

Skills utilisation projects: progress report

Purpose

- 1 This paper reports on the progress with the 12 skills utilisation projects awarded funding earlier this year. It notes some of the challenges emerging from the early activity across the projects and reviews the proposals for early networking opportunities.

Corporate plan implications

- 2 This paper fits with the SFC corporate plan strategic outcome 1: “employability and skills” and with SDS’s strategic goal “to be a catalyst for change”, which identifies the Skills Committee as one of its key strategic partners.

Background

- 3 In July 2009 SFC made offers of grant to 12 of the proposals submitted in response to the Council’s call for innovative proposals for projects to enhance the sectors’ contribution to skills utilisation (circular letter SFC/49/2008). These 12 (see **annex A** for information) were assessed against the objectives set out in the circular and recommended for funding by SFC and SDS. The intention is to view the projects as part of an overall action research programme which responds to the challenge for Scotland highlighted by the Skills Utilisation Leadership Group. Effective skills utilisation is about:
 - confident, motivated and relevantly skilled individuals who are aware of the skills they possess and know how to best use them in the workplace

working in:

- workplaces that provide meaningful and appropriate encouragement, opportunity and support for employees to use their skills effectively

in order to:

- increase performance and productivity, improve job satisfaction and employee well-being, and stimulate investment, enterprise and innovation.
- 4 The 12 proposals will work in a variety of sectors and geographical areas. They will also work with a wide range of businesses and stakeholder groups. Each proposal has a unique focus although there are similarities in process and approach.
- 5 With such a high profile programme, not just for Scotland but the UK as a whole, we recognised the need to be able to learn from both the process and the outcomes of the projects. The projects have agreed that the Council executive should have representation on each of the management/steering groups. This will allow the executive to work closely with the projects and identify issues as they emerge.

Update on early activity

- 6 Nearly all the projects experienced a slight delay in getting started on activity. As a result nearly all the projects have revisited their timelines, milestones and payment profiles and rescheduled appropriately. This is not problematic and will be reflected in the reporting schedule. Project/senior managers have identified the reasons for this delay and they are, in most cases, a combination of the following:
- slight delay in receiving letter of award from SFC;
 - losing some momentum over the summer period;
 - delay in appointing project manager;
 - time taken to establish Steering Group;
 - realisation of the scale and critical nature of the projects; and
 - further exploratory work around key issues, for example impact measures, productivity, employer and employee engagement.

- 7 The first action across all the funded projects has been to identify their key stakeholders and where appropriate to invite these partners to contribute to the Steering Group or Project Group activity. In addition, for the projects where there are many stakeholders, an additional advisory group has been established as a forum where all partners may make a contribution to the project delivery and outcomes.
- 8 The Council executive has been actively involved in early discussions with all projects and has membership of the Steering/Project Groups. The early meetings have had critical discussions around key aspects of the projects, including:
 - understanding the key challenges around skills utilisation and how this links with the supply and demand issues;
 - measures of success and in particular how to measure the impact of improved skills utilisation;
 - benefits for Scotland, the employers, the employees and the institutions;
 - value of networking with other funded projects that may be addressing different aspects of skills utilisation;
 - challenges in working with some industry sectors and/or some employers;
 - the impact of the current economic climate on getting buy-in from some employers and getting access to employees;
 - presentation of case study material and possible sensitivity for employers; and
 - future sustainability
- 9 There is a key difference across the funded projects between those which are basing their interventions on existing intelligence or research, often jointly supported and undertaken by the institutions and the industry bodies or Sector Skills Councils, and those where this research is the first phase of the project activity itself. Those

that have the benefit of existing research or a pilot phase of activity are in a position to make immediate progress with the interventions. However, it is important to remember that the outcomes from these interventions may not be fully realised until beyond the period of the project funding. The interventions are varied and we will be in a position to report in more detail on activity for the next meeting of the Skills Committee.

- 10 Where the research is the first phase of activity, projects have involved employer and stakeholder partner to contribute to the specification, acknowledging that getting the research right is fundamental to identifying the appropriate interventions.
- 11 Almost all projects are actively progressing their engagement with employers and employees. Many have highlighted the additional difficulty of the current economic climate in gaining access to companies and their employees. However, the potential benefit to the company of the interventions identified has been influential in overcoming this difficulty. However, it is important that this continues to be approached sensitively and appropriately.
- 12 An interesting dimension that has emerged for some institutions is the acknowledgement of the benefit to their staff of an enhanced understanding of the challenges around skills utilisation and the influence this will have on future supply-side activity.
- 13 The biggest issue identified by some, but not all, of the projects is the degree to which they feel confident in addressing challenging questions around leadership and management to the employers they are working with. This was also highlighted as an issue in the Report by the Skills Utilisation Action Group which examined how to increase the numbers of employers in the private, public and third sectors in Scotland who engage in activities to improve the effective use of skills in the workplace.

Evaluation

- 14 The projects funded are being viewed as 12 parts of a research programme rather than separate initiatives. However, as the projects are all very different in content, focus and duration, we have had to find a way of establishing a common approach which will allow us to look at each in a similar way and to draw out the findings/learning from each.

15 With support from Skills Committee member Professor Ewart Keep we have established a set of questions which can be applied to all the projects and allow us to understand developments across the piece. (see **annex B**) We are currently awaiting responses to the first four “baseline” questions from the projects. We will collate these responses and make them available across all the funded projects.

Sharing lessons learned and early outcomes

16 We propose biannual meetings of the project managers of the projects which would allow them to share issues and challenges emerging and to report back to each other on progress made. This will be an opportunity to share ideas and develop good practice. One of the meetings in the year could be open to a wider group of stakeholders.

17 The Council had intended to schedule the first of these meetings in December but due to the delays outlined above we propose to reschedule this for January or early February 2010. We feel this will allow the projects to establish themselves and have some activity to report on.

Progress from the Skills Utilisation Leadership Group

18 The Group last met in September 2009. At the meeting members discussed the two key factors that have emerged as critical to effective skills utilisation:

- leadership and management; and
- employee participation and engagement.

19 The group discussed in detail the issues around leadership and management and the Cabinet Secretary asked what we need Scottish Universities to do to respond to the agenda. Janet Lowe advised that the Funding Council was disappointed with the level of response from universities to the Scottish Funding Council’s call for project proposals to address the challenging issues around skills utilisation. (Only four funded projects are led by an HE institution, however, many of the college-led projects involve collaboration with an HEI.) It would be useful to understand the reasons for the

different response from colleges and universities as this would inform any future activity in this area.

20 Two actions for the Council emerged from the fuller discussion:

- SFC to explore with universities the lack of response to the call for skills utilisation projects; and
- SFC to map college and university leadership and management course provision.

21 The Macleod Review on employee engagement, which reported in July 2009, was used as the basis for a discussion on employee trust and motivation. That review identified that employee engagement in the UK was low by international standards. Scottish Enterprise, Highlands and Islands Enterprise and Skills Development Scotland have agreed to embed support for skills utilisation across organisational support services. Four action points emerged for the group, including the following:

- Members to consider scope for supporting action research projects to develop innovative approaches to employee participation and engagement.

22 It is important that we consider lessons learned around leadership and management and employee participation and engagement from the currently funded skills utilisation projects but also that these should be the key focus of any future funded activity around skills utilisation.

Skills Utilisation Cross-Sectoral Network

23 The Skills Utilisation Leadership Group has adopted the strategy [Reaping the Benefits](#) to engage employers in making better use of skills, which includes taking a sectoral approach. The identified sectors are:

- the key sectors outlined by the Scottish Government as well as the construction and university sectors; and
- the local government, health and third sectors.

24 The Skills Utilisation Cross-Sectoral Network was established as a direct result of this strategy as a way to better support key delivery agencies and stakeholders to deliver objectives. It met for the first time on 15 September. The role of the network is to connect a range of organisations in the public, private and third sectors with a common interest in encouraging the better use of workplace skills in Scotland to enable partners to work together and support each other, including by:

- sharing information and learning from each other's expertise and experience (both good and bad) about:
 - workplace practices that help enable effective skills use, including from those partners that are planning and implementing their own corporate strategies to improve the use of the skills of their staff;
 - the evidence of the impact of those practices, including on organisational performance and productivity and on employee well-being and job satisfaction; and
 - the delivery of messages about effective skills use - both in terms of the messages and methods of communicating them to employers and intermediary bodies.
- and also aligning services to support effective skills use and ensuring that they are accessed to maximum effect.

25 At its first meeting the Network discussed how best to promote the key messages about better skills use and how the Network could best serve the needs of its partners. It will meet again in January 2010.

Recommendations

26 **The Committee is invited to:**

- **note the information in this paper and the annexes; and**
- **agree that this paper should be published on the Committee website.**

Further information

27 Contact: Linda McLeod, Senior Policy Officer, Strategic Development, SFC (direct line: 0131 313 6694, email: lmcleod@sfc.ac.uk).

Annex A

Projects funded under the skills utilisation programme

Lead institution	Project summary	Funding award
Barony College	<p>Aquaculture work-based learning development.</p> <p>This project will develop a blended learning package for the aquaculture workforce, such as fish farm workers, divers and boat operators, hatchery employees, fish feed producers, transportation and processing plant workers.</p>	£ 150,000
Barony College	<p>Scottish Dairy Skills Initiative</p> <p>The project will be a partnership between Barony College and the Scottish Dairy industry in rural south of Scotland. The strong industry buy-in in this project has the potential to create solution to the challenges that the industry in Scotland has identified, such as attracting and retaining staff through workforce development and skills utilisation.</p>	£ 307,000
Dumfries and Galloway College	<p>South of Scotland Knowledge Transfer Network</p> <p>The project will involve college and universities working together in an innovative way to link their services and knowledge with business' skills development in a challenging rural environment.</p>	£ 700,000
Dundee College	<p>Skills for the Life Science Industry</p> <p>The project will create a strategy for sustainability by establishing a skills ecosystem for the Scottish Life Science industry where life science companies, colleges and universities will exist in a symbiotic relationship based on interdependency to help produce business success in generating innovation, growth and competitiveness.</p>	£ 226,076
Edinburgh's Telford College	<p>Skills utilisation and college graduates</p> <p>This project will find out why college graduates, once in employment, often struggle</p>	£ 159,850

	<p>with progression in their careers. Better research in the area can help colleges to modify what and how they teach and to work more closely with employers on issues relating to progression, which are ultimately also about better skills utilisation or recognition of skills.</p>	
Forth Valley College	<p>Engineers of the Future - MA2MA: Chemical, Electrical and Mechanical Engineering</p> <p>This project will develop a vocational degree route from modern apprenticeship level to a Masters. The project requires close collaboration between college and a university as well as with the employer.</p>	£ 500,000
Glasgow School of Art	<p>Creating cultures of innovation through creativity and design</p> <p>The project will develop a learning and thinking tool for business leaders to create the capability for sustainable innovation. To achieve this, GSA intend to work collaboratively with industry leaders through the Institute of Directors in how creative thinking and design processes can be integrated in organisations to improve productivity in areas key to the future success of the business.</p>	£ 200,000
Open University in Scotland	<p>Recognising and Enhancing Skills Acquired in the Engineering Workplace: From Modern Apprenticeships to BEng</p> <p>The project will establish a work-based model of study that would enable employees who have been through the Modern Apprenticeship route, and other employees with HN awards, to validate and enhance their skills through a supported programme of study leading to the BEng and potentially to Chartered Engineer Status.</p>	£ 78,836
Open University in Scotland	<p>Enhancing Skills Utilisation by Private and Public Social Care Providers</p> <p>This project will develop activities to enhance skills utilisation by public, voluntary and private sector social care providers and support on-going employer engagement and recognition of employees' skills and experience.</p>	£ 57,508

Robert Gordon University	<p>Maximising the impact of skills</p> <p>The project will improve training for leadership and management in the oil and gas industry to encourage workplace innovation and more ambitious market strategies, and develop individuals to better use in the workplace the skills that they already have acquired in college or university</p>	£ 255,000
Stevenson College Edinburgh	<p>Working with Attitude</p> <p>This project will address skills utilisation in the creative industries and in tourism and addresses personal development and effectiveness in particular using the xxx.</p>	£ 111,450
West Lothian College	<p>Business Improvement Techniques</p> <p>The project will embed a culture of business improvement in selected organisations, provide knowledge transfer and be used to raise the financial and other benefits of skills development.</p>	£ 186,130
Total		£2,931,850

Evaluating the SFC funded Skill Utilisation Projects

Introduction

The SFC Skill Utilisation pilot projects are a very important activity, both for the Scottish Government and for SFC. In order to maximise the public investment being made it is important that we learn as much as possible from these pilots, both on a project by project basis, but also hopefully from the programme of activity as a whole. This learning can only take place if we are able to evaluate the projects in a reasonably clear and accurate way, which captures both strengths and weaknesses and the lessons that can be gleaned from both. At the same time, the projects are also varied in scale, duration and focus, and this makes the production of a single evaluation instrument or template difficult. What follows tries to outline a set of general evaluation design principles that it ought to be possible to apply to most, if not all, the projects.

Stages

Before – to set a baseline assessment of the workplaces/employers/forms of employment prior to the project and the interventions it supports.

During – to capture process and management issues (in other words, evaluation that is both formative and summative)

After – to measure outcomes and generate lessons

Guiding questions for each stage

Before:

What specific aspects of skill utilisation is the project aiming to target and change?

Who defined these problems (institution, employers or both parties)?

How is change expected to be brought about?

Are there any simple metrics that can be used to set a baseline for the ‘before’ and ‘after’ of these aspects of skill utilisation in the areas of employment/workplaces that the project aims to impact upon?

During:

Within the project are there ‘significant moments’ or decision points that mark shifts, successes or failures? (If there are, there is a need to record these.)

Stakeholder perceptions of the quality of process and interactions.

Management structures and processes.

Commensurability of resources with scale and nature of tasks and objectives.

After:

What are the impact measures, and over what timescale will they need to be assessed?

What worked and what did not, and why?

How did participants rate the experience of the project (best and worst aspects)?

How could this project be generalised as an approach?

October 2009