

Viewpoint

West Midlands Sector Skills Agreement workshop outcomes



Business & workforce development

This is a 'work in progress' document. The solutions listed throughout these pages were suggested by delegates at the Horizon workshop in Birmingham and will contribute to the Sector Skills Agreement for the West Midlands.

1. Information Technology

THE ISSUE:

Information technology could be more effectively used to improve productivity.

Almost all regional companies use IT daily. But more training is needed to ensure IT is used effectively. IT training tailored to sector needs could improve performance and cost efficiencies. How can people be helped to get the most out of IT?

SOLUTIONS FROM THE GROUP:

- Help employers to understand the benefits of IT – productivity.
- Collaboration between firms and shared services.
- Revise the IT skills levels of adults.
- Bridge gap in understanding between providers and business – communicate sector business needs to providers.
- Establish common sector IT skills requirements.

2. Enterprise

THE ISSUE:

The sector aspires to be entrepreneurial but needs to develop these new skills.

The majority of employers see this as important. Many are even asking for training. People at all levels in our sector from craft to management need to understand with the skills it takes to be a good entrepreneur.

TOP SOLUTIONS (IN ORDER OF IMPORTANCE):

- Develop training in entrepreneurial skills and integrate this into existing provision.
- Develop and communicate appropriate funding to assist employers.

OTHER SOLUTIONS FROM THE GROUP:

- Develop management training skills within firms and pass on.
- Influence people at young age – Yr 9?
- Identify and utilise role models.
- Review support structure for business support.
- Mentoring.

3. Benchmarking

THE ISSUE:

Lack of formalised benchmarking makes the sector blind to competition.

The majority of companies choose not to access formal benchmarking systems that are available, though many use informal techniques. Does benchmarking need to be more formalised through management and supervisor training? Or are there other solutions?

SOLUTIONS FROM THE GROUP:

- Clarify: what is benchmarking? Help firms to understand.
- Develop industry business links – share experiences and knowledge between firms.
- Make it attractive to do benchmarking – link to profit.
- Case studies on companies who have done it.
- Professional bodies and trade association to help disseminate information.
- Face to face communication with employers on how to benchmark.

4. Rivalry

THE ISSUE:

Companies need to think more positively about partnering because competition isn't always good.

Skills shortages lead to rivalry and poaching to secure trained staff. Rivalry extends to extreme competitive tendering. Extended contracts and partnering arrangements are becoming more common in the public sector, encouraging cooperation rather than competition.

TOP SOLUTION:

- Improve staff knowledge/expertise within ODPM in order to help/advise firms more effectively.

SOLUTIONS FROM THE GROUP:

- Sharing skills/loaning workforce (difficult for smaller firms).
- Smaller firms linking up – there are benefits, need to demonstrate them.
- Look outside of sector for best practice e.g. NEC/airport.
- Wish – massive social change – more building services engineers in region.

5. Bargaining Power

THE ISSUE:

Clients and companies must see bargaining power as something beyond price.

Price and company reputation are seen by a majority of employers as the major bargaining factors. Supply chain management is recognised by only 9% of regional companies as a bargaining element. Would more efficiency be achieved through training in supply chain management techniques? And what else?

TOP SOLUTION:

- Case studies on the why/what/how of bargaining power and benefits – learn.

SOLUTIONS FROM THE GROUP:

- Educate employers on the power of negotiation.
- Partnership – learn from others.
- Industry voice – perception change – one focus.

6. Research

THE ISSUE:

Too few industry members conduct research to share commercial knowledge.

Only 20% of regional companies do any kind of research and development (R&D) of their own. Companies know of little R&D conducted by trade associations and professional institutions, including higher education institutions. Who should be doing and sharing more? Knowledge is power.

SOLUTIONS FROM THE GROUP:

- Need to make it digestible for businesses.
- R&D means different things to different people. Clarify, make it sharp and relevant and specifically targeted to business needs.

7. Retirement

THE ISSUE:

Too few employers plan to replace staff before they retire or leave.

Only 10% of regional firms actually plan to replace staff retiring with key skills. And changes in the population profile (e.g. fewer younger people) may affect traditional recruitment streams.

SOLUTIONS FROM THE GROUP:

- See retirement as an opportunity.
- Recognise higher level quals within sector so that the sector is re-positioned.
- Firms need not just tech skills – soft and business skills.
- Work with others on softer skills – look for public sector to help.
- Employers to recognise need for management skills to help with planning.

8. Skills requirements

THE ISSUE:

Skills requirements are changing more than the industry realises.

This applies to existing workers. Finding qualified craft operatives is increasingly difficult. Employers require greater awareness of changing skills needs to meet technological changes.

TOP SOLUTIONS (IN ORDER OF IMPORTANCE):

- Employers clear on what want and advise providers.
- Better response from providers to changes/technology.

OTHER SOLUTIONS FROM THE GROUP:

- Help employers to be aware of technological changes and changes in legislation – so that they train accordingly.
- How? Professional bodies should/can advertise.
- Link professional bodies and other partners to drive forwards.
- A new organisation? Or give role to an existing one, responsible for new technology information.
- Engage HE & providers to access new entrants.
- Link to manufacturers.

External influences

1. Globalisation

THE ISSUE:

Globalisation presents new opportunities and potential threats.

More than 3 out of 4 regional employers don't think the market will be affected by foreign competition. Foreign competition is unfamiliar currently but Europe and Asia are potential threats. Open tendering is an opportunity for foreign traders to access the West Midlands market.

TOP SOLUTIONS (IN ORDER OF VOTES):

- Best UK workforce – need to train.
- More free rein for providers in course delivery tailored to employer needs.
- = Invest in specialist knowledge – employers.
- = Uniform legislation across Europe.
- = Regulated structure that we all adhere to.

OTHER SOLUTIONS FROM THE GROUP:

- Understand the market.
- Training of workforce to meet demands.
- Government – put money where mouth is – action not words.
- Level playing field from UK and overseas workers.
- UK becomes as regulated as France/Germany? Or less in France and Germany.
- Licence to practice.

2. Technology/Environment

THE ISSUE:

The sector is not aiming far enough ahead in new and environmental technology.

Most recognise this as a major issue but have no plan to address it. Employers' environmental skills tend to be driven by legislation; the sector reacts to change rather than plans for it. Technology is changing faster and planning future skills well ahead will become more important.

TOP SOLUTIONS (IN ORDER OF VOTES):

- Approved installers programme.
- TV show – how green is your house – your responsibility – take an interest/pride in your house and the environment.

OTHER SOLUTIONS FROM THE GROUP:

- Manufacturers become installers
 - have good, helpful attitude
 - structured installations programme, filters down the system.
- Awareness raising to create demand
 - good for you, environment – best price.

3. Government

THE ISSUE:

Government regulation is placing burden on the sector that needs more support.

Legislation and building regulations are seen to have increased business costs and red tape. The skills card regime is felt to be implemented piecemeal and insufficiently inspected. The good guys feel penalised. What can skills and training do to help?

TOP SOLUTIONS (IN ORDER OF VOTES):

- Government officers to be more knowledgeable.

OTHER SOLUTIONS FROM THE GROUP:

- One recognised skills card "passport" to be created and then publicised to consumers.
- Tighter regulation/policing.
- Inspection regime.
- Clear, timely, information on legislation from government.
- Study past schemes for success/failure and cost implications – learn from the past.

New entrants

1. Basic Skills

THE ISSUE:

Lack of basic skills are a rising issue for our sector.

Almost half of the region's employers are alarmed at low level literacy and numeracy, as well as poor attitudinal skills of new entrants. Young people with lack of basic skills are attracted to this sector, and their basic skills will be more stretched in the future by IT demands. How must the SSA address this?

TOP SOLUTIONS (IN ORDER OF VOTES):

- Raising profile – separate from construction industry – demonstrate earning potential.
- Change perception of career progression.
- Open minded, hands on approach from all partners.

OTHER SOLUTIONS FROM THE GROUP:

- Employer liaison – work placements for students and teachers.
- Providers to supply taster courses, support mechanisms and correct guidance.
- Change funding regime.
- Post A-level apprenticeships.

2. Diversity

THE ISSUE:

While overt anti-diversity comments are fewer these days, the sector is still not diverse enough.

Almost 1 in 4 regional firms employ no women outside administrative roles and very few when they do. Women are interested in joining the sector later in life. Almost half of regional businesses employ people from ethnic minority groups. Where do training and skills feature in this issue?

SOLUTIONS FROM THE GROUP:

- Employer engagement in local community.
- Providers to supply careers advice, mentoring, market to females.
- Flexible funding to allow non traditional groups to train.
- Highlight – “name and shame” discrimination.
- Positive regional role models – media.
- Profile diverse groups in careers advice.
- Build diverse workforce requirement into contract/tender.
- Clients & public sector to be pioneers – lead by example.

3. Migrant Workers

THE ISSUE:

Migrant workers are a hot news topic but the sector shows minimal impact in the West Midlands... yet!

Only 1 in 5 regional firms claim to employ migrant workers. Retirement and people leaving the sector will need more migrant workers to replace them. Skills training needs to be planned to accommodate this near future trend. English for Speakers of Other Languages is among many skills that will be required...

SOLUTIONS FROM THE GROUP:

- Need to understand the level of qualification that migrant workers have.
- Identify those migrant workers with higher skills and utilise.
- Provide employers/industry with guidelines on assessment of migrant workers.
- There can be benefits gained from those more highly skilled.
- Need to monitor numbers closely – changing fast.

4. Employer requirements vs Government funding

THE ISSUE:

Employers see Level 3 qualification as the minimum standard for a fully trained craft operative.

Nearly all employers need their craft workforce trained to Level 3 but see Learning & Skills Council funding driven by Level 2 targets, and Government funding policy for Level 3 as disadvantaging older apprentices (19+) whom employers find attractive. Almost half see training to technician level (HNC) as needed. Regionally there are concerns at the quality of training provision.

TOP SOLUTIONS (IN ORDER OF VOTES):

- Training provision - eject what is not fit for purpose.
- Employers to recruit and train more.

OTHER SOLUTIONS FROM THE GROUP:

- Training providers – treat employers, not the LSC, as customers.
- Provision of work experience placements.
- Investigate specifics from T2G work – how this can help employers' needs.

These 'quick win' and 'long haul' solutions are also the views and suggestions of the delegates at the Horizon workshop in Birmingham.

TOP QUICKWIN SOLUTIONS FOR THE SSA – Easy to do, but important

(suggestions have been grouped into similar topics for ease of viewing/assessment)

FUNDING AND PROVISION

- Streamline training & funding – establish and enforce simple and streamlined systems.
- Make courses easier to access.
- Give a clear employer led view on what training providers should deliver and the means of delivery (without it colleges will have no reason to change).

MANUFACTURERS

- Get manufacturers and all trade and professional bodies to embrace “approved installers programme”.

EMPLOYER INVOLVEMENT

- Encourage employers to recruit young people into the sector.
- Get employers to buy-in to new technology now.

GOVERNMENT

- Get the ODPM to be realistic and start to properly promote the requirements of the industry and customers.
- Local authority/government approved contractor list to include only companies who have proven track records.

NEW ENTRANTS

- Basic skills – educate (school 14 – 16 year olds) that this sector is a good career and not an afterthought when basic skills are not achieved.
- Industry needs to improve image to encourage new entrants.

INDUSTRY ROLE MODELS/BEST PRACTICE

- Promote the benefits of training to employers – celebrate success, name and shame poor practice.
- Promoting the message that employers are getting their act together on skills.

TOP LONG HAUL SOLUTIONS FOR THE SSA – Difficult, far off, but important

(suggestions have been grouped into similar topics for ease of viewing/assessment)

INFLUENCING

- Have a major influence on education and training policy.
- Influence government funding to meet employer needs.

PROVISION

- Provision changes – some things dropped – some things improved.
- Industry skills to be delivered in 14 – 16 age group before starting training.
- Better informed providers of training with the correct pay for the job.

TECHNOLOGY

- Flexibility in education to encompass new technology innovation and the future.
- Technology – Training courses for new technology – Keeping employers up to date making customers aware of change.
- Seek funding for environmental technology training (photovoltaic, wind etc). Will be desperately needed in 7 years +.

EMPLOYER/INDUSTRY ENGAGEMENT

- Identify 20% employers who will work together with stakeholders and make it better.
- Continue to lobby and encourage participants.
- Raise the profile of opportunities within the sector to make it aspirational to young people. Address the low basic skills issue.

PROGRESSION

- Support the industry and its progression routes to become exemplary so they attract the best employees.

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