Skills Utilisation & High Performance Working

Maximising the value of skills

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Argument

We can improve skills utilisation and HPW through:

1. Extending the range of existing levers that can be used to influence employers' use of skills
2. Coordinating the use of such levers
3. Improving the capabilities of existing sector based organisaitons

The need to move beyond traditional VET measures

- Business/product market strategy - the driver of skills utilisation

- Need for a wider mix of measures to influence business strategy

Measures identified in 5 Scottish Sectors

Efficiency regulation

- Sectors: Utilities, Finance?
- Powerful impact on product market strategy
- Can be used to deskill or upskill

Standards regulation

- Sectors: *Utilities*, Hotels, Finance, Food and Drink, Creative
- Impact on business strategy
- Direct impact on skills use in the workplace
- Produces higher level of skills in Utilities than Hotels and Creative sectors

Branding

- Marketing - interdependence of public and private sectors
- Collaboration of government sponsored agencies and employers
    - Examples: VisitScotland, Local authorities
- Sectors: Hotels/Leisure, Food and Drink

How these levers work

- Levers shape business strategy
  - McKinsey 2010 majority of businesses see laws and regulations as affecting their economic value
- Employers under pressure to adjust skill strategy
- Employers choose how far to go down the HPWPs route in using skills for competitive advantage

Direct government action

Sectors: Creative, Public

Operates through:

- appointment of organisational leaders
- conditions attached to subsidies

Employer led collective action

- Place training in context of broader business strategy for the sector
- In Scotland effective in Finance and Hotels
- Crucial to deliver local industry specific knowledge to implement HPWPs at local level

- Recommended by Collective Measures Report (UKCES) but need for broader remit

Policy Implications: To improve skills utilisation and use of HPWPs

- Need to broaden government levers beyond those traditionally targeted at training
- Use existing levers to influence business strategy (other sectors may have different levers)
- Better co-ordination of existing policy levers
- Strengthen capabilities of sector based organisations to advise on implementing HPWPs as a source of competitive advantage

References

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