

Skills Taskforce Interim Report – a new approach?

Skills policy is one of those areas where there has traditionally not been a lot of difference between the political parties in the approaches they take. All agree that skills are important, all agree that the UK has some catching up to do and all agree that the skills system needs to be structured to meet the needs of employers.

Yet despite this consensus, progress in this area seems painfully slow. The same issues are endlessly discussed and debated – the need for employer responsive training provision, vocational qualifications that are fit for purpose, the quest for high value apprenticeships and the failure of the education system to produce job ready young people – these are the recurring themes that think tanks and committees regularly ponder.

So when the Labour Party's Skills Taskforce calls for a "new approach to skills" one might expect a radical departure from the thinking that has dominated the debate over the past fifteen years. The interim report "Talent Matters – why England needs a new approach to skills" contains a lot of sensible analysis and positive proposals, but it is difficult not to imagine a broadly similar report being produced by the other two parties. The six "key problems" the report identifies have been around for years and been wrestled with by both Labour and Coalition governments with limited degrees of success.

The report explains that a new approach is needed because "skills policy has in practice often been created in isolation from industrial policy with too few connections between education and the labour market". This sentence perfectly articulates the thinking that underpins almost all current debate about skills and also explains why any policy based on this thinking is bound to fail.

The received wisdom, adopted by all parties and policy makers, is that the way to improve people's skills is to educate and train them. This education and training is delivered by the "skills system", so, in order to improve skills, we need to reform the skills system. A lively and seemingly endless debate can then ensue on how best to do this – this debate focuses on the perceived shortcomings of the learning supply side, the architecture of qualifications and frameworks, the level and nature of public funding and the need to improve the attitude and basic capability of young learners.

But what the current approach to skills policy almost completely overlooks is the role played by the workplace in the development and sustaining of the skills of the people who work there. What then needs to be asked is how well employers are aware of these responsibilities and how well they are meeting them.

To understand what these responsibilities involve it is useful to unpick one of the received wisdom's great mantras, that the skills system must be "demand led"; i.e. deliver what employers need. An inordinate of time and money is devoted to articulating and interpreting employer demand, but when it comes down to it the answer to the perennial question "what do employers want" is, quite simply, "people doing their jobs well".

The next question to ask is "how do we achieve this?" The traditional answer has been

- If there are skills gaps and shortages, people need training
- Quality assured providers deliver training
- Industry designed qualifications ensure the training is relevant to the learner's job
- Training happens
- Skills improve

If skills do not improve then clearly there is something wrong with the training. Or the training and qualifications are not relevant to the employer's needs. Or the learner is simply not up to it. Or the government has not provided the financial support necessary to incentivise employers. Any attempt to improve the skills system must therefore focus on these key issues.

But in reality of course this is not what happens. To staff a workplace with people doing their jobs well a good employer will:

- Recruit effectively
- Provide the training and development to enable them to do their job well
- Lead, manage and support their employees on an ongoing basis

An approach to skills development that relies simply on buying training, no matter how relevant and high quality that training might be, will never get to the root of the UK skills problem. Nor is it simply a question of helping employers become effective procurers of training – while a lot of specialist learning, particularly underpinning knowledge, will need to be bought in from outside, in two key areas it is the workplaces themselves which deliver the majority of skills development.

The first of these are specific workplace skills. It is a myth that employers don't train – they show their staff how to do things all the time, usually by getting the learners' colleagues to train them. And this workplace training is often far more effective and of better value than that which could have been procured externally.

The Chair of the Road Haulage Association, not exactly a socialist organisation, observed recently that the best example of getting jobless people into haulage jobs happened on a scheme when the employers took responsibility for the training. And the HR manager of a leading multinational renewable energy company told me firmly. "We don't want our

engineering graduates swanning off to do postgraduate courses in renewable energy technology – we are quite capable of teaching them that. All we ask for is engineers who can think and learn....”

The second and more important area is that of workplace culture. When it comes to people doing their jobs well, behaviour and attitude are, in a large number of jobs, far more important than the technical skills. In the service sector they are pretty well the only skills that matter and even in the more traditional trades they are often the difference between doing a good job and a bad one.

And by far the biggest influence on the attitude and behaviour of the employee is the culture of their workplace and the attitude and behaviour of their managers and colleagues. This is so painfully obvious yet still the knee jerk reaction is to talk about finding some training to solve the problem. Young people who aren't work ready? We need some good quality employability training. Grumpy, rude bus drivers? They need some customer service training. There may of course be a role for some training in some circumstances, but this can never be a “solution” despite being marketed as such. (In fact it is this marketing of training as a “solution” by providers eager to push their products and governments eager to push up the qualification count which is a major factor in the failure of the skills system to deliver what's expected of it.)

This brings us back to the third element of getting people to do their jobs well – the ongoing provision of good quality leadership and management. This will involve identifying what skills need to be improved, how they will be improved and then ensuring that the resulting improvement is sustained. These are all management responsibilities that cannot be ducked, or contracted out to providers of training, however good they might be. And in many cases the necessary skills development will happen without any formal intervention at all – simple practice, or a supportive, coaching management style is often enough. In such an environment training and development are an integral part of effective line management, not a substitute for it.

The Labour Party report highlights as one of its six key problems “low levels of employer involvement in the skills system.” Again, the language used is indicative of the approach that is being taken – it is essential to involve employers in the skills system, so that the system is better able to develop the skills that industry needs and close the skills gaps that have plagued us for too long. In other words the market is not functioning properly – the employers (the demand side) and the skills system (the supply side) need to be more closely aligned.

This has been the approach since at least 1997 and it has failed. And it has failed for one simple reason – **an inability to recognise that employers are part of the skills system, not**

simply customers of it. It is absolutely pointless to look at how well three elements of the skills system are meeting their responsibilities – the learning supply (training provision, qualifications and frameworks), the learners and the government (including its agencies and the UKCES/SSCs) – without looking at the fourth, the employers.

Because all parties are desperate to demonstrate how business friendly they are there has been a reluctance to question or critically examine the messages received from organisations purporting to articulate employer issues – trade associations, sector skills councils and bodies such as the CBI and FSB. And many of these messages surface again in the Labour Party report – FE Colleges aren't delivering what employers want, young people aren't prepared for work, staff are not fully proficient, apprenticeships aren't good enough.

What no-one seems to ask is what the employers themselves are doing to address these issues. An example is a recent bid to the Employer Ownership of Skills fund from the logistics sector which was designed to address the barriers that stop young people joining that industry. These barriers were identified as being a) young people are not aware of the industry and the career progression opportunities within it and b) young people were not sufficiently job ready to be attractive to logistics employers. What was needed therefore was a funded traineeship which gave people a basic grounding in the industry and improved their employability skills.

This all seems perfectly sensible until you realise that the greatest barrier to recruiting young people into the logistics industry is that many transport and distribution companies have very little idea about how to recruit and develop young people. While organisations like the Post Office have been doing this for years and other blue chip logistics companies do not find this a problem, the average SME has traditionally recruited people in their thirties, quite often out of the armed forces.

Government funding would be really useful to support these employers to change the way they recruit and develop staff. But instead yet more public money will end up in the bank accounts of training providers and the ever present skills bureaucracy with only a marginal impact on the questions this money was meant to answer.

Employers have a huge role to play in developing skills. It is not anti business to say that a significant number are not performing that role as well as they could. It helps no-one to ignore the implications of these shortcomings and the failure to address them. It is hugely wasteful to channel an endless stream of public funds into initiatives and organisations that, in many cases, have a vested interest in perpetuating the current malaise. It really is time for a fresh approach.

Employers who recruit effectively, who procure training with the same rigour with which they procure plant, buildings and equipment and who have high standards of leadership and management rarely suffer skills gaps. Any new skills policy which hopes to have a lasting impact has to recognise this self evident truth, and have support for employers to do better as an essential component.

This support needs to be all about helping organisations to be better run, to make the most of their people and to adopt progressive, enlightened workplace cultures and values. Reform the other parts of the skills system by all means, but an effective skills policy must have at its core the promotion of high performance working if it is to have any chance of succeeding.

The “Talent Matters” report says that a new approach is needed because skills policy has always been separate from industrial policy. Treating employers as part of the skills system, helping them to meet their responsibilities to develop skills, and providing the necessary support to enable organisations to be well run – these are the key elements of a truly integrated industrial and skills policy.

Michael Woodgate

14 June 2013

michael@michaelwoodgate.co.uk