

LSDA responds

**LSC draft
workforce development
strategy to 2005**

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This paper sets out LSDA's response to the consultation on the Learning and Skills Council Draft Workforce Development Strategy to 2005, published in May 2002. The original document can be found at www.lsc.gov.uk/newsdocs/LSC-WDF.PDF

Introduction

- 1 The Learning and Skills Development Agency (LSDA) welcomes the attention that the government and the Learning and Skills Council (LSC) are giving to workforce development. The LSC's consultation on this important issue is timely. We particularly welcome the emphasis on the need to coordinate the efforts of the many interested players in this arena. The Performance and Innovation Unit (PIU, Cabinet Office) report, *In demand: adult skills in the 21st century*,¹ notes the complexity and inter-relationship of the factors underpinning workforce development, which necessitates the implementation of a range of initiatives. Unless these activities are orchestrated, there is a danger that there will be duplication and overlap without synergy.
- 2 Our response therefore sets out some general comments about workforce development in the context of the LSC draft strategy, reflecting on recent papers from the PIU¹ and the Treasury,² as well as commenting on the specific questions asked in the consultation.

Key issues for consideration

Synergy between supply and demand

- 3 There is a need for a range of initiatives which address both the demand and the supply sides. Previous policy on skills formation has been highly supply-side focused,³ for example through:
 - new programmes, such as Modern Apprenticeships
 - the development of ICT approaches, such as Ufi
 - measures to solve residual long-term unemployment, such as New Deal
 - legislation to change the infrastructure and management of the supply side, in the Learning and Skills Act.
- 4 While stimulating demand is clearly of great importance, the extent to which supply influences demand should also be considered. Appropriate and attractive learning opportunities, which are affordable and easily accessible, could be a major factor in stimulating the demand for learning. Indeed, planners and policy-makers should capitalise on the dynamic relationship of supply and demand together as a force for securing an appropriate supply of skills underpinned by effective workforce development.
- 5 Currently, the supply side is responsive, but this tends to be to the needs of individuals and is a reactive, rather than a proactive, response. A shift of emphasis is required in order to meet the contemporary needs of the economy, employers and the workforce. This will require the development of products, services and solutions for business, as well as courses, seminars and learning, all informed by business objectives. This is a shift from an inventory-driven approach, where what is on offer largely depends on what has always been provided, or minor amendments to the current offer.

- 6 If, as the PIU observes, workforce development is a 'derived demand',⁴ the strategy must start from the perspective of business solutions (for employers) and access to life chances (for employees). Currently, the strategy does not segment the various parts of the workforce. Unless the varying needs – for example of small / large companies, low / high skills workers, different occupational sectors – are anticipated, there is a danger that a 'one size fits all' approach will result, which does not target activity to specific needs.
- 7 We understand the LSC's concern to stimulate employer demand for training, and welcome the Employer Training Pilots as a movement towards a more interventionist strategy to secure involvement. The messages that emerge from the pilots should influence subsequent decisions about the resources, curriculum and qualifications on offer to support workforce development.

A shared definition

- 8 A clear and shared definition of workforce development is an essential prerequisite to a workforce development strategy. The PIU report¹ locates workforce development between the narrow concept of training and the broader focus of education, but notes that it is firmly located in business need. It also notes that it is part of, but not the same as, lifelong learning, encompasses both formal and informal learning, and focuses on those in or near the workforce.
- 9 The Treasury notes that:²
Improved achievement by young people will, in the long term, improve the skill levels of the UK workforce, but if the productivity gap is to be closed, there needs to be a step change in the skills of the existing workforce...
- 10 We find the Treasury and PIU definitions helpful, in that they distinguish workforce development as one element of lifelong learning, specifically related to the needs of the economy and employers, and progression of individuals in work. It is essential to establish a shared understanding about what is within and beyond the scope of workforce development. Without this, workforce development runs the risk of being everything and nothing. Given that all learners funded through the LSC are part of the potential workforce, a workforce development strategy which does not recognise the boundaries of its remit is in danger of attempting to encompass all provision.
- 11 The strategy also needs to distinguish workforce development for adults from the initial training and development of young people which provides the foundation for workforce skills. Interventions and developments within the supply side have up until now concentrated on provision for young people and new entrants to the labour market. The draft strategy still reflects this emphasis on the 'pre-service' developments (ie 16–19 and Modern Apprenticeships), rather than 'in-service' support for the existing workforce. This approach does not take account of the conclusion drawn by the Treasury, which notes that improvements in school and 16–19 education and training will only create a gradual change in the stock of skilled UK workers, and that around 80% of those in the current workforce will still be there in 2010.
- 12 Activities to support workforce development should therefore be distinct from those aiming to widen participation in learning generally, and from measures aiming to improve attainment during the 'pre-service' phase for young people. Workforce development is also not the same as work-based learning, although this may be one of the methods used. These related issues are clearly important, but their agendas and needs are different, and are already being addressed by other policy initiatives.

Question 1

If we can achieve the structural changes set out in this strategy, will we be in a position to raise the skill levels of the adult workforce and deliver sustainable economic success? What factors will prevent us implementing these structural changes?

- 13 While the draft strategy proposes many interesting and some innovative approaches, there needs to be a clearer articulation of the primary outcomes being pursued. Greater clarity in the policy objectives is needed so that the success of each of the initiatives can be fairly judged. In particular, there is a danger of confusing the different, but related, policy objectives of:
- improving the skills of the current workforce
 - widening participation by reaching adults at their place of work.
- 14 The commentary which follows relates to aspects of each of the major structural changes suggested in the consultation paper.

Creating a demand-led system

Demonstrating that learning pays

- 15 The document suggests (in paragraph 23) that a task for the LSC would be to 'raise [the] rate of return [for transferable skills] above current levels'. We would urge caution about the capacity of the LSC to achieve such an ambition. Rates of return are determined by the actions of employers in the labour market and it is difficult to see how the LSC might affect these. In addition, outcomes will not be apparent for at least a decade.
- 16 Although there is only limited evidence in the UK of the contribution of training to the success of individual firms, the PIU is firmly of the opinion that there is a direct benefit to business from workforce development. This view is supported by the employers and employees consulted through LSDA research,⁵ who appear to be gaining greater awareness of the benefits of developing the workforce.
- 17 Demonstrating that learning is a valuable experience will require a perceivable match between what the formal education and training system provides and what employers believe they need. Individuals may well be further influenced by the poor view employers have of what is on offer, which contributes to low participation rates.
- 18 The reluctance of employers to pay for generic skills is well documented. Their view that these should be provided by pre-16 education is part of the problem in securing a settlement on who should pay for the different stages of education and training. There may be merit in securing a settlement about what general skills and knowledge should be paid for by the public purse, and what should be the responsibility of the employer or the individual to fund.
- 19 There is lack of clarity about where the primary responsibility for paying for vocational education and training is located. Strong and conflicting opinions are held about whether this should rest with individuals, employers or the state. A cultural shift is required which secures consensus about the apportionment of the responsibility for paying for different types of learning, and the belief that developing the workforce is in all our interests, and therefore merits investment.
- 20 While improvements in the school system will make an impact on new entrants to the workforce in the next decade, we welcome proposals to develop better basic skills and training up to Level 2 for low-skilled workers. Given that the members of the workforce who are to benefit from this approach are currently in a job role, we would suggest that there is likely to be a greater degree of perception of mutual benefits by employers and their staff if this training has some resonance with their current occupation.
- 21 While the link between learning and performance is accepted, the link between training and performance is less certain. There is frequently a lack of clarity in defining training needs, and subsequently an inexact match with learning opportunities that increase employees' effectiveness. Better mutual understanding could be enormously beneficial in bridging this gap and increasing the relationship between training and the bottom line.

Employer engagement through Investors in People (IiP)

- 22 The strategy recognises the success of IiP in encouraging employers to take stock of their valuable human resources. There have been some inroads recently in promoting the value of IiP to small businesses. While there are undoubtedly high unit costs associated with marketing and delivering IiP, our research and that of others notes the vital need for personal contact and relationship marketing to win the support of small and medium-sized enterprises (SMEs) for investment in training.⁶
- 23 The strategy implies that resources are being switched from maintaining personal contact and support to promote and develop IiP, to establishing IiP Beacon status. Given that IiP is already a respected kitemark, the added value from IiP Beacons may be limited. There are already many competing demands on employers' and employees' time, and a further layer of responsibility through Beacon status may not be sustainable. A better return on investment may result from the continuation of the personal support for marketing and delivering IiP to more companies, especially SMEs.

Promotional activity

- 24 We welcome the proposals for a concerted effort to raise awareness of the benefits of workforce development. This strategy should also involve preparing the supply side to deliver the promises within the LSC strategy. It will largely be the providers who will be at the front line of enquiries, and they will need to be supported and actively involved in the development and evaluation of the strategies.

Improving information, advice and guidance (IAG)

- 25 The area of adult IAG has been long neglected, and we applaud efforts to develop this further, and the proposals to build upon the highly successful Learndirect service and union learning representatives. We also welcome the development of learning advisers to reach people in SMEs. There will clearly be a need for training and development of people in this role. Our research has explored this issue in some detail.⁵

Removing barriers and creating incentives

- 26 We welcome the government's proposals for providing financial incentives to train. These are radical proposals, and our previous and recent research into stimulating the take-up of training by small companies supports the need for such an approach.⁵ We would, however, caution that the primary focus of these proposals should be the development of business solutions. The supply side will need to ensure that they play their part in this. The LSC needs to consider how its policies can circumvent an inventory-driven approach, which simply re-packages existing provision.

Improving supply and capacity

More flexible fees and funding

- 27 We do not share the LSC's interpretation of the PIU's proposals about the funding regime for workforce development as being either user-led or based on fee discounts and subsidies. We suggest that the PIU was more concerned with flexibility and fitness-for-purpose of funding systems than with the statement (in paragraph 68) that 'LSC should move either to a regime which puts cash in the hands of learners, or towards a full-cost fees regime in colleges with discounts defined against those full costs'. The funding regime for workforce development needs to enable providers to do different things, as well as to do things differently.
- 28 In the past, a major barrier to more responsive provision has been the emphasis on qualification outcomes and the achievement of whole qualifications as the main indicator of success. Taken together with the inflexibility of the current range of qualifications, this inevitably leads to an inventory-based approach. Colleges and other providers will react rationally to a policy which encourages them to draw down funding for qualifications, but this may lead to a mismatch between the funded provision which is available and the business needs of employers.

Resources for relationship marketing

- 29 Providers need to be involved in many other support activities to engage employers in learning. These include relationship marketing, awareness raising, providing information and general involvement in the everyday life of the business community. While some of this may be undertaken by agencies such as Business Link and the Small Business Service (SBS), there is also a need for more specialist support, such as specific identification of training needs, research and technical support to develop new products or new working practices.⁷
- 30 Some of this activity could be funded by including this cost in the price paid directly by employers for bespoke provision, but there needs to be access to a core of funding which will support the development of the service. The payback from the development of such relationships often results in 'lifelong users' of education and training – both specific to the needs of the company and more general. Investment in the support for this service may thus pay significant dividends.

Improving the quality of training and assessment

- 31 The LSC's strategy should consider how to develop a wider range of learning activities and methods suitable for workforce development. This may significantly involve what may be termed work-based learning, but there is a danger that this may be confused with the government-supported programmes also known as work-based learning or training. Work-based learning encompasses a range of contexts and methods for learning and cannot be substituted as a term for workforce development.
- 32 There are undoubtedly problems associated with lack of quality in government-supported work-based learning. LSDA's research in this area leads us to believe that there is a need to build the capacity of work-based providers and also to develop new ways of delivering learning in the workplace.⁸ This will require a substantial research and development programme.

Developing the framework

Better quality labour market information

- 33 The demand strategy is based on the premise that better information, plus loans or fee remission, or Individual Learning Accounts, underpinned by more responsive provision, will result in more demand for workforce development by individuals and employers.
- 34 We have emphasised the importance of addressing the needs of business, but this will only address immediate and perceived needs. The identification of new demands on the workforce is also important. This information needs to be used to help produce a system geared to adapting provision and developing new learning programmes.
- 35 Workforce development programmes need to ensure that upskilling programmes are based on a careful analysis of the skills of the individual and those required in the specific job role. There are many difficulties to be overcome, such as:
- achieving clarity in the description of the skills and knowledge required
 - accurately assessing the individual's current skills levels
 - effectively measuring motivation and aptitude
 - developing affordable customised provision to update skills rapidly.
- 36 The elements of best practice in responding to skill needs would include the ability to:
- identify and articulate the need and the match or mismatch with the individual's current skills and knowledge
 - design education and training appropriate to the identified needs – not necessarily through existing programmes – which rapidly update the skills to the levels required.

37 Unpredicted shifts in both quantitative and qualitative skills shortages are inevitable and likely to increase in the global market economy. It should be possible to manage the impact of these shifts by having in place a flexible and responsive vocational education and training (VET) system. A responsive system would need to remove inhibitors present in the current system and would require :

- regular and frequent information from employers about their skills gaps and shortages, gathered electronically and collated and disaggregated on local, sectoral and national bases
- a workforce already highly skilled and competent, able to learn new things quickly
- quality assurance and funding structures which enable training responses to be assembled quickly (where external accreditation for this learning is required, a unitised qualifications framework would also assist this process)
- changes in employers' attitudes to paying for training – such customised approaches would need to be jointly resourced by the state and the employer.

38 The LSC and providers need to plan ahead both strategically and operationally to :

- respond to market developments and new opportunities
- plan internal capacity to meet needs
- secure funding
- respond to local economic issues and priorities.

Qualifications as a proxy for skills development

39 The draft strategy appears to see the achievement of targets for increasing attainment, measured by increasing the numbers of adults with Level 3 qualifications, as a major goal. While we applaud the aspiration to develop the general skills of the workforce to this level, we would caution that the current range of qualifications may not be a suitable proxy for skills development. In the same paragraph (16) the LSC notes that the best strategy will be an employer-led one, with techniques to help 'expand employer demand, rapidly but cost-effectively, and deliver the supply to meet it, at lower unit cost to the state and with greater benefits to all'.

40 While it may generally be the case that SMEs in particular have a low propensity to train their staff to achieve national qualifications, or to pay for generic training, it is unwise to consider these companies as a homogeneous group. The draft strategy places great emphasis on targets relating to gaining qualifications. This may place undue attention on how formal learning from a prescribed inventory embodied within national qualifications can be made more flexible and attractive to people who are currently 'non-learners'.

41 This approach is one that has been tried for many years – predicated on a belief that the main barrier to involvement in lifelong learning is access. While this approach clearly will work for some people in some circumstances, a more radical approach may be to look again at what people do at work, especially those in small companies, and the potential for using this environment as a springboard to learning.

Measuring progress

Sharing accountability, measures and targets

- 42 We agree that the support and interventions of the substantial number of players who are providing support for workforce development and businesses should be integrated, and complementary rather than competitive. This is probably best done on a local basis, and will need to overcome some reluctance to share information, and develop knowledge of and respect for other key players.
- 43 Reaching a greater number of small companies will require the concerted efforts of a wide range of partners. The LSC should not forget the vital role that colleges are already playing in this, and that their active support should be sought.

Question 2

Is our main approach of engaging adults in learning via employers the right one?

- 44 We recognise that employers can be influential in promoting the take-up of learning by their workers. Employers may hold the key to increasing demand for learning in the workplace, for example through:⁹
- requiring or encouraging higher skills for employees
 - recognising and rewarding successful learning
 - enabling employees to deploy new skills and knowledge
 - reviewing workplace roles to deploy new skills and knowledge
 - providing material and financial support for continued vocational learning
 - developing experienced employees as trainers or mentors
 - capturing the benefits of informal training gained on the job
 - investing in technical innovations that rely on high levels of skills
 - working with unions, providers and Sector Skills Councils to define, review and assess occupational skills.
- 45 While, in the best of circumstances, employers' support, encouragement and recognition of skills are clearly important, employers' views of skills needs might be narrow. LSDA's work on stimulating demand also revealed:⁹
- the lack of clear signals from the labour market about the value of qualifications
 - inequality of access to workplace learning opportunities (beneficiaries of spend on workplace vocational education are largely the young, more highly skilled, workers in larger organisations)
 - the low value placed on vocational qualifications compared with academic success
 - the lack of embedded sense of 'occupational identity' as a source of self worth.
- 46 Policy on adult learning cannot rely exclusively on employers. Broader labour market and economic concerns, not to mention the differing career needs of individuals, will sometimes require provision delivered away from the workplace and funded accordingly. Nevertheless, the workplace as a point where people gather may provide opportunities to reach out to a wider range of non-learners and so stimulate their desire to take part in learning.
- 47 We suggest that this important priority sits alongside a complementary strategy which sees workforce development as a key component in securing business solutions. Starting from the needs of individuals is likely to have a weak relationship to business needs. Employers may wonder what is in it for them. A clear distinction between strategies which aim to engage adults in learning and workforce development may therefore be helpful.
- 48 Encouragement and incentives for low-skilled employees are vital; such employees are less likely to take up training – perhaps because of a rational decision that the benefit will not outweigh the cost. Trade unions can be influential in promoting confidence and changing cultural attitudes by:
- encouraging peer support for learning in the workplace
 - giving credibility to work-based learning initiatives

- working in partnership with providers and employers to reach non-traditional learners in the workplace
 - using lobbying and brokerage powers to enable learners to 'demand' learning¹⁰
 - promoting the enrichment of work content and technical and organisational innovation
 - working with employers to set and upgrade skills standards
 - monitoring the quality of training in the workplace.
- 49 We would also like to emphasise here the need to give attention to those members of the workforce for whom employers may not be the most effective avenue of engagement. These include employees who are not seen as 'priorities' (such as part-time and casual workers), self-employed and freelance workers, as well as the unemployed, early retired and 'older' workers.

Question 3

What steps can we take to effectively engage employers, particularly SMEs, that are so far disengaged?

- 50 Our research indicates that a great deal of informal learning takes place in small companies, but this is not codified or accredited.⁵ However, employers place a high value on such learning, which often results in their employees being better able to do their job. There is a need to value and improve the quality of informal learning – without distorting its nature.
- 51 The challenge for the supply side would be how to support such learning and ensure that there are strong bridges across to the formal system for those who want qualifications. Education and training for employment and learning at work are relatively well established. Learning *through* work – as a concept and reality – is less well formed. New learning models are required where learning *through* the job role or working environment brings about increased capacity. This would not necessarily reduce the need for vocational training or specific updating, but it would require an active learning culture and innovative ways of securing learning.
- 52 A targeted approach to raising defined skills levels, which employers would sign up to by virtue of their relationship to business needs, would perhaps be more successful in stimulating demand.
- 53 There are many examples of interesting practice and a plethora of initiatives to support workforce development. Few of these initiatives, however, have had a significant impact on the development of the workforce in SMEs. Given the increasing importance of SMEs to the economy, this balance needs to be redressed. However, the vast numbers of SMEs, the fluctuation in their start-up and failure rate, and their different stages of development suggest a need to set targets for a percentage of involvement by particular categories of SMEs.
- 54 Securing greater employer involvement in learning within small firms requires an emphasis on business support, rather than on learning in itself. Effective support will need far greater interaction between the various providers of support to ensure that information on needs is matched by the capacity of those responsible for delivering different types of support and business solutions.
- 55 The workplace provides an environment which has the potential to develop many different types of skill and knowledge. In many small businesses, employers and employees are learning from their everyday experiences, perhaps in informal ways. Providers of support should develop the capacity of people working in small businesses to learn informally in the workplace, and make links between informal and more formal learning.
- 56 Very small firms usually face different problems, requiring different solutions, from those faced by bigger companies. Many very small firms may not want or need to adopt more formal approaches to learning and workforce development. Further, they may not perceive that they have any business-related or human-resource-related, training needs. Workers in very small companies may not perceive tangible learning needs relating to their work role.

- 57 However, LSDA research has identified a number of small firms, with fewer than 20 employees, which had adopted formal systems and approaches to human resource development (HRD), in some cases within the framework of lIP. As with other aspects of support for SMEs, generalisations are not always helpful. If learning is only perceived to be about formal learning activities, the learning potential of everyday activities may be overlooked.
- Question 4**
- How best can we engage adults from groups often excluded from workforce development, for example those from some ethnic minority groups, those with physical or learning disabilities, older people, etc?*
- 58 Access to education and training opportunities at all levels is crucial if people from disadvantaged groups are to participate fairly and equally in the workplace. It will be important for the LSC and providers to ensure that access to employment and higher level training opportunities are not limited by a lack of understanding of the effects of discrimination and exclusion.
- 59 The LSC and providers should recognise that learners who have been disadvantaged, such as ethnic minority learners, may lack access to mainstream networks. The conventional channels of communication may not reach all ethnic minority communities. Consideration should be given to additional ways of conveying information about opportunities to these communities. Examples include the use of ethnic minority networks, media, consultations with ethnic minority groups, or careers fairs targeted at ethnic minority groups.
- 60 In addition to appropriate channels of communication, advertising and marketing materials should promote equality of opportunity by the inclusion of messages, both written (where appropriate including translations into community languages) and visual, to encourage participation by ethnic minorities.
- 61 Measures need to be taken to promote recruitment of non-traditional entrants by training providers responsible for sectors where ethnic minority groups have been traditionally under-represented, such as construction and engineering.¹¹ A 'mainly white' image and/or negative employment-related experiences of friends / family and peers can result in perceptions which themselves produce strong barriers to access. Proactive measures are needed by sector bodies and employers to stimulate interest in specific sectors by providing information about the full range of opportunities that are open to all people.
- 62 Arrangements should be made for monitoring participation and outcomes by ethnic origin in order to provide an analysis of type of study and level of NVQ among ethnic minority groups.
- 63 There are equally pressing issues to address with regard to the numbers of people in the workforce with disabilities and learning difficulties. People with disabilities are greatly under-represented in terms of their qualifications and access to employment. They are around eight times as likely as people without disabilities to be out of work and claiming benefits, twice as likely as people without disabilities to have no qualifications and only half as likely to be in employment as people without disabilities. With increasing age, there is a disproportionate incidence of inactivity.
- 64 Although great strides are being made in enabling such learners to gain access to vocational qualifications – particularly through the efforts of voluntary organisations, often working in multi-agency partnerships – there remains much to do to achieve parity with people without disabilities. Even so, some people with disabilities and learning difficulties make a significant contribution to the workforce. This needs to be valued and nurtured through access to appropriate training and development to enable them to reach their full potential. There are also issues related to remaining in employment and career progression, which need to be researched and addressed.

- 65 The Disability Discrimination Act 1995 is an essential part of any overall strategy, but in itself is insufficient to ensure that discrimination is eradicated and that an equal opportunity to gain, retain and progress within employment is achieved. The inclusion of education as Part 4 of the Act from September 2002 is welcome. The impact of this on individuals and their opportunities will need to be monitored.
- 66 It is also important to gather information on :
- the industrial sectors, or types of employer / employment, where employees are least likely to receive time off for study / college
 - the extent to which particular groups are over-represented among those in sectors / companies with low levels of day release or equivalent provision.
- 67 Marketing and promotional strategies should be designed to reach all people in work to inform them of learning entitlements. Promotional strategies should include specific measures to reach those sectors and types of employers where study time off and learning provision has been least prevalent. Proactive work with employers and training and other providers to promote good equal opportunity practice and challenge discrimination is required. We should also recognise that an increasing number of employers are from ethnic minorities. They could provide valuable role models in promoting equal opportunities.
- 68 The right for an employee to study on an approved, qualifications-based course, regardless of race or ethnic origin, gender or specific disability, should be stated in all promotional documents and agreements.
- 69 Providers and local LSCs play key roles in the delivery and improvement of training in the local labour markets. It is important that work-based learning providers should promote equality of opportunity. Work-based learning providers are ideally placed to encourage good practice in equal opportunities by employers, for example through providing guidance for employers on recruitment and work-placement practices to avoid unlawful discrimination.
- 70 In addition, we make the following recommendations.
- The LSC's contractual levers should be used to ensure that all service providers work to minimum equal opportunity standards and targets. For example, the LSC could adopt the principle that attainment against the main targets should not show undue variation by ethnic group – ethnic monitoring data should show the extent to which all groups are progressing towards the main targets.
 - Equality and diversity objectives and good practice requirements should be built into all existing and new standards, assessment and quality frameworks and inspection mechanisms.
 - Comprehensive monitoring should be carried out to identify comparative levels of participation, achievement and other outcomes from all programmes and initiatives.
 - Targets and appropriate measures should be set wherever there are identified gaps in participation achievement and outcomes and barriers to opportunity.
 - Ethnic minority and disability organisations, providers and specialists should be fully involved in delivering and managing the various routes to and sources of learning.
 - Good practice channels and networks should be established in all areas of provision and activity.
 - Advice and information about opportunities should be designed to reach all sections of the community.
 - Consultation with and genuine participation by people from all ethnic minority and disability groups should be proactively supported.

Question 5

How can we best develop and sustain effective delivery partnerships?

- 71 Developing the skills, knowledge and competencies of the workforce to support economic success requires sustained, collaborative efforts from a range of partners. Each key player in the strategy needs to understand their particular focus and contribution, while respecting the efforts of other players. The LSC is well placed to take a lead in this, but the recognition of this lead role by others will be crucial to the success of the overall strategy.
- 72 Theory on partnership working¹² suggests that, for any partnership to work well:
- reasons for partnering have to be clear and shared
 - rules and regulations regarding how the partners will work together have to be set and agreed
 - structures and procedures for daily operations have to be set up
 - skills, attitudes and behaviours that allow a partnership to succeed must be developed.
- 73 The LSC will need to consider carefully what types of partnerships should be developed and what each partner would contribute. Both longstanding and short-term arrangements will be required, and between different players. For example, the Herefordshire Group Training Association has demonstrated the importance of partnerships between employers, as well as between providers and employers.¹³
- 74 Just as companies make judgements about the value of long- and short-term relationships in the exchange of goods and services and the exchange of knowledge and skills, it is important for education and training organisations to consider the benefits and costs of such cooperation. It is equally as valid to assess the costs and benefits of partnerships concerned with the development of knowledge and skills as it is to evaluate those concerned with the exchange of any other service. Models drawn from business theory could provide a useful starting point when determining the business case for partnerships between education and industry.¹⁴
- 75 These arrangements should result in mutually useful outcomes at an acceptable cost – including the considerable time and effort involved. The benefits of partnerships may require further clarification to emphasise the added value that they bring to learning. Strategic alliance between providers and employers can assist with predicting long-term skill and knowledge requirements, thereby shifting the emphasis from remedying deficits to predicting and planning for the future.
- 76 The benefits to individual employees from partnerships also need to be emphasised. If people are aware of the benefits, they may be more willing to take part in training and learning activities rather than taking part ‘because they have to’. In the knowledge-driven economy, individuals must be active players in partnerships between the worlds of work and education. Initiatives such as the Union Learning Fund and Individual Learning Accounts could be influential in promoting the desire for learning and development among the population at large.
- 77 The LSC should consider carefully the role of providers in relation to the support they provide for business. Sustained partnerships between providers and employers, which build upon the intellectual capital of FE providers, could greatly enrich skill development and limit the gap between the identification and development of skills. To be effective, such relationships will require development and will succeed or fail depending on the sector’s ability to deliver. Maintaining a strong and intelligent sector will require investment in terms of updating the technical and pedagogic skills of the staff, and investment in the facilities and infrastructure which support learning.

Question 6

How can we best support providers in delivering the workforce development agenda?

- 78 In order to meet the challenge of delivering the workforce development agenda providers need to be supported by:
- flexible funding – which subsidises non-qualification provision as well as that leading to qualifications
 - flexible qualifications – to meet the needs for a range of individual requirements within a strong regulatory framework
 - development of their skills to deliver – including the capacity to design curriculum packages and deliver in a range of appropriate ways, using a range of techniques.
- 79 Providers also need to improve the quality, efficiency and effectiveness of what they do in order to attract learners, either as individuals or as employees. Since the establishment of the learning and skills sector, the quality of work-based learning programmes and some college provision has been a cause of concern. We welcome proposals to extend access to the Standards Fund to all within the work-based sector, but would urge the LSC to ensure that support is targeted to meet the demands of providing workforce development, as described in the commentary set out above.
- 80 The LSC should encourage the development of a planned and systematic approach to the development of provision and staff. This needs to take place at both institutional and area level. The LSC may also encourage the take-up of support, perhaps by requiring providers to comply with minimum standards regarding the qualifications, competence and recent industrial experience of staff.
- 81 Different indicators of success may need to be developed for provision which aims to support workforce development, in relation to definitions of success and completion.

Notes

- 1 Performance and Innovation Unit.
In demand: adult skills in the 21st century. PIU, November 2001.
- 2 HM Treasury. *Developing workforce skills: piloting a new approach*. HM Treasury, April 2002 (jointly prefaced by the Chancellor and the Secretary of State for Education).
- 3 Where supply equals the supply of education and training provision and those who plan, manage and deliver it.
- 4 Workforce development is a means to achieve business excellence, not an end in itself; therefore, the demand for workforce development is derived from the need to achieve business excellence.
- 5 *Working towards skills: perspectives on workforce development*, LSDA, publication pending.
- 6 *Promoting learning in small and medium-sized enterprises*, FEDA, 1998; *Partnerships for skills: investing in training for the 21st century*, LSDA, 2000; *Small firm development and the role of further education colleges*, SBRT / FEDA, 2000; *How to work with small business*, LSDA, 2001; *How to work with microbusinesses*, LSDA, 2001; *Working towards skills: perspectives on workforce development*, LSDA, publication pending.
- 7 The LSDA project 'Researching for business' is identifying a substantial amount of this type of R&D being provided by colleges for businesses, and the potential to develop it further.
- 8 *Making the grade: a report on standards in work-based learning for young people*. LSDA, 2002.
- 9 Taken from *Attracting new learners: international evidence and practice*, LSDA, 2002.
- 10 The government's new Employment Act (July 2002) gives union learning representatives the same rights as other union representatives, illustrating their value in increasing access to learning opportunities at work.
- 11 LSDA's research report *Encouraging higher recruitment to technician engineering training* (2002) notes embedded issues relating to equal opportunities.
- 12 Moss Kanter R. *When giants learn to dance*. International Thomson Business Press, 1997.
- 13 A case study example in *Getting employers involved: improving work-based learning through employer links*, LSDA, 2001.
- 14 See *Partnerships for skills: investing in training for the 21st century*, LSDA, 2000.

This paper sets out LSDA's response to the consultation on the *Learning and Skills Council Draft Workforce Development Strategy to 2005*, published in May 2002. The original document can be found at www.lsc.gov.uk/newsdocs/LSC-WDF.PDF