



**GROWTH THROUGH PEOPLE**

---

# → The UK economy is on the mend

After one of the most challenging recessions in living memory we are now seeing growth and increasing employment. But the recovery is still fragile and long-standing challenges remain.

We know that skills are integral to employment prospects, pay and wellbeing, to business competitiveness and to the economy at large. In 2013 the value of employed human capital was estimated at £17.61 trillion - two and half times the value of 'hard' assets such as buildings, vehicles and machinery .

Our ambition is for a sustained recovery for the long term driven by the skills and talents of people – growth through people. As a UK-wide partnership that includes large and small businesses, trade unions, colleges, universities and the third sector, we understand the challenge and the importance of collaborative leadership.

A strategy for people-centric growth is a simple equation of how many people are in work and how productive they are, but deep-rooted skills and employment challenges are getting in the way. We have identified three, using the metaphor of rungs on the career 'ladder':

1. For young people, securing that first foothold into a good career is a lot harder than it used to be as opportunities to combine work and study decline.
2. For those in work, there is a risk of getting stuck in low quality and low productive jobs, without opportunities to gain new skills, earn more, and progress.
3. Persistent skills shortages are hampering growth and competitiveness, at the same time as the talents and skills of significant portions of the workforce are underused.

---

## Employers should lead on skills and government should enable them



- We need a new level of leadership from employers to take responsibility for competitiveness and growth.
- Employers, working with each other and with their employees and trade unions, should raise the bar on skills in sectors, regions and supply chains. Collaboration is vital to building the skills we need for competitiveness.
- Governments should commit to supporting employer leadership on skills, individually and in partnerships, as a central part of long-term growth plans and a way of aligning public and private resources.

## Improving workplace productivity should be recognised as the key route to increasing pay and prosperity



- Up to 90% of the current workforce will still be in work in the next decade. To tackle the productivity deficit for the economy as a whole, there must be a much greater focus on job design, technology and progression for those in work.
- Equipping people with the right skills and giving them the best opportunities to use them will lead to better paid jobs.
- This means better leadership and management of people and organisations, increased employee engagement and more transparency about the value of people to business success.

## 'Earning and learning' should be the gold standard in vocational education



- We need a step change in attitude and uptake of quality vocational routes into good jobs. High quality apprenticeships should be a normal career pathway for many more young people, and a normal way for businesses to recruit and develop their talent pipeline.
- Employers, working collaboratively, should have the lead role in designing apprenticeships to ensure they have value in the labour market. The public contribution should be channelled via employers to stimulate greater employer uptake.
- In England, long-term stability in vocational education and training is essential for employers to have the confidence to engage.

---

## Education and employers should be better connected to prepare people for work



- To create new pathways into work we need to start much earlier. All schools should have links with local businesses and use those links to inform and inspire young people about the breadth of career opportunities available.
- Further education colleges should be supported to work with employers to deliver higher level technical and professional education to meet the UK's technical skills gaps.
- Closer collaboration between employers, colleges and universities is essential to ensure there are seamless opportunities to work and learn over the course of longer working careers.

## Success should be measured by a wider set of outcomes not just educational attainment



- The success of our skills system should be based on more than just qualifications. The publicly funded skills system should reward outcomes such as employment, pay, and progression as well as educational attainment.
- Colleges need to work strategically with businesses, and be accountable to local businesses, communities and learners - not upwards to central government funding agencies.
- Reliable labour market intelligence should be used widely to support better decision making by individuals, employers, and skills and employment providers.

---

### For more information:

[www.gov.uk/ukces](http://www.gov.uk/ukces)

 [info@ukces.org.uk](mailto:info@ukces.org.uk)

 [@ukces](https://twitter.com/ukces)

**UKCES**  
UK COMMISSION FOR  
EMPLOYMENT AND SKILLS