to-day job. From a trade union point of view the distinction matters: our members need to have the specific skills for today’s job (training). But they also need the more general skills

that will allow them to move on to tomorrow's jobs as well. MSF courses include specific training in how to be a good MSF representative, but also broader education on the role of trade unions in modern society.

Lifelong Learning is the current umbrella term that is used to describe adult education and training. It has the advantage of putting the emphasis very clearly on the learner. It's a useful reminder that colleges and other providers are there to serve the public. We should be able to choose between face-to-face learning and open or distance learning. It also emphasises the vital role of informal learning in the workplace. As we shall see in section 2, trade unions have an important role to ensure that courses are available in places, at times, and in formats which suit our members.

Accreditation is the term used to describe how people are recognised as competent, skilful and knowledgeable. You will have noticed that many professional people (doctors, lawyers, vets, car mechanics, for example) hang framed certificates in their place of work. This is to reassure patients, clients and customers that they really do know their stuff! In the same way, a driving licence is a public recognition of skills in driving and knowledge of the Highway Code. One problem that National Vocational Qualifications (NVQs) begin to address, as we shall see in Part B of this manual, is that many people know their job but do not have a certificate or diploma to prove it. That doesn't usually matter in their existing job. Colleagues and members of the public they come into contact with accept them on trust as having particular skills. Accreditation becomes important:

- *When the employer wants to demonstrate that the company employs properly qualified staff. This may be important in gaining a new contract or as part of a public relations drive.*
- *When the employee wants to change jobs. All job application forms will ask you to list your qualifications. You may be able to persuade an employer at interview that you really can do the job, despite your lack of qualifications, but in many cases you won't get an interview because the employer will use 'qualifications' to screen candidates. It's illegal to screen candidates by age, gender or ethnicity but not by qualifications.*

Section 2: MSF and education and training

Achieving employability

'We believe that the only way an individual will be able to ensure their future employability is to have a set of skills which are constantly updated, recognised and transferable across industries. It is not just an employee's responsibility to develop these skills, it is the responsibility of the industry, employers, government and trade unions.' (MSF, [Achieving employability in the insurance industry](#), page 7)

Job security has always been hard to achieve. At a moment of intense change in the financial services sector it is much more difficult. One MSF response is to place more emphasis on employability. This means that members are encouraged to develop a portfolio of skills which they can carry to other jobs within the industry or outside. This is why lifelong learning is now near the top of the MSF agenda.

A fundamental part of employability is that employee skills are universally recognised. This means that there must be national recognised qualifications which include recognition of skills which employees possess (such as customer care) which will also be useful in different industries. There are four strands to this, of which NVQs are only one:

- *Chartered Insurance Institute (CII) qualifications: these need to be broadened to take account of changes within the industry, the development of call centres, the increased use of IT and the blurring of distinctions between the insurance and banking worlds.*
- *National Vocational Qualifications (NVQs): so far these have had little impact within the industry, for reasons which we mention in section 5.*
- *Open College Networks: they specialise in providing accreditation for training (including in-house training within companies) which has not in the past led to qualifications. Again, there has been little take-up in the industry.*
- *Financial Planning Certificate (FPC): this has had a major impact among financial advisers and is a direct response to well-known problems within the industry, such as the mis-selling of private pensions.*

Companies mistakenly believe that providing training linked to external qualifications will increase staff turnover. This is wrong. Both MSF and

independent surveys show that employees are more likely to stay with an employer that is prepared to invest in their skills development. Training promotes both motivation and loyalty.

The role of MSF

MSF is a major provider of education and training for its representatives and members. More important for this handbook is the role of MSF in workforce development, and in workplace education and training. These are becoming major new areas for consultation and bargaining between MSF and employers. They are also part of the work of the Finance Sector Unions (FSU) which is a MSF initiative which links MSF and other unions such as UNIFI which are active in Financial Services.

MSF also seeks to influence TUC and government policies on these matters. It must be emphasised that the starting point is very low indeed. It is a matter of major new initiatives rather than tinkering with details. The MSF role in promoting better education and training for its members has a number of strands:

- *At a policy level, MSF attempts to influence TUC and government policy on lifelong learning.*
- *At a promotional level, MSF seeks to promote awareness of lifelong learning opportunities open to its members. It offers information, advice and guidance to its members.*
- *At a bargaining level, MSF seeks to persuade employers to take seriously the learning needs of its members. MSF believes employers should invest in education and training for the benefit of the company and of its individual employees.*

The shortcomings of education and training at work

We have known for a long time that Britain lags behind other advanced industrial countries in the amount of education and training provided for people at work. Every month the government publishes a survey of the quantity of training that is taking place. This shows hardly any increase in the amount of training over the last ten years. The final report of the government's own Skills Task Force published in 2000 confirmed this fact.

There are two possible ways forward. In practice the route chosen will probably be a combination of both:

1. **Via employers**, by using the tax system or other means to persuade or compel them to spend money on training
2. **Via employees**, making money available through Individual Learning Accounts.

MSF is also committed to the promotion of education and training as part of collective bargaining in companies. This will work best in a framework which lays out clearly the responsibility of employers, and in which money is available to support individual employees who want to learn.

There is also talk of free education and training in colleges for employees with qualification levels at NVQ2 or below. NVQ2 is roughly equivalent to GCSE, as explained in Part B of this manual. This could have a considerable impact in the Insurance industry. Projections for future staffing needs show that there will be a large expansion in clerical jobs and tele-sales (often in call centres) which will recruit staff with initial qualifications at this level.

A 1998 survey by the Confederation of Insurance Trade Unions came up with some interesting conclusions, both encouraging and worrying.

Encouraging conclusions	Worrying conclusions
Half of employees had done some training in the previous four-week period	One third of all employees had received no training in the previous 12 months
Two-thirds of employees thought that their employers encouraged them to improve skills and qualifications	Time and money were identified by many members as obstacles to training. There was a widespread feeling that employers should pay for courses and that training should be in working time.
One third of employers thought that there was more training being provided and that the quality was improving	One in five employees thought that less training was being provided for them
Nine out of ten employees thought they had the skills and qualifications needed to do their present job	Only four out of ten employees thought they had the skills and qualifications necessary for their future careers

From the CITU survey and its own survey work, MSF concluded that:

- *Employees are being trained to do the jobs that they are doing already. Employees think that they already have the skills for their current jobs but do not think they have the skills for future jobs.*
- *Employers do train to meet current needs but there is little training for career development.*
- *Workload pressures mean that it is difficult for employees to commit time for training, especially for personal development. Time off for training is a major obstacle to skills development.*
- *A significant proportion of staff are not receiving any training at all (MSF, Achieving employability in the insurance industry, page 18).*

Government lifelong learning policy

Labour was elected in 1997 on the slogan of 'education, education, education'. Part of this was about raising standards in schools. But another strand was about developing lifelong learning for adults, both in and out of employment. A number of key developments can be highlighted:

1. *Learning for the Twenty-First Century* (the Fryer Report, 1997). This was published by the National Advisory Group for Continuing Education and Lifelong Learning. It set out a broad agenda for lifelong learning, which it saw as relevant to people at home and in the community as well as at the workplace. The way forward is seen as partnership between government, local authorities, employers, trade unions and providers of education and training.
2. *Union Gateways to Learning* (TUC Learning Services Report, 1998). This was a clear statement of intent by the trade unions of their commitment to lifelong learning. Unions are seen as key partners in securing lifelong learning at the workplace and for a wider democratic vision of a 'learning society'. The creation of a new sort of union representative (the learning representative) is flagged up.
3. *The Learning Age* (Government Green Paper, 1998). A foreword by David Blunkett presented the role of lifelong learning in contributing to a fairer, more democratic society, as well as contributing to economic prosperity. However, the majority of the policy proposals related more closely to economic prosperity. A large number of responses to this discussion paper were received. The MSF response is considered below.
4. *Learning to Succeed* (Government White Paper, 1999). The White Paper made specific policy proposals, among which was the replacement of the Training and Enterprise Councils by a national Learning and Skills Council with local arms. These changes were confirmed by Act of Parliament. No

action has so far been proposed to ensure that all employers play their proper part in securing education and training in the workplace.

The MSF Response

MSF responded in full to the government's 1998 Green Paper. Its response is highlighted here because it represents a full statement of MSF's views on lifelong learning. Members who want to follow this up in more detail should contact Sarah Howard, National Secretary, Education at Whitehall College (see appendix 2 for address and telephone details).

MSF welcomed the Green Paper and particularly the broad vision developed by the Secretary of State in his introduction. It noted:

- *the emphasis on widening participation*
- *the recognition of the value of trade union education*
- *the importance of trade union involvement in encouraging, developing and facilitating lifelong learning.*

The major concerns expressed in the MSF response were:

- *a continuation of the voluntary approach to workplace training, with no method of ensuring that all employers take responsibility for training staff*
- *no financial mechanism to ensure employers take training seriously*
- *no entitlement for employees to take time off for learning*
- *no right for trade unions to negotiate on training.*

These issues remain of concern to MSF. In particular, the failure of many employers to make adequate arrangements for training threatens not just the profitability of those companies but also our members' jobs.

TUC Learning Services

Education and training as a bargaining issue

Since the mid-1990s, the TUC has been involved in promoting workplace learning. Projects have been organised by regional offices of the TUC with the support of affiliated unions. Some specialist staff have been employed for this purpose. Initially, these were seen as a way of exploring how far trade unions could contribute to existing government training policy. The development of National

Vocational Qualifications (NVQs) and encouragement given to employers to develop 'Employee Development Schemes' are just two examples.

With the election in 1997 of a new government, committed to new policies designed to increase the quantity and quality of learning available to employees, the pace of this work has quickened. In particular, TUC Learning Services (formerly Bargaining for Skills), now provides a context for trade union involvement in some key features of government lifelong learning policy:

The University for Industry (Ufi or 'learndirect')

Ufi is being used to develop new Learning Centres in local areas. At these centres, people can use the latest technology (computers and the internet) to access a wide variety of learning materials. Ufi is also commissioning new courses to fill gaps in the present market. It is linked to the national freephone helpline (0800 100 900). Ufi is widely known as learndirect, the official 'brandname' for the Ufi.

Individual Learning Accounts (ILAs)

ILAs are a government scheme to encourage people to invest in their own vocational education and training. Government money provides substantial discounts on approved training

National Vocational Qualifications (NVQs)

The promotion of NVQs in the workplace continues to be an important shared objective of government, management and trade unions.

Union Learning Fund

The role of trade unions in the development of lifelong learning has received some recognition by government. From 1998, money has been available through the Trade Union Learning Fund. This has enabled unions to develop a large number of exciting projects which have further developed their capacity to intervene in the field. MSF has made particular use of it to develop the concept of learning representatives. These new representatives can both argue for improved education and training at the workplace and also support members who want to get involved.

Learning representatives

In the case of Health and Safety, new laws in the 1970s gave trade unions a greater role in health and safety issues. This required a new category of trade union representative (the health and safety representative) and new training courses.

In the case of education and training, the TUC and its member unions have taken the initiative in developing a new category of learning representative. There has

been some support by government but there is not yet a framework of law for education and training as a bargaining issue. This means that it has been much easier for MSF to develop this new role in companies which already support the idea.

Learning representatives have specific training needs. They need to:

- *know about MSF and the opportunities for learning available to members*
- *have negotiating skills to work with management to develop workplace learning*
- *have the skills to talk to MSF members about their individual learning needs, and about how to access and pay for learning*
- *be aware of what is going on in the world of education and training, including new government lifelong learning initiatives.*

MSF provides specialist training courses for learning representatives at its residential college in Bishop's Stortford. Three courses are offered:

- *Introduction to Lifelong Learning*
- *Front-line Advice and Guidance*
- *Developing Learning Partnerships.*

For more information contact MSF Whitehall College:

Tel: 01279 755677,

Email: whitehall@msf.org.uk,

or visit our website: www.msf.org.uk/whitehall-college

PART B:

National Vocational Qualifications (NVQs)

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Section 3: NVQs and lifelong learning

Lifelong learning is a complex idea which covers all learning from the cradle to the grave:

- *formal and informal*
- *at home and at school*
- *at work and in voluntary organisations.*

As we have seen, for adults in employment, lifelong learning may be provided by an employer, a trade union, a college, the Open University and so on.

We are repeating this general point at the start of Part B because we want to emphasise to you that NVQs are just one part of the story. MSF has produced this guide not because we believe that NVQs are more important than other forms of learning, but because they are different. NVQs are available in all sectors of financial services. Full details can be obtained from the Financial Services National Training Organisation (FSNTO – see appendix 2 for how to contact). In the Insurance industry, they are available for:

- *Insurance (general)*
- *Insurance (life offices)*
- *Insurance (intermediaries)*

and at levels 2, 3 and 4 (the idea of levels is explained below). There is also a level 3 qualification 'Providing financial advice (excluding direct investment)'.

So what's so different about NVQs?

1. Firstly, in relation to traditional in-house training courses. NVQs do not replace training courses at work. They link training to an external qualification. This external qualification, as we explained in part A of this handbook, is useful when you move from one job to another. It proves that you are a competent worker. By encouraging managers to take a more systematic approach to training, NVQs raise the status of training in a company. They also contribute to a more professional image of the company in the eyes of its customers.
2. Secondly, these qualifications are not dependent on academic examinations taken either at school or college or by studying on your own. They are based

on how well you can do your job. You need to demonstrate to an assessor that you have the skill, understanding and background knowledge to do your job to a required standard. The assessor system will be explained more fully in Section 6.

3. Thirdly, you do not 'pass' or 'fail' a NVQ. If an assessor thinks your performance is below par, they will tell you how you can improve your performance to the required level.
4. Fourthly, because NVQs are predominantly work-based, there is an emphasis on coaching and support (sometimes called mentoring) from supervisors and managers in the workplace. In this way, training is seen as part of the job rather than an optional extra.

The basis of NVQs is occupational standards. These are meant to closely match what is expected of employees at work. These occupational standards have been developed by employers in order to:

- *establish the 'key purpose' of a job*
- *gather information on the knowledge and skills required to do the job*
- *set 'performance criteria' to judge whether someone can do a job.*

Section 4: How NVQs work and what levels mean

Levels

There are five levels of NVQs. The level you go for depends on the job you are doing. You don't necessarily have to do levels 1 and 2 before doing level 3.

Level 1 refers to competence in a range of routine tasks.

Level 2 refers to a range of varied tasks carried out in a variety of situations. Some of these tasks will be non-routine and involve some individual responsibility. Some may require co-operation with other employees. Examples in insurance might include clerical and call centre work.

Level 3 refers to competence in a wide range of varied work activities in a variety of situations. Most of the tasks will be complex and non-routine. They will involve considerable responsibility and decision-making and may involve directing other employees. Examples in insurance might include office administration or call centre supervisors.

Levels 4 and 5 are for those undertaking complex technical or professional work activities with responsibility for the work of others and for allocation of resources (in brief, management).

As we have seen Insurance has only levels 2-4. Level 2 can be compared to clerical work, level 3 with administrative work, and level 4 with management or professional duties. But you will also know that such distinctions are becoming increasingly blurred with new technology and new working methods.

Units (modules) and elements

Each NVQ is made up of a set of units (or modules). You are assessed separately on each unit. Each unit is broken down into a number of elements, usually 2 or 3. There is no fixed time for working through units or obtaining the complete award. When you have completed a set of units, you are awarded the specific NVQ. But, in the meantime, you also have recognition of your competence in the individual units that go to make up the award.

The core units of a NVQ are usually more general and can apply to a variety of different insurance companies and jobs within them. For example, there is a core

unit on health and safety and security at both levels 2 and 3. This involves two elements:

- *monitor and maintain health and safety in the workplace*
- *monitor and maintain security in the workplace.*

However, at level 3, you would be expected to have a more responsible job, and so to provide more actual evidence of your responsibility for these aspects of the work.

The optional units which you choose from are closely tied to particular jobs within the industry. One recent improvement at level 2 is that there is now an integrated list of units for both Insurance (General) and Insurance (Intermediaries). The three core units are compulsory. Thereafter, you can choose any three units from a list of 23 units. What you choose will depend on the kind of company you work for and the sort of job you do. It is hoped to extend this common list to Insurance (Life Offices) eventually, taking account of new rules from the Financial Services Authority (FSA).

To be awarded a NVQ, you have to demonstrate to your assessor your competence in carrying out each element in each unit. The assessor will be working to a set of guidelines (called performance indicators). They will use these to decide whether you have reached the required level of competence. Usually there are 3 or 4 core units that you must do. In addition, you choose 3 or 4 units from a series of options. This is important, because it means that your NVQ can be closely matched to your job. However, it also means that when you change your job, you may have to take a further unit, if you have new and unfamiliar duties. But if you think about it, this is true in many new jobs. There will normally be at least one new area of work that you are not familiar with. The NVQ framework allows you to deal with this situation in a methodical way.

How NVQs are set

Each industry has an organisation that sets standards for the NVQs, on which different employers are represented. In Insurance this is the Financial Services National Training Organisation (FSNTO). MSF works closely with FSNTO. It is now recognised that when they first came out, NVQs contained far too much jargon. The FSNTO is now in the process of re-writing the standards in plainer English.

How to obtain a NVQ

Most people obtain a NVQ through a combination of assessment and training.

Assessment and providing evidence

The work of assessors is dealt with in more detail in section 6. But what is expected of a NVQ candidate? For each element of each unit of the NVQ, you are expected to provide evidence of your competence. You are also expected to provide evidence of knowledge and understanding related to each element. This is of particular importance in an industry like Insurance, which is quite closely regulated by government through the Financial Services Authority (FSA). So you need to be able to carry out a transaction and also explain why you are doing it in a particular way.

Let us take two examples from the NVQ level 2 Insurance (General and Intermediaries). The first is from a core unit, the second from an optional unit.

Example 1: Unit 2 Monitor and maintain a healthy, safe and secure workplace

Element 2.1 'Monitor and maintain health and safety within the workplace' covers employees' responsibility to keep their own work area safe and free from anything that might cause injuries.

Element 2.2 'Monitor and maintain the security of the workplace' covers your general responsibility to keep premises and equipment secure.

The standards for this NVQ list the 'Knowledge and Understanding' you require in order to complete the unit successfully. This covers:

- *Procedures and systems in your workplace*
- *Health and safety issues in your workplace*
- *Dealing with security risks*
- *Interpersonal skills related to communicating with other staff about health and safety and security issues in your working environment.*

For element 2.1, there is then a list of eight separate items you need to produce evidence about. For example, 'You will accurately, completely and legibly report emergencies as required by your employer'. The standards recognise that you may not have personal experience of each item – by definition emergencies are not everyday occurrences! So if you cannot provide written evidence of how you have dealt with an emergency, your assessor will ask you what you would do in such an emergency. In the same way, the assessor will ask you questions to

check that you know about the general issues involved in health and safety and security.

There is then a similar section dealing with the evidence required for element 2.2.

Example 2: Unit 6 Process policies and alteration documents

'This unit may be suitable for you if you work in any type of insurance company but your work must involve you in both providing customers with a policy and with documents as evidence of alterations.'

Element 6.1 'Provide the customer with a policy as evidence of the contract.'

Element 6.2 'Provide the customer with documents as evidence of the alteration.'

The knowledge and understanding you will need to demonstrate include:

- *Procedures, systems and products in your workplace*
- *Relevant regulations in the insurance industry*
- *Principles involved in insurance (e.g. underwriting, indemnity, utmost good faith)*
- *Providing and checking written information and forms.*

For element 6.1, there are six items on which you have to produce evidence. For example, 'You will correctly incorporate clauses and / or agreed endorsement wordings'.

During assessment, you have to show that you have dealt successfully with four kinds of document:

- *Standard policy wordings*
- *Permitted extensions, limitations or other agreed endorsements*
- *Schedules*
- *Clauses and / or endorsements.*

You are expected to be able to deal with non-routine policies.

For this element, additional written evidence is required of your knowledge and understanding of the principals involved in insurance. This might include a certificate from the CII covering some or all of these principles. Section 5 of this handbook deals with how NVQs and CII mesh together.

Element 6.2 is then dealt with in a similar way.

As you can see from these examples, the approach is very methodical indeed. Part of the skill of the assessor is to help you work through each unit in a thorough way. As NVQs become more common, you will of course have the support of colleagues and other MSF members who have been through the NVQ themselves.

Training

Training can take a number of forms. Your employer may organise training courses in the company where a group of employees are doing the same NVQ. The training course may refer to specific skills you need to learn, or to knowledge that underpins the work you do. NVQ-related training encourages a more systematic approach to the kind of general in-house training companies have done in the past. Other courses related to NVQs are put on by colleges and private training providers. This is especially important for employees of smaller companies. These trainers may well provide your company with assessors too, especially if the company is small and does not wish to train assessors itself. In addition, there are learning materials that you can work through at work or at home (depending on your employer).

You may also need to do some additional study in relation to key skills, such as English, Maths, ICT (computing), working with other people and problem-solving. These general skills underpin a lot of the work you do on a day to day basis.

Of course, one of the advantages of the NVQ is that it recognises skills you already have, as well as new skills you learn from training courses. So for some parts of the NVQ, you may not need to do any extra studying. This also explains why there is no fixed time period for completing the NVQ. An experienced employee may be able to complete it quite quickly.

The Financial Services NTO (FSNTO) has developed a range of learning materials to support NVQ candidates:

Key skills in the insurance industry. A work book on general skills which underpin all areas of work in the industry.

Customer service workbooks. This supports the Customer Service unit, which is a core unit for level 3 General Insurance.

Routes to Insurance NVQ Level 2. This comes in 4 parts. Part 1 explains how NVQs work. Part 2 shows you how to map your existing skills and experience against the NVQ standards. Parts 3 and 4 are activity sheets for candidates and assessors.

Open learning materials for financial advisers and their supervisors. These support candidates and assessors involved with the level 3 Providing Financial Advice (excluding direct investment) qualification.

It is also possible to mix'n'match a NVQ with a Chartered Insurance Institute (CII) qualification. CII produces its own distance learning materials for candidates. This is dealt with in Section 5.

Section 5: How NVQs can benefit members

As an entry route into jobs and professions

So far in this handbook, the main emphasis has been on NVQs for existing workers in financial services. However, NVQs are increasingly important for young people wanting to enter the industry for the first time. There are two schemes, called Modern Apprenticeships and Foundation Modern Apprenticeships (formerly known as National Traineeships).

Modern Apprenticeships are directed mainly at young people aged 16-19 wanting to enter the industry and acquire a broad-based training plus a qualification at NVQ level 3. The NVQ units chosen will reflect the sort of work a modern apprentice does and the kind of company s/he works for. Modern Apprenticeships can sometimes be an option for slightly older people, provided they complete their training by the age of 25. They are based on a training plan drawn up between the employer and employee(s).

Apart from the NVQ, modern apprentices also study for relevant CII certificate qualifications. This is a straightforward means by which a NVQ candidate can gain knowledge and understanding of the insurance industry. It backs up the NVQ emphasis on the ability to 'do the job'. Vocational education and training can be provided within the company (in the case of larger companies) or at a college or private training provider.

There is also a strong emphasis on key skills in the modern apprenticeship. This builds on the general education the young person will have had at school, but relating it more closely to the demands of a job.

Each modern apprentice will normally have a mentor. The mentor will offer support and advice as required.

Modern Apprenticeships are partly funded by the local Learning and Skills Councils. They are also responsible for checking the quality of training arranged by companies.

Foundation Modern Apprenticeships are organised in a very similar way to Modern Apprenticeships. Again, they are mainly intended for school-leavers aged 16-18 years old. However, they are aimed at a rather lower level of academic

achievement and job complexity than Modern Apprenticeships. The NVQ units are at level 2, and the CII qualifications specified are the paper one of either the Insurance Foundation Certificate (IFC) or the Life and Pensions Foundation Certificate. It is possible to progress to the Modern Apprenticeship, and thus higher levels of NVQ and CII exams, after successfully completing the Foundation Modern Apprenticeship.

As a way of increasing the skills of existing employees

Modern Apprenticeships and Foundation Modern Apprenticeships are the exceptions in the NVQ field. The main value of NVQs is to existing employees. The following points are a summary of what NVQs can do for you and your colleagues:

- *NVQs recognise existing skills for people who can ‘do the job’ but don’t have a piece of paper to prove it.*
- *NVQs build on existing training provided by employers. They give it structure and coherence.*
- *NVQs can be used with existing CII qualifications which are an excellent way of providing evidence of knowledge and understanding required as part of the NVQ definition of ‘competence’ (see next section for details).*
- *NVQs do not have a fixed timescale. Experienced employees who have picked up knowledge as they have done the job, can often complete an NVQ quite quickly. These decisions can be made between the candidate and assessor in deciding on a programme for assessment.*

NVQs and existing qualifications

NVQs do not replace existing qualifications in Financial Services. All NVQ candidates have to demonstrate knowledge and understanding of the insurance industry. One way to do this is through study for CII exams. The FSNTO and the CII have worked together to identify how this can work in practice.

- *Insurance Foundation Certificate (IFC) is the first level of CII award. It is one way (but not the only way) to acquire and demonstrate knowledge required for NVQ level 2. The optional units on the IFC are matched to optional units of the level 2 NVQs.*
- *A similar matching exercise has taken place with NVQ levels 3 and 4 standards. These levels are covered by the next CII qualification – the Certificate of Insurance Practice (CIP).*

- *The highest professional qualification is the ACII (Associate of the CII). At the moment there is no NVQ equivalent, but work has begun on this.*

The link with the Financial Planning Certificate is also important. This certificate has now been gained by many people in insurance companies, banks and building societies. It is recognised as providing the knowledge base for the level 3 qualification 'Providing financial advice (excluding direct investment)'.

NVQ levels and other definitions of 'levels'

We hope that you have got the message that NVQs are very different from other qualifications. That applies to the sort you get at school and college, as well as professional qualifications. But as we have just seen, there are inter-connections. It is also worth pointing out that if you left school or college quite recently, you may have done something called a General National Vocational Qualification (GNVQ). These GNVQs have generally replaced the older BTEC and National Diploma schemes. There are some similarities with NVQ, but GNVQ is a school and college-based course. The final task in this section is to offer a 'rough guide' to how levels match one another. Keep in mind that NVQs refer to the job you actually do. So if you are a manager who left school at 15 and hasn't got round to doing CII exams, you will still be level 4 if you want to get a NVQ. In the same way, a person with a degree in Nuclear Physics doing clerical work in an insurance office would still be level 2 in NVQ terms.

Academic education	Vocational education	NVQ	Professional qualifications
GCSE	BTEC First Certificate or GNVQ Intermediate in Business	NVQ level 2	Insurance Foundation Certificate (IFC)
Advanced ('A') level	BTEC National or GNVQ Advanced in Business	NVQ level 3	Certificate of Insurance Practice (CIP) Financial Planning Certificate (FPC)
Degree course	Degree course or Higher National Diploma	NVQ level 4	Certificate of Insurance Practice (CIP)
Post-graduate course	Post-graduate course	NVQ level 5 [not yet available]	Associate of the CII

What are the problems with NVQs?

In Sections 3 - 5, we have offered a factual account of what NVQs are, what is available in the Insurance Industry, how the new qualifications work, and what they can offer our members. Yet as we pointed out in section 2, there has been very low take-up within the industry. Why? The following table summarises the problems with NVQs and what is being done or needs to be done to improve the situation:

Problems	Solutions
There are not enough assessors available	Assessment procedures could be made simpler. Especially where a company has a learning centre, trained advisers can double as NVQ assessors. Large companies can provide assessors for smaller companies
NVQ development has not been linked to performance management in companies. It is seen as something outside of the firm's normal activities	NVQ development must be tied in closely with other personnel policies, including pay. A properly trained and qualified staff are part of the firm's total offer to its customers
NVQs have been associated with too much bureaucracy – employers and employees have described them as a 'paper chase'	This is related to the point above about making assessment procedures easier. The NTO is busy re-writing NVQ standards in clear, jargon-free language
By definition, NVQs refer to existing jobs and skills. But insurance is changing rapidly. New skills and jobs are emerging all the time. In Financial Services, there is now overlap between banking, insurance and building societies	MSF believes that the new unified Financial Services NTO will be better placed to keep pace with change. It will revise its NVQ standards as and when required

The way forward for NVQs

MSF believes that:

- *NVQs can be linked to internal training courses*
- *NVQs can be linked to pay structures*
- *NVQs can be supported and assessed through learning centres*
- *Larger companies can offer NVQ assessment and support to smaller companies as a business service.*

In particular, MSF supports the creation of a Finance Learning Centre which would include bodies such as the NTO, trade unions and professional bodies such as CII. This would have both a real physical presence, and also exist as a virtual centre which could be contacted through the Internet. The role of this Centre would be to:

- *Provide finance employees with access to careers advice*
- *Provide finance employees with access to a range of on-line training*
- *Provide finance employees with access to a range of reference and resource materials to assist learning*
- *Provide finance employees with tutorial support for NVQs and CII qualifications*
- *Provide practical information to assist finance employees to make decisions about their own learning.*

The new unified Financial Services NTO is now in place. It hopes to create a new Finance Sector Call Centre qualification to recognise and enhance the skills of employees in these new workplaces. This qualification would be approved by the Financial Services Authority (FSA). It would professionalise this area of work to the advantage of both employees and customers.

To summarise, NVQs are part of an overall strategy to:

- *Create a pool of skills to meet future needs in the Financial Services sector*
- *Increase long-term loyalty of employees*
- *Increase the present and future employability of finance staff.*

Section 6: Assessment and verification system

As we have emphasised repeatedly in this manual, the purpose of an NVQ is to assess the competence of workers in a particular job. We have made a number of references to assessors. The purpose of this brief section is to draw together significant points about the NVQ assessment system.

Who are the assessors?

Workplace assessments are usually carried out by experienced employees familiar with the work. This can include supervisors and line managers.

Because NVQs are at an early stage in Insurance, much of the assessment is done by specially employed consultants sent in to companies by the NTO. This is unsatisfactory. MSF thinks that large companies should have a 'Learning Centre' with trained advisers who can also act as NVQ assessors. Larger companies can provide assessors for smaller companies.

Sometimes, colleges or private training providers can provide assessors for smaller companies too. In this case, the college or training organisation will deal with all the paper-work for the small company, which is a big help. They will come in to do assessments at the workplace. If your employer wants to introduce NVQs but cannot find a NVQ centre locally, then suggest that they approach the local college to find out if they are prepared to provide this service. If there are other insurance companies in the area, then a joint approach will obviously be the most effective. Colleges are publicly funded bodies, and can be lobbied.

Not just anyone can be an assessor. Assessors have to be trained and accredited by the NVQ awarding body. This is the OCR (Oxford, Cambridge and RSA Examinations). The standards for assessors are called 'D32' and 'D33'. They work on similar principles to the NVQ itself, with assessment at work, plus underpinning knowledge and understanding of assessment procedures. Only people who possess these qualifications or are working towards them, can assess NVQ candidates.

The most important thing for an assessor is to have a thorough knowledge of the job. Where an external assessor is used (either from a larger company, or from a college), they need to draw on expertise within the smaller company to be quite

clear about exactly what work a NVQ candidate is doing. This will help them to draw up a realistic programme for assessment.

The other obvious point to be made is that assessors should support and encourage candidates, as well as assess them. If this is not happening, then both individual employees and MSF representatives should take this up with management.

How do we know the assessors are working properly?

First of all, they require training and are themselves assessed as they carry out the job. This means they will have a qualification (the D32 or D33) that indicates their competence in the job.

In addition, verifiers are used to check the work of assessors. They may be managers or training officers within the company, if the company is large. In small companies, they are usually contracted from a college or training provider. As with assessors, they are required to possess or be working towards a qualification (D34 or D35).

The candidate, assessor and verifier may all end up being employees of the same company. So the awarding body for the NVQs (in Insurance the OCR) appoints external verifiers. They visit companies which are taking part in NVQ training to check that their assessment and verification methods are in accordance with national standards.

Section 7: Moving Forward: Progression Routes

Progression and change

We indicated earlier in this manual that NVQs can be part of a response to changes at work. In the next few years, these changes will probably involve:

- *Further developments in the field of computing (information and communications technologies)*
- *Further development of new types of workplace, such as call centres*
- *A reduction in the number of staff working in High Street offices*
- *An increase in staff working with clients and customers via telephones and computers*
- *More UK companies becoming part of global organisations*
- *New small companies entering specialised niches in the insurance market.*

NVQs and progression

A NVQ provides a recognised passport that proves your competence in a particular job. But what happens when your job changes, or even disappears? What happens when you decide yourself that it is 'time for a change'? The following table summarises the possible moves, and further explanation is then offered of each category.

Moving ...	Changes	NVQs as part of your response
<i>Sideways</i>	You move sideways within your present company	The NVQ provides a foundation qualification. But it is related to your present job, so you may decide with managers to add one or more additional optional units
<i>Upwards</i>	You move upwards in your present company	NVQ levels reflect job levels, as we showed in section 4. You now understand the NVQ system, so it will be easier to start on the next level of NVQ
<i>To another insurance company</i>	You move to another company in Insurance	Some or all of your NVQ may be relevant to your new job. But as we saw with the sideways move, it may be necessary to add some additional optional units
<i>Outside of insurance altogether</i>	You move to another job outside of insurance	Some NVQ units are common to different NVQs. This applies when units are to do with customer care, administration or management, for example. So this may help with your new job

Moving sideways

By looking at the range of optional units available within a NVQ, you can get a glimpse of what additional units might be required in relation to a different job in the same company. You can also talk to people doing the different job, and find out which NVQ units they have done. The NVQ gives you the confidence that you have proved your competence in one job and will certainly be able to do so in another.

Moving upwards

Promotion can be daunting. But an employee who has completed an NVQ now understands how to acquire new skills, knowledge and understanding. The CII exams are important here too. Your knowledge and understanding may already be greater than you require in your existing job. We saw in section 5, for example, how the Certificate of Insurance Practice (CIP) straddles levels 3 and 4 of the NVQs.

Moving to another insurance company

Your NVQ is something you can show to your new employer. It shows not just competence in a job, but determination to improve your skills, and a thorough approach to your own development. Even if you haven't completed the NVQ yet, you can show the work you have so far done towards it, and the units you have completed.

Moving outside insurance

There is life beyond your present job and company! Some NVQ units are shared between different kinds of office, administration and management jobs. Customer service is a priority in most companies nowadays, including the public sector. At school and at work, you have acquired Key Skills - English, Maths, computing, working as part of a team. These will be relevant to your new job too. If you want to move, but are not sure about it, it's worth contacting the local Careers Service. You will find their address in the telephone directory or library. They offer a service to adults, though you may have to pay for it. You can also ask for help from your MSF representative.

Problems, problems, problems

Changing jobs can be painful and difficult. Yet so far in this section, we have made it out to be easy. There are problems and you will need support from colleagues, friends and your MSF representative in order to achieve a smooth move. Here are just three of the difficulties you may encounter:

- *There is talk of changes at work. Your job may be affected. How do you decide whether to actively look for something different yourself, or wait and see what happens?*
- *The only completely certain thing about change is that it will include some totally unexpected aspects. Ten years ago, we didn't know about call centres or internet banking, for example. How can we plan for change if we don't know what it is going to be like?*
- *We have explained in this manual that NVQs recognise your competence in an existing job. But to what extent can they prepare you for an uncertain future work role?*

A way forward with MSF

MSF wants to support its members in gaining some element of control over their working lives. Part of the purpose of a trade union is to argue for orderly changes in the workplace, rather than the chaotic changes we have seen in the past 20 years. Disorderly change damages individuals and companies and is in no-one's interest. Here are a few ways in which MSF is approaching these issues of changes:

- *In relation to NVQs, MSF has supported the development of a unified Financial Services NTO, which is now in place. It will be in a much better position to ensure that NVQs change as the industry changes. It will also be in a strong position to develop new NVQs for jobs we don't yet know about. MSF support for a Finance Sector Call Centre qualification (section 5) is one example of this.*
- *The integration of NVQs and CII exams offers a common way forward for the industry. It means that skills and competence can be developed for specific jobs, as well as knowledge and understanding applicable to a variety of jobs.*
- *Key skills are an important area of development for many insurance workers. These general skills are at the heart of what you may need to learn in your future career.*

MSF's commitment to develop a network of learning representatives in the industry shows that we care about learning. Only a strong commitment to training and development throughout the industry can ensure a healthy profitable future for insurance. Equally, members need sympathetic, well-informed support and advice from their colleagues in the union if they are to plot a way through the complex changes taking place at work.

Section 8: Getting Started: Implementing NVQs in Companies

Training and development matters

Training and development matters. For two principal reasons:

- *It is the key to the future success of the insurance industry, competing in the global financial market-place.*
- *It is the key to our members' ability to keep abreast of change in the industry, and their future employability.*

It also represents a challenge for government and for MSF:

- *The challenge for the government is to create a climate of opinion favourable to lifelong learning. They can also ensure that adequate funding and support is available to employers, individuals and providers.*
- *There is a major challenge for MSF. The union aims to put and keep education and training on the bargaining agenda, and to develop a network of learning representatives to support and encourage members.*

However, that is not a simple aim. There is no legal framework which compels employers to negotiate on education and training. They will only do so if they are convinced we are serious about education and training as bargaining issues. That will only happen if officials and lay officers of MSF keep up-to-date with the issues, and raise them at workplace level. Just as they would with pay, conditions, new technology or health and safety.

Introducing NVQs into a firm

Whether it is MSF officers or a firm's management that takes the initiative, there are three useful starting-points:

1. Joint management-MSF discussions, emphasising the advantages to both employer and employees of NVQs, are more likely to lay a company basis than unilateral action by the employer. It is important for NVQs to be seen as part of an overall human resource policy, including reward and appraisal systems.

2. The Financial Services National Training Organisation (FSNTO) is a good starting-point. It is in a position to advise companies both large and small about how to introduce NVQs. Currently it has an especially important role in providing assessors in areas where they do not exist. It also has a variety of learning packages available (see appendix 2 for how to contact).
3. Local Learning and Skills Councils (LSCs) run a variety of schemes to promote workforce development in both large and small companies. These often include development of NVQs. They can discuss with both employers and MSF ways in which NVQ development can be funded, which is a particular problem for smaller companies. LSCs also administer funds for Foundation Modern Apprenticeships and Modern Apprenticeships. As we saw in section 5, both these schemes are related to NVQs. LSCs can also advise companies about the procedure for obtaining the Investors in People award, which represents a comprehensive approach to training and development. Over two thirds of all insurance companies have achieved IIP status, are working towards it or have committed themselves to achieving it.

Once a decision to implement NVQs is decided, further steps can be taken:

1. Colleges are developing services to companies which often include providing assessors for NVQs and also related training courses. This is likely to be of particular relevance if your company is located in an area with a high concentration of financial services companies.
2. If a company wants to train its own assessors to the national D32 and D33 standards, then more information on this is available from the FSNTO (all addresses and telephone numbers are given in appendix 2 at the end of this handbook).
3. The company needs to register for insurance NVQs with the awarding body – the Oxford, Cambridge and RSA Examinations (OCR: the role of the awarding body was explained in section 6). OCR can also tell you if a local college or training provider is registered as a NVQ provider for insurance. They can take charge of paperwork and assessment. This provides a convenient solution for smaller companies. OCR can also tell you if a larger company near you is already doing NVQs, in which case they may be willing to act as a NVQ centre for you. This is more likely if they are not a direct competitor!

Upward spirals

In this handbook, we have tried to present a factual account of what NVQs are and how they work. At the same time, we have emphasised how they can benefit our members, and not ignored some of the difficulties connected with them. At the moment, NVQs in insurance are a bit like the 'chicken-and-the-egg'. Few companies do NVQs, not many people know about them and it can be difficult to get an assessor. The net result is that NVQs have been slow to get off the ground. As soon as one bit of the puzzle is in place, then everything will become easier.

However, we want to end the main part of the text on an up-beat note. Especially in areas where there are large numbers of insurance companies, MSF can have a crucial role in brokering discussions between the NTO, LSCs, colleges, training providers and the new Regional Development Agencies for the English regions (e.g. London, South-West, Yorkshire). These discussions can look at NVQ implementation across a wide range of insurance companies, both larger and smaller. A trade union should never make the mistake of confusing the interests of its members with those of employers and government. Equally, it should never lose sight of the fact that its members' interests also depend on the business success of employers and the level of government interest and support. This is especially true of education and training.

Section 9: Common Questions about NVQs

Questions about NVQs

Who they are for

Are they just for younger workers?

As explained in Section 5, NVQs can be taken by younger entrants to the Insurance industry as part of a Modern Apprenticeship or Foundation Modern Apprenticeship. But they are also for older employees. Indeed, they are especially useful for more experienced employees who want a qualification to support their years of experience. As the MD of one small insurance company put it: 'The real success stories lie in the more mature staff who maybe are returning to study after anything up to twenty years.'

How NVQs work

How do I provide evidence that I am competent?

The most common way to do this is to build up a portfolio of evidence related to each unit and element of the NVQ. This will often involve reflecting on a particular piece of work you have done, evaluating your own performance, making improvements, and then evaluating those improvements. Your assessor will give you a good idea of what s/he requires from you. S/he may also want to see examples of your work, or may talk to your supervisor about your work.

How many units do I need to take?

For each NVQ there is a combination of core and optional units. This is set out clearly and in detail for each level and for the three sections of insurance (general, life and intermediaries). You must do all the core units. You can then choose from the optional units according to the sort of job you do. If your job changes, you can do additional optional units. These will be shown on your NVQ certificate. Even if you do not complete the NVQ, you will receive credit for each unit you have successfully finished.

Will I have to do the NVQ in my own time?

Managers and supervisors should provide training courses in company time, and allow you time to gather evidence for your portfolio. You should expect to spend up to one evening a week working on your portfolio and doing background reading. If it takes longer than this, you should talk to other NVQ candidates and see if they are in the same position. You can then raise this as an issue with your MSF representative.

Will the NVQ cost me anything?

The company should cover the costs of the NVQ, including any external training courses you are required to attend. If an employer suggests that you should pay towards the NVQ, then you should raise this with your MSF representative. Your only contribution should be your own time. We have suggested that one evening (2-3 hours per week) should be sufficient.

Can I get credit for my existing skills?

As we explained, a particular advantage of NVQs is that they recognise the existing skills of workers as well as encouraging people to learn new skills. An experienced worker can therefore complete a NVQ quite quickly.

NVQs and customers

How do NVQs benefit customers?

Customer care is an integral part of any NVQ. Customers can expect a more consistent level of service from a workforce trained to specific high standards. NVQs recognise that a good performance in the job is not just about having technical skills, but about getting on with people, feeling confident about your job and taking responsibility for your own development.

NVQs and employers

Why are some companies reluctant to implement NVQs?

Many companies in the UK have a poor record on providing training for their staff. In the specific case of NVQs, they may be concerned about the cost of providing assessors for NVQ candidates. There were also problems in the early days with use of jargon in NVQ standards. The Insurance and Related Financial Services National Training Organisation is working to re-write the standards in a clearer way.

How does a company begin to implement NVQs?

In the first place, it can approach the National Training Organisation (the FSNTO). It can also approach local colleges to see if assessors and related training courses are available. It can also talk to the local Learning and Skills Council to see what financial and other support is available. Ideally, you should aim to establish a partnership between the union and the employer to take the NVQ programme forward. Experience has shown that where the union is involved, members are more willing to take NVQs because they are less suspicious about the companies motives.

NVQs and MSF

What does MSF think of NVQs?

MSF believes that there is an urgent need for structure and clarity in education and training within the insurance industry. NVQs are part of the story, but only one part. Employees require:

- *Education and training throughout their working lives*
- *Qualifications which they can carry from one job to another*
- *Recognition for skills within pay bargaining*
- *Job enrichment so that skills are put to full use*
- *Equal opportunities in education and training for all employees, especially women, ethnic minorities and part-time employees.*

Appendix 1: Glossary

Part A: Terms used in education, training and learning

'A' levels (Advanced levels) are courses taken by students at school or college to qualify them to go on to higher education (university). They are not usually taken by adults. Older people who want to go to university usually enrol on special 'access' courses at colleges. These are usually available both full and part-time.

Advice and guidance refers to a range of ways in which adults get help to decide what to learn and how to go about it. It can include the Careers Service, which may or may not be free for adults, depending on where you live. Providers often offer advice and guidance but are likely to know more about the courses they run themselves. Trade unions, including MSF, are developing a network of trained 'learning representatives' to help members with choices. Often work colleagues, friends and family members can provide informal advice and guidance. But there is prejudice and misinformation about too, so it's always best to ask more than one person!

Education and training providers include:

- *Local authority adult education services – publicly funded, providing a range of courses at a local level. The range varies from place to place but will probably include some general education courses, basic skills (English, Maths, IT), language courses, and hobby or leisure courses. The terms 'night-school' or 'evening classes' are still in use.*
- *Colleges provide a range of general and vocational education courses, both full and part-time. As a rule-of-thumb, full-time courses are likely to be in the daytime and to have rather younger students, part-time courses in the evening with mainly adult students.*
- *Universities provide higher education, i.e. beyond 'A' levels or equivalent Access or vocational courses. The question of what courses are equivalent to what is dealt with in Section 5. Higher education is also provided in some colleges (usually by arrangement with a neighbouring university) and by institutions with names like 'college of higher education' or 'university college'.*

- *Open and Distance Learning includes Open University, National Extension College and private Correspondence Colleges. Some colleges also have Open Learning Centres where students can work at their own pace and at times convenient to them. Some companies have opened Learning Centres for their staff.*
- *Private training providers are often used by employers in preference to publicly funded bodies. Courses can be provided on or off employers' premises. They are often more expensive and not necessarily better than publicly funded courses.*

Employee Development Schemes are broad-based schemes, often negotiated with trade unions, which encourage employees to undertake a wide range of personal development and vocational education courses. Usually the company pays any fees, but the employees study in their own time.

Learning representatives: a new category of trade union representative. Their task is to negotiate with management about the education and training needs of members. They can also offer informal advice, guidance and support to union members who want to attend courses.

Mentors are experienced people at work who help and support less experienced colleagues. This can be with the 'informal learning' needed to deal with day-to-day demands of the job, or it may be to help 'bridge the gap' between more formal learning and the workplace. A good employer should be interested in what you are doing at college and how you might use your new skills and knowledge in the workplace.

Open (distance) learning means working at your own pace through material which may be printed booklets (perhaps with video and audio tapes as well) or installed on a computer. Support for learners is usually provided by a tutor who marks assignments, and is also available by phone or e-mail to offer advice and support. In an Open Learning Centre in a college or company, someone is usually on hand to sort out problems as they arise.

Vocational education refers to courses which equip you to work in a particular area (e.g. engineering, Business Studies) but which are not linked to a particular job with a particular employer.

Workplace learning is a general term which refers to all training and education organised at or through the workplace. It can include on-the-job training and mentoring, courses held at the workplace or in a college, and courses in employees' own time paid for by the employer.

Part B: Terms used in NVQs

Assessors are trained people either in the same company, or from outside the company. They support you through the process of gathering evidence of your skills and knowledge. They also decide whether you have reached the necessary level of competence in each element of each unit of the NVQ.

Awarding body is an organisation approved by government to assure standards in NVQs in a particular industry. It will approve specific qualifications, award certificates to successful candidates and verify that assessment is being carried out to national standards. In the case of insurance this is the OCR (Oxford, Cambridge and RSA Examinations).

Candidate means any employee who is registered for a NVQ.

Competence means the ability to do the job. You need skills to do a job. But in order to do a job well you will also need background knowledge and understanding. This is why assessors often ask you not just to demonstrate that you can do a job, but also ask you why you are doing it in a particular way.

Core Units (modules) are the compulsory parts of a NVQ. They can apply to a variety of different insurance companies and jobs within them. Each NVQ has about three or four core units.

Elements refers to the specific skills and knowledge required for each part of a NVQ unit.

Key skills refers to English, Maths, Information and Communications Technologies (ICT). These skills are part of your job. You use them every time you sit down at your computer, write a letter, or do a calculation. You may need to do extra work on any of these key skills in order to carry out your job properly and get a NVQ.

Mentor is a term for a more experienced work colleague who is given the task of supporting you as you 'learn the job'. The term is already quite widely used, and can be extended to cover the kind of help and support needed by employees when working through a NVQ.

Modern Apprenticeships and Foundation Modern Apprenticeships. We have given some information in the text. For more information, please contact the FSNTD direct (the contact details are in appendix 2).

Optional units. In addition to the compulsory core units, each NVQ will have a wide choice of optional units. Candidates choose optional units according to the

type of company they work in and the specific jobs they do. Full details of core and optional units for each NVQ can be obtained from the Insurance and Related Financial Services National Training Officer (for address, see appendix 2).

Performance criteria describe the standards required of you at a particular level of NVQ. The fact that these are written down ensures that each assessor is using the same measurement for each candidate.

Verifiers. An **internal verifier** is someone appointed by an approved centre (e.g. company or college) to ensure consistency and quality of assessment in the centre. An **external verifier** is appointed by an awarding body to ensure that assessment at local centres meets national standards. Together, internal and external verifiers act as a quality assurance system for NVQs.

Appendix 2: Useful Contacts

USEFUL CONTACTS - WHERE TO FIND OUT MORE

Chartered Insurance Institute

20 Aldermanbury
London EC2V 7HY
Tel: 020-7606 3835

Financial Services NTO (FSNTO)

27-32 Poultry
LONDON
EC2P 2BX
Tel: 020 7260 3742
e-mail: info@fsnto.org

Learndirect is the free, national helpline service for all enquires about learning and careers.

Tel: 0800-100-900
Web-site: www.learndirect.co.uk

Manufacturing, Science, Finance (MSF)

Whitehall College
Dane O'Coys Road
Bishop's Stortford
Herts. CM23 2JN
National Secretary Education, Dr Sarah Howard,
Tel: 01279-755677
Web-site: www.msf.org.uk/whitehall-college

Oxford, Cambridge and RSA Examinations (OCR)

Tel: 02476-470033
Web-site: www.ocr.org.uk