



Profile of the Publishing Sector August 2009

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Introduction

“Managing a publishing business ten years ago was like steering an oil tanker. Today it is more like steering a skateboard.”

Publishing focus group delegate

Skillset is the Sector Skills Council (SSC) for Creative Media. Our job is to make sure that our industries have the right people, with the right skills, in the right place, at the right time, so that they remain competitive. We do this by influencing and leading; developing skills, training and education policy; and through opening up the industries to the UK’s pool of diverse talent.

Publishing joined our footprint in April 2008 and since then we have carried out research into the size and shape of the Publishing industry, the current and future skills gaps, and what the existing education and training landscape is like. This sector guide includes the key labour market information and highlights the main drivers and areas for concern for the industry relating to skills. Data is drawn from Skillset’s Publishing Skills Needs Analysis report where not stated.

Defining the Industry

The Standard Industry Classification (SIC) codes that define the labour market information for Publishing split the industry into the following sectors:

- Books – including children’s, illustrated, audio, educational, fiction, non-fiction specialist, academic and professional
- Journals and periodicals – including magazines and business media
- Newspapers – including local, regional and national publishing
- News agencies
- Other publishing – including timetables, forms, reproduction of art etc

For the purposes of this report, the statistical information on size and shape of the industry makes use of these categories. However, more 'industry' used definitions separate journals and periodicals out as the latter – known as magazines and business media – has distinct business markets and issues not entirely shared by journals publishers. In addition, directory and database publishing is a clear category that fall within book and business media publishing which has divergent business activities and issues. There is an underlying assumption that all sectors of the industry publish online to a greater or lesser extent. Increasingly, the classification of online publisher is more relevant to a greater number of employers across the following sectors.

Available estimates suggest that the UK publishing industry has total annual sales of between £18 and £22 billion¹. The Gross Value Added (GVA)² was estimated to be £9.8 billion in 2005, just over 1% of the total for the UK and 16% of creative industries, second only to the software, computer games and electronic publishing sector.³

Book publishing

Book publishers deal in the commissioning, development and packaging of intellectual property to create printed and electronic publications for sale. They do not generate the content themselves, which is usually commissioned and comprises text, illustrations and photographs. The publisher then copyedits, proofreads, typesets, designs and prints the book. They promote the titles to wholesalers, retailers, online 'e-tailers' as well as direct to organisations and individuals for sale. They generate publicity and marketing to stimulate reader demand to ensure the sell through of copies through the various channels. They sell rights to publish their content in different languages and license the use of text and words for different media. Businesses usually have commissioning and editorial, publishing services and production, rights and contracts, marketing and publicity, sales and distribution, IT,

¹ DoC (2002) Creative Industries Mapping Document, 2001. Department of Culture, Media and Sport, London

² The value of the economic activity generated through the production of new goods and services: a measure of the value of output less the value of inputs.

³ CIEE (2005) Creative Industries Economic Estimates: Statistical Bulletin, October 2007, DCMS

finance and HR functions or departments. The sector is characterised by a few large, dominant publishing houses and many small, independent and specialist publishers. There are several sub-sectors within book publishing:

- Children's publishing – including picture books, fiction, non-fiction and reference
- Educational publishing – including teaching and learning materials and resources
- Specialist, academic and professional publishing
- Illustrated publishing
- Travel guides
- Fiction, poetry and non-fiction
- Audio books
- General trade

Book publishing is hugely influential in the education system and the social, cultural and political life of the UK. Moves toward an EU-wide standardisation on VAT levels present a commercial opportunity for publishers, particularly in relation to audio books and other electronic products, which are currently liable for VAT.

Change in school curriculum and higher education funding poses both opportunities and challenges for the industry. The current economic conditions may affect sales for business titles and luxury items, but the industry has historically been able to ride out financial slow-downs due to the perceived value of books and the low level of cost compared to other luxury consumer items.

Traditionally books are sold through retail outlets, via wholesalers and agents or direct to consumers. The proportion of sales generated through the internet and 'e-tailers' such as amazon.co.uk has been steadily increasing. The consolidation of different retail chains into a few large groups has increased their purchasing power. Supermarkets have entered into the popular fiction and illustrated lifestyle categories and now account for 20% of all UK book sales.⁴ This has presented some challenges

⁴ Figures for volume share in 2009 provided by Asda, Sainsbury's and Tesco, based on Nielsen BookScan data (The Bookseller, 2 August 2009)

for smaller publishers who cannot always afford the deep discounts and promotional charges of the bigger retailers. Several have responded by establishing innovative, collaborative programmes to develop sales and promotional capacity with major retailers.

The UK industry has been world leader in the number of titles published – up to 206,000 in 2005/06, an increase of 48% on the previous year – ahead of the United States, China and Germany.⁵ There are also substantial opportunities to exploit international markets through the use of the English language internationally and the sale of translations rights.

The widespread availability of handheld e-book readers and the development of applications for reading content on the iPhone have provided the driver for digitising new and old titles. Understanding how a knowledge economy can work for books, where content is universally stored and traded – right down to an image or a phrase – is a key challenge for the industry to address. The impact these factors will have on copyright infringement, piracy, content storage, the supply chain and managing intellectual property is at the heart of how businesses will approach the future. The increase in non-traditional competitors – such as Google – with a different approach and more resources is a real threat to the industry. Understanding the customer and how to reach them more effectively is the key to survival. Customer groups are actively being developed through social networking tools. While many publishers have been providing digital content and services for several years, there is a belief that there will continue to be a market for the printed product.

Directory and database publishing

Historically, directory publishers produced printed reference products for consumer or business markets. Revenue was generated from renewable subscription sales, advertising in each edition and selling on contact names and addresses to third parties for marketing purposes. Directories would be compiled, edited and distributed by the publisher or by an outsourced supplier or freelancer. Printing was handled externally. The transition from print to CD-Rom to fully searchable and integrated online products and databases has changed the industry significantly. While printed directories remain a key product for certain markets, many directories and databases

⁵ UNESCO Index of standard of living and education

are now accessed wholly online, and are sometimes free of charge at the point of access. Content is often updated on a rolling programme or even remotely by the person or organisation that the entry is based on. New forms of content such as video and audio are being used to enrich the user experience and relevance.

This is one of the more technology-driven sectors within publishing. Digital IT specialists and even software engineers now mastermind an ever more complex technical environment. Data publishers are looking to the future developments of the web, with deep linked searching and Web 3.0 being seen as the next major step change for the industry. Ensuring commercial products are embedded across a variety of free search engines is key: effectiveness at search engine optimisation and marketing are benchmarks for success. Traditional subscription marketing and media sales techniques are used, but increasingly in a more sophisticated way, developing commercial partnerships, looking at brand extensions, as well as building retention rates and the subscription base.

Data protection features high on the priority list for the sector: compliance is a critical issue, particularly where personal data is used and sold. Developments in UK legislation and the focus of the Information Commissioner all impact on the sector. Changes in European and US law have a long lasting impact on the viability of businesses to sell the content on to third parties and how they manage and store their data in international markets.

Businesses usually have publishing, data entry, editorial and production, web and IT, subscription marketing and events, sales and customer service, finance and HR functions or departments.

Journals

Journals publishers may be part of a large academic or specialist publisher that produces a range of products for their niche markets that includes journals, books, online information services, directories, databases, conferences and events. Alternatively, they may be a part of an association or organisation devoted to the development of knowledge in a particular area, such as a Royal Society or Institute,

where publishing journals or related services is considered dissemination of the latest thinking in the area. Sales are achieved primarily through subscriptions to print or online products from educational and research institutions, organisations or individuals. Some sales are made via subscriptions agents, particularly in overseas markets, which makes up a significant proportion of sales for this sector. Journals publishers have been providing online content for many years and have the systems and processes in house to deal with future developments. One of the biggest threats to the industry is the emergence of the Open Access model of publishing scholarly research. Based on the principle of peer review and access for all to further knowledge, this allows the academic or their employing institution to pay a fee up front to publish an article. This is then available for free access, worldwide, online. Public funding has been pumped into a variety of Open Access projects and there is a strong lobby supporting the initiative. However, publishers have struggled to cover the costs of running a business with this model and are trying to demonstrate the value they add to the process of commissioning, reviewing, producing and disseminating quality research, with a view to developing hybrid business models that will work for both lobbies.

Businesses usually have publishing, editorial and production, subscription marketing, sales and customer service, IT and database, finance and HR functions or departments.

Magazines and business media (periodicals)

The periodicals industry defines itself as magazines and business media. There are three key sub-sectors:

- Consumer magazines – including printed titles sold predominantly through retailer and subscription that rely on advertising revenue for the relevant consumer interest groups (and increasingly have an online presence)
- Business to business publishing – including titles that are based around occupations, industries or professional interest, which may incorporate other 'business media' such as web portals, online updates, databases and directories, conferences and events

- Customer or contract publishing – including titles that are commissioned for a corporate customer, usually as part of their marketing or promotional activity, that are produced and sent out to their customers for retention, loyalty or dissemination reasons

Businesses have a range of editorial functions specific to each title that includes: news and features; sub-editorial and production; art and layout; and picture editing. In addition there are advertising, marketing, management, production, HR, contract/legal, finance and IT teams. There may be a web team that spans both editorial and business functions, depending on the size of title and relevant content management systems. Depending on the portfolio of titles and markets the business publishes for there may also be list broker or management departments, database or data entry, conference and events teams.

Occupations include: editor; features editor; sub-editor; production editor; editorial assistant; picture researcher; journalist; designer; web editor; advertising manager; media planner; circulation and trade marketing executive; and sales executive. In addition, employers with business media interests will have events coordinators, conference executives and database managers.

For magazine and business media publishers, advertising expenditure is a key factor to success and the recession has hit them hard as their client businesses cut back on advertising spend.

The increase in number of online competitors for specialist information has driven magazine publishers to develop their own web-based products and services around customer interests: blogs, forums, wikis, video and TV programmes, webinars, games, conferences and events all now feature regularly across the industry. This has in turn provided another opportunity for online advertising revenue as customer behaviour can be understood in greater detail and products more specifically targeted. The challenge is to develop compelling content that can be repurposed for different formats and media, which can then be monetised either through paid subscription or by advertising sales. Many companies are exploring the potential of

handheld mobile devices and phones for up-to-the-minute services related to recruitment, interest, gossip, news, fashion tips etc. The challenges of storing and optimising digital content affect the magazine and business media sector as well. As consumers increasingly expect free online content, generated by non-traditional competitors or media services, publishers are extending the brand of their titles in response to customer demands.

Newspapers

Newspapers are available at a local, regional or national level. They provide news based information services and can be distributed free of charge or bought at a newsstand or in a retail outlet. There is a small subscription base for some of the high profile national or international brands. The main functions of a newspaper company are: editorial; reporting; sub-editing; typesetting; photography and imaging; printing; advertising; circulation; distribution; website; IT; finance; HR; legal; and management.

News media is very influential in the political, economic, social and cultural life of the UK. Journalistic integrity and high standards are internationally renowned. A well-educated, unionised workforce of journalists continues to maintain this reputation. Where other sectors in publishing have outsourced print, production has traditionally been kept in-house for newspapers. Developments in print technology have enabled more titles to go full colour. For the nationals, files can now be sent digitally to any location, which has opened up a modest overseas market for English-speaking markets, those travelling and expatriate communities.

While journalism as an occupation continues to be popular, the modern journalist has to manage convergent technology and content management systems. Their role is evolving: the traditional skills of good investigative journalism are vital, but journalists today need new, digital skills such as podcasting, video-casting, mobile technology, recording interviews, using content management systems. In addition, journalists need to be able to multi-task and manage their own – and others' – time effectively. Developing existing roles and structures during a period of rapid change presents a real challenge for industry and the workforce. Consumer demand for 24/7 news media in print, online and via mobile technology drives a 24-hour newsroom where

multi-tasking reporters and editorial staff use a wide range of technology to repurpose content for different audiences who consume news across a range of media. Competition from non-traditional sources such as online news portals or the BBC's regional news service provides a significant challenge to traditional national and local news brands, with a free at the point of delivery business model.

Profit levels have been eroded as advertising sales have moved to other alternatives, often online. The recession has exposed this transition with classified and traditional advertising levels dropping substantially. Cost efficiencies in local government and the NHS have led to a reduction of recruitment advertising, for a long time the lifeblood of regional and local press ad sales revenues. Problems with recruiting quality candidates into sales teams have continued. Many are finding the transition from selling printed ad space to online banners and pay-per-click formats challenging. Media owners have placed much content online free of charge, but are now considering the potential for introducing charging for content. The main challenge for the future is how to adapt and evolve all functions and occupations to make the most of convergent media profitably, while delivering a quality, relevant and timely news service that readers want.

News agencies

News agencies provide rolling news services for newspapers, magazines, websites, companies and a range of other organisations such as PR firms, consultancies and the public sector. They have become an effective way for the various news media to ensure they have enough content to feed a 24-hour news culture. Services offered include:

- Articles, stories and reporting on current events
- Ready-to-publish news stories for syndication
- Video, news graphics or photographic images
- Specialist reporting in particular industries or geographical areas
- Sports and entertainment listings
- Market intelligence for different industries.

They also offer technical services to support these services including data-feeds and content management as well as sub-editing and print-ready preparation. All these activities are usually supplied via a contract subscription. This sector may be better placed than other parts of news media to weather an advertising sales slow-down, as the main revenue source is from subscription for content from other media owners. The opportunities that media convergence presents allow those agencies with the technical capacity to flourish as they support the news industry during this period of change. Business models for aggregating small amounts of information or images are already in place, allowing greater flexibility in coping with an era where news consumption is changing in length of time and depth of interest.

Other publishing

According to the SIC codes, this sector includes the publishing of photos, engravings and postcards, timetables, forms, posters and reproductions of works of art and other printed matter such as postcards. This is a particularly fragmented sector within Publishing, with many of the companies classified here unlikely to identify themselves as 'publishers'. They may consider their activity more closely aligned with printing, fine art reproduction, design and marketing agency or promotional or marketing communications – all of whom would come under the auspices of other Sector Skills Councils. Work will continue to define and improve our knowledge of this area.

Sector Size and Shape

There are just under 7,200 companies employing over 209,000 people in the Publishing sector. The majority of companies are small, with 85% having 24 employees or fewer. However, there are approximately 200 or so employers with more than 200 in their workforce, collectively employing 52% of all employees in the sector.⁶

⁶ ABI (2005) Annual Business Inquiry, National Statistics, UK

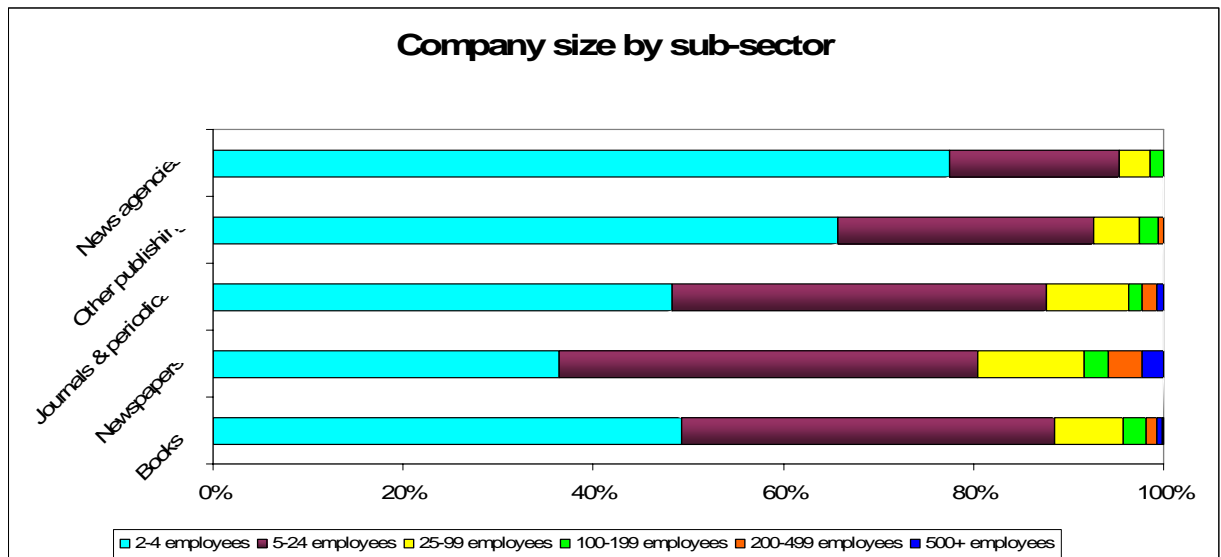


Figure 1: Company size by sub-sector⁷

The biggest sector is Books with 36% of all companies in Publishing. However, nearly half of these companies have two to four employees, with only 4% of companies employing more than 100 staff. Newspaper Publishing has the largest number of employees of all the sectors with 30% of the working population. News agencies have the highest proportion of self-employed staff with 46% working for themselves.

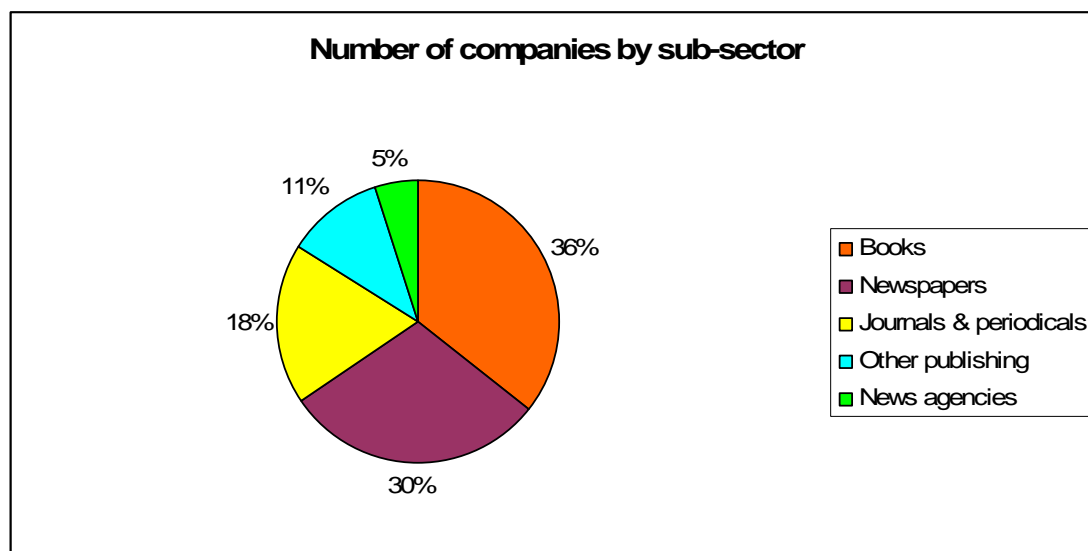


Figure 2: Number of companies by sub-sector⁸

⁷ Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

⁸ Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

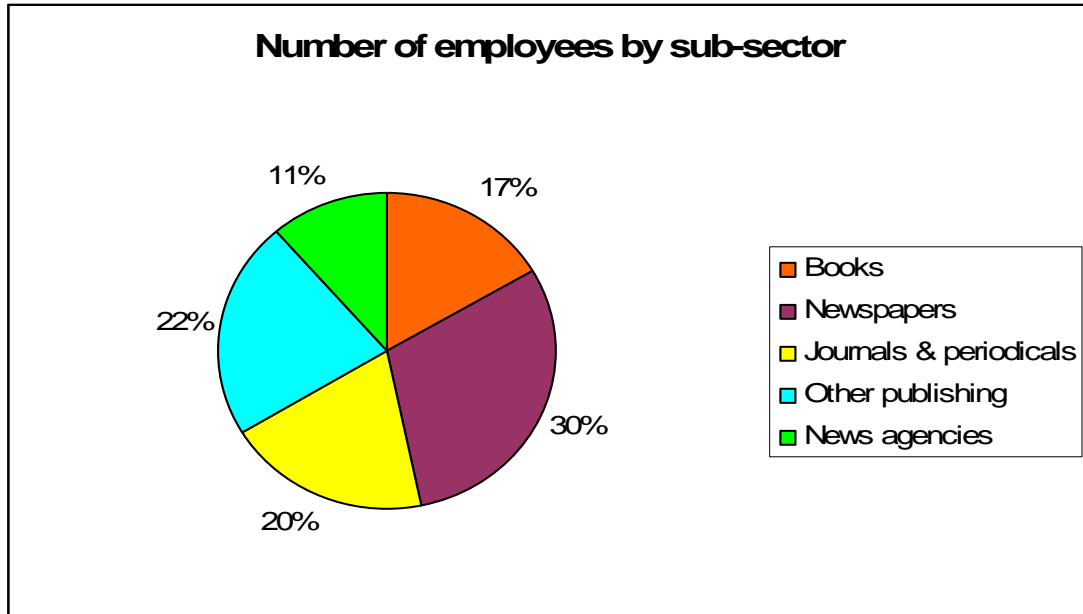


Figure 3: Number of employees by sub-sector⁹

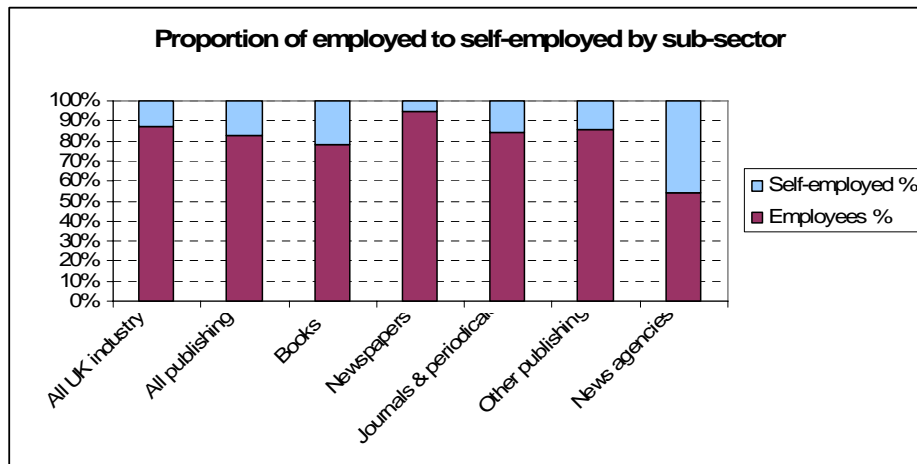


Figure 4: Proportion of employed to self-employed by sub-sector¹⁰

Who works in Publishing?

The majority of those working in Publishing – 90% – are based in England. The largest proportion – 48% – is based in London and the South East. The next highest concentration can be found in the South West with 9% of the workforce, and the North West with 7%. The remaining workforce is spread across Scotland (6%), Wales (2%), Northern Ireland (2%) and the remaining regions in England.

⁹ Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

¹⁰ Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

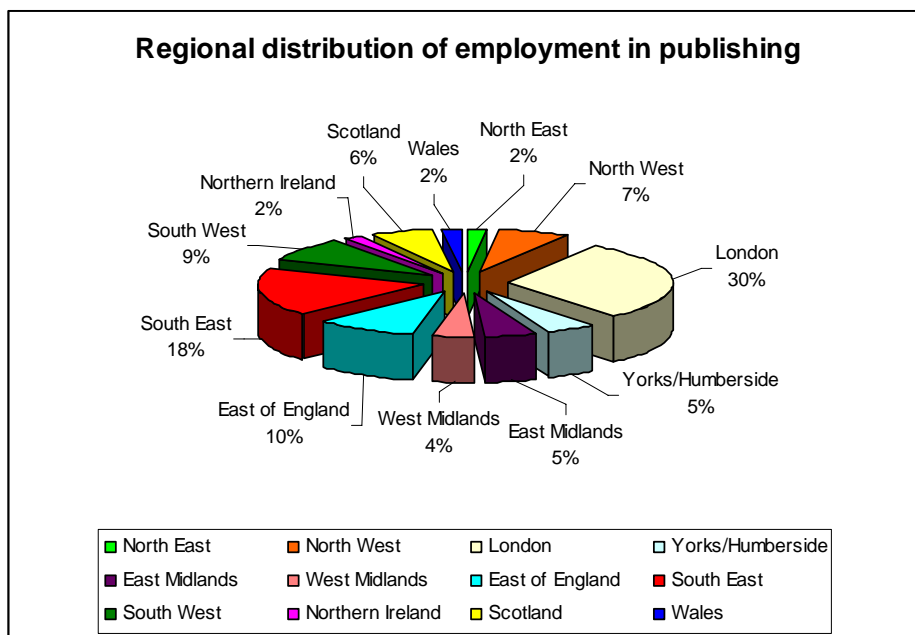


Figure 5: Regional distribution of employment in publishing¹¹

The self-employment rate for publishing is higher than that of the UK as a whole, with 17% working as a freelancer or sole trader. However, this varies widely across the sector, with 46% of those working in the News agency sector and 22% working in the Book publishing sector on a self-employed basis, compared to 16% in Journals and periodicals and 5% of those in the Newspaper sector. Post-recession, as companies downsize their workforce that the trend towards using freelancers will increase.

53% of the workforce is male, which rises to 56% in Journals and periodicals, but drops to 49% in Book publishing. However, higher proportions of men tend to be employed in managerial, senior and professional occupations, and females are the majority in 'lower' level occupations such as administrative, secretarial, sales and customer service roles. These levels reflect the wider working population.

The workforce is slightly younger than that of the UK as a whole. However, there are some notable differences between the sectors with Newspaper and News agencies employing higher than average numbers of young people aged 16-19 at six per cent

¹¹ Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

and 11% respectively. This may reflect the entry routes into the industry, particularly in the sales teams where degree level qualifications are not required. The workforce for Journal and periodicals is notably different to that of the rest of publishing, where 66% are aged 20-39, compared to 51% in all Publishing and 44% of all UK industry. This may reflect the growth of this sector over the last decade where recruitment of a younger workforce has supported employment and skill needs, particularly where younger recruits have a better understanding of the potential of digital technology in growing market share.

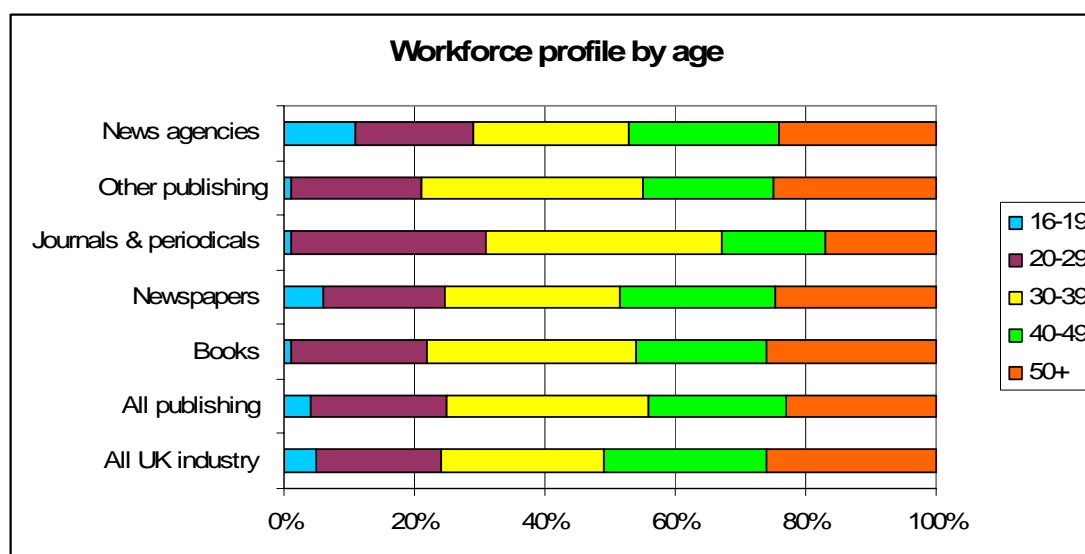


Figure 6: Workforce profile by age¹²

The representation of those working in Publishing from minority ethnic groups does not vary widely from the national average across the UK. However, 48% of the workforce is located in London and the South East. These regions have a higher proportion of the population from minority ethnic groups, for example, 27% of the population in London across all industry. In London publishing has 12% of the workforce from minority ethnic groups: much lower than one would expect.¹³ There is wide recognition across the industry that diversity within the workforce is a major issue that needs to be addressed. In addition, levels of equality of opportunity to enter the industry, particularly in relation to different socio-economic groups, are recognised, as the Publishing workforce is perceived to be dominated by entrants from middle to upper class. While there is no official data to support this, anecdotal

¹² Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

¹³ Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

evidence suggests that informal recruitment practices and unpaid work experience, combined with higher living costs in London and the South East and low starting salaries, lead to a higher proportion of new entrants from better-off families who are able to provide financial support.

The proportion of the workforce who considers themselves as having some form of long term illness or disability which affects the type of job that they do is 11% in Publishing. This is slightly lower than 13% across the UK, but may be explained by the slightly lower age of the workforce.

The workforce is more highly qualified than that of the UK as a whole: 45% of those working in Publishing are qualified to degree level or above, compared to 30% of all employed across the UK. There are differences within the sectors: the highest qualified workforces are book publishing with 62% holding a degree, followed by journals and periodicals and news agencies, both with 50% holding a degree. Some of the more specialist academic book and journal publishers might also require a postgraduate degree. The newspaper industry has the lowest level of qualification with 32% of the workforce having a degree or equivalent. This reflects the historical apprenticeship or vocational progression routes into print journalism and also the lower level of qualifications required by commercial and sales teams, but the workforce is still more highly qualified than that for the UK as a whole.

Who does the Publishing industry need?

The industry needs to attract applicants from a diverse range of minority ethnic, social and age groups to fill skill gaps and shortages for new and existing staff. The industry needs to do this to better understand the range of domestic and international markets to ensure competitiveness in a global economy; to stimulate higher levels of creativity and technical innovation to deliver a better customer experience; and to broaden out the experience of its workforce to reflect the changing demands of the market. This involves opening out entry routes into the industry, targeting non-traditional sources of talent – from an institutional, geographic and educational perspective, changing recruitment practices and seeking talent from other sectors.

Publishing is a popular industry to work in, so new entrants must demonstrate they have the basics to get ahead: strong literacy and numeracy skills are essential, as is an informed interest and knowledge of the sector they are interested in. Creativity, flexibility and determination are valued, and work experience demonstrates commitment and insight into Publishing. Many of the sectors will expect a first degree, and in Newspapers, a vocational qualification in journalism is essential.

People in publishing need to understand their customers and their behaviour so they can respond with appropriate products and services. They need to be able to develop high quality, multi-platform content that can be used in many different ways, so they can maximise the opportunities to generate sales. The impact of the recession on the sector has been profound, with news of redundancies and restructuring occurring on a daily basis in some sectors. The pace of change means the existing workforce needs to be flexible and able to adapt to the evolving requirements of the industry and the ability to understand market drivers and changes is critical.

Maintaining existing standards in commissioning, editing and generating high quality content is important, so traditional 'craft' skills remain essential. Increasingly, as workflows, internal processes and job roles blur and merge, people with strong project management and team working skills are being used to work across departments. There is an urgent need to develop a better skilled advertising and media sales force to maximise opportunities and profits as revenues reduce and move to non-traditional competitors online.

Business leaders and managers need innovation and entrepreneurial ability to adapt, survive and develop new markets and business models. They need to focus on managing and leading their teams through the rapid pace of change, to survive the recession and build a solid foundation for growth going forward. The pressures faced by small to medium sized businesses on training and development are acute: they are often seen as an unaffordable luxury when day-to-day survival is paramount. There is a continuing role for freelancers and sole traders, for whom having the latest skills for multi-media and converging technologies will be critical to making a living. However, there are many challenges around funding and access to training.

Looking to the future, employers and the workforce will need to maintain the flexibility to evolve and manage the fast pace of change. High quality, traditional 'craft' skills, new digital and technical capability and enhanced business skills will be required along with a creative and innovative approach. This will be core to surviving and thriving as the industry emerges from recession.

What are the main skill issues and training needs?

Publishing has undergone radical change due to the impact of digital technology on consumers and their reading preferences. Customers now demand quality content in many different media. This has led to a change in workflow processes, rights management, supply chain and distribution, marketing and sales, production and some aspects of editorial. However, the core 'craft', 'creative' or 'technical' skills remain as important as ever in generating good content, for example, good writing or design skills, but now applied to digital and online products.

The pace of change and impact of digital technology has also exposed existing skill gaps. Many have not been addressed for some time and are now critical. Understanding how to use these skills to harness the opportunities that multi-media and multi-platform content can bring – both in the UK and internationally – is critical to commercial success. There are particular opportunities – and threats – that the industry needs to address:

- Strong sales skills to sell disaggregated content across new formats and to non-traditional markets, advertisers and content providers.
- Tracking and understanding markets to respond to the rapid pace of change.
- Understanding the impact on intellectual property rights. In an industry where the published and copyrighted written word lies behind much creative activity, effective rights management provide access and control to digital products in an ever more complex environment.
- Managing the organisation to adapt to working across technical platforms and digital products, whether a small independent company or a large multi-national.

Training needs

There is an increased emphasis on general business skills such as communication and team working, as structural changes take place, and employees need to work collaboratively across departments. There is also an emerging tension between senior staff who have knowledge, experience and business know-how, and junior staff who have a good understanding of the digital opportunities. Existing staff and those who have been made redundant will need to be re-trained to be able to respond to the market changes.

Strong project management skills across digital and print formats are now essential for dealing with work handled internally or outsourced to freelancers and overseas suppliers. This places additional emphasis on customer handling, management and general IT user skills. The reliance on creativity to respond to customer demands requires higher levels of innovation and problem solving. This is especially true in sales, marketing and product development, where identifying opportunities and responding in a way to benefit the business is key, in both domestic and international markets.

There are differing skill gaps in the various occupational groups. The occupational area that has the highest level of any kind of vacancies is Sales and customer service (38%). These roles dominate hard-to-fill vacancies (67%) and skill shortage vacancies (72%). Strong core sales skills are required for sectors reliant on advertising revenues, but this is an area that has high turnover of staff and lack of career progression. This has led to a lack of individual interest and business support in developing skills, something particularly identified by the newspaper industry. There are plenty of generic sales training courses and vocational qualifications, but the regional and local news industry has identified an urgent need for an updated and contextualised sales training solution, which may also need to address basic literacy and numeracy skill gaps, for new and existing staff. Some media owners have invested in developing their own sales training programme due to the lack of adequate existing provision. In certain occupations specific technical skills are now required, for example, journalism, where audio, video and editing supplement the traditional skills of interviewing, reporting and shorthand.

High staff turnover is a particular problem for small to medium sized businesses. This affects the book industry in particular as well as smaller employers based in the

developed nations and English regions. Recruiting suitably skilled employees can be challenging, especially in IT administration and sales teams. Competition from other sectors for technical staff is fierce, particularly for directory, database and journal publishers. The ability to use IT skills while understanding a business environment is increasingly important.

The level of skill gaps in the existing Publishing workforce in England is 12% - equivalent to 12,000 employees with any kind of skill gap. 17% of industry reported that skill gaps had a major impact on the business operation and 62% reported them as having a minor impact on operations, with increased workloads accounting for 60% of the results of skill gaps, and 32% identifying a delay in developing new products and services.¹⁴ In a time of substantial changes to the market and a recognised lack of skills in new technologies, this presents a real challenge for employers. This suggests a need to focus on workforce development to address these skill gaps, as well as looking at skill supply and the quality of new entrants.

The highest proportion of skill gaps are found within Professional (28%) and Sales and customer service roles (25%). However, this may underestimate the skill needs in the sector as these figures do not include freelancers or the self-employed, particularly those who provide editorial services such as copyediting and proofreading or journalists. Freelancers are subject to the same skill gaps, but face additional difficulties with training and development due to access, time and cost constraints.

It is estimated that 20% of all Publishing companies have recruitment vacancies, with 6% reporting hard to fill vacancies and 5% reporting skill shortage vacancies.¹⁵ Employers are finding it harder to recruit due to competition from other creative media industries such as computer games, and in particular, journal and periodicals employers are more likely to have all types of vacancies. This makes it a very competitive environment for attracting high quality entrants, and the industry will need to promote itself as an attractive career choice.

¹⁴ Ness (2006) National Employers Skills Survey 2005. The Learning and Skills Council in partnership with the Department for Education and Skills and the Sector Skills Development Agency London. For England only.

¹⁵ National Employers Skills Survey 2005

The problems recruiting enough people who are adequately qualified, skilled or experienced by employers across the English regions varies. The East Midlands has the highest level of all vacancies at 25%, followed by the North West at 24% and London at 22%. The lowest level of vacancies is in the North East with 9%.¹⁶ This may reflect the density of employers in London and the South East, but suggests that other English regions lose out to the scale of opportunity elsewhere.

Delivery methods

Most companies consulted provide on the job or in-house training, with supplementary external training for staff. Where skill gaps exist, employers respond with mainly internal training for staff or by expanding trainee programmes. Larger companies provide in-house training by peers or professional trainers and additionally outsource to external training organisations. Many companies rely on informal training through internal mentoring, conferences, trade bodies, networking and reading literature. Smaller companies have greater difficulty in responding to skill gaps due to the costs of training involved, the amount of time away from the office and the burden on existing staff to cover while training takes place. Ultimately, this is reliant on the self-motivation of existing staff to overcome gaps, and places the emphasis on addressing the gaps through new recruits rather than training for existing staff.

The recent Skillset report on training and education supply for publishing identified an estimated minimum of 33 private training providers with industry-specific courses.¹⁷ The majority of these providers are based in England, predominantly in the South East. They cover a range of functions and occupations (excluding generic training providers for IT, HR and finance courses). Further and higher education institutions do also offer some short courses aimed for industry. However, this is not widespread and the course provision is rarely considered to be more relevant than that of the private training suppliers.

The supply of private training provision is generally considered to be good for traditional skills and adequate for emerging skills. A number of trade bodies and

¹⁶ National Employers Skills Survey 2005

¹⁷ Skillset's Publishing Supply Side report into training and education provision for the industry (November 2008)

associations provide specific courses for addressing skills gaps, but reported take up of courses is variable. This may reflect the reliance on informal, internal training by peers, and the use of new recruits to build knowledge of new digital techniques. However, as many companies report recruitment freezes and training budget cuts, this may result in the skill gaps increasing due to lack of development for existing staff, and the lack of new staff joining to supplement the existing skills in the organisation.

There is a reported lack of training provision outside London and the South East where the majority of courses are run. This is particularly pronounced in Wales, Northern Ireland and Scotland, where there are a majority of small businesses for whom the financial and time costs associated with attending training in England are prohibitive as they are often higher.

Accreditation of training

For certain occupations, employers value the existing accreditation programmes that are in place as they flag up potential staff with the recognised, current and appropriate skills. In particular, the accreditation programme for newspaper journalists from the National Council for the Training of Journalists (NCTJ) identifies industry-recognised pre-entry vocational courses run in universities, colleges and private training providers across the UK; the Periodicals Training Council accredits under- and post-graduate pre-entry courses for magazine journalism; the Society for Editors and Proofreaders (SfEP) runs an accreditation programme for proofreaders, available to both in-house staff and freelancers; and the Society of Indexers (Sol) runs a similar programme leading to Accredited Indexer status. These programmes are delivered across FE, HE and in some cases, through in-company training or by private training suppliers around the UK, and are available to new entrants and existing staff.

Careers information and guidance

With the reliance on new entrants to fill skill gaps, clear and accessible careers information and guidance is needed to inform aspiring entrants of the realities of

working in the different sectors in publishing, and the new, technical skills the industry needs. An incidental effect of unfilled vacancies is the decreased ability to train existing staff while they are covering for unfilled posts. This is a particular problem in Northern Ireland and Wales.

Some employers upgrade or promote existing staff and then recruit at a lower level due to problems recruiting more experienced people, which in turn places increased pressure on new entrants to plug skill gaps. Larger companies will often increase new recruit training programmes so they can adapt to taking on staff without all the required skills.

As the pace of change accelerates, and the number of opportunities reduces due to cut backs, this gap is likely to grow. Careers information will need to clearly outline and regularly review the new and traditional skills required and provide a realistic expectation for existing and new staff. In order to diversify the industry, clear, consistent careers information needs to be provided to all communities in the UK.

The relationship between industry and education

Which such a highly qualified workforce, higher education provides a substantial entry route into the industry and so the relationship between industry and further and higher education providers has an important role in delivering new entrants with the right skills. One particular challenge in working with HE is that many publishers state they prefer new entrants to have a good first degree in a traditional academic discipline. They can then either take a vocational course to develop the right skills, build knowledge of the industry via work experience or receive on the job training.

Of the estimated 283 courses available in Higher Education that are directly relevant to the industry, there are estimated to be:

- 20 at Foundation degree level
- 171 undergraduate (predominantly BA Hons and some BSc)

- 92 postgraduate masters, diplomas or certificates

The majority are related to journalism or publishing studies, but there are a few industry-specific courses in illustration, design or production techniques such as book-binding, although the numbers are very small.

With certain occupations, a vocational qualification would be a preferred – if not essential – pre-entry qualification, for example, journalism. For general publishing, employers do not generally look specifically for publishing qualifications, but prefer a good first degree and key skills, for example, design, management, sales or subject-specific knowledge. They expect to supplement this by providing company-specific on the job training. However, there is acknowledgement from employers that publishing studies courses on a CV can help applicants stand out. The institutions that run the courses report high employment rates for graduates due to their industry links and placements.

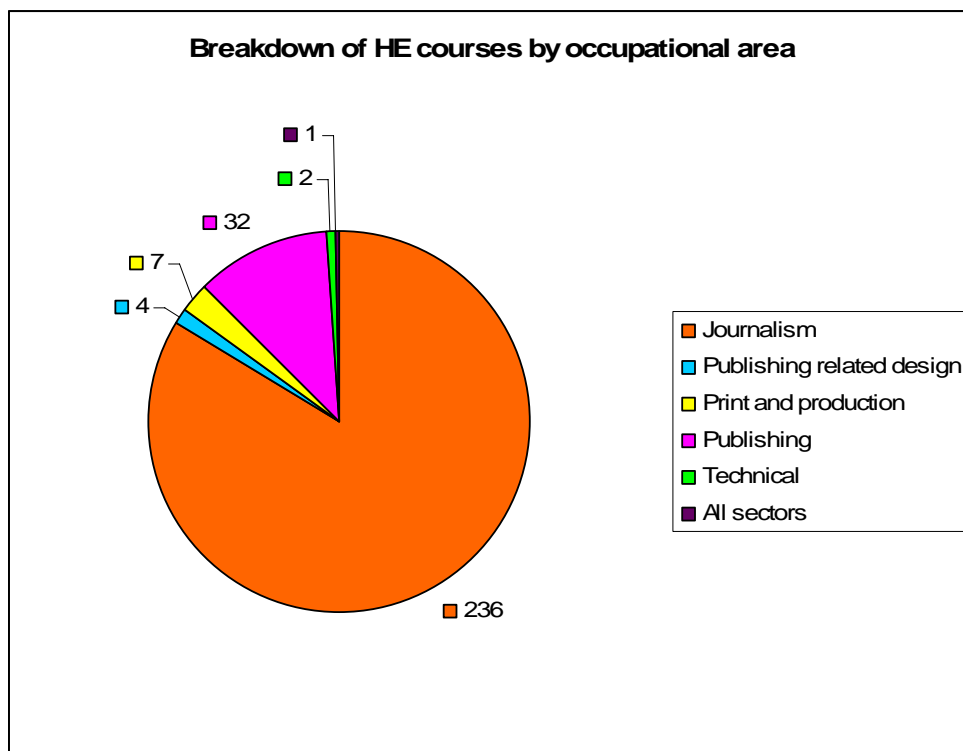


Figure 7: Breakdown of HE courses by occupational area¹⁸

Publishing Studies courses tend to be at postgraduate level and cover magazine, book or journal publishing. It is interesting to note that total student numbers for general publishing courses have been in decline: from 1,500 students in 2005 to 2006, falling to 965 students in 2007 to 2008. This may reinforce the view that publishing is not perceived to be as appealing – or well paid – a career prospect as other creative media industries. Smaller companies struggle to attract high calibre recruits as they cannot provide career progression due to their size and structure. This is a particular issue for employers in Wales, where there are no publishing studies courses, and is compounded by the accompanying need for Welsh language skills.

Journalism remains a popular occupation for the newspaper and periodicals industries and student numbers on journalism courses have been steadily increasing: from 8,395 total students in 2005 to 2006 increasing to 9,220 in 2007 to 2008.¹⁹ There are a large number of vocational, under- and postgraduate courses available as single or combined honours in further and higher education. A search on UCAS for all journalism courses generates 761 results (NB. the results illustrated in figure 7 do not include all variations of combined honours courses). As a result, the industry recognised accreditation programmes run by the NCTJ and the Periodicals Training Council are a primary tool for employers to identify graduates with the right skills and provide an indication for the student of which courses will prepare them best for working in the industry.²⁰

If the estimated number of vacancies across the whole of publishing – approximately 4,000 in England – is taken into account, there is clearly a large discrepancy between the numbers of students taking industry-specific courses in relation to the number of vacancies in the industry.²¹ This gap will only increase in light of the impact of the recession and the number of redundancies.

¹⁸ Based on data from Skillset's Skills Needs Analysis for Publishing (2008)

¹⁹ HESA (2006-2008) Students and Qualifiers Data Tables, Subject of Study (hesa.ac.uk)

²⁰ There are currently 72 courses accredited at 42 – predominantly FE/HE – centres across the UK by the NCTJ and 14 mainly HE courses accredited by the Periodicals Training Council.

²¹ National Employers Skills Survey 2005

It is estimated that the cause of skill shortages includes a low number of applicants with the right skills (27%), a lack of people interested in the role (24%), a lack of appropriate work experience expected by the company (22%), and a lack of appropriate qualifications that the company would expect (22%). Particular skills that are lacking include oral communication (53%), technical and practical skills (44%), written communication (41%) and customer handling skills (40%).²² The low status of sales as a career leads to a lack of high calibre applicants in some sectors.

In addition, employers complain of inappropriate applications from candidates with little understanding of publishing. This presents an interesting challenge for further and higher education providers, where graduates are not perceived as having basic business or more industry-relevant skills expected. It also indicates a need to better promote and inform potential candidates about publishing. Industry values work experience very highly, but there are a range of related issues around access to the industry and the number of opportunities for such placements.

Several companies have built links with universities as a way of managing skills and recruitment shortages. This may involve course development, placements and work experience. In some areas, companies accredit courses formally and informally to ensure they deliver the skills that their businesses need, which also increases the chance of successful job placements.

A recurring issue raised across all sectors is the level of literacy among new entrants. In an industry where excellence in the written word is critical to editorial quality and commercial success, this is considered to be an increasing problem for maintaining competitive advantage. Some employers have accepted lower levels of literacy in graduate entrants and now provide in-house grammar courses as refreshers.

When considering other occupational areas, there are many general design courses available, although coverage of online design in the syllabus is considered insufficient and inconsistent. The whole industry is clear that media studies, while providing a general introduction to some areas of publishing, does not prepare

²² National Employers Skills Survey 2005

students for working in the industry and employers would actively discourage students from undertaking a media studies course if they plan to enter the industry.

There are a number of pre-entry qualifications for the industry including level 3 qualifications in Multimedia and Journalism; Arts, Media and Publishing; a number of pre-entry pathway Certificates in Journalism; and Media Studies – Press and Magazines in Scotland. There is a level 4 Professional Web Publishing qualification and a smaller number of other post-entry qualifications for the industry. These include an HND in Practical Journalism at level 3/4, a Diploma in Media Techniques at level 3, and at level 4 there are National Certificates of Education for Reporters, Photographers and Photo-Journalists, and Sub-Editors at level 4; and a NVQ in Newspaper Writing.

The existing National Occupational Standards (NOS) for book publishing and multimedia and print journalism provide a description of what staff need to do to be able to perform their job effectively. Work will be undertaken to develop these further to reflect the changing skill needs of the industry, and to represent the different sectors and occupations.

There is recognition across industry of the need to raise the profile of all sectors in publishing earlier on in the education system, to increase the number of better informed candidates, and make it clear what the progression routes through further and higher education are to enter into the industry. In some sectors, companies have outreach programmes: academic journal publishers provide advocacy of publishing as a career for postgraduate candidates in the relevant discipline; companies in some regions and nations work with schools, colleges and universities to increase awareness of publishing through talks and visits.

The future

As the publishing industry recovers and adapts to the seismic changes in digital content and delivery, as well as the severe declines in advertising revenues and general impact on sales accelerated by the recession, there are clear priorities for the short and long term for the skills of the workforce. Many sectors will have smaller

workforces delivering more content, with mergers and acquisitions accompanying business closures. However, there will be great opportunities to create compelling content to engage customers and to take advantage of new technologies and delivery platforms to educate and entertain the public. To meet these challenges, companies will need to ensure their staff work smarter, multi-tasking, merging functions and project managing in non-traditional ways across the business. There should be a targeted focus on management, leadership and business support for the sector. Existing staff will need to acquire new digital skills and knowledge and develop a closer understanding of the market. A clear definition of the new skills that complement the core, craft skills will be required, and this will need to be monitored and updated. The importance of the craft skills will remain high. Investment in training and developing existing staff will be a priority. A better awareness of the industry, its size, shape and the skills required is needed amongst new entrants, as well as a clear understanding of the qualifications industry rates. Continued work is required to build awareness of the skills required and – where appropriate – relevant content with FE and HE.

In summer 2009, after widespread industry consultation, Skillset has published a Skills Strategy for Publishing. This provides an overview of the issues for the industry and outlines recommendations for supporting the sector and its workforce for the next three years. An action plan has been developed for the next 12 months that considers industry skill requirements for both new entrants and existing staff. The following areas have been identified as a focus:

- inform aspiring entrants of the realities of the industry and skills required and improve entry routes into the industry through careers information and guidance
- improve relevance of higher and further education and bridge the gap between education and employment
- improve and develop skills for the workforce in a digital context
- improve and develop marketing, advertising and media sales skills for the workforce
- work to identify leadership, management and business support to benefit the industry, in particular for small businesses

Summary of action plan

- work with partners to develop and deliver a careers information plan to provide realistic updated information and guidance, for the existing workforce and potential new entrants from a more diverse talent pool
- develop material on the Skillset website to circulate and promote via Skillset's careers network and other industry partners.
- share industry feedback on skills gaps with the relevant accreditation bodies and explore endorsement of programmes
- develop an action plan for closer collaborative partnerships between education providers and industry for publishing studies
- work with a range of partners to identify and develop skills for the existing workforce in a digital context
- complete development of National Occupational Standards for converged journalism
- develop an action plan for marketing and sales skills for industry
- complete development of National Occupational Standards for media advertising sales and explore the potential for developing a vocational qualification