

BQ^{live}

THE VOICE FOR BUSINESS DEBATE

THE BUSINESS OF TRAINING

in association with



Debate question: **What key issues do employers, training and recruitment providers face in ensuring our region continues to develop a skilled workforce, able to compete nationally and globally?**

Flaws in training that urgently need to be addressed were highlighted and examined in detail when 14 leaders from the North East's business and training sectors gathered for BQ's second Live Debate.

Training issues included:

- Unfilled vacancies, despite unemployment levels, which implies a lack of skills tuition in some areas.
- Training for its own sake in a bid to keep unemployment figures down.

Employers' issues:

- The need to provide sustainable jobs.
- The need to consider present and future employment needs in a changing economy.
- More apprentices in many firms.

Issues on both sides:

- The need for a greater interface between business and education for a better understanding of one another's issues.

And among parents:

- The need to restore family guidance for young people towards career choices.

From the public sector:

- The need to offer suitable local firms more consideration in public procurement.

The training maze

Geoff Ford observed that at Ford Component Manufacturing in South Tyneside, despite talk of streamlining training access, a plethora of providers still presents the private sector with a complicated and incoherent picture.

Bill McGawley, at TDR Group in Gateshead, thinks the picture is complex at best, fractured and fuzzy at worst. Employers, he said, want easy access to learning and training aligned to business needs, with quality learning and no sticking plaster solutions.

Andrea Parlett said Working Links, which has put 130,000 people into work since 2000, is alarmed. Research by the Sunderland firm suggests evidence of training for training's sake, Government sponsored, with 58,000 claimants of Job Seekers Allowance while 6,500 vacancies remain unfilled.

"There are too many people lacking the skills required. We need to work with businesses to bridge that gap," she said.

Also from Working Links, Graham McAlpine finds employability skills are elusive on

The participants:

Nick James, Skills Development Director, LSC North East

Stewart Watkins, MD, County Durham Development Company

Darren Jobling, Director of Business Development, Eutechnyx

Andrea Parlett, Regional Manager, Working Links

Brian Manning, Chief Executive, Esh Group

Geoff Ford, Chairman, Ford Component Manufacturing

Bill McGawley, Executive Vice Chairman, TDR Group

Jeff Dean, Director of Corporate Services, Gateshead Council

Phil Handley, Managing Director, Articulated Trucks, Caterpillar

Howard Forrest, Executive Director, North East Employer Coalition

Sarah Robson, Head of Economic Regeneration, Durham County Council

Graham McAlpine, Working Links

Sally Fraser, Working Links

Susan McDonnell, Director of Employability Programmes, People Solutions Associates

Chairing the debate, held at Bistro 21 in Durham, with the support of Working Links, was Caroline Theobald, MD, Bridge Club Ltd

Teesside. "How to find the right person for the right job, to get sustainable employment, and co-ordinate activity through one point? There's a need for a clear pathway for the provision of employable people," he said.

Howard Forrest said the North East Employer Coalition opens up job opportunities where they exist, but it is concerned about the employability skills of school and university leavers.

Darren Jobling told of a university computer course which was launched, only to be proven to be inappropriate to company workings.

Academic fervour isn't enough; there must be work placement, the Eutechnyx boss suggested.

TDR training firm's provision, under Bill McGawley, ranges from mentoring two Brownie packs in South Shields to training engineers in every nuclear power station in the country. He said business needs employable raw material, and people who can be trained to provide leadership.

"Too many people in key positions now make a success of whingeing about how bad things are, rather than giving the leadership



necessary to improve things," he said. Sally Fraser, from Working Links, sees the need for clearer understanding about business requirements.

Jeff Dean detailed the North East Apprenticeship Company, the Gateshead Council venture with Gateshead College to provide the region with suitable starters. Its mission, he said, is to benefit employers and young people alike through apprenticeships. Nick James, of LSC North East, said the LSC is willing to address some points on an individual employer basis.

Employers' role

Susan McDonnell, of People Solutions Associates in Peterlee, has 24 years' experience of work in telecoms, including 17 spent training entrants. Covering East Durham, the region's most depressed area, she can promote expertise, but how to get sustainability in any individual's resulting job? How can longevity be promoted to keep expertise in the area? "There's an urgent need to retain good, qualified people and ensure they have opportunities in East Durham," she said. Forrest said: "Without a job at the end of training, you don't have motivation." Brian Manning, of Esh Group, wonders if training is really aligned to company needs, or is it an industry making sticking plasters? A traineeship should last at least two years, so that people get some idea of what they're coming into, and companies can train from there. Ford said that, while industry is concerned about ageing workforces, many firms prefer adult apprentices; they understand the need to

get to work on time, and they contribute to the company sooner. Parlett said this shows the need to teach pre-apprenticeship skills. One speaker said a business leader might not know how to fill in the forms training administrators love, but they know how to lead.

Changing jobs market

Stewart Watkins, whose earliest working experience in Co. Durham included tackling Consett's steel closure, said business must ask itself if it will talk its problems over directly with the relevant people in the education sector. "Will you pick up the baton? If the training issue is put on the table, will you fund and help to organise the outcome?" He referred to the emerging printable electronics sector at Sedgefield, which is expected to become part of a \$250bn global industry. Should training for this be put into schools and higher education now, or should the opportunities be allowed to go instead to Japan, Korea and the USA? Wind turbines offer little business in the region right now, but who, he asked, will train the skilled workforce needed in future if the industry is to become important here? He pointed also to media influence on career choices, such as TV's CSI Miami, which prompted a surge of forensic science students who now find there aren't enough jobs for them. Sarah Robson, head of regeneration at Durham County Council, feels different levels of support are needed in the market place. One speaker said that even many people involved in careers don't know what some jobs are any more, and one of the highest paid jobs

on offer recently was for a blogger. They don't understand, because the jobs don't exist widely yet, so better to concentrate on broad skills and employability. Jobling said, however, that many jobs carry an unnecessary mystique. "In our business, software engineers are really just engineers," he explained. "We employ engineers." At Teesside University, which produces good job candidates, Microsoft had regularly visited from the Home Counties, sweeping up the best. When Eutechnyx moved in too, the university received a complaint from Microsoft. But he added: "I don't know if the requisite atmosphere is here yet, but the region does need more entrepreneurs. There's nothing to stop the next Google coming from the North East." Pointing out that Eutechnyx now has two operations in China and a business development office in the United States, Jobling further suggested that the North East doesn't aim high enough with its training. "Too many resources are spent on labour weaknesses, and not enough to take on existing strengths." "For example, the computer games industry is now bigger than the Hollywood film industry's box office, and computer games are big business in our region." His advice is to aim high in inculcating skills. It doesn't matter to his firm's customers in Asia and the USA whether their product comes from the North East. They just want product. "Young people often have low aspirations. They aren't aware a Gateshead business is contributing to an industry bigger than Hollywood. They need to be made aware that they can become part of a world-leading performance. We've won national awards for our training provision – it's part of what we do. We don't steal staff; we train, but we can't get enough suitable entrants."

Advising young people

McGawley regrets that many parents are disengaged in their attitude to their children's careers. The tendency is to leave it to schools. It's essential for the providers of pre-entry training to interface with employers, too. "We must get through to education the concept of a satisfying career," he argued. "And family back-up is essential, too." >>

Society has changed. Most people now live more than five miles away from their workplace, so local schools don't relate as much. Leadership is needed to bring the component parts of a community's employment back together. In higher education, he went on, too many people come out over-calibrated, only to face unemployment. Another speaker felt it was unbelievable how many people in education are so removed from "the real world". McDonnell thinks the need for sound career advice for 15-year-olds underlines the value of employers going into schools. Family influence is vital, too.

Manning believes Ofsted's contribution is limited to box-ticking and concern for "employability" (that word again!). Esh Group goes into schools, arranges site visits and provides work placements. It has recently given placements to nine young people and taken on eight of them, despite the sector's work famine. "On day one, I wouldn't have given them 2p. But they're proving themselves," he said. Phil Handley said Caterpillar went into two

Essentials in a trainee

Bill McGawley, recently made OBE for services to business and skills training in the North East, suggests individuals should decide for themselves what employability is.

But besides three essentials usually quoted – numeracy, literacy and keenness - he told BQ of up to 14 other qualities that are pertinent:

- Inquisitiveness
- Flexibility
- Discipline
- Articulateness
- Being onside
- Self-starting
- Being a team player
- Being a skilled communicator
- A high work ethic
- High expectation
- Customer awareness
- Reliability
- Being honest and trustworthy
- Being developable



schools on its doorstep to explain the skills and qualifications needed to be an engineer in the firm. Youngsters were also taken on shop floor tours, and he knew of many other businesses working with schools in a similar way.

Financing jobs

Manning, whose construction and civil engineering firm employs 1,000, said industries like his can train on the job very well, but they need a workload sufficient to ensure there is work for their trainees. So by keeping more business within the region, "real" jobs will result.

Emphasis should be on the work that offers people "real" jobs, rather than putting people into training to keep unemployment figures down.

Handley said that 2009 was brutal for Caterpillar's production of construction vehicles, with business down 86%. So it may have to look to a jobless recovery for some time.

"We must make money to recover that lost business. Training, I'm afraid, will be on the back burner. But we do have 23 apprentices and I long for the day we can bring on more. At some point, we'll need a regional pool of people to draw from."

Ford also expects a demand-led revival for skills and apprentices as the economy improves. But it requires certainty in demand. His company has had to cut its workforce by 22% because of recession, but it is still training apprentices.

The contribution of the public sector was questioned, with a call for North East authorities to use local businesses more. A

university survey shows that for every £1 invested in Esh Group, the economy benefited by £2.38. "Yet no county council will give us work," Manning said. Watkins said this is still up for discussion in Durham.

Jobling believes established firms are often just taken for granted at contract time. One estimate says South Tyneside Council spends only about 22% of its purchase within the region. Watkins and Robson said that, while there are EU stipulations about keeping procurement open, Durham Council is looking at all possibilities with sympathy.

Another speaker suggested that rule makers should be able to find ways round conditions, while Manning said many local firms aren't considered for procurement because they're not Tier 1 listed, despite being competent to do the work. Another speaker suggested that, all other things being equal, public sector contracts should go to the bidder with the best apprenticeship record.

McGawley asked what percentage of employees in the public sector are apprentices. A 0.7% figure is quoted. In Gateshead, there are 140 apprentices because that council is fostering the practice. Durham Council is said to be introducing more.

James described the public sector's low ratio as bizarre, given the numbers employed, but said this is being addressed.

Financial lures to inward investors were questioned. It's suggested that Britain might benefit if more money were paid to established firms that showed good training records and worthwhile jobs. Jobling said if Eutechnyx had expanded into predominantly

French areas of Canada, 37% of salaries would have been state paid. Instead, it had gone into the United States and China and was treated well, but received no incentives, nor had looked for them. "We had our own plan and went offshore."

He thinks people with the necessary authority and qualifications should go into companies and reward effective on-the-job training. James said Business Link North East did this. He added that trainers must sometimes plan for future occupational demand where employers don't. He cited turbine building for wind energy.

Going forward

McDonnell said People Solutions Associates would work towards training people to contribute to progress. McAlpine said Working Links proposed one-to-one discussions to satisfy employer needs.

McGawley said the valuable debate had reaffirmed for him the fact that more investment is needed to create more businesses and solve problems. "Employability - a glib word, but a vital asset - is essential," he said. Jobling feels that, although support systems are better than 20 years ago, more must be done via schools and universities.

Dean said a bigger economy with a bigger demand for trainees was vital, and further investment would help. He wants employers to advocate training.

Parlett said Working Links can broker relations and there is funding for higher level employees in small and medium-size businesses. Welfare to Work, which Working Links has long supported, will work closely with the Department of Work and Pensions to encourage individuals back to paid jobs from allowances and benefits.

Forrest said that the North East Employer Coalition acknowledges young people are suffering, and it will challenge Government. Learning and Skills, James said, refutes the idea that little can be done to improve job prospects. It recognises a need for real jobs and more real work, and urges employers to step up their trainee needs.

The participants at the debate said they planned to stay in touch, and Watkins concluded the debate had been good - "like two rounds with Tyson". ■

Andrea Parlett, Regional Manager of Working Links, says of the BQ Live debate findings:



The BQ Live event was a fantastic opportunity for businesses across the region to discuss their recruitment and workforce development challenges together.

The debate gave valuable insight into understanding how the region can emerge from the current recession successfully to compete at local, national and global levels.

Gaining that understanding of what businesses need is important to Working Links so that we can develop responsive, high quality services to enable our customers to compete effectively for employment opportunities.

Across the region we have seen significant increases of people out of work which has hit our young people hardest and it is encouraging to see both central and local government commitment with initiatives such as the Future Jobs Fund and the soon to be launched North East Apprenticeship Company.

As the largest provider of Welfare to Work Services, we have supported almost 130,000 people into work since 2000, and we will continue to support our customers to develop the skills that businesses need as they move into employment.

A common issue that faces small and large companies alike is the plethora of agencies contacting employers on a regular basis with regard to their recruitment and development needs. This is why Working Links has committed to working in partnership across the region with Jobcentre Plus, Learning and Skills Council, Local Authorities and other service providers to create local employer forums.

These forums provide a single point of contact to remove duplication and to raise awareness of the support available to business through Local Employment Partnerships, Train to Gain and Apprenticeships.

We will continue to work with businesses at a local, regional and national level to develop sector specific recruitment and skills development solutions to ensure the right person for the right job so that we continue to change lives and create futures.

The BQ Live Event has highlighted the challenges and issues faced by the business community and their recommendations and suggestions will be crucial for informing and shaping our future service delivery.

For further information about Working Links, see www.workinglinks.co.uk or call 0800 917 9262

The Apprenticeship Company

The North East Apprenticeship Company is a not-for-profit partnership between Gateshead Council and Gateshead College to provide opportunities for 16 to 18-year-olds. It aims to:

- **Grow 1,360 more apprenticeships in the region over three years.**
- **Score 85% success.**
- **Engage new employers.**

- **Raise SME participation.**
- **Raise participation by 16 to 18-year-olds.**
- **Achieve 50% progression into sustainable jobs.**

It is working to raise the profile of apprenticeships through employer networks, brokers and agencies, training providers, relevant initiatives in the region, schools, young people, parents and Connexions.