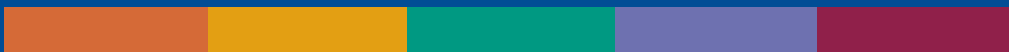




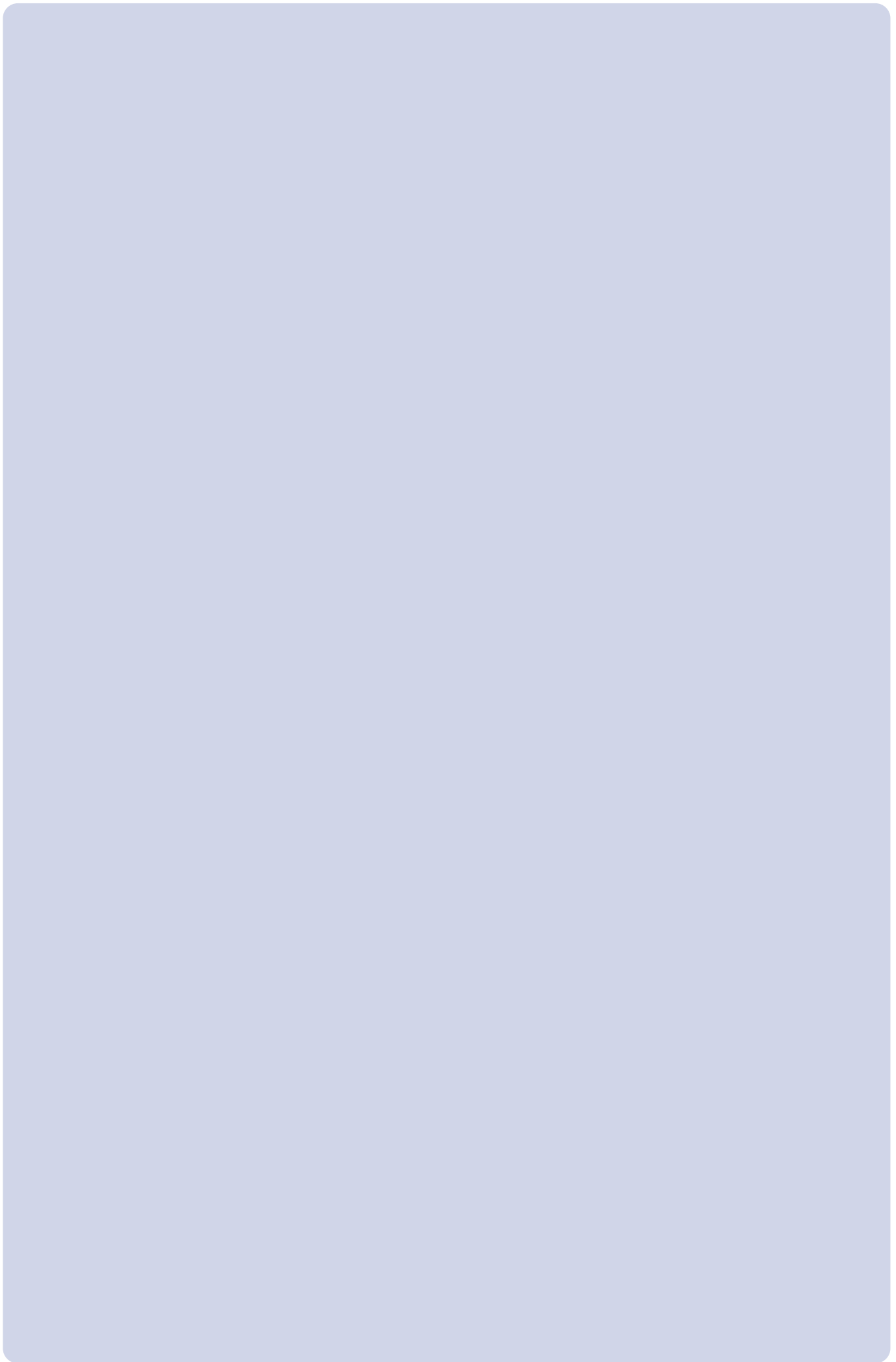
Strategic Development of High Level Learning for the Workforce In Wales



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May 2009



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Acknowledgements

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May 2009

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Foreword

This research is, above all else, a timely reminder that the future prosperity of Wales is going to involve a closer and more strategic relationship between the private sector and the state funded education sector. Despite both the Leitch and Webb reviews, the UK higher education sector continues to figure only as a peripheral player in the workforce development marketplace. With only 7% of the UK's £38bn private sector workforce development spend filtering into the UK higher education sector and at a time when Third Mission revenue will increase in importance, I cannot remember a time when the subject was more pressing. The publication of this exhaustive and highly readable study provides a positive steer that enables both the higher education sector in Wales and HEFCW to look at a number of innovative ways as to how to address the issue in the short and medium term. This review report, its detailed research project findings and the very helpful web presence with its electronic library and links provides a comprehensive and excellent analysis of the current situation and of the need to more closely align policy imperatives with employer engagement in Wales.

At a time when relevance and clarity of offering will become paramount for those seeking real employer engagement, this research also provides some helpful guidance on the potential opportunities that the HE sector will be encouraged to grasp – not least that of building sustainable university-business partnerships with key employers, business support agencies and Sector Skills Councils.

If Wales plc, let alone the UK is to remain competitive, high level learning in the workforce will be critical and the challenge for the HE sector in Wales will be to what extent it plays its part. This research is a highly positive first step in providing that directional steer for both policy makers and higher education leaders in Wales.



Owen Evans
Director
Business in the Community Wales (BITCW).

Section 1

Executive Summary, Key Messages and Recommendations

Executive Summary

The research element of the project, co-ordinated by staff in the Capital Centre for Work Based Learning (CCWL) based in the University of Wales Institute, Cardiff (UWIC) aims to identify the present 'freeways' and 'roadblocks' to the promotion of effective employer engagement with Welsh Higher Education Institutions [HEIs]. It also seeks to identify and understand the key policy, pedagogical, organisational and sectoral challenges in this whole employer engagement activity in order to offer models for moving forward to enable the development of appropriate and sustainable work-based learning projects between all partners. Partners in this context we understand to be HEIs, individual employers and their employees, Sector Skills Councils and business agencies.

The report consists of two parts, Part 1 being in essence a detailed literature review of employer engagement and higher level learning in Wales and the UK in general, whilst Part 2 consists of executive summaries of the micro-projects that formed the principal part of the research and a detailed feasibility study linked to the possible creation of an All-Wales Workforce Development 'centre' which could act as an e based brokerage service for potential university-business partners in employer engagement.

Section 2 of Part 1 focuses on the policy imperatives that have driven the employer engagement agenda following the UK government publication of the Leitch Review of Skills in 2006. It also outlines the project's main aims and objectives before going on to define the key terminology which help to define employer engagement and work based learning. It asks what exactly do we mean by '*higher level learning*' and more exactly what is the nature of the demand from Welsh universities by their regional and national business sectors? This introductory section concludes with a plea for the '*engaged employee*' and headlines the need for '*communities of practice*' to support both employee and academic.

Section 3 of Part 1 starts by outlining the UK high level learning and skills landscape and offers a UK and Wales employer engagement policy 'snapshot' from 2003 to the present time. It goes on to analyse the current skills situation in both Wales and the UK and identify the key UK skills policy 'building blocks.' It describes in some detail the Wales high level learning and skills landscape and offers initial reflections on UK and Wales high level learning strategies. Finally, it highlights the need for 'Policy Imperatives' (PIs) linked to employer engagement in Wales.

Section 4 of Part 1 describes the major stakeholders in this whole employer engagement agenda in Wales – not just universities and employers – but also the key employer support agencies and other professional bodies who are vital in providing an infrastructure in which all players can operate. It also compares and contrasts the particular UK and Wales employer engagement schemes and incentives whilst analysing in some detail the specific demands for high level skills in Wales and the priority skills gaps and shortages that need urgently addressing. In doing so, it articulates investment opportunities for both employers and HEIs in Wales.

Section 5 of Part 1 introduces the reader to the main organisational issues for Welsh universities as the main 'suppliers' of high level learning and employer engagement activity in Wales. It outlines organisational infrastructure issues and makes a plea for the development of high value added and knowledge intensive management training by our Welsh university sector. It examines the learning and teaching approaches required to maximise the impact of employer engagement for both business and university partners and analyses the emergent concept of '*communities of practice*' linked to work based learning in the UK. It also assesses the extent to which learning recognition, accreditation and development systems are embedded in Welsh universities and debates the arrival of foundation degrees and the opportunities for progression and retention of work-based learners. It concludes by offering a detailed review of the need for clearer strategic intent and direction with respect to employer engagement in Wales.

Section 6 of Part 1 is a concluding piece which offers key messages and recommendations to those primary stakeholders identified early in the report, notably – Welsh Assembly Government policy makers and advisers; HE sector providers – especially vice chancellors and their executive management teams and governing bodies; employers and business agencies; skills brokers and finally, and most importantly to the potential learners themselves. It concludes by suggesting that partnership and sustainable collaboration are vital to the success of this whole employer engagement agenda in Wales.

Key Messages And Recommendations

Key Messages For Welsh Universities

Message 1: Build a strategic vision for an equal partnership between universities and employers

There is an urgent need for the Wales HE and FE sectors, employer groups and the Assembly Government to agree a clearer strategic vision for how they should work together to develop higher level skills throughout the economy. There is an equally pressing requirement that the related educational provision is flexible, accessible, relevant and as hardwired into the daily work of the HEI sector, in particular, as traditional undergraduate and post-graduate provision, with predictable funding mechanisms to match. The forecast demographically-driven fall in undergraduate numbers over the next decade offers Wales a unique opportunity to ramp up high level work-based learning as part of a broader strategy for economic & social renewal.

Message 2: Remove unnecessary language barriers

The current 'language' barriers surrounding HEIs' engagement with employers must be removed as they get in the way of mutual understanding of the aims and practicalities of work-based learning. This would be helped by a commitment both to plain language (less academic and business jargon) and to building on existing, successful fora such as the Wales Employment and Skills Board (WESB) where those involved have broken through the language and cultural barriers.

Message 3: Stimulate Employer Demand for high level learning

Arguably, the most important thing that HEIs and FE colleges in Wales could do would be to work harder to stimulate the demand amongst employers and their employees for high level work-based learning and to take university education out into the economy on the basis of a prospectus of programmes of proven value to employers and employees.

Message 4: Make the university offer to potential work-based learners and their employers clear and compelling

Welsh university web sites and marketing literature are not generally well known or attractive to potential adult returners seeking to refresh or develop new, higher-level skills. Lessons need to be learned from the commercial partners and experts such as the Open University in how to go about creating lively and professional new media outlets.

Message 5: Delivery of high quality programmes

HEIs' and FE's partnership with employers and their employees must be based on a shared understanding of what has been shown to work in terms of boosting productivity and personal and organisational performance. It must also be delivered to the highest professional standards with the benefits to employers and employees very clear at the outset.

Key Messages For Policy Makers And Skills Brokers

Message 6: Focus on regional partnerships within a Wales-wide framework

Work-based learning is likely to be most effective in adding value to the economy if it is linked directly to the imperatives of regions such as those defined by the Wales Spatial Plan. Consortia of HEIs and FE colleges would be well placed to act as hubs for working with employers to develop and deliver the programmes needed to boost the higher level skills of their regions drawing on back-up and resources available on a Wales-wide basis. Unco-ordinated activity would run the risk of duplication, waste precious resources and perpetuate the present confusion in the marketplace.

Message 7: Agree a widely owned strategy now

The *'Delivering the Skills that will Work for Wales'* inaugural conference promoted by WESB in January 2009 brought together influential people from universities, business, business agencies and policy makers to discuss and agree an agenda for employer engagement agenda. The themes and ideas which emerged from this provide the basic building blocks for an ambitious and widely owned strategy for high level learning in Wales. Signing up to such a strategy would send out a powerful message that the HE sector, in particular, and its paymasters are jointly committed to making a significant and lasting difference to workforce education and was willing to put this activity at the heart of its learning and teaching rather than regarding it as a Cinderella service operating at the margins of its 'main endeavours' – on campus teaching and research.

¹ Wedgwood M (2008) 'Higher Education for the Workforce: Barriers and Facilitators to Employer Engagement,' April, DIUS.

Key Recommendations

Recommendation 1: Creation of a 'Reaching Higher at Work Forum'

We recommend that Welsh Ministers ask WESB to create a 'Reaching Higher at Work Forum' tasked with bringing together leaders from government, higher and further education and business to jointly develop, within 6 months, a strategy for high level learning in the workplace with the aim of catalysing the knowledge economy in Wales on the basis of programmes jointly funded by the public and private sectors and individual learners. The Forum would monitor implementation of the strategy and contribute to the evaluation of its impact.

Action: That HEFCW initiate a meeting between WAG, HEW, Fforwm and WESB officials to agree what needs to be done to set up a 'Reaching Higher at Work Forum' which would then be tasked with developing a work-based learning strategy within 6 months.

Recommendation 2: Creation of a 'Reaching Higher at Work Fund'

We recommend that WAG via HEFCW create a 'Reaching Higher at Work Fund' to help universities, FE consortia, employers and employer agencies pump-prime, at regional level:

- **organisational change** with the aim of transforming their *collective* capacity to work with each other to promote higher-level skills needs and grow co-funded provision; and
- **programme funding** – to support the growth in part-time, work-based learning opportunities and the materials that university and industrial tutor require to deliver the programmes.

Action: That HEFCW consider the creation of a 'Reaching Higher at Work Fund' to kick start the programme.

Recommendation 3: Creation of new Foundation and compressed honours degrees

We recommend the development of a common set of foundation and compressed honours degrees which meet the needs not only of specific sectors but also the growth of 2 year honours degrees to address identified skill shortages in areas such as project management and organisational management.

Action: That HEFCW invite WAG, HEW, Fforwm, WESB and the Alliance of Sector Skills officials to develop proposals for launching a range of cross-Wales Foundation degrees and compressed honours degrees to address priority higher-level skill shortages.

Recommendation 4: Development of a cross-Wales e-brokerage service to match demands with provision

We recommend that HEFCW commission an expert group from universities (including the Open University), the FE sector and business to develop a state of the art e-brokerage service offering up to date information, advice and guidance (IAG) services to employees, employers, employer support agencies on what programmes are available where and at what cost.

Action: That HEFCW and HEI and FE partners commission a cross-Wales e-brokerage service for work-based learning.

Section 2

Introduction to the project

Background and structure to the project

This project was commissioned by the Higher Education Funding Council for Wales (HEFCW) in April 2007 in order to respond to the emerging skills agenda sponsored initially by the Leitch Review of Skills (2006)¹ and latterly by the Welsh Assembly Government's 'Skills that Work for Wales' skills and employment strategy (2008).² Leitch challenged the UK government and UK Higher Education to raise its game in terms of the skills and employer engagement agenda. Lord Leitch's review indicated that the proportion of adults with level 4 and above skills needed to be increased from 29% in 2005 to over 40% by 2020 if UK companies were to remain competitive in a global economy.

As Leitch first indicated, and the Welsh Assembly Government's (WAG) 'Promise and Performance' - independent review of the mission and purpose of Further Education (Webb Report, 2007)³ made abundantly clear, the competitiveness of the Welsh economy centred around the nation's workforce being skilled to a high level. The Webb Report in particular, emphasised the immediate need for the existence of a Further Education sector that was 'fit for purpose' and able to respond to this skills agenda, and for an HE sector that could build innovative partnerships with regional FE colleges (FECs) and demonstrate an agility and responsiveness to employer engagement. Bolden and Petrov (2008) commented in their highly perceptive review of employer engagement with HEIs in South West England that the critical role HEIs play in engaging with businesses needs to be evaluated and improved and that 'now is the time to re-evaluate and rethink positive ways forward.'⁴ This reflection is, in essence, a powerful clarion call for the whole UK HE sector to challenge its present vision and its mainstream activities. Bill Rammell MP, the Minister in charge of the new Department for Innovation, Universities and Skills (DIUS) said in July 2007, as a pre-cursor to the UK government's implementation of the Leitch agenda - 'huge opportunities for dramatic expansion in higher education will come from work-based degrees, not the traditional model of 18-21 year olds going to leafy campuses.' He also commented at the time that 'if we don't get many more people at all levels to high level skills and qualifications, then we are fundamentally going to lose out in terms of economic competitiveness.'⁵ Powerful rhetoric - and a clear sign-posting to what was being expected of our UK HEIs. However, one immediate reflection at the time from many academics was that the Minister could offer no cast-iron evidence as to whether employers and their industrial associations, like the CBI and the Federation of Small Businesses (FSB) would actually sign up to the concept of 'co-financing' in order to support this massive rise in 'demand-led' learning.

Obviously since that time and during the lifespan of this initial feasibility study the global 'credit crunch' has hit all economies in the developed world and it is hardly 'business as usual' in any major public or private sector organisation. Already, debate has occurred in MBA schools in the UK and further a-field as to the need to construct curriculum changes in MBA programmes that favour topics linked to behavioural finance and financial regulations as well as the fundamentals of corporate finance.⁶ Actually following through and building these types of modules into MBA curricular will be an exemplar of the agility needed by the HE sector to be responsive to the skills needs and opportunities that are now called for in these challenging times. Arguably, this calls for 'Obama leadership' from our HEI chief executives which facilitates a distributed leadership model⁷ throughout our universities and encourages academic deans, programme directors and Heads of Third Mission activities to be more innovative, take risks and challenge their academic colleagues to rise to this agenda for change enmeshed in employer engagement and up-skilling. Worryingly, a think-tank organisation entitled CFE, formerly known as the Centre for Enterprise, has intimated that the UK business community has a view of UK universities that has already seen them turn to private education providers in search of high level skills training.⁸ The research from CFE, emanating from a series of focus group sessions with leaders from Midlands based companies, indicates that there is little awareness of the diversity of provision inside UK HEIs with respect to employer engagement education. Most disturbingly, in a comparative analysis between university and private sector training providers, the HE sector was seen to offer less relevant provision, show poorer responsiveness to demand and offer less value for money. The research also indicated that universities had not really penetrated this particular marketplace in any substantive manner – hardly a sound bedrock on which to build a clear response to the Leitch agenda.⁹ Arguably, many English universities are altering their provision via the development of innovative UK government funded 'Lifelong Learning Networks (LLNs)'. Many of these LLNs offer an engaging web presence which acts as a single brokerage point for regional marketing of bespoke provision.¹⁰ However, the CFE report concludes that 'higher education institutions were commonly viewed as providers of high quality traditional academic qualifications' – in other words degree programmes and not bespoke training provision and credit-recognition of existing private sector provision. The CFE report also stated with respect to existing provision offered by HEIs that 'businesses considered HEIs as adopting a one size fits all approach to the content and the delivery of the training.'¹¹

¹ Leitch Review of Skills (2006)] 'Prosperity for all in the global economy – world class skills,' London, HMSO.

² WAG (2008) 'Skills that Work for Wales' – a skills and employment strategy

³ WAG (2007) 'Promise and Performance' – the independent review of further education in Wales', December.

⁴ R Bolden and G Petrov (2008) 'Employer Engagement with Higher Education: A Literature Review.' Higher Education Region Development Association - South West (HERDA- SW)

⁵ The Times Higher, July 13th 2007

⁶ S Coomber (2009) 'Downturn is right time to take an MBA' The Times, 29th January 2009, p54.

⁷ R Middlehurst (2008) 'Transforming University Leadership: Concepts and Practice, iPED Conference, September 8-9th, Coventry University.

⁸ H Fearn (2009) 'Business leaders eschew HE and go private for training,' Times Higher Education, 15 January 2009, p14.

⁹ J Kewin, L Bowes and T Hughes (2009) 'Beyond known unknowns,' – a further exploration of the demand for higher level skills from businesses, East Midlands Universities Association, CFE, January.

¹⁰ Knowledge House, the web site of the Universities of the North East – <http://www.knowledgehouse.ac.uk>.

¹¹ J Kewin, L Bowes and T Hughes (2009) 'Beyond known unknowns,' – a further exploration of the demand for higher level skills from businesses, East Midlands Universities Association, CFE, January and J Kerwen, P Casey and R Smith (2008) 'Known Unknowns,' – the demand for higher level skills from businesses, East Midlands Universities Association, CFE, November 2008.

This project endorses those findings and intimates that there is an urgent need for individual Welsh HEIs and the Wales HE sector as a whole to offer a clearer strategic vision with respect to employer engagement and workforce development and to build a more flexible educational provision that increases student accessibility, programme delivery and learning 'size and shape.' These were all clarion calls from the Graham Review (2006) – an *'Independent Review of Part-Time Higher Education Study in Wales'* – which particularly recommended scholarship schemes be put in place to enable employees in small to medium enterprises (SMEs) to engage in part-time learning and that an enhanced co-ordination role be established to facilitate improved collaboration between professional bodies, industry and HEIs. Using post Graham funding, provided by WAG via HEFCW, some HEIs in Wales have now established dedicated centres for professional development which have promoted this direct engagement and support for work-based learning.¹²

Bearing this initial contextualisation in mind, this project is, therefore, predicated on a fundamental need for Welsh HEIs to build pedagogical innovation with respect to work-based learning. In doing so, this pedagogical innovation should extend 'Third Mission' activity with Welsh businesses and organisations by supporting them in their training development and organisational capacity building. The project, therefore, focused on how Welsh HEIs might help improve the economic performance and competitiveness of companies in Wales. Maximising the knowledge economy of Wales by building sustainable HEI and business partnerships that grow the 'learning organisation' is a concept that is central to the project. Additionally, the opportunity to utilise the emergent networking and partnership building between HEIs involved in the successful HEFCW funded *Reaching Wider* collaborative partnerships could not be ignored. As a result, after discussion with HEFCW senior officers it was decided that the project, originally conceived as a SE Wales partnership project, could become an All-Wales project involving many of the Wales HEIs and help inform the employer engagement and skills agenda in Wales. In this context, the Welsh Assembly Government's HE and Economic Development Task and Finish Group report entitled *'Knowledge Economy Nexus: the role of higher education in Wales'* (March 2004) offered the project partnership some salient initial guidance, noting that – *'the innovation performance of an economy depends not only on how the individual institutions (e.g. SMEs, multi-nationals, universities, government departments and agencies, etc) perform in isolation but also on how they interact with each other as elements of a collective system of knowledge creation and use, and on their interplay with social institutions'* and that – *'university knowledge combined with commercial market-place acumen can lead to stronger universities and increased added-value in companies, both of which create prosperity for their operations and communities'*.¹³

The project partners strongly aligned with this commentary and believed that the project could offer sustainability if phase 2 of the project encouraged 'buy-in' from Welsh business. Essentially, therefore, the project should be seen in two distinct phases – Phase 1 - a feasibility study and an advocacy project offering brokerage potential leading towards Phase 2 - which could be the creation of a virtual 'All-Wales Centre for Workforce Development' supported by regional offices.

The project's aims and objectives are to purposefully encourage this 'All-Wales' approach to work based learning by Welsh HEIs and the notion of a 'one-stop-shop' linked to the brokerage and delivery of work based learning developmental services would be a real step forward in terms of offering a single voice and a dedicated service to Welsh business. The collective vision from the project partners for this type of partnership delivery cannot be over-stated. Partners specifically felt that this type of partnership activity would also give a massive boost to HEFCW's Credit and Qualifications Framework for Wales. HEFCW's *'Higher Education in Wales Credit Specification and Guidance'* document [June 2004], HEIs in Wales needed a 'common language to describe all the learning they are responsible' [p3].¹⁴ This report highlighted the need to take a 'common language' out to the Welsh workforce and make them understand its potential for their own personal development.

After many discussions with lead officers of Sector Skills Councils (SSCs) in Wales and with Cardiff Chamber Council members it was felt that supporting such a workforce development project could only be advantageous to all concerned. Many people intimated that such a project would, if successful, encourage more employers to become centrally involved in this specific educational agenda and help to collectively generate a transformative element for high level learning and skills development in Wales. In this regard, it is worth signposting at an early stage in the report that workforce development or 'demand-led learning' needs to be analysed in a specific Welsh context – both in terms of volume and impact and also in terms of its potential for growth and ability to enhance the nation's competitiveness and educational distinction. This project report and linked practitioner and partner conferences are early attempts at partnership building in this regard. They follow a very high profile conference in January 2009 on *'Delivering the Skills that will Work for Wales'* by the Wales Employment and Skills Board (WESB) fronted by the charismatic Sir Adrian Webb, former vice-chancellor of the University of Glamorgan and WESB's inaugural chair.

The feasibility study, via its some of its micro projects, sought to illuminate HE workforce development best practice. For example, they asked fundamental research questions like –

- How, and where was use of the CQFW credit system to building credit, build qualifications and build the organisation?
- Where were innovative 'learning solutions' to businesses/workers – eg. -e learning; work based assignments; learning contracts, reflective logs; industrial mentorship were being used to offer sustainable business development?
- What do user-friendly approaches to the accreditation of WBL and CPD – i.e. learning recognition, portfolio building look like?

¹² UWIC Centre for Personal and Professional Development (CPPD) <http://www3.uwic.ac.uk/english/businessservices/cppd/pages/home.aspx>; and also 'The Directorate of Innovation, Skills and Community,' led by Meri Huws, Chair, Welsh Language Board and now Director, Innovation, Skills and Community at Trinity College, Carmarthen.

¹³ WAG (2004) *'Knowledge Economy Nexus: the role of higher education in Wales'* HE and Economic Development Task and Finish Group report, March.

¹⁴ HEFCW (2004) *'Higher Education in Wales Credit Specification and Guidance,'* p3, June.

Introduction

Additionally, other projects sought to understand what the main barriers were to engaging in work-based learning, what were the priority high level learning needs as articulated to Sector Skills officers and how business innovation and management capacity building was being promoted by Welsh HEIs. Also, the project sought to directly respond to the Leitch agenda¹⁵ by designing and validating FdA and MA programmes in 'Applied Professional Practice.' The main objective behind this particular micro project was to attract mature adult returners currently in a work environment to enter higher education and extend their management and leadership capabilities.

So, overall, this feasibility study seeks to understand and articulate the main issues facing the HE sector in Wales as it seeks to engage fully with employers with respect to the workforce development agenda. It offers a contextualisation and comparative analysis of the high level skills agenda in Wales and presents a series of key challenges which need to be tackled if the sector in Wales is to be seen as a credible and capable provider now, and in the medium term future. More than anything else, the project report asks readers to understand that work-based learning [WBL] and continuing professional development [CPD] as delivered by HEIs is much more than 'just-in-time training.' Just in time training, by its very nature, offers an educational provision that meets an immediate need but may not contribute to long term business up-skilling and organisational capacity building.

Not all HEIs in Wales may want to engage in this workforce development agenda. We have to recognise that, as with the enormous variety of HEIs in England, the HE sector in Wales is a rich mixture of differing size and shapes of HEI in Wales. They each offer very differing characteristics, traditions and expertise that are reflected in their differing visions, statements of intent, governance and leadership.¹⁶ They are relatively autonomous institutions that trade on their inherent assets of sharing their knowledge, skills and high level understanding in their own particular ways. However, for those in higher education in Wales that do wish to engage with this workforce development agenda in a meaningful and sustainable manner we hope this report will provide them with clear insight into the evolving policy debate, the pedagogical challenges to their academic and support staff, the higher learning needs of employers and the preferences of their employees as a potential new learning 'community.'

Defining key terms and activities - employer engagement and work-based learning

Defining key terms at the outset of this report is considered essential, because the term 'employer engagement means a lot of different things to different people.'¹⁷ The Sector Skills Development Agency (SSDA) offered a succinct working definition in their action planning guidance to all SSCs when they suggest employer engagement is *'the process through which employers directly participate in activity facilitated by an external organisation in pursuit of shared objectives.'*¹⁸ In this situation, the SSDA regarded a Sector Skill Council to be the 'external organisation.' Dr Marilyn Wedgwood, in her research report to the Department for Innovation, Universities and Skills (DIUS) notes that while teaching and research are well established and understood terms in universities, *'engagement is a relatively new descriptor and is a term which broadly incorporates employer engagement – interpreted as higher education for the workforce – and knowledge transfer as exemplified by Higher Education Innovation Fund (HEIF) activity.'*¹⁹ These two definitions outline the lack of clear language used to determine employer engagement and the inevitable gravitation towards specific occupational discourse that particular 'communities' and groups of professionals tend to place on work-based learning. As McDonald (2008) notes *'although language barriers are identified as problematic, there is not a coherent and proven strategy to overcome such a problem across networks.'*²⁰ A Higher Education Academy (HEA) report on work-based learning in higher education emphasises this point when it notes that *'everyone has a view on what work-based learning means and they use a wide range of terms interchangeably – e.g. – workplace learning, work-related learning, vocational learning.'*²¹ This simply confuses the situation and arguably diminishes the importance the HE sector places on this emergent academic community. In all our desktop research for this feasibility study what became noticeable was the glaring absence of clear definitions of employer engagement and work based learning - especially as mutually determined by more than one stakeholder in order to move forward using a common language as the basis for shared vision and values building for this type of educational delivery. Indeed, the HEA report goes on to conclude that *'overcoming cultural differences and language barriers to establish a shared strategic intent will require substantial time and effort on both sides.'*²² This issue is more than one of simple clarification and agreement of core terms and definitions because employer engagement and workforce development is very clearly 'contested terrain'²³ with a number of stakeholders keen to assume centre stage in the design and delivery of key services to public, private and Third sector organisations. Clearly, when one considers the volume of funding that has been placed behind the creation and establishment of the Sector Skills Councils by the UK government it is difficult for any other organisation wishing to partake in this arena not to see these government sponsored agencies as key players.

¹⁵ Leitch Review [2006] 'Prosperity for all in the global economy – world class skills,' London, HMSO.

¹⁶ Universities UK (2003) Submission to the Lambert Review of Business-University Collaboration. <http://lambertreview.treasury.gov.uk>

¹⁷ R Bolden and G Petrov (2008) 'Employer Engagement with Higher Education: A Literature Review.' Higher Education Region Development Association - South West (HERDA- SW), p7-8.

¹⁸ Sector Skills Development Agency (2007) 'SSDA Employer Engagement Guidance,' Astrid Flowers Ltd & Simpson Consulting Ltd, June, p3.

¹⁹ Dr M Wedgwood (2008) 'Higher Education for the Workforce: Barriers and Facilitators to Employer Engagement,' DIUS Research Report 08 04, p8.

²⁰ McDonald H (2008) 'A Report on the Relevance of Language barriers to Work Based Learning/Employer Engagement,' LSDA.

http://www.yhelln.ac.uk/SiteCollectionDocuments/language_barriers_report1.pdf

²¹ I Nixon, K Smith, R Stafford and S Camm (2006) 'Work-based learning: illuminating the landscape,' Higher Education Academy, June.

<http://heacademy.ac.uk/assets/York/documents/ourwork/research/wbl>

²² I Nixon, K Smith, R Stafford and S Camm (2006) 'Work-based learning: illuminating the landscape,' Higher Education Academy, June.

<http://heacademy.ac.uk/assets/York/documents/ourwork/research/wbl>

²³ D Schwartz (1997) 'Culture and Power – the Sociology of Pierre Bourdieu,' – see Chapter 6 – Fields of Struggle for Power, University of Chicago Press, pp117-142.

Figure: The Changing Vocabulary of Skills (Source: Wedgwood, 2008)²⁴

- Education and training not just training
- Knowledge and skills and competencies not just skills
- Intellectual knowledge and skills combined with occupational skills and knowledge
- Thinking, analysing, synthesising, adapting, achieving, improving
- Professions and professionals as well as or instead of vocations and vocational
- The new and nascent professions as well as the traditional professions
- The new professional worlds in all occupations
- Practical experience with academic insight
- Practical insight with academic experience
- Combining work-based learning with an academic 'backbone'
- Imagination, creativity, innovation 'grounded' in relevance, value-added, business benefit
- The combination of practice with theory to move the organisation on
- Relevance, value-added, business benefit informed by academic endeavour, discovery, frameworks
- Reality, practicality, relevance and usefulness enriched by academic insight, understandings, rationality and objectivity
- Graduates not learners
- Talent management not training
- Shared responsibility of investment
- The body of knowledge for the 'business sector' as well as the body of knowledge in a subject discipline
- Integration of practice and theory, integration of the academic and occupational practice, integration of subject disciplines, integration of learning in the workplace and in the HEI, integration of career progression and achievement with academic progression and achievement and integration of academic and professional qualifications (accreditation) to give licence to practice.
- Not a single discipline approach but a multi interdisciplinary approach

Perhaps the clearest pair of definitions our desktop research could find which seek to outline the principle focus driving work - based learning are as follows –

'Work-based learning – which is much more focused on learning in the workplace (than work-related learning), derived from work undertaken for or by an employer (i.e. in paid or unpaid work). It involves the gaining of competencies and knowledge in the workplace. It may include learning undertaken as part of workforce development.'

Helen Connor, Council for Industry in Higher Education (2004)²⁵

'WBL is a learning process which focuses university level critical thinking upon work (paid or unpaid) in order to facilitate the recognition, acquisition and application of individual and collective knowledge, skills and abilities, to achieve specific outcomes of significance to the learner, their work and the university.'

Professor Jonathan Garnett, Middlesex University (2005)²⁶

Even with these definitions, where there is commonality that WBL builds competencies, knowledge, skills and understanding for the good of the worker as learner, employee and colleague and for the good of the learner's 'sponsor' and/or university, one definition has a clear vocational focus whilst the other has a more academic slant.²⁷

Dales and Arlett (2008) in another HEA report, this time linked to work based learning dialogue between employers and HE engineers, physical scientists and material scientists reflect that *'the playing field is a muddy and complex one with a wide variety of stakeholders all having an interest in the agenda.'*²⁸ Many reports comment on the 'jargon' that has evolved from HEIs in this employer engagement agenda and how this has contributed to an apparent inability for some universities to be employer-facing' and appear hard to penetrate.²⁹ McDonald (2008) also highlights, for example, a tension between the use of commercial and academic language between agency and university stakeholders where universities tends towards selling qualifications and credit recognition which prove attractive to employees whilst agencies sell business solutions which are invariably linked to 'just in time' training needs and improved employee and organisational efficiency.³⁰

²⁴ Wedgwood M (2008) *Higher Education for the Workforce: barriers and facilitators to employer engagement*, DIUS. URL – http://www.hefce.ac.uk/Pubs/hefce/2006/06_21/

²⁵ Connor H (2004) *Work Based Learning: a consultation*, London, CIHE, p2 <http://www.cihe-uk.com/docs/PUB/0502WBL>.

²⁶ Garnett J (2005) *University Work Based Learning and the Knowledge driven project* – in *Work Based Learning in Healthcare: applications and innovations*, Eds K Rounce and B Workman, Chichester, Kingsham Press, p2.

²⁷ L Moore (2008) 'Valuing Higher Education: some perspectives from the field of Work Based Learning,' Society for Research into Higher Education, Annual Conference, Liverpool, December 9-11, 2008.

<http://www.srhe.ac.uk/conference2008/list.symposium.asp?symposiumletter=G1>

²⁸ R Dales and C Arlett (2008) *Facilitating dialogue between Employers and Engineering, Physical Sciences and Materials Academics in Higher Education*, June.

hca.itsn.ac.uk/assets/York/documents/events/conference/2008/RichardDales.doc

²⁹ Professor A Friedman, C Williams, S Hopkins and L Jackson (2008) *Linking Professional Associations with Higher Education Institutions[HEIs] in Relation to the Provision of Continuing Professional Development [CPD]*, DIUS, March <http://www.parnglobal.com/uploads/files/23.03>

³⁰ McDonald H (2008) *A Report on the Relevance of Language Barriers to Work Based Learning/Employer Engagement*, LSDA.

Introduction

The Council for Industry in Higher Education (CIHE), in their input to the review on the market for work-based learning conducted by Professor Marilyn Wedgwood for the Department of Education and Science [DfES] in December 2006 commented 'you (the DfES) appear to be assuming a traditional approach – as Leitch does too – to work-based learning in higher education – one mainly which talks about courses and qualifications. The future as we see it lies in more flexible, bite-sized learning that has the aim of enhancing business competitiveness.'³¹

A vital question needs to be asked, and that is how can this 'language' barrier be removed? Building networking and sustainable partnerships between key stakeholder groups seems to be an emergent solution. The formation of the Wales Employment and Skills Board (WESB) whose inaugural conference in January 2009 linked to the Skills agenda in Wales, certainly offered a key mechanism for stakeholder discussion and led to a clear understanding of people's differing perceptions of the key challenges linked to workforce development. It may also promote the development of a shared language and identify the need for a clear brokerage service through which all stakeholders could operate and, in time, help uplift our skills base in Wales. This has always been a medium term objective of this study. A clear and highly visible on-line brokerage service for employer engagement between HEIs/FECs/SSCs and industry ought to go a long way to removing the perceived language and cultural barriers between the worlds of education and work. Arguably, outcome targets like National Occupational Standards (NOS) offer a potential language which industries, sector skill councils and distinct occupations already use to exemplify best practice. Some HEIs already take cognisance of these indicators in the design of new academic programmes by mapping module learning outcomes to occupational NOS.

Clearly, if anyone investigated employer engagement in Wales they might come up with a vast array of activities that would seem acceptable. In terms of higher level learning employer engagement – i.e. – using the Credit Qualifications Framework for Wales (CQFW) level 4 as the undergraduate level 1 benchmark – we could use the recent QAA (2008) policy update on 'Employer Engagement' as an acceptable indicator of HEI activities. This lists the following activities as priority areas for support by HEFCE - work-based learning; accreditation of prior experiential learning (APEL); enhancement and accreditation of employers' in-house training programmes; short courses tailored to employers' needs; flexible provision; e-learning and blended learning; new types of programmes which embed skills that are relevant to employers; and programmes designed or delivered in conjunction with employers.³² Bolden and Petrov (2008) simplify the HE activity linked to employer engagement even further when they suggest that for their own literature survey 'the primary focus is on developing links between HE providers and employers for workforce development, particularly through work-based learning.' They go on to recognise the work HEIs do through standardised, supply-led, programmes such as MBAs and continuing professional development (CPD) short courses, but they emphasised the need to evaluate the extent of *demand-led provision* which incorporates active engagement on the behalf of the employer in provision design, delivery or funding support.³³ This latter element is the driver behind the whole 'co-funding' agenda which the Leitch Implementation Plan (2007) endorsed so strongly.³⁴

This focus on demand-led provision offers a significant shift in the remit of UK Higher Education. Wedgwood (2008) argues that it requires UK HEIs to consider a new distributed '*Diversity with Excellence*' model for their student communities – especially that community of mature adults currently in work requiring high level up-skilling.³⁵ Demand-led provision not only requires co-funding between the HEI and the employer/ee it also requires academics to move out of their comfort zone and deliver face-to-face at the place of work, via blended learning, through action learning sets, and using learning contracts guided by significant others like industrial mentors. This type of activity alters the traditional notion of the student and academic interface. Arguably, it offers unique pedagogical challenges which ought to see academic communities in many UK universities responding to this skills agenda. The Higher Education Academy (2008) research into workforce development³⁶ follows substantial pedagogical WBL case studies from the Universities Vocational Awards Council (UVAC) which demonstrate a will and an urgency to respond.³⁷ Academics including Simon Roodhouse have suggested that this particular challenge is a good example of how research and enterprise activities by academics into WBL can drive mainstream learning and teaching innovation from which the whole academic community might benefit.³⁸ Others, like Wolf (2009) see this whole move towards prioritising 'workplace skills' as a government sponsored concept of education that is '*more narrow and impoverished than any previous generation*'.³⁹ She argues persuasively that the '*Train to Gain*' scheme introduced in England offers a seductive, yet flawed belief system that a qualification based training system will lock in young adults to learning, because as they travel successfully through award-bearing vocational courses they will make themselves more employable and increase their earning potential and in doing so elevate their own and the nation's economic prosperity. It has to be said that this is a simplistic yet powerful argument especially as it seeks to respond to the growing skills gap at CQFW levels 1 and 2. However, it negates any intuitive demand for knowledge and learning for its own sake – the bedrock of adult learning. This sphere of learning has a rich history in Wales with internationally renowned lifelong learning and continuing education departments being firmly embedded for many years in both Cardiff and Swansea universities, Wales's main City universities.⁴⁰ At this point, as we end this section on defining key terms it is appropriate to briefly outline what exactly 'higher level learning' refers to - basically what it counts in and what it counts out.

³¹ Council for Industry in Higher Education (2006) '*The Market for Work-Based Learning*' – an input to the DfES review, December, p2.

³² Quality Assurance Agency for Higher Education [QAA] '*Employer engagement and work-based learning: An update on the policy landscape, the involvement of QAA and the work of other bodies*', April 2008 <http://www.qaa.ac.uk/education/heinfo/minutes/pafemployerengagement1300608.asp>

³³ R Bolden and G Petrov (2008) '*Employer Engagement with Higher Education: A Literature Review*.' Higher Education Region Development Association - South West (HERDA- SW), p8.

³⁴ DIUS (2007) '*World Class Skills: implementing the Leitch review of skills in England*,' DIUS.

³⁵ M Wedgwood (2008) '*Higher Education for the Workforce: barriers and Facilitators to Employer Engagement*,' DIUS Research Report 08 04, pp8-11, April 2008

³⁶ Higher Education Academy (2008)

³⁷ UVAC (2005) and 2007)

³⁸ UVAC (2005) '*Integrating Work-based Learning into Higher Education: a guide to good practice*,' UVAC.

³⁹ A Wolf (2009) '*Know your place*,' Adults Learning, Volume 20 Number 5, pp8-11, NIACE, January 2009.

⁴⁰ Davidson

Higher Level learning – HEI and employers perspectives

The term 'higher level learning' does not trip off the tongue very easily and, without contextualisation is a nebulous term. As Kewin et al (2009) note that '*one of the difficulties in conducting research into higher level skills is that is not a term or concept that resonates particularly loudly outside of educational circles.*'⁴¹ It is true to say that only those linked to mainstream further and higher education are fully conversant with the National Qualifications Framework implemented in Spring 2004. In Wales, this NQF has been closely followed and interpreted in the Credit and Qualifications Framework for Wales (CQFW) – see the table below. This works on eight levels with three pre - entry stages and allows learners to explain to others the relative value of their award. In this CQFW structure higher level learning is any accredited short course or academic programme that starts at CQFW level 4 – the equivalent of the first year of undergraduate study. Each academic year of study is the equivalent to a single level uplift – i.e. – CQFW level 4 equates to Yr 1 of a degree programme; CQFW level 5 equates to Yr 2 of a degree programme; CQFW level 6 equates to Yr 3 of a degree programme. CQFW level 8 equates to working at Doctoral level.

Figure: CQFW level structure

National Qualification Framework and Q.F.H.E.	CQFW level
Doctoral	8
Masters	7
Honours – level 3 undergraduate	6
Intermediate – level 2 undergraduate	5
Certificate – level 1 undergraduate	4
NVQ 3, GCE A level	3
NVQ 2, GCSE A*-C	2
NVQ 1, GCSE D-G	1
Entry	Entry

A university or an FE College is not the only place where higher level learning can occur. A CQFW level 4 qualification can also be acquired via accredited training run by a professional body, a particular industry or sector or via a trade body. These qualifications might well consist of a mix of class based learning, work based learning, e- learning, study packs, negotiated learning contracts, written assignments, extended projects and placements. All of these learning situations will carry various levels of credit. The vehicle that the UK government has currently invested a great deal of money and support for linked to higher level learning and the skills uplift is the Foundation degree.⁴² This is a degree programme at CQFW level 4 and 5, made up of 240 credit points spread equally over the two levels. It must contain a substantial volume of placement learning – work based learning – where higher level theoretical knowledge and skills are applied in a practical context to enhance understanding for work. Originally an HE qualification aimed at part time mature adult returners who might take 3 to 5 years to gain the award whilst studying around their work commitments, this qualification has quickly become a contemporary alternative to the HNC/D qualification and has begun to attract thousands of full-time students fresh from school and bringing no industrial experience with them.⁴³ Many HEIs in England have developed federal partnerships with regional FE Colleges, industrial agencies and sector skills councils and designed innovative vocational foundation degrees to meet higher level learning sector skills gaps. All of this activity has been supported by considerable UK government funding to support FD 'roll-out' and also to develop 'Lifelong Learning Networks [LLNs] which together provided coherent response to the skills deficit. In Wales, similar FE2HE consortia⁴⁴ have been developed and have also sponsored new Foundation degrees but without the volume of funding or additional student numbers [ASNs] to allow significant comparator commentary.

In an industrial context, higher level learning has been seen to be measured or 'levelled' via much lower learning outcomes. A survey conducted by the East Midlands Universities Association (EMUA), looking at employer investment in skills development indicated that 25 per cent of businesses felt CQFW level 3 activity '*felt like higher skills.*'⁴⁵ Additionally, a later study conducted by Kewin (2009) for the EMUA drew responses from industrial participants that higher level skills were not necessarily indicated by qualification or award outcomes. Participants argued that definitions of higher level learning which were directly linked to qualification outcomes missed the '*practicalities of actually doing it...so it's not studying per se; it's actually on-the-job training...studying doesn't really cover that I don't*

⁴¹ J Kewin, L Bowes and T Hughes (2009) '*Beyond known unknowns,*' – a further exploration of the demand for higher level skills from businesses, East Midlands Universities Association, CFE, January, p12.

⁴² Go to URL: <http://www.fdf.ac.uk>

⁴³ In Wales, HEFCW presented a commissioned report entitled '*Study of the role of Foundation degrees in Wales,*' March 2007. This report indicated that by 2002 7 Welsh HEIs were awarded £200K funding to develop up to 110 new Fd programmes – *SQW report*, p11; By 2006 there were 825 Fd students in Wales, many of them level 1 students in a number of subject disciplines, the most notable being Education, subjects allied to Medicine, Business and Administration, Engineering – *SQW report*, pp16-18.

⁴⁴ As an exemplar see UWIC's 'FE2HE' consortium – www.uwic.ac.uk

⁴⁵ UVAC (2005) '*Integrating Work-based learning into Higher Education: a guide to good practice,* UVAC.

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think.' Participants also reflected whether higher level skills gained via experience could count, saying – 'we have managers who have no degrees or anything, but they are really skilled in the job of in terms of marketing or customer interactions.'⁴⁶ This is an important practical differential in terms of thinking between these two stakeholder groups. Deliverers in, and consumers of Higher Education higher level learning tend to think only in terms of awards, qualifications and credits whilst some employers might see this as a barrier to engagement⁴⁷ and, most importantly, see higher level learning as vocational skills training and continuing professional development (CPD) activity. The University Vocational Awards Council (2005) offer a lucid series of indicators that mark out higher level learning from an employer perspective, that ought to be a good guide for any HEI or FEC thinking of shaping a work-base learning award. UVAC propose that the key indicators of higher level learning is that it is 'context bound and driven by specific and immediate work requirements; emphasises learning over teaching or training; depends on the responsibility for learning being spread between a number of people within the workplace; is consistent with new learning concepts such as learning networks, learning organisations and communities.'⁴⁸

This analysis of higher level learning certainly offers challenges and opportunities for those managers of learning in Welsh Further and Higher Education institutions – and for their chief executive officers. Identifying and evaluating the significance of these challenges is the main driver for Part 1 of this report and Part 2 offers key executive summaries from the micro projects linked to the feasibility study all of which focus back towards understanding the significance of this whole employer engagement or workforce development agenda.

The engaged employee

Before we move into the main body of the literature review we felt it was important to state at the earliest opportunity a desire for a real 'connection' with the end-user, the employee as student. The Chartered Institute of Personnel and Development (CIPD) in their research report on *Working Life: Employee Attitudes and Engagement* (2006) commented on the quest for the engaged employee in the contemporary work environment and how a motivated and engaged employee invariably extended organisational capacity as well as helping create a positive work environment.⁴⁹ In offering a model for employee engagement they also stressed that engagement was a multi-faceted construct and could be broken down into key dimensions of emotional, physical and cognitive engagement. The first two dimensions linked to having a passion for work and 'going the extra mile' by being prepared to work over and above one's contract. The binding ingredient was, however, the cognitive dimension linked to knowledge gain, skills development and occupational understanding. This could be about working well to procedural and managerial objectives or being confident in relational situations at work involving leadership or followership roles. This emphasis on the importance of personal development in the workplace is a valuable pointer to a key role higher level learning should play in employer engagement. Wedgwood (2007) emphasises this succinctly when writing that '*Higher Education is more than skills training. It is also about education and knowledge. The [employer's] 'connect' with the 'academy' provides an intellectual context and environment for thinking and learning in the workplace, and a rigour and objectivity from which new insights, understanding and creativity can arise.*'⁵⁰

None of the prime stakeholders in this whole employer engagement agenda should under-estimate the significance of how and why the employee is engaged. They are the key ingredient in this whole process. The skills agenda, by its very nature is outcome or output driven. However, the 'engaged employee' is crucial and we should be looking to build learning communities or 'communities of practice'⁵¹ to support employees as students in their workplace. This is one of the real challenges for all of us.

Messages

Some initial messages that emanate from this section are -

that there is an urgent need for individual Welsh HEIs and the Wales HE sector as a whole to offer a clearer strategic vision with respect to employer engagement and workforce development and to build a more flexible educational provision that increases student accessibility, programme delivery and learning 'size and shape.'

that the current 'language' barriers surrounding employer engagement need to be removed. Building networking and sustainable partnerships between stakeholder groups using key agencies like the Wales Employment and Skills Board (WESB) seems to be an emergent solution.

⁴⁶ J Kewin, L Bowes and T Hughes (2009) '*Beyond known unknowns*,' – a further exploration of the demand for higher level skills from businesses, East Midlands Universities Association, CFE, January, p10.

⁴⁷ King M (2007) '*Workforce development: how much engagement do employers have with higher education?*' March, CIHE – URL: www.cihe-uk.com/docs/PUBS/0703WFDEmployerEngagement.pdf. See also, J Kewin, L Bowes and T Hughes (2009) as above.

⁴⁸ UVAC (2005) '*Integrating Work-based learning into Higher Education: a guide to good practice*, UVAC.

⁴⁹ Chartered Institute of Personnel and Development (2006) '*Working Life: Employee Attitudes and Engagement*,' see Chapter 1 – 'The Quest for the Engaged Employee,' pp1-3, CIPD.

⁵⁰ M Wedgwood (2007) '*Employer Engagement: Higher Education and the Workforce: Barriers and facilitators*,' DfES.

⁵¹ E Wenger (1998) '*Communities of Practice: Learning, meaning and identity*,' Cambridge, Cambridge University Press.

Section 3

Review Of Literature

Note to readers

The following review is not intended as an exhaustive trawl through the literature on high-level learning and employer engagement but hopefully it does draw on major UK and Wales policy documents and academic research reports. In doing so, it attempts to inform the reader of the main policy thrusts and the opportunities and barriers to the advancement of this important new area of higher education.

The UK high level learning and skills landscape Initial policy 'snapshot' – 2003 -2009

The UK government has had an on-going concern with educational policy development. However, in recent times there has been a real focus upon employer engagement and workforce development, linked primarily to the UK's capacity to remain as a global player in the economic marketplace. This has produced a dramatic emphasis on the 'skills agenda' and challenged all major stakeholders, but especially universities, employers and business agencies to become much more responsive to employee and employer demands for access to quality higher level learning that keeps organisations at the cutting edge of organisational development and high productivity.

The UK government's initial major skills strategy emerged in July 2003 via the DfES, entitled '*21st Century Skills: Realising our Potential*'.⁵² That particular strategy offered no substantial planning opportunities with respect to high level skills development but did engender a comparative analysis of UK productivity as benchmarked against European, North American and Asian nation states. Not long after this first strategic document on skills the '*Lambert Review of Business-University Collaboration*' highlighted the economic need for much substantial and focused partnership activity between universities and the UK business sector in order to increase innovation and entrepreneurship. The report also vigorously demanded that the UK HE sector needed to engage more closely with employers in order to alleviate the emerging skills deficit and the limited CPD programme provision to meet the needs of industry.⁵³

The Secretary of State's grant letter to HEFCE in February 2006 also provided the first overt directive to HEFCE on developing employer engagement.⁵⁴ It asked the Council to lead '*radical changes in the provision of HE*' via a strategy of growth which was aimed to incentivise provision fully or partly funded and led by employers. Despite this clear steer, the UK Government's skills strategies did not fully articulate the role that HEIs might fulfil and only partially made connectivity with HEIs being a key driver in the English regional and national skills infrastructure.

By the end of 2006, two major policy developments occurred linked to high level skills. The Further Education and Training Bill offered FE Colleges in England enabling powers to award Foundation Degrees (FDs). The final report of the Leitch Review quickly followed, highlighting the need to raise employees' aspirations to study in HE and also emphasising the need to increase higher level work-based learning. Additionally, Leitch stressed the priority for the HE sector to target set for substantial increases part time mature adult returners already in employment as well as full time school leavers. It also placed an increasing emphasis on the need to improve the whole university –business interface with respect to higher level learning.

Sandwiched between these reports, HEFCE launched its 'Engaging Employers' strategy in November 2006.⁵⁵ Some of the outcomes of that strategy included an extension of the 'Train to Gain' (T2G) programme to NQF Level 4 and the creation of three Higher Levels Skills Pathfinder Projects (HLSPP). The intention behind these projects was the building of networks to '*improve the journey to higher-level learning for employers and employees*' and evaluating how HE NQF level 4 programmes could 'branded' to entice sustainable partnerships between universities, employers and employees/learners. This was the beginning of a thrust towards 'demand-led' learning and 'demand-led' WBL programme design. A latent objective of such initiatives was for an increased volume shift of NQF level 3 learners from FE to progress naturally into HE NQF level 4 and beyond. The vehicle for this progression was to be the funding and support for innovative regional 'Lifelong Learning Networks' (LLNs).

The Secretary of State's grant letter to HEFCE in 2007 emphasised the significance of designing further innovation, this time linked to increasing access to HE for mature adult returners. The letter stressed the need for a series of learning products that could be made easily '*available, relevant, flexible and responsive and meet the high level skill needs of employers and their staff*'.⁵⁶ This indicated that the government felt there was a real market opportunity for FE colleges and self-selecting HEIs to engage with Sector Skills Councils, business agencies and individual employers and design products that generated an employer engagement demand. The following year, the 2008 Grant Letter to HEFCE pushed forward the co-funding agenda and supported this financially with a desire to fund high level employer engagement learning to the tune of £50 million by 2010–11 on the expectation that it would help produce 20,000 new enrolments by the end of 2011.⁵⁷ One of the 'special ingredients' of this provision was the push towards offering learning opportunities that were tailored to suit adults work-life balance and preferred learning styles.

In early 2008, DIUS heralded its '*A New University Challenge*,' which encouraged towns or rural areas without an HE presence to partner with English universities to establish an HE centre or university campus.⁵⁸ Driving a similar regional theme, 'Innovation Nation' offered SMEs the opportunity to draw down funding to buy into expertise from local HEIs in order to build the organisational capacity and entrepreneurial

⁵² DfES (2003) '*21st century Skills: realising our potential*,' Government White paper on Skills, Report Cm5810,DfES.
URL: www.dfes.gov.uk/skillsstrategy/uploads/documents/21st%20Century%20Skills.pdf

⁵³ R Lambert (2003) '*The Lambert Review of Business-University Collaboration*,' p1, HM Treasury, London, December. URL: www.lambertreview.org.uk

⁵⁴ DfES (2007) Annual Grant Letter to HEFCE, January, DfES. URL: <http://www.hefce.ac.uk/news/hefce/2007/grant/letter.htm>

⁵⁵ HEFCE (2006) '*Engaging Employers with Higher Education: HEFCE Strategy to support links between higher education and employers on skills and lifelong learning*,' HEFCE.
URL: www.hefce.ac.uk/learninh/employer/Strat/Board_strategy_plus_annexes.pdf

⁵⁶ DfES (2007) Annual Grant Letter to HEFCE, January 2007, DfES. URL: <http://www.hefce.ac.uk/news/hefce/2007/grant/letter.htm>

⁵⁷ DfES (2008) Annual Grant Letter to HEFCE, January 2008, DfES. URL: <http://www.hefce.ac.uk/news/hefce/2008/grant/letter.htm>

⁵⁸ DIUS (2008) '*A new University Challenge: unlocking Britain's talent*,' DIUS.

skills.⁵⁹ Lastly, in April 2008 DIUS published a consultation document '*Higher Education at Work – High Skills: High Value*' which aimed to support the continued increase of appropriately skilled graduates in order to extend the UK's innovation and enterprise capacity.⁶⁰

The current skills situation – Wales and the UK

At the inaugural conference held by the Wales Employment and Skills Board (WESB) in January 2009, Chris Humphries, the chief executive of the UK Commission for Employment and Skills offered some stark statistics and commentary with respect to UK and Wales current performances in the National Skills agenda. He started by arguing that it appeared that the UK was doing reasonably well in the skills 'league tables' when, in a global context the UK was the 22nd largest country by size of population but the 16th largest economy in the world by gross national income. He also stressed that the UK was the 6th largest world economy in terms of gross domestic product (GDP), following closely behind the USA, China, Japan, Germany and India. Our current unemployment level was running at 5.5% compared to an overall EU indicator of 6.9%.⁶¹ Additional statistical evidence would show that in percentage employment rates the UK is currently ranks 4th in the EU and 8th out of 30 OECD nation states. Also, in productivity terms the UK is presently 10th in the EU and 15th out of 30 in the OECD.⁶² An initial reflection might be – so why are we so worried about higher level skills development?

Humphries (2009) went on in his keynote address to highlight that the UK had a variable rate of productivity in certain industrial sectors when seen as a percentage of overall EU productivity.⁶³ Whilst sectors like mining and quarrying, agricultural and forestry, food and drink were doing exceptionally well sectors like telecommunications, financial services, education, business services, health and social care, construction, textiles and clothing, computing and transport were under-performing. Also, he highlighted that there were considerable skills variations across particular skills sectors (see figures below) with the volume of higher skilled workers being relatively small as a percentage of their total workforces in transport and communication, distribution and hospitality and construction sectors. Where the UK was best served in terms of higher level skills was in public services, financial services and the utilities sectors.⁶⁴

Figure: The UK –not a bad track record, surely? (source Humphries 2009)

- 22nd country by size of population
- 16th economy in world by gross national income
- 6th largest world economy by GDP - USA, China, Japan, Germany, India, UK, France, Italy, Russia
- Employment levels at 74.7%, compared to EU of 66%
- Unemployment at 5.5%, compared to EU at 6.9%

Figure: UK jobs and productivity – an international challenge (source Humphries 2009)

- Prosperity depends on jobs and productivity –and both depend on skills
- Employment –UK is 4th in EU; 8th out of 30 in OECD
- Productivity –UK is 10th out of EU 15; 15th out of 30 in OECD

In a Wales/UK context, when one investigates our 'regional' productivity and overall percentage employment rate (based on our GVA per hour worked compared across the UK) Wales can be viewed as the second worst performing region, following close behind the North East region.⁶⁵ Also, analysis of other Office of National Statistics (ONS) data on qualifications in regional workforces shows that, in comparison with other countries in the UK, Wales has the second smallest degree and sub-degree 'population.'⁶⁶ However, the major concern of the UK government with respect to the skills agenda is that our demographics are changing and that the UK has an ageing workforce with established higher level skills and a diminishing population of school-leavers and recent graduates to replace them. DfEE and DfES Labour force surveys indicate that, in 2007, the UK had 33% of its working population holding level 4 or above qualifications and 28% holding no qualification or a level 1 qualification. This compares with the Leitch target for 2020 of over 40% of our workforce needing to hold level 4 or above qualifications in order to keep the UK globally competitive.⁶⁷ To add greater statistical description to this skills agenda, OECD (2008) data shows that the UK is currently in 15th position for its volume of 'older workers' (currently aged between 45-54 years) and 22nd for 'younger workers' (currently aged between 25-34 years).⁶⁸ If one links this

⁵⁹ DIUS (2008) '*Innovation Nation*', Report Cm7345, March 2008, DIUS. URL: <http://www.dius.gov.uk/publications/scienceinnovation.pdf>

⁶⁰ DIUS (2008) '*Higher Education at Work- High Skills:High Value*,' DIUS.

⁶¹ C Humphries (2009) 'Employment and Skills, the UK Perspective' – Keynote presentation to the WESB conference, January 2009 – data source: Population, Income and GDP data from CIA Yearbook 2006; Service economy data from OECD Factbook 2006.

⁶² Labour Market Trends (May 2005).

⁶³ C Humphries (2009) 'Employment and Skills, the UK Perspective' – Keynote presentation to the WESB conference, January 2009 – slide 6 – UK productivity as a percentage of European productivity.

⁶⁴ Labour Force Survey (2007) Sector responses to question 4.

⁶⁵ Office of National Statistics (2007) GVA data 2006, response to Employment data question 4.

⁶⁶ Office of National Statistics (2007) 'Regional snapshot of skills and qualifications variations.' ONS.

⁶⁷ Lord Leitch (2006) '*Prosperity for all in the Global Economy – World Class Skills*.' Final Report of the Leitch Review of Skills and DfEE/DfES Labour Force Survey, 1990-2005.

OECD (2008) 'Education at a Glance, 2008, Table A1.2A.⁶⁸

data to long-term changes in macro-economic indicators for the UK between 2007 and 2017 we find that Wales as a UK region is anticipated to have the second slowest rate of growth (using GVA % change and employment growth % change as base indicators). Also, if one considers the expected demand and the required demand for high level skills in the UK in this same decade then nearly 13,500 new graduate jobs are required to drive UK industry, with nearly 7,000 new posts needed in senior 'technical' posts, established professions, middle/senior management and senior administrator positions.⁶⁹ This statistical data certainly illuminates the skills landscape and Humphries (2009) quite rightly points out that the UK (and Wales as a result) is likely to move from 11th to 14th position in the OECD higher level skills league table. He also highlights that the new UK Commission for Employment and Skills (UKCES) has, as a result, articulated three clear priorities for the period between 2009-14, namely – *'raising employer ambition, engagement and investment; building a more flexible and responsive skills system; and maximising individual employability and skills.'*⁷⁰ These priorities will need Welsh HEIs to be part of an integrated approach to developing enterprise, leadership and management capacity as well as improving the relevance and responsiveness of supply generated high level learning opportunities. This will also require better collaborative and partnership working between employers, employer agencies and Further and Higher Education sectors in Wales. All of these factors point towards a challenge for Higher Education in Wales to build regional infrastructures that support a culture of continuous development for the graduate workforce in Wales. However, before discussing the Welsh 'regional' context in some detail it is worth linking the UKCES priorities with the broad UK political context and the main policy thrusts that have emerged from consultation documents and published reports in the last few years.

The UK skills policy 'building blocks'

The Department for Innovation, Universities and Skills (DIUS) consultation document *'Higher Education at Work– High Skills: High Value'* (2008)⁷¹ focuses upon the need for the HE sector to raise high level skills and increase the individual and organisational capacity for innovation and enterprise. Clearly, this consultation directly linked back to the broad skills challenges set out in the original Leitch Review (2006). However, it is probably *'The Lambert Review of Business-University Collaboration'* (2003) where a wide range of ideas linked to research, knowledge transfer, technology transfer, regional economic development and skills development were first headlined and helped to shape the policy debate linked to workforce development. Indeed, in his foreword to the report Richard Lambert makes some points which were the bedrock for Leitch. He noted that for UK universities *'the biggest challenge...lies on the demand side'* qualifying this by commenting UK business research *'is concentrated in a narrow range of industrial sectors and in a small number of large companies'* and that this helped to explain *'the productivity gap between the UK and other comparable economies.'*⁷² Lambert also reflects that he had seen a marked culture change in the UK universities with many actively seeking *'to play a broader role in the regional and national economy.'* He also commented that UK business was changing and utilising university knowledge and expertise more readily, often clustering around the university itself and creating new networks which brought *'business people and academics together, often for the first time.'*⁷³ With respect to workforce development, the report offered a whole section focusing on 'skills and people' and recognised that while the main role of universities is to educate students rather than train them for the specific needs of businesses it is important for the UK economy that students leave universities with skills that are relevant to employers. The report highlighted some concerns that have, arguably, become even more manifest since 2003 – notably that –

- there is a mismatch between the needs of industry and the courses put on by universities in particular areas;
- strategic dialogue about current and future skills requirements is difficult because there is no mechanism for business to engage with the university sector as a whole;
- most business-university course development links are individualised and cover particular business needs;
- science, engineering and technology (SET) companies find it difficult to recruit graduates of a suitable quality.⁷⁴

In response to these concerns, the Lambert Review offered a number of key recommendations to the UK government to resolve the high skills deficit in 2003. They commented that many businesses expressed their high level skills needs via professional bodies and that this often served as a "dead hand" because it did not allow for any speed of innovation.⁷⁵ Additionally, Lambert placed great store on the impact of the new Sector Skills Councils, announced by the government in 2001, recommending that *'government should ensure that SSCs have real influence over university courses and curricula...otherwise, they will fail to have an impact on addressing employers' needs for undergraduates and postgraduates.'*⁷⁶ Arguably, this influence has not occurred with respect to high level learning. Lambert also looked at the increasing provision of continuing professional development (CPD) that universities were providing business. The report noted that this total provision accounted for an estimated £250m out of a UK market of £23bn in 2003. Lambert suggested that *'more needed to be done by both universities and businesses to work together to meet the continuing demands of the economy'* and that the government needed to *'ensure that the structures within which universities operate are*

⁶⁹ UKCES (2009) *'Working Futures, 2007-2017'*, January 2009.

⁷⁰ C Humphries (2009) 'Employment and Skills, the UK Perspective' – Keynote presentation to the WESB conference, January 2009.

⁷¹ DIUS (2008) *'Higher Education at Work– High Skills: High Value'*, DIUS.

⁷² R Lambert (2003) *'The Lambert Review of Business-University Collaboration'*, p1, HM Treasury, London, December. URL: www.lambertreview.org.uk

⁷³ As above, p2

⁷⁴ As above, p107

⁷⁵ As above, p108

⁷⁶ As above, p110

sufficiently responsive to encourage these collaborations to occur.⁷⁷ In this regard, many UK universities sought to tackle this CPD agenda and have, in doing so, highlighted the main barriers and facilitators to employer engagement that Wedgwood⁷⁸ has evaluated and enabled her to present her *new paradigm model* for the design and delivery of HE courses in the future.

Following Lambert, the next major government policy document linked to workforce development was the Skills White Paper entitled *Skills: Getting on in business, getting on at work*.⁷⁹ This White Paper had the clear endorsement of the Prime Minister, Tony Blair MP, the Chancellor of the Exchequer, Gordon Brown, MP and their three Secretaries of State for Education and Skills, Trade and Industry, and Work and Pensions. It offered a clear purpose to making the UK 'a world leader in skills' but sensitively coupled this with a social justice agenda.⁸⁰ With respect to high level learning this policy document reinforced the significance of Foundation degrees in boosting the skills of adults in the labour market by stating that they would be 'a key vehicle for the expansion in higher education' and noting that nearly 38,000 students were already enrolled on Fd programmes in 2005.⁸¹ In this regard, it also stressed the fact that the UK lagged behind some of our major European competitors in terms of volume of qualified undergraduates and also announced that Foundation Degree Forward would be the brokerage organisation through which all regional associations of universities and colleges had to work with to help employers make the most of what the HE sector had to offer in England.⁸² In terms of high level skills brokerage the report also invested considerable power in Sector Skills Councils as the main agencies to respond to the identified skills gaps in leadership and management in UK companies. A National report on 'Working Futures' (2004) published around the time of the White Paper suggested that the UK would need an additional 2 million new managers to help companies remain competitive by 2012⁸³ and the White Paper indicated that the Learning Skills Council had designed a funded leadership and management training programme for SME managers which over 1,500 managers had already accessed. English HEIs appeared to be nowhere in this CPD offering to SMEs and SSCs appeared to be also omnipotent in hearing the employer's voice on the skills agenda, supported by a powerful data and research capability and a major advertising campaign and core membership into the Regional Skills Partnerships (RSPs).⁸⁴ Where HEIs in England did profit from this White paper was in the endorsement of Higher Education for England (HEFCE) and Learning Skills Council (LSC) proposals for the establishment of Lifelong Learning Networks (LLNs) to 'build collaboration between colleges, training providers and higher education in supporting progression' of full time and part time students into the HE sector.⁸⁵ This support followed on from the announcement by HEFCE in January 2005 to fund the development of 74 Centres for Excellence in Teaching and Learning (CETLs) in HE in England. Since that time a further 24 additional CETLs have been created in 2008 and they work closely with individual SSCs in developing curriculum which meets the needs of higher-level professional skills including problem solving, research and innovation⁸⁶ The White Paper concludes on higher education and the skills agenda by proclaiming that 'we will develop new ways of supporting HE in the workplace' and suggests that 'we want to examine how employer-delivered HE training could be better.'⁸⁷ In essence, this was the green light for exploring co-funding and saw the development of innovative pilot projects between universities and employers where the main function of university staff was to level and accredit existing or new HE units of training designed and delivered in the workplace by industry employed work-based facilitators using off-site or specialist training facilities. Universities like Middlesex, East London and Derby led the way in this type of learning recognition, accreditation and development (LRAD). Certainly this type of pioneering employer engagement sought to challenge the funding boundaries between FE and HE which continue to create obstacles for employers who support this type of learning, and of course prevent learners moving easily from apprenticeship, advance apprenticeship through to level 4 and beyond. This remains a challenge for the whole UK HE sector but less so now for England as a result of this pilot activity and the focused mission by some universities like Middlesex and Derby to fully embrace employer engagement and make it part of their core 'brand' and range of educational 'products.' Derby, for example, also aligned itself closely with the pervasiveness of the use of ICT in the workplace by building a closely working partnership with the University for Industry (Ufi) *learnirect* scheme and utilising its on-line level 4 products as a means of attracting adults in the workplace into HE study.

These approaches by universities like Derby and Middlesex were certainly what the Leitch Review of Skills was calling for. In their response to Leitch, the UK government made it clear that 'in our rapidly-changing world, having a highly-skilled workforce isn't an optional extra; it's an economic necessity. Their implementation plan of Leitch, entitled 'World Class Skills'⁸⁸ was a catalyst for a skills 'revolution' to close the gap between where England found itself in 2007 and where it needed to be according to Lord Leitch by 2020. It helped invoke a new organisational structure in government to best respond to the economic and social justice goals post Leitch, most notably via a new Department for Children, Schools and Families (DCSF) and a new department for Innovation, Universities and Skills (DIUS). Essentially, these new departments were empowered to bring together the key drivers of a successful, knowledge-based economy in order to build a skilled workforce capable of competing successfully in a global marketplace. Much of the implementation

⁷⁷ As above, pp114-5

⁷⁸ M Wedgwood (2008) 'Higher Education for the Workforce: barriers and Facilitators to Employer Engagement,' DIUS Research Report 08 04, pp8-11, April 2008.

⁷⁹ HM Government (2005) 'Skills: Getting on in business, getting on at work,' HMSO, Norwich.

⁸⁰ As above, p5

⁸¹ As above, p2 and p37.

⁸² H Steedman, S McIntosh, and A Green (2004) 'Skills Audit Update,' International Comparison of Qualifications and HM Government (2005) 'Skills: Getting on in business, getting on at work,' Part 2, p7, HMSO, Norwich.

⁸³ R Wilson, K Homenidou and A Dickerson (2004) 'Working Futures – National Report, 2003-4.

⁸⁴ HM Government (2005) 'Skills: Getting on in business, getting on at work,' Part 2, pp11-12, HMSO, Norwich.

⁸⁵ HM Government (2005) 'Skills: Getting on in business, getting on at work,' Part 2, pp37, HMSO, Norwich.

⁸⁶ As above, p37-38

⁸⁷ As above, p38

⁸⁸ Department for Innovation, Universities and Skills (2007) *World Class Skills: Implementing the Leitch Review of Skills in England*, p4, DIUS.

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plan focused on elevating the skills of the unemployed and those workers with literacy and numeracy problems and those with little or no formal educational qualifications. An employer focused 'Skills Pledge' scheme, expansion of the 'Train to Gain' services and the Apprenticeship programme were all targeted to improve lower level skills uplift and qualification rates. In doing so they were also aimed to improve functional skills of literacy, numeracy and ICT and support the powerful voluntary action carried out by Union Learning Representatives via the 'Skills for Life' schemes. An estimated £1.3 billion was ring-fenced for this type of employee-focused training between 2007 and 2011 – a focus on training and skills for adults because 70% of the 2020 workforce was, by 2007, already beyond the age of compulsory education.⁸⁹ This whole approach also saw the government putting the 'customers' first – in this case, adult learners and employers – and this funding support and policy also promoted the 'demand-led' approach which expected universities and FE colleges to supply education and training that would be *'increasingly responsive to what learners and employers actually want.'*⁹⁰ The rationale for this approach was giving employers a greater opportunity to exert real leverage and decision-making over both the content and delivery of skills and employment programmes, some of course provided by UK universities. Arguably, this was a direct challenge to universities to build joint ownership of the design and delivery of selected vocational degree programmes and high-level CPD training. In order to make sure this occurred, the voice of employers was given greater power with the creation of a new UK Commission for Employment and Skills, which in Wales is led by Sir Adrian Webb, former vice-Chancellor of the University of Glamorgan. With the organisation of their inaugural conference in Cardiff in January 2009, Sir Adrian's team in Wales have already provided the vigorous, expert and external challenge to the employment and skills system at all levels in Wales that the UK government were hoping for. Additionally, the UK government's response to Leitch has also given more power and influence to the Sector Skills Councils particularly with respect to the reform and development of vocational qualifications. This influence was specifically provided in order to make it easier for employers to develop their own in-house training programmes accredited through the Qualifications and Credit Framework.⁹¹

With specific respect to high-level learning, the Leitch review recommended that over 40% of UK adults needed to be qualified to Level 4 and above by 2020 – an 11% uplift from where the UK was in 2005. The Review highlighted that without increased skills the UK *would condemn ourselves to a lingering decline in competitiveness, diminishing economic growth and a bleaker future for all.'* Leitch also stated bluntly that the UK's skills are *'not world-class'* and reflected that *'despite substantial investment and reform plans already in place, by 2020, we will have managed only to run to stand still as competitor countries continue to improve their skills base.'*⁹² The *'World Class Skills'* report recognised that whilst UK employers spent an estimated £33+ billion on training most of this training was linked to short course delivery and focused predominantly on induction or health and safety. Additionally, whilst the government recognised that many employers had an outstanding training record, others were *'some way off the pace'* and that, in return for enticing into high-level training and qualifications, future provision had to be economically valuable, of high quality and meeting learners and organisations primary needs.⁹³ In essence, DIUS was created in order to foster greater and sustained engagement between universities, colleges and employers in training, skill development and innovation. It also saw government prompting the need for a culture change in many UK universities and FE colleges in order to properly respond to the employer engagement and workforce development agenda. The *'World Class Skills'* report noted the excellence universities had built around their research and enterprise programmes and the increasing impact of the government funded Lifelong learning networks (LLNs) in England. It stressed the need for HE institutions to *'grow their capacity to engage on a large scale with employers, in ways adapted to their different profiles and missions,'* adding that *'those activities should share equal status with research and academic activities'* and concluding that *'business facing should be a description with which any higher education institution feels comfortable.'*⁹⁴ Out of this demand HEFCE and the Higher Education Academy (HEA) have worked closely with SSCs to develop Sector Skills Agreements and Qualifications strategies and, through the work of the 24 HEA Subject centres, have developed specific proposals on workforce development.⁹⁵ Middle and senior management leadership development and succession planning, change management and project management were all reoccurring themes in these workforce development proposals.⁹⁶

Effectively, what the Leitch Review and the *'World Class Skills'* implementation plan linked to that review exposed was that too many people in the UK were getting left behind in today's environment of high-level niche market employment and rising skills levels. Without question, there is a strong correlation between qualification levels and quality and employability/wage potential.⁹⁷ For example, the worklessness rate for people with no qualifications is twice as high as for those with level 5 qualifications.⁹⁸

Also, the socio-economic composition of our UK workforce has changed markedly since the mid-1980s with the number of jobs in managerial, professional and associate professional occupations growing steadily, whilst the number of jobs in elementary occupations linked to skilled trades has fallen. This is reflective of a move from staple industries in mining, steel production and heavy engineering to more 'service' and 'knowledge' based industries.⁹⁹ As a result of these occupational shifts and the concentrated focus on skills uplift,

⁹⁰ As above, p7.

⁹¹ As above, p11-12

⁹² HM Treasury (2006) *Prosperity for all in the global economy – world class skills, Final Report,* December 2006, p6.

⁹³ Department for Innovation, Universities and Skills (2007) *World Class Skills: Implementing the Leitch Review of Skills in England,* pp37-38, DIUS.

⁹⁴ As above, pp50-52.

⁹⁵ As above, p51.

⁹⁶ As above, p59.

⁹⁷ L Deardon, M McGranahan and B Sianesi (2004) *'An in-depth Analysis of the Returns to National Qualifications Obtained at level 2,'* CEE Discussion Paper No 46.

⁹⁸ Labour Force Survey, Quarter 4, *'Employment rate by highest level of qualification.'*

⁹⁹ B Wilson et al(2005) *'Working Futures, 2004-2014,'* National Report.

the 'World Class Skills' report confidently expected that the 3.4 million unqualified adults that existed in the marketplace in 2004 would be reduced to 600,000 by 2020, that the number of adults in elementary occupations would fall from the 2004 figure of 3.5 million to 2.5 million by 2020, and, that an uplift in the volume of higher qualification levels would offer wider benefits linked to improved health, reduction in criminality and improvements in civic and community participation. As a result, the 'World Class Skills' report added one extra target of 68% of the adult population to be qualified at level 3 by 2020.¹⁰⁰

Moving slightly away from an analysis of major policy documents linked to the skills agenda, the research report of Hogarth et al (2007) commissioned by the DfES on 'Employer and University Engagement in the Use and Development of Graduate Level Skills,' offers perceptive commentary into the CPD skills agenda, its brokerage and the growing significance of the City-Region concept.¹⁰¹ This research builds directly off the Lambert and Leitch Review agendas. In this report there is a powerful argument for promoting employer and HEI engagement based principally on the widespread belief that competitiveness, at national and regional levels, lies at the heart of maintaining and developing the UK's economic future. It notes that the source of the ingredients for competitive success has traditionally been found in UK HEIs, demonstrated by the recent drive in the sector towards the production of 'academic' research for publication in research journals in preparation for the Research Assessment Exercise (RAE), often weighted more heavily than applied or pedagogic research.¹⁰² Also, the report highlights that HEIs are specialist producers of human capital and also offer comparatively low cost opportunities of producing skilled people and up-skilling them once in the workforce.¹⁰³ However, it references the work of Boud and Soloman (2003) who stated that the realisation of these benefits is invariably dependant upon the pervading culture of the HEI and whether it actively pursues this type of HE-business partnership as a vehicle for mutual growth.¹⁰⁴ Common barriers to sustainable partnerships included – 'finding out who does what within individual institutions,' (especially maintaining interpersonal relationships when faced with academic staff turnover); 'poor customer services' (especially project and timeline management); little access to multi-disciplinary research and a general preponderance for HEIs to be slow and risk averse when delivering their knowledge products.¹⁰⁵ With specific respect to CPD and high-level skills engagement the report offers some very mixed messages in terms of the HE sector's organisational effectiveness. It notes that part-time CPD 'demand' tends to come from local employees who are drawn by a university's trade mark of educational quality, but once 'in training' these local employees are frustrated by inconsistent delivery and tutor availability.¹⁰⁶

When initially introduced, foundation degrees were seen as the main means of providing the basis for a degree level experience via work-based learning comparable to that of a first degree. They are still seen by employers as a valuable means of providing continuing professional development to older workers and offer problem-solving opportunities applicable to day-to-day situations that have a real sense of worth to both employee and employer. However, as Hogarth et al (2007) have reflected, these Fds did not really develop HE-business relations but did improve FE-business relations because delivery was invariably by FE lecturers via a franchised process from the validating HEI. Also, this CPD relationship was invariably local in terms of travel time to study and tended to be neither systematic nor formalised. One would have to comment that any HEIs role in this development tended to be passive and that high-level workforce development occurred rather by accident than any organisational mission or strategic intent.

If there is a residual value to this analysis it is that it focused upon the city-region dimension and encouraged high-level knowledge for a local workforce that would stay locked in the regional market and increase regional economic and social capital. Certainly this notion of city HE-business partnerships driving economic development had considerable resonance in the HM Treasury, Department of Trade and Industry (DTI) and Office of the Deputy Prime Minister (ODPM). Critical supporting factors were that cities were primary sources of employment and, by association, offered a greater opportunity for high-level knowledge intensive company growth. As a result, they could be central drivers for regional and national growth and help address sub-regional disparities, especially those linked to deprivation and inequality of opportunity.¹⁰⁷ Hogarth et al (2007) offered the concept of regarding the HEI as a central Hub 'within a determined geographical space' acting as multi –service provider of high-level learning via CPD, labour source via graduates, labour employer, supplier of research and development and, overall, the major network and partnership builder between local industry, local or regional government and their various support agencies.¹⁰⁸ This concept was a natural extension of the *High Skill Ecosystems* (HSEs) as witnessed by Porter (2000) in the USA, seen principally evolving around Californian universities and universities in Massachusetts in the 1980s and 1990s.¹⁰⁹ It offers a 'more instrumentalist position' with respect to the role of HEIs, effectively stretching the original concept of a university as a mainstream provider of teaching and research.¹¹⁰ This additional function reflects the expanding role of HEIs in the UK and a renewed focus on regional economic development based in part around a drive for increased innovation and

¹⁰⁰ Department for Innovation, Universities and Skills (2007) *World Class Skills: Implementing the Leitch Review of Skills in England*, p24-26, DIUS; and 'Alternative skills scenarios for the UK economy: report to the Leitch Review of Skills, Cambridge Econometrics and Institute for Employment Research, 2005.

¹⁰¹ T Hogarth, M Winterbotham, C Hasluck, K Carter, WW Daniel, AE Green and J Morrison (2007) 'Employer and University Engagement in the Use and Development of Graduate Level Skills,' Institute for Employment Research, University of Warwick and IFF Research Ltd, commissioned by the DfES.

¹⁰² As before, p8.

¹⁰³ As above, pp7-10.

¹⁰⁴ D Boud and N Soloman (2003) 'Work-based learning, a new education, SRHE, Open University Press.

¹⁰⁵ T Hogarth et al (2007) pp11-12.

¹⁰⁶ As above, pp12-13.

¹⁰⁷ HM Treasury, DTI and ODPM (2006) *Devolving decision-making: 3 – Meeting the regional economic challenge: the importance of the cities to regional growth*, London, HM Treasury.

¹⁰⁸ Hogarth et al (2007) pp3-5.

¹⁰⁹ M Porter (2000) 'Location Competition and Local Clusters in a Global Economy,' *Economic Development Quarterly*, Vol 14 No1, pp15-34.

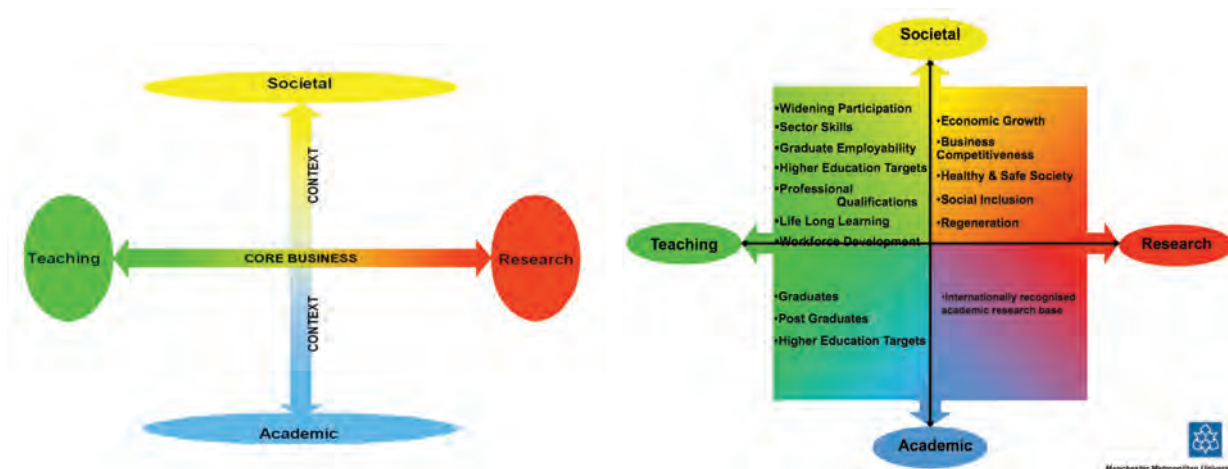
¹¹⁰ D Charles (2003) 'Universities and territorial development: reshaping the regional role of UK universities,' *Local Economy*, 18, pp 7-20.

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entrepreneurship. Additionally, this function effectively demands that HEIs become the main drivers of high-level knowledge networks and key shapers of local and social economic development agendas.

Wedgwood's early research (2003, 2004)¹¹¹ was the first to really extrapolate how this need for HEIs to become active agents in the whole employer engagement agenda might reshape the organisational culture of UK universities in the 21st century. It culminated in her influential research report to DIUS (2008) on *'Higher Education for the Workforce: Barriers and facilitators to Employer Engagement.'* Wedgwood's overall conclusion was that the UK HE sector needed to conduct its learning and teaching significantly differently if it was to achieve the step change in the delivery of higher education to the workforce market that was recommended in the Leitch Review.¹¹² Offering 'value' via a range of knowledge products was also a critical factor for engaging employers and employees, combining curriculum innovation with accessibility, flexibility and responsiveness of delivery. This required a scaling up of employer engagement provision and harnessing new sustainable markets to generate sustainable demand. Wedgwood intimated that case study analysis showed that when HEI providers and employer clients worked closely together in design and delivery of CPD activities and used their complementary strengths and roles to best effect, employer engagement outcomes then made a real impact on people and organisations.¹¹³ A specific 'language of communication' was the key to generate knowledgeable demand and supply, based upon employer engagement activities integrating practice and theory and integrating both academic and occupational practices.¹¹⁴ Wedgwood concluded that the employer engagement agenda offered UK HEIs a real strategic challenge. What had to evolve from the university-business interface was *'a new tradition of higher education'* that would be able to meet the multiple workforce markets and embed them into the culture of HEIs, –facilitated by an underpinning national infrastructure with recognised standards of excellence.¹¹⁵ The UK government certainly seems to have embraced a great deal of the Wedgwood 'Diversity with Excellence Model' (shown in key stages below) because targeted government investment post Leitch appears to have catalysed a step change in mission and strategic intent in some English HEIs like Coventry, Derby, Hertfordshire, Middlesex and Teesside. These HEIs can be rightly called leading employer engagement universities because they have actively responded to the Wedgwood agenda for change which gravitated around building an operating environment that was fit for purpose; attacking multiple markets with a dynamic marketing strategy and attractive products with clear 'added value' to end users; real policy coherence inside their university that chimed with key external stakeholders (SSCs, RDAs, ESF, business agencies); and simplification and accessible administration and support systems.¹¹⁶

Figure: the basic Wedgwood diversity model describing university activities



¹¹¹ M Wedgwood (2003) *'Making Engagement Work in Practice,'* in S Bjarnason and P Coldstream (2003) *'The Idea of Engagement,'* The Association of Commonwealth Universities and M Wedgwood(2004) *'Engagement with Society – The Third Core objective for universities,'* 16th Annual EAIE Conference, September 2004.

¹¹² M Wedgwood (2008) *'Higher Education for the Workforce: barriers and Facilitators to Employer Engagement,'* DIUS Research Report 08 04, p4, April 2008.

¹¹³ M Wedgwood (2008) pp20-36.

¹¹⁴ As above, p29.

¹¹⁵ As above, p4.

¹¹⁶ As above, pp5-6.

Wedgwood's research and '*diversity model*' is certainly visionary and offers a substantial challenge to those vice chancellors and their governing bodies who see their universities responding to the skills agenda and the related regional economic development and social justice agendas. But it is worth delving a little more deeply into the high-level learning and workforce development agenda by asking where are HEIs right now on this path towards managed diversity?

Winterbotham and Carter (2007), commissioned by the DfES, produced '*Workforce Training in England in 2006*' – a research report that highlights some interesting data from over 4,000 interviews with employers with respect to the type and pattern of work-based training and the satisfaction that end-users had of the HEIs providing high-level training. In terms of all types of external provider training to employers, HE provision accounted for only 13% of the overall total.¹¹⁷ However, this low percentage must be understood in the context that most training 'demand' was seen to be at sub-degree level and concentrated heavily on induction training, health and safety training and job specific up-skilling that increased company turnover and productivity. What was of concern was the feedback that employers were less likely to report being satisfied with the training they received from HEI providers in comparison to private training or FE providers and that cost, poor marketing and responsiveness to enquiries and inflexibility of provision and start dates were the main weaknesses of the HE provision. Additionally, micro businesses (staff of 5 or less) tended not to think of ever using HEIs and tended to engage with their local FE college.¹¹⁸ What this report also exposed was that where training was leading to a qualification the preponderance was towards NVQ level 2 (42% of the total sample population). Also, the likelihood of having employees working towards a qualification increases markedly with the size of employer but, overall, of the total workforce sampled only 1.5% were working towards level 4 or higher qualifications and employees (39% of the total sample) from large organisations (500+ employees) invariably contributed substantially to their own training. In fact, in micro organisations many owners tended to fund their employee training in full (59% of total sample) when compared to only a third of large organisations (33%).¹¹⁹ This seems to suggest that the 'co-funding' response expected by many UK companies has still to materialise and indicates an on-going challenge for both UK and Welsh Assembly governments to continue to offer attractive subsidies to training and to maintain schemes like '*Train to Gain*' and '*Modern Apprenticeships*.' It also, in part, perhaps explains why some universities refuse to totally commit themselves to this type of employer engagement agenda because it appears to be a relatively small market – or a market that requires substantial investment in terms of university 'outreach' marketing and innovative pricing strategies – not dissimilar to supermarket 'two for the price of one' selling – which some might say demeans the knowledge exchange process-based product that universities are keen to see as their 'quality' product. Either way, these IFF research findings seem to demand more agile approach to product visibility and delivery mechanisms if universities are to really make a difference to the high-level skills agenda in the UK.

The IFF research also reinforces some fundamental findings from Wedgwood¹²⁰ not least that the dominant culture of HE is out of alignment with what the employer engagement market wants. For example, funding models, staff contracts, quality assurance and esteem models all shape the business mix of HEIs and these current models favour delivery to a traditional market of full time undergraduates or full or part time postgraduates on taught programmes run over an academic year. This is nowhere near an appropriate model for the workforce market which requires a culture of greater flexibility and responsiveness. The workforce market demands a blended learning approach with practice based, individualised learning and assessment. Students need learning mentors and communities of practice at work to support them as well as academic facilitation rather than traditional didactic lectures. They also need to feel that they are able to gain credit for prior learning in order to possibly fast-track into a programme or simply gain an early boost to their confidence that they can succeed in their higher education quest. They will also need sponsorship or some form of co-funding to help them cope with the cost of learning. Wedgwood argues strongly that '*a national 'infrastructure' - funding and quality assurance (QA) models – must all be in place to facilitate an HEI's commitment to employer engagement.*'¹²¹ However, unlike the volatility of the business world the business culture of higher education tends to be risk averse. Those individuals that lead CPD in UK HEIs intuitively know that the business market will not readily buy products and services that do not suit their core purposes. To gain repeat business certainly requires high quality products and high quality delivery and support – elements which are not easily guaranteed by many HEIs already stretched in delivering against learning and teaching and research primary objectives. Poor understanding of the role and value of a higher education experience amongst employers, and their own lack of commitment to education and training also undermines confidence in the HE sector's ability to make the workforce market significant in their business mix.¹²² Some famous 'High Street' employers like Tesco and McDonalds and companies like Unilever have been prepared to engage in work-based learning development work and to share some of the risk. As a result, innovative pedagogical and occupational practices have emerged through these joint new initiatives with UK universities.¹²³ Reciprocity and mutual trust help drive these leading-edge insights which are key features of any successful organisational culture.

Additionally, employer engagement markets are multiple. They range from global PLCs to micro enterprises and also span private, public and voluntary (Third) sectors.¹²⁴ Wedgwood remains optimistic in her summarising, stating that UK HEIs have a number of

¹¹⁷ M Winterbotham and K Carter (2007) '*Workforce Training in England 2006*,' Research Report RR848, commissioned by the DfES and conducted by IFF Research Ltd, p12.

¹¹⁸ As above, p37-44.

¹¹⁹ As above, pp59-70.

¹²⁰ M Wedgwood(2008) As above, pp5-6

¹²¹ As above, p30.

¹²² As above, p5.

¹²³ As above, p6.

¹²⁴ As above, p6.

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unique selling points (USPs) linked to their industry which include their quality assurance and learning recognition and accreditation capability; their knowledge and skill base; their organisational stability; and their capacity to create new learning and organisational models required to shape high level employer engagement. These factors mark out the HE sector and individual HEIs as potentially highly credible drivers of the employer engagement agenda.

In 2008, the UK government produced a wave of key documents linked to the evolving role of UK HEIs in employer engagement and innovation. This started with the DIUS report on *'Innovation Nation'* which was, essentially, a 'call to arms' to all key stakeholders including HEIs and FE colleges to foster innovation and help create an innovative nation state.¹²⁵ It effectively endorsed the Wedgwood diversity model and accentuated the role of universities as key settings to acquire skills vital for innovation, invariably gained through the dissemination of specialist knowledge, exposure to independent thinking, debate and creative problem solving.¹²⁶ This report championed the work of Coventry University with regional businesses via a HEFCE grant to its School of Lifelong Learning which focused on designing and delivering a customised work-based development programme for managers in large organisations.¹²⁷ Entitled the *'Capability Improvement Programme'* it offers participants real time work challenges and supported learning in order to benchmark their current competence and extend their personal capability to work and develop their company's organisational capability.¹²⁸ The report also headlined the emergence of a 'Higher Level Skills Strategy'¹²⁹ and a 'New *'University Challenge'* to develop new HE outreach education centres in order to unlock the nation's talent to improve the regional economy and local societies.¹³⁰

In the *'Higher Level Skills Strategy'* the Prime Minister, Gordon Brown is quoted as stating that *'up against the competition of over two billion people in China and India – with five million graduates a year – Britain, a small country, cannot compete on low skills but only on high skills. Our imperative – and our opportunity – is to compete in high value added services and manufacturing; and because that requires the best trained workforce in the world, our challenge is to unlock all the talents of all of the people in our country.'*¹³¹ To add to this clear steer, Bill Rammell MP, Minister of State for Lifelong Learning, Further and Higher Education commented that *'the challenge is to achieve a dramatic increase in scale if we are to provide the thinking workforce that employers need.'*¹³² The strategy estimated that, in a comparative context, effective management practices accounted for 15% of the productivity gap between the USA and the UK, and that graduates made up 74% of the management workforce in the USA in comparison to 49% in the UK.¹³³ The main aim of the strategy was, not surprisingly, to *'produce more and more employable graduates and to raise the skills, and capacity, for innovation and enterprise of those already in the workforce.'* Growing the foundation degree population was a specific target in the strategy with 100,000 enrolments the ambition for 2010 and, the accreditation of employers' own in-house training by HEIs being the other main mechanism for raising the high-level skills and capacity for innovation and enterprise of those already in the workforce.¹³⁴ With respect to the latter, the strategy estimated that, in 2006, UK HEIs secured only 6% of the potential UK CPD revenue pool – or approximately £335 million. It also estimated that, if every UK HEI raised its CPD revenue profile it could increase their market share by well over £1 billion.¹³⁵

However, there were numerous obstacles to more and better employer engagement. These included – an employer reluctance to train their staff and an employee reluctance to attempt National Qualification Framework (NQF) level 4 CPD. For example, whilst 52% of UK large firms (over 5,000 employees) used university CPD provision only 15% of UK small firms (less than 50 employees) accessed university CPD. Interestingly, of the small firms, over 70% preferred to use private training provision.¹³⁶ Additionally, recent DIUS research has highlighted that over 12 million adults in the labour market hold NQF Level 3 qualifications and that over 30% would considering going to university at some time in the future, but only if study could mainly be carried out part time via work and at home. This equates to nearly 4 million non traditional students who could be attracted into NQF level 4 CPD or degree programmes.¹³⁷ However, being able to break into even a small percentage of the vast potential new student population the strategy recognised that UK universities needed to offer a part time curriculum model that offered greater flexibility of delivery and support, was priced more appealingly and facilitated prior learning without compromising quality more readily. Once again, the message of more 'business-facing' universities was stressed strongly.¹³⁸ This is being reflected positively in England when one considers the breakdown of overall income streams flowing into English universities (see figure overleaf).

¹²⁵ DIUS (2008) *Innovation Nation*, 'especially note the Foreword by the Rt Hon John Denham MP, Secretary of State for Innovation, Universities and Skills, March 2008.

¹²⁶ As above, p64-5.

¹²⁷ As above, p66-67.

¹²⁸ The Capability Improvement Programme, Coventry University of Lifelong Learning at <http://wwwm.coventry.ac.uk/acua/Documents/ACUA%20Caterpillar%20Insert.pdf>

¹²⁹ DIUS(2008) 'Higher Education at Work – High Skills: High Value,' April 2008.

¹³⁰ DIUS (2008) 'A new *'University Challenge'* – *Unlocking Britain's Talent*,' March 2008.

¹³¹ DIUS(2008) *'Higher Education at Work – High Skills: High Value,*' p3 April 2008.

¹³² As above, p4.

¹³³ As above, p8.

¹³⁴ As above, p10.

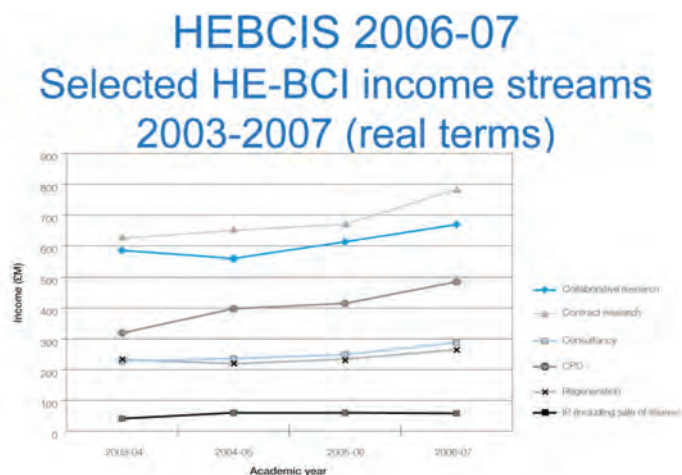
¹³⁵ As above, p23-24

¹³⁶ CBI (2007) *'Fit for business,*' Employment Trends Survey, 2007.

¹³⁷ DIUS 2008) *'University is Not Just for Young People: Working Adults' perceptions of and Orientation to Higher Education,*' DIUS Research Report, 08 06, 2008.

¹³⁸ DIUS(2008) *'Higher Education at Work – High Skills: High Value,*' p26, April 2008.

Figure: income streams – and the growth of CPD and consultancy activity in English universities, 2003-7, source D Sweeney, 2009



In response to this *'Higher Level Skills Strategy,'* the Central Office of Information (COI) carried out a detailed consultation process and reported a number of key themes emerging from over 150 organisational responses. These included the need for HEIs to sell the benefits of participation between universities and businesses more clearly which might include improved staff recruitment, retention and overall business performance. Additionally, there was recognition by the sector that developing and utilising a more effective credit accumulation framework was vital and that this needed to be portrayed in a user-friendly way to businesses. Also, fostering co-operation between HEIs, SSCs and employers was deemed vital but only if this facilitated a demand-led rather than a supply-led model for employer engagement. Lastly, reinventing curriculum and CPD structures was seen as essential in order to entice mature workers into blended work-based learning opportunities and that this required new skill-sets for academic staff and on-going CPD and research into employer engagement.¹³⁹

Yet another government document focusing on unlocking Britain's talent from DIUS appeared in March 2008, highlighting the apparent demand by an increasing number of English towns and cities to house a higher education campus. The government drive was for a new *'University Challenge'* which could bring local businesses, funding bodies, local authorities and Regional Development Agencies (RDAs) together to launch new HE campuses and HE services to particular regions in order to *'unlock the potential of towns and people and drive economic regeneration.'*¹⁴⁰ This consultation document evidenced case studies and described the government's ambitions in driving up local and economic growth via production of a skilled workforce and creation of innovative world-beating jobs and services. They were, in essence, attempting to tap into the latent talent of adults in work who yearned to experience higher education in order to cope with new knowledge and technologies and challenge themselves to achieve to their optimum potential. Clearly, a potential outcome of this 'challenge' to people and towns was new job creation and increased entrepreneurship. Universities like Lincoln were highlighted as being worth over £200 million to their local economy and directly responsible for generating at least 3,000 new jobs in the Lincoln region.¹⁴¹ Other collaborative partnerships between regional universities were highlighted, like for example 'New Ventures,' a new business start-up scheme between Newcastle, Northumbria and Sunderland universities which had incubated 31 new businesses and 60 jobs.¹⁴² Another major knowledge transfer and CPD programme from a North East university, FE college and business consortium was the 'Knowledge House.' This was essentially a 'one stop shop' consultancy or brokerage service for regional businesses. From those initial exemplars, the consultation document highlighted the growth of 11 new university towns in England, supported by funding from HEFCE and anticipated 'match funding' from the private sector and other (eg European) funding streams. The government anticipated that, by 2014, from a £150 million capital outlay they could expect to generate a minimum of 10,000 new graduates.¹⁴³ This scheme is all about mobilising exciting new partnerships of people and organisations and has a clear focus of increasing progression of learners from FE colleges into higher education and also extending HE provision inside FE colleges. In guiding potential institutional consortia with respect to this *'new University Challenge'* HEFCE asked that proposals addressed the need to create a highly skilled local workforce, increase higher-level skills in those who missed out on an HE experience when younger, support progression, widen participation and, in doing so help secure the significance of Lifelong Learning Networks.¹⁴⁴ The one dominant feature from this HEFCE consultation is the catalyst and steer it seems to be offering for FE and HE executive officers to come together to create an HE centre that could directly tackle the higher-level skills deficit in localised regions and provide flexible and distributed learning opportunities to people who aspired to enter HE and, who would offer significant returns to themselves, their families, their sponsoring companies and their local communities. It offers, therefore, the opportunity to build powerful emancipatory and entrepreneurial forces in both rural and urban areas.

¹³⁹ Central Office of Information (2008) *'Higher Education at Work – High Skills : High Value,'* Consultation Report prepared for DIUS by COI, pp6-11, October 2008.

¹⁴⁰ DIUS (2008) *'A new 'University Challenge' – Unlocking Britain's Talent,'* pp1-2, March 2008.

¹⁴¹ As above, pp6-7.

¹⁴² As above, p7.

¹⁴³ As above, p9. The new university towns and regions established since funding started from HEFCE in 2003 includes – Barnsley, Cornwall, Cumbria, Darlington, Folkestone, Hastings, Medway, Oldham, Peterborough, Southend, Suffolk. Others are planned for Blackburn, Blackpool, Burnley, Everton, Grimsby, North and South Devon.

¹⁴⁴ HEFCE *'A new 'University Challenge' : consultation on proposals for new Higher Education Centres,'* p8-10.

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This is a theme of change agency which the House of Commons Innovation, Universities, Science and Skills Committee (2009) '*Re-skilling for recovery: After Leitch, implementing skills and training policies*' echoes strongly. However, this report is most notable for its pragmatism and tenor for caution with respect to the Leitch targets of qualifications uplift being an automatic panacea to the UK skills deficit. For example, the report expresses concern that *the conflation of skills and qualifications in the targets may lead Government to assume that a qualification is an adequate substitute or proxy for an overall skills strategy.*' It also perceptively reflects that this drive to improve qualification outputs at all NQF levels may well drive up individual attainment and elevate UK economic performance but, a real skills and training strategy ought to '*focus more on skills utilisation by companies to achieve high performance working standards and so raise productivity.*'¹⁴⁵ Indeed, the whole report is full of reflective wisdom, mainly with respect to a need for policy re-focusing, clearer visioning and communication and implementation of a skills development programme that is truly owned and deemed valuable by all stakeholders. It does not seek to denigrate the Leitch Review but does highlight that Lord Leitch produced his report during a period of economic optimism and that the current global economic crisis has raised the bar in terms of the importance of this whole skills agenda. Throughout the report is a demand for a coherent skills policy and implementation that determines how and when the UK economy recovers and grows. There is also a sense that considerable time, intellect and no little amount of money (estimated to be £5.3 billion per year between 2008-9 and 2010-11 of the Comprehensive Spending Review for the Department for Innovation, Universities and Skills) had already been expended in attempting to provide an additional 3.7 million adult qualifications.¹⁴⁶ The report drew extensively upon expert commentary from leading UK business leaders, including individuals like Sir Michael Rake, Chairman of UKCES, Mervyn Davies CBE, Chairman of Standard Chartered plc, Brendan Barber, General Secretary of the TUC, Richard Lambert, Director General of the CBI and Sir Stuart Rose, Chairman of Marks and Spencer plc, warned that although '*in an economic downturn, there is always a temptation for businesses – large and small – to cut spending on staff training...investing now in building new skills will put us in the strongest position as the economy recovers. Skills to support the development of new products and services will shape whether we are ready to gain competitive advantage when growth resumes. From our experience in previous downturns, it was the businesses that did invest in their staff which saw the most dynamic recovery.*'¹⁴⁷ This type of response is peppered through the report and acts as a catalyst for the building of a shared responsibility and responsiveness for developing the skills agenda in the UK workforce and moving the 'demand-led' skills policy from mere jargon and into practical action-based solutions.

Without question, the higher level skills agenda involves a complex landscape. The '*Re-skilling for recovery*' report advocates that the UK Commission for Employment and Skills (UKCES) take a strong lead and help create broad milestones for success towards 2020 and, that in a time of increasing flux that a '*period of relative stability in institutions and programmes*' is needed. The report also comments that *constant change creates uncertainty and, as the wider economy currently demonstrates too well, uncertainty tends to undermine the confidence that is needed for investment to take place*' and makes a plea that UK government ministers adopt the UKCES 'five key principles of what not to do in the future' – notably – no new disconnected initiatives; no separate contracts for the *Train to Gain* service; no different report or monitoring rules; no new business facing brands beyond Business Link, *Train to Gain* and Apprenticeships and no new agencies beyond those already announced.¹⁴⁸ A powerful steer to government ministers and their permanent civil servant advisers! It certainly does seem sensible for UKCES to act as the key conduit between all employer engagement stakeholders and especially to be used as the disseminator of policy interpreter, best practice adviser and brokerage for skills delivery. With specific respect to the role of HE as a 'training provider,' the '*Re-skilling for recovery*' report comments bluntly that it '*appears to us to be a major point of weakness within the implementation of the Government's policy on skills.*'¹⁴⁹ The report highlights in particular, the sector's relationship with employers which appears to be of variable quality and sustainability but does note pointedly '*whether industry co-funding of 50% will be forthcoming in the quantity required to meet annual targets of 20,000 places*'¹⁵⁰ (these being additional graduate student enrolments required to meet Leitch level 4 qualifications and skills targets). This raises the whole issue of whether the current university products are the 'right' products and whether the original Leitch targets have ever been embraced fully by the sector and become key elements of strategic intent in HEIs and, most importantly, can be keenly anticipated by employers in an initial period of economic downturn. Initiating attitudinal change would appear to be a primary factor that UKCES need to tackle with both these main agents for employment engagement – a role which the recent CBI '*Stepping higher: workforce development through employer-higher education partnership*' report sponsored jointly by HEFCE and the Universities UK strongly demanded.¹⁵¹ Additionally, and like other similar government policy and consultation documents before it, the '*Re-skilling for recovery*' report builds on the need for FE/HE collaboration but pointedly recommends that the UK Government commission '*clear guidelines on how to ensure its effectiveness at the regional level.*' This report also suggests there is an '*appealing logic*' to the idea of a single FE/HE funding agency in England but that such a move would not be timely at this precise moment and that much more stronger action should occur by all stakeholders to work with bodies such as the Chartered Institute of Personnel and Development (CIPD) to explore

¹⁴⁵ House of Commons Innovation, Universities, Science and Skills Committee (2009) '*Re-skilling for recovery: After Leitch, implementing skills and training policies*, 'First Report of Session 2008-9, Volume 1, p81-82, January 2009.

¹⁴⁶ HM Treasury (2007) '*Meeting the aspirations of the British people, 2007*,' Pre-Budget Report and Comprehensive Spending Review, CM 7227, October 2007, p212.

¹⁴⁷ Open letter published 23 October 2008, available at www.ukces.org.uk/default.aspx?page=4660.

¹⁴⁸ House of Commons Innovation, Universities, Science and Skills Committee (2009) '*Re-skilling for recovery: After Leitch, implementing skills and training policies*, 'First Report of Session 2008-9, Volume 1, p83-84, January 2009.

¹⁴⁹ As above, p86-87.

¹⁵⁰ As above, p86.

¹⁵¹ CBI (2008) '*Stepping higher: Workforce development through employer-higher education partnership*, ' – see forewords by Richard Lambert, Director-general CBI and Rick Trainor, President Universities UK, pp6-11.

how the role, standing and capacity of the training function of employing organisations can be strengthened and developed.¹⁵²

Overall, the *'Re-skilling for recovery'* report asks many searching questions about the whole employer engagement policy and practice agenda post Leitch. It certainly offers clear statements from university vice chancellors as to the importance of clear futures planning by employers with respect to their training needs and implies that employers do not always know what they want and questions whether 'demand-led' is ever likely to be properly supported financially by employers. What is required it seems is a coherent system for employer engagement and workforce development that can blend employee needs with employer demand and align these twin drivers with a regional skills development agenda. Also, and linked to this potential regional skills development agenda, it questions why the Leitch targets are measured against OECD league tables and not against the specific skills needs of UK regions. This seems an inappropriate external focus of attainment whereas creating regional skills development targets using SSC labour market intelligence data (e.g. - the *'National Employers Skills Survey,'* 2007¹⁵³) might be more beneficial. Taking this type of more pragmatic response to the Leitch agenda could also encourage HEIs to focus less on qualification and programme development and more on learning recognition and development. The creation of much more smaller 'bite-sized' learning (e.g. NQF level 4 and above 5 credit packages), blended learning using e-learning and industrial mentorship, and negotiated work-based 'open' modules that offer alignment with live projects being carried out by employees inside their places of employment all offer opportunities for improving employee/learning quality and skills uplift.

So, where are we now with respect to this whole high level learning employer engagement agenda? - Professor Alan Gilbert, vice chancellor from Manchester University has implied that we are way off the pace in skills development and responsiveness to the demands of UK and global businesses. However, he noted that it has ever been thus for over 150 years in UK universities with politicians and business leaders complaining that we were behind Germany in the 1840s, behind USA in the 1930s and falling behind many OECD nation states today in skills development, innovation and creativity.¹⁵⁴ Gilbert borrowed from Reich (1992)¹⁵⁵ when he commented that the UK universities need to produce more *'symbolic analysts'* in our post-modern industrial society. He also stressed that these knowledge workers needed to be 'home-grown' and that UK universities really do need to increase the capacity and quality of our full time and part time learners in order for them to perform effectively when in the workplace. Using data from the recent UKCES review he implied that UK HE and FE were making improvements but that this progress was too slow and that as a sector HE *'needed to shift its game linked to employer engagement - because it is the central game for universities to play in.'*¹⁵⁶ However, Gilbert went on to add some important contextual caveats, not least that universities should not simply be seen to be responding to the narrow skills and qualifications priorities of politicians. He clarified this by suggesting that it was vital to create an on-going dialogue between supply and demand side stakeholders and that universities had that precious responsibility to look over the horizon, attempt to transform current ideas and thinking about learning and knowledge creation and inject a healthy tension into this whole employer engagement process. One outcome at Manchester university was a planned wholesale review of their university's curriculum and a 'Manchester Curriculum Purpose' that would, in part help create a Higher Education Achievement Record (HEAR) which would map the evolution of a student's skill-set from curriculum and value-added experiences.

The Wales high level learning and skills landscape

By comparison, the policy and initiative landscape linked to employer engagement and workforce development is nowhere near as complex and crowded as in England. This is, in the main, dictated by the fact that HEFCW is funded much more stringently than HEFCE and also that the many government funded initiatives like the *'new University Challenge'* and business-facing brands like *'Train to Gain'* exist for England only. WAGs *'Learning Country: Vision into Action'*, published in 2003, aims for both inward growth and development and also external knowledge transfer that builds national competitiveness and showcases Welsh educational distinctiveness. Its vision was to *'modernise the collaborative efforts of higher education in Wales'* and it offered specific objectives of promoting *'reconfiguration within the HE sector to improve quality and strengthen research'* and improving *'knowledge exploitation and maximising the contribution of HE to the development of the knowledge economy'* and improving skills and adding value to the Welsh economy.¹⁵⁷ With respect to workforce development targets it declared an outcome for the percentage of adults of working age with a qualification equivalent to level 4 to be 30% by 2010, with a 2007 milestone of 27%. It also sought to *'enable learning at all levels to be acquired in bite-sized episodes and accredited towards whole qualifications by continuing to implement the Credit Qualification Framework for Wales (CQFW)'* and expressed a desire to explore the introduction of Foundation degrees *'through HE/FE partnerships, linked to our agenda for skills and vocational learning.'*¹⁵⁸ In public briefing sessions, Jane Davidson AM, the Minister for Education, Lifelong Learning and Skills saw the *'Vision into Action'* document as a clear statement for Welsh HEIs to promote greater collaboration

¹⁵² House of Commons Innovation, Universities, Science and Skills Committee (2009) *'Re-skilling for recovery: After Leitch, implementing skills and training policies, First Report of Session 2008-9, Volume 1, p87, January 2009.*

¹⁵³ Learning and Skills Council (2008) *'National Employers Skills Survey, 2007: Main Report,'* May 2008.

¹⁵⁴ Gilbert A (2009) *'Higher Education and the current skills agenda,'* keynote presentation HEA 'Better Together' workforce Development conference, May 19th, London.

¹⁵⁵ Reich RB (1992) *'The Work of Nations - preparing ourselves for 21st century Capitalism,'* New York, Vintage Books.

¹⁵⁶ Gilbert A (2009) as above.

¹⁵⁷ Welsh Assembly Government (2003) *'The Learning Country: Vision into Action,'* Department for Education, Lifelong Learning and Skills.

¹⁵⁸ As above, p19-26.

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and encourage further mergers and creating a 'critical mass' in order to operate both locally and globally. Her 'big issues' were raising attainment and performance in schools and the FE sector and also increasing participation, including increasing entry into FE and HE and increasing CQFW level 3 and 4+ work based learning – using SSCs and HEIs as the vehicle to build a configuration of services to business.¹⁵⁹ Like its preceding document, 'The Learning Country,' the 'Vision into Action' strategy became a constant point of reference for many stakeholders. However, without question, the single biggest priority in Wales as in the UK was the need to respond clearly to the long term challenge of developing skills in order to maximise economic prosperity, prosperity and, therefore, impact positively on social justice. The document was very light in terms of its 'touch' and 'detail' with respect to higher level skills development in Wales.

There was such vision and awareness in the WAG 'WAVE' and 'Nexus' reports. The WAG economic development agenda, articulated in its 'Wales – A Vibrant Economy - 'WAVE' publication (April 2005) recognised that a strong economy, by association, should provide ample training opportunities and support social development. The 'WAVE' report rightly stressed the importance of work-based learning but did not highlight the fact that the availability of high quality work-based training and CPD would also help to attract and retain high calibre employees to Welsh businesses. It did support the Welsh Development Agency (WDA) call for 'knowledge transfer academies' in Welsh HEIs and aligned closely with a 'knowledge economy' seminar and report commissioned by Cardiff Unitary Authority in 2006 highlighting the need for Welsh universities and businesses, in partnership via workforce development initiatives, to extend the range and volume of higher level skills in their 'city regions.'¹⁶⁰ Discussion at this event noted that the National Assembly for Wales (NAFW) Education and Lifelong Learning Committee's 'Policy Review of Higher Education' ([2001) quoted Lord Dearing by commenting that 'universities are the engine room of the economy.'¹⁶¹

The Graham Independent Review of *Part-Time Higher Education Study in Wales* [June 2006] rightly highlights the importance of part-time higher education in Wales and the constant requirement to improve and modernise the skills of the workforce.¹⁶² We would argue, like Graham, that the majority of that training demand will be for flexible, work-based learning as the drive for economic expansion and full employment remains the key government priority. The Graham Review infers that individual re-training and organisational development will be increasingly important and that higher level learning linked to management and professional skills will be in heavy demand. It also called for stronger progression routes and rates of progression into higher education, especially for mature students and those from less advantaged backgrounds.¹⁶³

One of the principal vehicles for facilitating the development of workforce development in Wales appears to be the Sector Skills Councils (SSCs).¹⁶⁴ To date, SSCs have since their inception, gone through two time-consuming cycles of re-licensing and have tended to prioritise a basic skills uplift in their respective sectors rather than a drive towards higher level learning and SSC/university partnerships. In England, perhaps because of the existence of government funded Lifelong Learning Networks [LLNs] between HEIs, FECs and business-support organisations like SSCs there has been a drive to develop high level learning innovation – invariably in the form of new foundation degrees and accredited CPD. In Wales these SSCs are often small operations in terms of manpower and often have regional responsibilities which extend beyond Wales to bordering English regions.

The 'Ministerial Foreword' to the WAG 'Skills That Work for Wales: Skills and Employment Strategy and Action Plan' (2008) proves an illuminating policy and guidance document. It states at the outset that 'skills and employment are the foundation of a successful life, and they are essential for a more prosperous and more equal Wales.' However, in this foreword it is recognised that Wales starts in this skills development agenda through to 2020 from a much lower skills base than other UK nation states and many other OECD comparator nations.¹⁶⁵ Additionally, very early in the foreword to the strategy and action plan, Further Education institutions and not HEIs are identified as the key drivers of skills agenda in Wales. Improving the performance of this FE network of providers is at the heart of the WAG skills strategy. The foreword also points towards the outcomes of the independent Webb Review of Further Education (2007)¹⁶⁶ which was, in the main, critical of the capability and capacity of the present FE structure in Wales being able to respond effectively to the skills agenda. It also notes the need to start 'raising our game on skills...and improving the quality and relevance of education and training' and for learning providers to 'collaborate and change.'¹⁶⁷ What is noticeable by its very absence in the strategy and action plan is the defining role Higher Education in Wales might play – whilst at the same time recognising that the FE sector in Wales should be the preferred 'key driver for skills.'

Inside the strategy itself there is indication of what might be expected of the HE sector in Wales although there is little precise detail on the specific functions HEIs might perform to improve higher level skills in Wales or the targets they should aim to achieve as a sector. This makes the comment in the strategy that the Welsh approach to skills and employment is 'distinctive – an integrated approach' slightly disconcerting to those people in Welsh HEIs whom might wish to respond constructively – and in partnership with business

¹⁵⁹ Welsh Assembly Government (2003) 'The Learning Country: Vision into Action,' Ministerial launch seminar, University of Glamorgan.

¹⁶⁰ M Hepworth (2006) 'Knowledge Economy Network seminar,' Cardiff Unitary Authority, April 2006.

¹⁶¹ National Assembly for Wales (NAFW) Education and Lifelong Learning Committee (2001) 'Policy Review of Higher Education,' 17 May 2001.

¹⁶² Dr H Graham Review (2006) *Independent Review of Part-Time Higher Education Study in Wales, Final Report*, WAG.

¹⁶³ As above.

¹⁶⁴ UK Government Remit Letter to the UK Commission for Employment and Skills, March 2008.

¹⁶⁵ Welsh Assembly Government (2008) 'Skills That Work for Wales: Skills and Employment Strategy and Action Plan,' p2, WAG.

¹⁶⁶ Webb Review (2007) 'Promise and Performance: The report of the Independent Review of the Mission and Purpose of Further Education in Wales,' December, WAG.

¹⁶⁷ Welsh Assembly Government (2008) 'Skills That Work for Wales: Skills and Employment Strategy and Action Plan,' p2, WAG.

partners and SSCs. It raises the fundamental question that if there is an apparent reliance on a network of learning providers to up-skill the nation that all learning networks should be used to maximum effect. The strategy also notes that, in respect of higher level skills, employers and individual learners will be expected to contribute more to the costs of learning. Also, there is a call for an integrated approach to economic development in Wales in order to remove the confusion within the business community around access to the existing learning skills 'menu' and the suppliers of this menu. The strategy seems to prefer the option of using the SSCs as this integrating agency.¹⁶⁸ Additionally, it headlines the importance of the HE Review in Wales just concluded by Professor Merfyn Jones and one might infer that this particular report could be a driver for change in the development of a clear policy for employer engagement in Wales.

The WAG strategy also suggests that the development of employment-related foundation degrees, particularly 'in sectors of strategic importance,' will also help uplift the higher level skills portfolio.¹⁶⁹ However, the strategy does not distinguish which key sectors might be targeted in its action plan. By comparison, 'A Guide to investing in Wales,' produced by Deloitte for International Business Wales (part of the Welsh Assembly Government), does offer a number of key industrial sectors which have attracted considerable inward investment. However, this analysis does not indicate whether there is a need for higher level skills professional development and learning recognition and whether this could be provided by Welsh HEIs.¹⁷⁰

It is fair to report that the WAG Skills and Employment Strategy is an ambitious document overall and does offer a 'theme' of 'Rising to the Challenge' and provides visioning statements with 'we will' and 'where we want to be' declarations throughout its text which help form the basis for strategic target setting. However, one over-arching commentary on this particular WAG strategy with specific respect to investment in high level skills and the role of HE in Wales is that the document appears to offer a 'light touch' and provide scant detail in terms of how the Welsh Assembly Government might help advise and possibly fund the sector towards a coherent employer engagement strategy and action plan. It does headline the £10.6 million package allocated to support part-time study which was, in essence, the post- Graham Review funding stream for employer engagement and community outreach activities, but it has to be said that this was as much for extending widening access and informal learning for mature adult returners as it was for specific workforce development.¹⁷¹

The *Skills and Employment Strategy and Action Plan* rightly highlights that a dimension of the higher level skills agenda is linked to inward-migration. Bearing this in mind, we need to realise that the development of a global market-place for graduate talent will quickly begin to operate and that the highest-skilled people will be both lured into and pulled out of Wales. The most astute graduates will surely recognise their market-value and go where the opportunities are and where the need is greatest – especially if these are matched by attractive graduate salaries. What is not clear in this document is how the existing graduate talent currently in Welsh HEIs might be encouraged to stay in Wales and how recent graduates might readily access accredited training opportunities from Welsh HEIs and how they might gain credit recognition for any on-going CPD and negotiated learning they carry out once in employment.

Where the strategy does offer distinctive commentary on investment in higher level skills it makes a clear alignment with growth in activity to improved economic outputs and increased productivity.¹⁷² There is also a strong emphasis that SSCs will provide advice on the high-level skills needs of their sectors and that HEFCW should take specific note of this steer. It would appear that the basis for this 'guidance' – if that is what it is – comes from the work of one or two SSCs that have helped establish the Skillset Screen Academy and Food Industry Skills projects. Interestingly, these manifested themselves after direct discussion and guidance with HEIs with academic and research expertise in these sectors. However, when one considers the overall human capacity of SSCs in Wales and their limited awareness of the HE service potential with respect to employer engagement it seems surprising that so much influence is apparently being placed in the hands of a few SSC officers and their over-arching 'Alliance' network. On the one hand, the strategy seems to recognise the positive work the university sector in Wales has done with respect to enterprise uplift via business planning support and knowledge transfer activities but it seems reticent to directly trust in the sector's capability to deliver strongly and quickly with respect to employer engagement and high level workforce development training. Paradoxically, it recognises that in its own CQFW learning infrastructure it has an educational jewel that could be a driver for massive continuity and progression of learners at all levels – especially from CQFW level 3 into level 4 and beyond. It alludes to the fact that HEFCW CQFW officers themselves have already carried out pilot learning design and levelling projects with SSC officers in specific companies in Wales. However, we once again do not know if any of this work is targeted at higher level learning and we see no specific targets for any volume of new learners gaining higher level learning credits during the period of the action plan.¹⁷³

Similarly, with respect to foundation degrees, these types of qualifications are seen to be a possible panacea for meeting higher level skills shortages but the strategy seems to unsure of how to move on supporting foundation degree development. In fact, the final comment on foundation degrees which links to progression opportunities into higher education suddenly flags Modern

¹⁶⁸ Welsh Assembly Government (2008) 'Skills That Work for Wales : Skills and Employment Strategy and Action Plan,' p4-7; pp67-68, WAG.

¹⁶⁹ Welsh Assembly Government (2008) 'Skills That Work for Wales : Skills and Employment Strategy and Action Plan,' p6, WAG.

¹⁷⁰ International Business Review (2009) Deloitte.

¹⁷¹ Welsh Assembly Government (2008) 'Skills That Work for Wales : Skills and Employment Strategy and Action Plan,' p61, WAG.

¹⁷² As above ,p60.

¹⁷³ As above, p61 and pp82-83.

Apprenticeships as an attractive option.¹⁷⁴ One is left bemused by this lack of clear steer on Foundation degrees in a strategic document, which one can only assume is due to a lack of funding to follow through in this specific arena and/or a lack of clear initiative and response from the HE sector itself in Wales, despite some individual innovative Foundation degree developments in selected HEIs. All in all one, is left feeling somewhat under-whelmed by the commentary and action planning for investment in high-level skills in Wales by the WAG 'Skills and Employment Strategy and Action Plan.

Initial reflections on UK and Wales high level learning strategies – the need for 'Policy Imperatives' (PIs) linked to Employer Engagement in Wales

Bolden and Petrov (2008) in their literature review of 'Employer Engagement with Higher Education' concisely highlight the key drivers for change with respect to high level learning skills development – as they see them emanating from major published reports and policy documents.¹⁷⁵ We have attempted to add to their key 'drivers' and highlighted what we have called a list of 'policy imperatives' (PIs) which we think are shaping the on-going high level skills agenda that HEIs in Wales should respond to. These are -

PI 1 Remaining competitive in a global skills marketplace to build prosperity and productivity

In 1997, 22% of adults of working age in England had a Level 4 qualification or above and by 2008 it was 31%, but in order to compete in a globalised world the UK will need a higher proportion of people with higher skills. The Leitch Report (2006) proposed that the UK's high level skills base needed to go beyond 40% by 2020.¹⁷⁶ Other Asian and Eastern nations like India and China are already turning out 4 million graduates a year whilst the UK turns out just 250,000 per annum and needs to be producing over 530,000 per annum.¹⁷⁷ Wales will need to compete in this same global skills marketplace and realise that it will face increasing competition from high skills low wage economies as already exist in the Indian and East Asian sub-continents.¹⁷⁸

PI 2 Shared responsibility to invest and build effective educational infrastructures

Such ambitious high skills targets can only be achieved via 'key players' – the government, universities, FE colleges, business agencies, employers and employees – working together to invest in effective delivery systems which will increase people's and companies' aspirations and an awareness of the value high level skills offer to all concerned.¹⁷⁹ This is very apparent in England post-Leitch and has been heavily supported in policy terms and real funding by the UK government and in the work of departments like DIUS and business support agencies like the CBI. Similarly, it remains a key challenge for the Welsh Assembly Government and support agencies like CBI Cymru and the Chambers of Commerce in Wales.

PI 2 Planning to meet the skills needs of the future

The DIUS(2008) 'Higher Education at work' consultation document states that improving the progress of school leavers into HE will be vital but would not suffice in its own right to meet the UK high level skills needs of the future. Demographic changes mean that the numbers of school and college leavers will shortly start to fall, with latest projections suggesting a drop of 16% in 18 year olds in England between 2009 and 2020 (from 684,700 to 578,300). As around three-quarters of the 2020 workforce have already left compulsory education a significant focus will need to be enhancing the skills of people currently in work.¹⁸⁰ Additionally, as James Ramsbotham, the CEO of the North East Chambers of Commerce said recently, 'universities must motivate youngsters to buy into employer engagement at an early age, not least because workplace experiences motivate young people and help remove some of the terror of falling of the cliff immediately after they finish their formal school education.'¹⁸¹ In Wales, the Welsh Assembly Government have already sponsored the creation of the Dynamo Project which has seen university lecturers and business consultants come together to create innovative teaching materials to excite young children about the potential of becoming entrepreneurs. This has also seen *Dynamo* 'champions' from industry work alongside university facilitators to deliver that material.¹⁸² Individual universities¹⁸³ in Wales have all developed innovative 'value-added' modules on entrepreneurship to their potential students in local schools and existing undergraduates and versions of this modular material is something that could be made more accessible to both young school children and mature adult returners keen to make that first step towards business creation.

¹⁷⁴ As above, p61 and p62.

¹⁷⁵ R Bolden and G Petrov (2008) 'Employer Engagement with Higher Education: A Literature Review,' Higher Education Region Development Association - South West (HERDA- SW), pp12-13.

¹⁷⁶ S Leitch (2006) 'Prosperity for all in a Global Economy-World Class Skills (Leitch Review of Skills),' December, DfES,

URL: http://www.hm-treasury.gov.uk/independent_reviews/leitch_reviews/review_leitch_index.cfm

¹⁷⁶ Skills for Business (2007) 'The Leitch Review – A concise summary interpretation,' pp2-3, URL: www.hm-treasury.gov.uk/leitch

¹⁷⁷ Brown, P, Lauder H and D Ashton (2009) *Education, globalisation and the knowledge economy.* – A commentary by the Teaching and Learning Research Programme, Economic and Research Council, pp17-18. Available via www.tirp.org

¹⁷⁸ As above, p17.

¹⁷⁹ Skills for Business (2007) 'The Leitch Review – A concise summary interpretation,' p3, URL: www.hm-treasury.gov.uk/leitch

¹⁸⁰ DIUS (2008) 'Higher Education at Work-High Skills:High Value,' p9, DIUS.

¹⁸¹ Ramsbotham J (2009) 'Work Based Learning – lessons so far,' keynote address, Employer Engagement conference, 13th May 2009 – presentation accessible via www.timeshighereducation.ac.uk

¹⁸² The Dynamo project can be accessed via URL: <http://www.projectdynamo.com/application/publicAccess/default.aspx?lang=eng>

¹⁸³ See the UWIC collaborative student entrepreneurship project with University of Glamorgan, UWIC and the Royal Welsh College of Music and Drama - entitled 'Ignite 09', and funded by the Welsh Assembly Government. This offers a week long intensive workshop to students who wish to learn how to become more enterprising, employable and creative, as well as learning more about setting up their own businesses. URL: <http://www.uwic.ac.uk>

PI 4 Creating 'Knowledge City' Regions and industrial 'Clusters'

In 2006, David Miliband, then Minister of Communities and Local Government helped launch The Work Foundation conference on *Ideopolis: Knowledge City-Regions*. He stressed the way cities could become leaders of public policy and leaders of innovation.¹⁸⁴ Linking this with *'The State of the English Cities'* report,¹⁸⁵ Miliband looked forward to a time when British cities would be vibrant economies and offering top-quality public services. He used the community and business impact of the Universities of Lincoln and Medway to highlight the benefits of collaboration between university, business and local authority partners. Embedding higher education into a region via university research and enterprise partnerships as in the West of England, enticing graduates into local and region government as in Edinburgh, and using universities to build 'high value' service jobs as in Manchester and Glasgow were other powerful examples where knowledge intensive businesses and workers can be generated by universities.¹⁸⁶ Higher Education can drive economic regeneration by locking students into regional jobs post graduation thereby creating a highly skilled workforce and adding entrepreneurship and innovative thinking into local companies and boosting their sustainability potential. To reinforce this point, government reports repeatedly suggest that a 10% increase in the proportion of the local workforce educated to degree level increases business productivity by 13% and that a 1% increase in the UK workforce with a degree equated to a productivity increase of 0.5%.¹⁸⁷

Professor Michael Porter's research (1990)¹⁸⁸ has led to the UK government's clustering strategy and has noted that *'geographical concentrations of inter-connected companies, specialised suppliers, service providers, firms in related industries, and associated institutions (for example universities, standards agencies, and trade associations) in particular fields that compete but also co-operate.'* Thus, a 'true' cluster goes wider than the typical supply chain of a company, since it can involve businesses which are normally in direct competition coming together to work on issues of common interest. A university example in England is the collaboration between motor sport companies in the Midlands with the motor sport engineering department at Oxford Brookes University. This has produced a pool of qualified engineers for local racing car companies which benefits all of them whilst in no way reducing the direct competition between them.

The UK government's cluster strategy is based around international best practice working off five key stages of cluster development, notably - mobilisation – building interest and participation; diagnosis – identifying and defining the cluster, and its strengths and weaknesses; collaborative strategy – identifying the actions needed to promote the cluster's development; implementation – implementing these actions and, finally, assessment – monitoring and evaluating the results and reviewing the strategy.¹⁸⁹ To cement this type of partnership firmly into university and business partnerships the UK government announced in November 2008 that it wanted to recognise excellence in cluster development, and created a new 'Cluster Mark' linked directly to manufacturing strategy. The Mark is intended as a strong selling-point to inward investors and mirrors similar work carried out by the EU Competitiveness Council to create 'World Class Clusters' via the sharing of research and best practise. This industrial clustering in Wales is something that could easily offer employer engagement growth.

PI 5 Extending economic growth potential

Increasing engagement in high level skills training has a positive impact on local, regional and national productivity. Galindo-Rueda and Haskel concluded that productivity is 30% higher if the entire workforce has a degree than if none do.¹⁹⁰ It is also estimated by Keep and Westwood [in DIUS, 2008] that differences in management practices account for 10-15% of the productivity gap between the US and the UK, with 74% of US managers being qualified to graduate level compared to 49% in the UK.¹⁹¹

PI 6 Refining the 'brand' – packaging higher level skills training and qualifications to employers.

Linked to the previous policy imperative, Nixon et al. (2006) comment perceptively that employees are now demanding that universities are more flexible in their delivery of high level training and offer a broader range of 'transferable' skills like project management, team building and communication skills rather than discipline or subject based study.¹⁹² Employers in general, have a preference for 'just in time training' that improves employee and company capacity building. Additionally, if this training can be offered via a mixture of 'blended learning' that is supported by academic and industrial mentorship then an ideal scenario exists for employee engagement. However, at present, employers [especially large employers –over 80% of them] generally comment that Level 4 qualifications appear to offer appropriate skill development, compared to 55% of large employers who

¹⁸⁴ D Miliband (2006) *Ideopolis: Knowledge City-Regions*, 'extracts from a transcript of the Ideopolis project, 3rd April 2006.

¹⁸⁵ Office of the Deputy Prime Minister (2006) *The State of the English Cities, volume 2* HMSO, London.

¹⁸⁶ The Work Foundation (2006) *Ideopolis: Knowledge City-Regions – City case studies*, pp3-14, April.

¹⁸⁷ DIUS (2008) *Higher Education at Work-High Skills:High Value*, p9, DIUS and S Machin, A Vignoles and F Galindo-Rueda (2003) *Sectoral and Area Analysis of the Economic Effects of Qualifications and basic Skills*, DfES RR465.

¹⁸⁸ Porter ME (1990) *The Competitive Advantage of Nations* The Free Press, New York.

¹⁸⁹ For a more detailed understanding go to the Department for Business Enterprise & Regulatory reform website – URL: <http://www.berr.gov.uk/whatwedo/regional/clusters/page39357.html>

¹⁹⁰ DIUS (2008) *Higher education at Work – High Skills: High Value*, DIUS.

¹⁹¹ As above.

¹⁹² I Nixon, K Smith, R Tafford and S Camm (2006) *Work-Based learning: illuminating the higher education landscape*, York, Higher Education Academy, URL:www.heacademy.ac.uk/resources/detail/Employability/employability692

believe the same of Level 2 qualifications.¹⁹³ In Welsh universities, we have a lot more to do to convince employers of the importance of employer engagement and we have to do this by improved employer engagement products and services and, importantly, clearer marketing and 'branding' of those products and services.

PI 7 Responding to Sector Skills high level skills gaps and opportunities.

Supporting Sector Skills Councils and responding to their very detailed labour market intelligence reporting is of central importance to HEIs as they seek to affirm their regional and national strategic intents. *The International Business Wales (2009)* report by Deloitte highlights 10 key 'sectors' for Wales with respect to investment potential and company growth. These include the aerospace, automotive, bioscience and health care, business processes, creative and cultural, ICT, financial services, logistics, general manufacturing and engineering, and sustainable technology sectors.¹⁹⁴ Additionally, in a recent open letter to the chair of HEFCW concerned with a future focus for EU Structural Funding investment and expenditure, Jane Hutt AM, the Minister for Children, Education, Lifelong Learn and Skills identified priority areas of digital economy (ICT), low carbon economy (including climate change migration and adaptation issues), health and biosciences and advanced engineering and manufacturing to build the higher level skills base in Wales. In her letter, the Minister also recognised the significant expertise and investment that had already gone into key cross-cutting technologies like optoelectronics, engineering, printing technologies, product design and rapid prototyping, visualisation, advanced materials and ICT in Welsh HEIs.¹⁹⁵ In response, vice chancellors like Professor Richard Davies at Swansea University have been very vocal in the need for science in schools and for STEM Skills to be promoted as a national priority. He notes that STEM subjects are under-represented in Welsh HEIs and that just 39% of Wales' research active academics work in STEM subjects as compared to 46% for England and 50% for Scotland respectively.¹⁹⁶ Similarly, a recent report commissioned by the Council for Industry in Higher Education (CIHE), ETB and DIUS, predicts that projected demand for STEM graduates and postgraduates is likely to increase much faster than for other disciplines by 2017.¹⁹⁷ This is something Bolden and Petrov (2008) also comment on, intimating that higher education must play a central role halting the downward trend in the supply of STEM skills to UK and global companies.¹⁹⁸ This accords with research from Nixon et al. (2006) who call for more substantial innovation university and business partnerships in order to promote research and enterprise collaboration, which in turn facilitates increased employer engagement CPD activity.¹⁹⁹

PI 8 Building creativity, innovation and enterprise

Governments all over the world want their countries to have high-value, high-skill economies and, as Professor Ian Diamond, the Chief Executive of the Economic and Social Research Council (ESRC) has recently commented the first step towards achieving this aim is to construct a well-educated workforce.²⁰⁰ Higher Education in the UK has been targeted by the UK government and National Assemblies as the central player in supporting business innovation and enterprise 'creativity.'²⁰¹ Brown et al(2008) support this capacity building role and note that this is fundamental for the UK to be able to continue to compete in rapidly changing global markets, especially where high skills and expected of low-waged workforces.²⁰² Brown et al (2008) also note that '*innovation remains a crucial source of competitive advance as mass customisation has assumed greater importance in virtually all industrial sectors.*' Related to this, they also note that '*innovation rarely depends on the skills of individuals, companies or universities working in isolation, but instead on a culture of mutual collaboration and purpose.*'²⁰³ Additionally, they note that 'off-shoring' and 'where to think' – both linked to the movement of staff to the cheapest locations is already beginning to happen in the financial services sector in the UK and is likely to happen in UK sectors like ICT and the automotive industry.²⁰⁴ Welsh universities have gone a long way in making their research and enterprise services highly visible and creative and all remain highly important to regional and national knowledge economies.

PI 9 Widening access and participation and building social justice

UK educational policy has, in recent years, continually emphasised the need for widening participation in higher education to offer opportunities for non-traditional students in order to address social and economic disadvantage.²⁰⁵ Supporting more people to experience higher education study in some form and gain high level skills has benefits to a society that go beyond the

¹⁹³ As above.

¹⁹⁴ Deloitte(2009) *A guide to investing in Wales*, 'International Business Wales, pp27-44.

¹⁹⁵ Open letter by Jane Hutt AM, Minister for Children, Education, Lifelong Learning and Skills to Roger Thomas, Chair, HEFCW – 17th April 2009.

¹⁹⁶ Richard Davies (2009) *We must entice pupils into science and technology subjects*, 'Western Mail, 23rd April 2009 URL: www.walesonline.co.uk/news/wales-news/2009/04/23/

¹⁹⁷ Warwick Institute for

¹⁹⁸ R Bolden and G Petrov (2008) *Employer Engagement with Higher Education: A Literature Review*, HERDA South West, pp13.

¹⁹⁹ I Nixon, K Smith, R Tafford and S Camm (2006) *Work-Based learning: illuminating the higher education landscape*, York, Higher Education Academy, URL: www.heacademy.ac.uk/resources/detail/Employability/employability692

²⁰⁰ Professor Ian Diamond, Chief Executive, ESRC, in an introduction to *Education, globalisation and the knowledge economy, A Commentary by the Teaching and Learning Research Programme*, edited by Professor Phil Brown, Professor Hugh Lauder and Professor David Ashton on behalf of TLRP, September 2008.

²⁰¹ DIUS (2008) *Innovation Nation*, report Cm 7345, March, DIUS URL: www.dius.gov.uk/publications/scienceinnovation.pdf

²⁰² Brown P, Ashton D, Lauder H and Tholen G (2008) *Towards a High-Skilled, Low-Waged Workforce: A Review of Global Trends in Education, Employment and the Labour market*, SKOPE Monograph No. 10.

²⁰³ Brown P, H Lauder and D Ashton (2008) *Education, globalisation and the knowledge economy, A Commentary by the Teaching and Learning Research Programme*, on behalf of TLRP, September 2008, p9.

²⁰⁴ As above, p9 with a direct reference to the research work of AT Kearney Consultants available via www.atkearney.com/main.taf?p=1,5,1,130

²⁰⁵ R Bolden and G Petrov (2008) *Employer Engagement with Higher Education: A Literature Review*, HERDA South West, pp13.

instrumental benefits of increased economic prosperity. A research and development project, commissioned by NIACE Dysgu Cymru and carried out in Wales by a research team led by Dr Mark Connolly and Professor Gareth Rees, noted that adult learning can help build confidence, develop learning skills and improve knowledge of other learning opportunities that are available. In the *The Wider Benefits of Adult Learning* (2008) they conclude that *participation in adult learning is linked to a range of wider social benefits* including exerting positive influences on 'learner identities' and encouraging progression into further learning, which may have an employment impact. They also stress that there are *strong relationships between adult learning and social outcomes such as health, health-related behaviour and crime* and also an improvement in social and political attitudes and greater civic participation which can ultimately, *play a significant role in sustaining a democratic political culture.*²⁰⁶ The DIUS strategy 'A New University Challenge' (2009) states that those who are mature, part-time, have caring responsibilities/families, or who want to stay locally deserve the chance to fulfil their potential through study: locally based provision is particularly important for reaching out to adults who have missed out on HE in the past. Connolly and Rees (2008) specifically recommend that the Welsh Assembly Government should '*adopt deliberative methods in the evaluation of provision of opportunities for adult learning, engaging both the users of such services and citizens more widely.*'²⁰⁷ Interestingly, this recommendation appeared at a time when many Continuing Education and Lifelong Learning centres in UK universities were, and still are, under threat of closure or rationalisation. It prompted Professor Alison Wolf (2009) to bemoan the Government's mind-set of simply prioritising 'workplace skills' –often developed via the vehicle of 'Train to Gain' funding schemes which was designed to encourage more young people and adults to upskill to meet employers needs rather than encouraging adult learning simply in order to embrace a love of learning. She also notes that the threat of learners not being able to study for ELQs 'equivalent or lower qualifications' limits vocational movement and also writes that the 'Train to Gain' agenda is '*a very seductive belief for politicians who are expected by their voters to deliver prosperity.*' The outcome is a policy orientation which appears obsessed with award-bearing courses with a linked contribution to economic prosperity instead of a drive for knowledge and a demand for informal learning which grows the individual and their community.²⁰⁸ The Welsh Assembly Government needs to commission in-depth, qualitative studies similar to those of Connolly and Rees (2008) in order to provide a more robust and integrated base for its employer engagement and adult learning policy development.

PI 10 Co-Funding

Most UK universities have a reliance on public funding via their funding councils like HEFCW. However, in Wales universities are currently 'capped' in terms of growth in undergraduate full time numbers from home/UK based potential students. The recent DIUS consultation document entitled *Higher Education at Work –High Skills: High Value* (2008) notes that whilst public coffers can provide support, it should not be seen as the vehicle for covering the full costs of delivery linked to the necessary upsurge in demand for new full time and part time learners. Hence, the notion of 'co-funding' was born with a clear emphasis on employers supporting employee learning as the benefits of high level skills learning should help promote organisational capacity building as much as the individual employee.²⁰⁹

²⁰⁶ Connolly M and G Rees (2008) *The Wider Benefits of Adult Learning*, NIACE Dsgu Cymru, 08/01, November, pp23-24.

²⁰⁷ Connolly M and G Rees (2008) *The Wider Benefits of Adult Learning*, NIACE Dsgu Cymru, 08/01, November, p24.

²⁰⁸ Wolf A (2009) *Know your place*, Adults Learning, Volume 20 No.5, pp8-11, NIACE, January 2009.

²⁰⁹ DIUS (2008) '*Higher Education at Work-High Skills:High Value,*' DIUS.

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Nixon et al. (2006) argue that, together, these type of policy drivers ought to encourage key players like higher education institutions to focus on increasing [in an integrated fashion] their employer engagement activity, business-university partnerships, and drive for new knowledge, innovation, enterprise and creativity.²¹⁰ An earlier report by the University Vocational Awards Council [UVAC] on *'Integrating Work-Based Learning into Higher Education'* (2005) illuminated the demand from Leitch by noting that businesses were increasingly keen to develop 'graduateness' skills in their aspirant middle managers. The UVAC report points to the growing importance of high level skills linked to *'entrepreneurship, problem-solving and the development of intellectual capital'*.²¹¹ It also highlights the fact that the responsibility for career-management and skills development amongst middle and senior managers seems to predominantly reside with the individual and that 21st century management is demanding a *'wider range of skills'* from their middle and senior managers. The 'soft skills' highlighted in the report include *'effective problem solving, continuous learning, communication and teamwork skills'* which would seem to indicate a focus on the need for improved business leadership and management processes. Additionally, the report makes a highly salient point when it describes the characteristics of this demand for high level learning as being context bound – in other words driven by immediate work requirements; learner and learning orientated; capable of ownership by numbers of people in the workplace; and consistent with new learning concepts such as learning networks, learning organisation and communities of practice.²¹²

In this regard, the most important factor for HEIs in Wales would seem to be pro-activity in stimulating the demand amongst employers and their employees for this type of high level work-based learning. It does offer lecturers and researchers in HEIs in Wales a real opportunity to shape the learning environments of Welsh business and to take university education out into Welsh industry, driven of course by a mutual partnership agenda.

Perhaps justifiably, a criticism of the HE sector in Wales – on both a collective and an individual basis – is the fact that university web sites and marketing literature have not always been prominent in their desire to attract these type of mature adult returners linked to workforce development. Seeking innovative ways to attract the 'intelligent consumer' in the work place and building higher level learning journeys for workers is another clear challenge for all stakeholders. If this could be quickly achieved there is no doubt that Welsh businesses of all shapes and sizes would grow their individual learning capacity and their overall organisational effectiveness and sustainability.

²¹⁰ I Nixon, K Smith, R Tafford and S Camm (2006) *Work-Based learning: illuminating the higher education landscape*, York, Higher Education Academy, URL:www.heacademy.ac.uk/resources/detail/Employability/employability692

²¹¹ UVAC (2005) p6

²¹² UVAC (2005) p7

Section 4

Stakeholders & Schemes, Skills Demand & the Market

The major stakeholders²¹³ – an introduction

This whole 'arena' of employer engagement and the development of high level learning is highly complex and often sees a variety of stakeholders competing against each other rather than collaborating. It invariably combines to leave the end-user, the business owner or a head of human resources in a company not really knowing which provider to access or how simply to begin the engagement process. Paradoxically, the preferred outcomes of all key stakeholders are invariably the same, that is the development and extension of particular knowledge, skills and understanding in our employees and graduating students that, when applied in an organisational environment or linked to discrete projects help produce a culture and quality of product and service that competes anywhere in the world. Prime Minister Gordon Brown (2008) recently commented that *'the challenge this century is a global skills race and that is why we need to push ahead faster with our reforms to extend education opportunities for all.'*²¹⁴ It is about competing effectively in the global skills race but it is also about growing our people and maximising their individual and collective potential – for there are our prime asset. If we can do that effectively through collaborative business to university partnerships then we might bring greater clarity to any training needs process which will, in time enable an improved service from universities out to the business sector and with that an improved perception or worth with respect to the HE sector in Wales contribution to employer engagement and the whole creation of a high-value, high-skill economy in Wales. At present, as Bolden and Petrov (2008) succinctly point out when reviewing HE-Employer engagement domain in the UK that there is great turbulence in policy overload, agency creation and multiple schemes – all contributing towards confusion and potential duplication of effort.²¹⁵

In Wales, outside of the universities themselves, key stakeholders include the Sector Skills Councils (SSCs), the Alliance of Sector Skills Councils and the Wales Employment and Skills Board (WESB – a regional arm of the UK Commission for Employment and Skills (UKCES)). The Welsh Assembly Government clearly has an obvious vested interest in employer engagement and government via departments like the Department for Children, Education, Lifelong Learning and Skills (DCELLS) and International Business Wales (IBW) – formerly linked to the Welsh Development Agency [WDA]. Government departments, organisations and agencies that are representative of businesses and build essential business networks in Wales that also have a keen interest in employer engagement are headlined in the following section.

UK and Wales Government Departments

UK - Department for Industry, Universities and Skills (DIUS)

DIUS emerged in 2007 out of the departmental re-structuring of the former Department for Education and Skills (DfES) and sat alongside the new Department for Children, Families and Schools (DCFS), currently led by the Rt. Hon. Ed Balls MP. DIUS itself is led by the Rt. Hon. John Denham MP and has a direct remit for supporting post-compulsory further and higher education. It works closely with the Department for Business, Enterprise and Regulatory reform (BERR) which is the overall responsibility of the Rt. Hon. Lord Mandelson, and whose department does much to engage English universities as vital parts of 'clusters' that support regional economic development – via the work of Regional Development Agencies (RDAs).²¹⁶

Wales - Department for Children, Education, Lifelong Learning and Skills (DCELLS)

The main objective of the Department for Children, Education, Lifelong Learning and Skills (DCELLS) in the Welsh Assembly Government is multi-faceted and includes the improvement of children's services, education and training provision to secure better outcomes for learners, business, and employers - as set out in the WAG strategic document, *'The Learning Country'*. It also aims to empower children, young people and adults through education and training to enjoy a better quality of life. Its current priorities include the promotion of high expectations and performance for all learners in Wales and the effective regulation, inspection and support to help assure learning quality. Additionally, with respect to employer engagement and high level learning other related priorities include securing high-quality higher education whilst maximising its economic, social and cultural impact on learners and the wider community and delivering financial support to students and other learners in partnership with key stakeholders. The primary policy 'vehicle' for employer engagement emanating from DCELLS is their *Skills that Work for Wales: A Skills and Employment Strategy and Action Plan* (2008) in which a joint Ministerial foreword notes that skills and employment are the foundation of a successful life and are also essential for a prosperous and more equal Wales.²¹⁷ Significantly, the foreword offers a commentary that, in Wales *'further education institutions must be the key drivers of skills'* and that *'the Assembly Government cannot succeed alone. Employers and individuals must also engage and invest more in skills. Learning providers must collaborate and change. Working together we can help create a more highly skilled, socially just prosperous Wales.'*²¹⁸

²¹³ Other stakeholders linked to the employer engagement agenda in Wales are outlined briefly in the Appendices.

²¹⁴ Brown G (2008) *We'll Use of Schools to Break Down Class Barriers*, The Observer, February 10th, URL: www.guardian.co.uk/commentisfree/2008/feb/10/gordonbrown.education

²¹⁵ Bolden R and G Petrov (2008) *Employer Engagement with Higher Education: A Literature Review*, HERDA South West, pp15.

²¹⁶ See the BERR website on 'Clusters in the UK' – at – <http://berr.gov.uk/whatwedo/regionalclusters/page39357.html>

²¹⁷ *Skills that Work for Wales: A Skills and Employment Strategy and Action Plan*, Welsh Assembly Government, July 2008, p2. URL: available via www.wales.gov.uk

²¹⁸ As above, p2.

The UK Commission for Employment and Skills

The UK Commission for Employment and Skills (UK CES) was launched on 1st April 2008. The Commission incorporates many of the roles of the former Sector Skills Development Agency (SSDA) and the National Employment Panel (NEP) which both closed on 31st March 2008. The Commission plays a central role in raising the UK's skills base, improving productivity and competitiveness, increasing employment and making a contribution to a fairer society. The Commission reports directly to the Prime Minister's office in the UK Government and the relevant Ministers in the devolved administrations – notably the DCELLS Minister in Wales. The UK Commission is primarily advisory in nature, but also has an executive function in performance managing and funding the Sector Skills Councils (SSCs), as well as a lead role in their reform and re-licensing.

The Wales Employment and Skills Board (WESB)

WESB was created in May 2008 to advise the Welsh Assembly Government on employment and skills policies, with a particular remit to articulate the employer perspective and monitor the specific implementation of the skills and employment strategy and action plan Skills That Work for Wales.²¹⁹ It replaces two advisory panels: the Wales Employment Advisory Panel and the Joint Skills Advisory Panel. The Wales and Employment and Skills Board has effectively begun to strengthen the employer voice on skills in Wales and give expert advice to Welsh Ministers and help Wales to develop a high-skills economy with opportunities for everyone. Sir Adrian Webb, former vice chancellor of the University of Glamorgan, is the inaugural Chair of WESB and he also sits as the UK Commissioner for Wales on the UK Commission for Employment and Skills.

Employer Linked Organisations

A number of employer organisations exist in Wales, often acting on behalf of specific business 'communities' including large corporate organisations, small and medium enterprises (SMEs) and micro businesses. Such employer support organisations prominent in Wales and with an objective to improve university – business partnerships include the Confederation of British Industry (CBI), the Chambers of Commerce, Business in the Community (BITC) and the Federation of Small Businesses (FSB).

CBI Wales

The mission of CBI Wales is to help create and sustain the conditions in which businesses in Wales can compete and prosper for the benefit of all. CBI Wales is the premier lobbying organisation for businesses in Wales on national and international issues, working with the Welsh Assembly and UK governments, international legislators and policymakers to help businesses compete effectively. With respect to high level learning, CBI London and CBI Wales have repeatedly challenged the UK government and the Welsh Assembly to ensure there is public funding to support university programmes geared to employer needs; recognise that these courses tend to cost more to deliver than conventional programmes because they need to be delivered flexibly; and frame policies that ensure courses develop the right skills and not just improve qualifications. Additionally, with respect to employer engagement, they have also challenged universities to - market their services better, making it easy for employers to know who to contact; support academic staff delivering employer engagement activity; offer more flexible approaches which support the delivery of workforce development programmes; help employers identify their future skill needs; make short course accreditation as easy as possible and allow teaching staff enough time to develop a good understanding of the jobs of those they are training and the operation of their organisations. Effectively, the CBI has been a major catalyst in asking universities in Wales to re-think their individual and collective missions and specifically to make employer engagement activity a central part of their activities and to rethink the traditional university concept and to consider giving employers a more central role in key parts of university activity, especially curriculum design and executive education development.

The Chambers of Commerce in Wales

The Chambers of Commerce in Wales also provide strong local points of contact for businesses to negotiate with local authorities and the Welsh Assembly Government. They build effective partnership activity with leading corporate businesses in their regions and offer authoritative sources of advice, information and referral to local business. Networking and brokerage is one of their principal activities and the South Wales Chamber of Commerce provides a close link to their London HQ. Originally set up over 25 years ago against a backdrop of high levels of unemployment and urban rioting in the UK, The Chamber uses its enormous store of knowledge, networks and expertise to inspire, engage, support and challenge companies to make a positive impact not only in their local communities but in the workplace, in the marketplace and in the environment.

The Federation of Small Businesses [FSB]

The Federation of Small Businesses [FSB] sees itself as the 'authoritative voice' of small businesses in Wales and has close interaction with all decision makers throughout the country. As well as lobbying on key UK and EU-wide objectives, FSB Wales seek to effect positive changes within the National Assembly for Wales on issues affecting Welsh small businesses. Membership stands at over 10,000 and the Wales office runs an influential Welsh policy unit, two regional committees, and twelve branch committees throughout the country and, therefore, maintaining constant contact with small firms at a grassroots level. This relationship with small businesses puts the FSB in an ideal position to comment on the impact of government legislation on small businesses in Wales. An example of the work of FSB in this regard is the recently commissioned study by the School of City and Regional Planning at Cardiff University to

²¹⁹ A Wales that Works, summary, First Annual Report of the Wales Employment and Skills Board, April 2009, p1. This report can be accessed via www.skillspeoplesuccess.com

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conduct research into the relationship between SMEs and the planning system in Wales (2008). Its initial findings suggested that, from a small businesses perspective in Wales, the planning system itself appears to be hindering business growth in numerous ways, and on many different levels.

Business in the Community Wales (BITCW)

BITC Wales works with a wide range of companies from SMEs to multinationals and includes many CEOs from leading companies based in Wales on its numerous advisory boards and individual projects. Those projects range from awards for excellence for companies engaged in responsible business practice, employee volunteering and schemes supported directly by the Prince of Wales Trust. This work includes advice and guidance on corporate social responsibility and research into skills development. BITCW has a strong skills and 'talent-mapping' agenda linking directly into WESB and the UKCES and is an increasingly significant player in the employer engagement in Wales.

The Alliance of Sector Skills Councils

The Alliance is a new support organisation, established on the 1 April 2008, comprising all 25 licensed UK Sector Skills Councils (SSCs) - those employer driven organisations that together articulate the voice of the employers of 85% of the UK's workforce on skills issues. The core purposes of the Alliance are to act as the collective voice of the Sector Skills Councils; promote understanding of the role of SSCs within the skills system across England, Scotland, Wales and Northern Ireland; co-ordinate policy positions and strategic work on skills with stakeholders across the four home nations, and, help build the performance capability of the SSCs, to ensure they continue to work effectively on the employer driven skills agenda.

In Wales, the Alliance supports the individual SSCs in their work with the Welsh Assembly Government, stakeholders and employer bodies, enabling the SSC network to engage fully in skills and learning policy development and delivery. Most of this work is, naturally, of a collaborative nature and is focused on helping WAG fulfill its ambition of achieving sustainable economic growth as articulated in the *Skills that Work for Wales: A Skills and Employment Strategy and Action Plan (2008)*. This will only be achieved if the SSC network can ensure that Wales's employers are fully committed to investing in skills development and skills utilisation and, most importantly, are active agents in influencing the design of learning at all levels and its various delivery vehicles. Effectively, the Alliance seeks to harness the collective voice of the SSCs in Wales in order to amplify that voice in a political context and secure strong and effective engagement with government and other key stakeholders. The current *Alliance Wales Action Plan* has four main aims linked to employer engagement, labour market intelligence, qualifications development and partnership building. The 'proposed actions' linked to employer engagement include engaging with WAG, WESB and other strategic employer bodies to enhance employers' influence on the skills policy and delivery. They also include engaging with Careers Wales and JobCentre Plus in order to co-ordinate activity to address skills' shortages and engaging with HEFCW, Wales TUC and training networks to influence and strengthen employer participation in the provision of learning. Lastly, an immediate action is the carrying out of a benchmarking review of approaches to employer engagement.²²⁰

Individual Sector Skills Councils

25 individual and licensed Sector Skills Councils (SSCs) exist as part of an integrated network to support a variety of 'sector specific' industries in the UK. They work in partnership with employers in each of these sectors to address four key goals linked to – reducing skills gaps and shortages; improving productivity, business and public service performance; increasing opportunities to boost the skills and productivity of everyone in the sector's workforce, including action on equal opportunities, and improving learning supply including modern apprenticeships higher education and national occupational standards. Much of their re-current work is linked to skills forecasting and labour market intelligence, the development of national occupational standards (NOS) and the creation and extension of modern apprenticeship frameworks. They have a considerable presence in the industrial sector, most notably via sophisticated web site and marketing supported by face-to-face officer engagement with employers. They also collectively operate under the auspices of the *Skills for Business Network (SfBN)*. Collectively they cover nearly 90% of the UK workforce, and to date, their priorities have tended to reflect the current needs of industry – which have been more towards basic skills uplift and CQFW levels 1 and 2 skills development. However, in England, with financial support from HEFCE and direct alignment with *Foundation Degree Forward (fdf)*, the SSCs have prioritised learning development at CQFW level 4+ invariably by the creation of innovative new Foundation degrees (FdAs and FScs) which have been designed and delivered collaboratively between employers, FE colleges and universities. This high level learning prioritisation appears in sector specific *Sector Skills Agreements (SSAs)* and has encouraged both full time and part time Fd programme developments which contain a large element of work based learning and project development linked to work place practice. The SSCs also encourage the development of work-based progression into HE via Advanced Modern Apprenticeships and accredited short course learning programmes. The SSCs in England have also been supported in this strategic agenda by the *Higher Education Academy (HEA)* via the work of their HEA Subject Centres populated by university academics and HEA advisers.

²²⁰ *The Alliance Wales Action Plan*, p2, 2009, launched at the Welsh Assembly Government, Cardiff, 11th February, 2009.

The Leitch Report recommended that an evaluation of Sector Skills Councils (SSCs) should take place, in an attempt to increase their effectiveness and influence. This time consuming re-licensing programme has already taken place twice in approximately four years and is now led by the UK Commission for Employment and Skills, focusing on SSC performance. To achieve re-licensed status each SSC must have demonstrated the confidence, support and influence of employers within their sector. The re-licensing process for the whole SSC network should be completed by December 2009.

The Unions

The Wales TUC is the voice of Wales at work. With almost 50 affiliated trade unions the Wales TUC represents nearly half a million workers. Wales TUC has a strong educational arm and offers easter and summer school programmes and high quality, accredited training through a network of local colleges of further and higher education across Wales. Additionally, 'learning services' is at the forefront of union-led advice and guidance for members and representatives. This includes both short course and on-line training and also links to expert guidance with respect to access of the Welsh Assembly Government funded Wales Union Learning Fund (WULF). Currently, the Wales TUC is working with the University of Wales Newport in the development of CQFW level 4 modules linked to union management and leadership training.

Higher Education Providers

Higher Education Institutions (HEIs)

At this present moment, the Wales HE sector consists of 13 Higher Education Institutions, one of which is the long-established 'federal' University of Wales. The leading universities in terms of student population volume and research and enterprise activity include Aberystwyth, Bangor, Cardiff, Glamorgan and Swansea whilst others are 'new' universities that have emerged from amalgamations between former local education authority sponsored colleges like Glyndwr, Newport, Swansea Metropolitan and UWIC. Certain HEIs like Lampeter and Trinity University College have strong ecclesiastical connections whilst Open University Wales is a regional centre of the Open University.

Further Education Colleges (FECs)

Further Education Colleges in Wales offer full- and part-time learning for people over compulsory school age, excluding higher education. In Wales this provision equates to 23 FE colleges and a range of public, private and voluntary sector training providers including the Workers' Educational Association (WEA). Colleges vary in size and mission, and include general FE, tertiary and specialist institutions, including one Roman Catholic Sixth Form College. The FE sector is a key player in helping to deliver the Welsh Assembly Government's aims to widen participation, tackle social exclusion and stimulate economic regeneration. Currently, FE Colleges in Wales offer 80% of all post-16 qualifications and provide learning experiences for almost 300,000 people in Wales. Additionally, 7% of the total HE student population in Wales is studying in Welsh FECs.²²¹

Related Agencies and Councils

Higher Education Wales

Higher Education Wales (HEW) represents the interests of Higher Education Institutions (HEIs) in Wales and is a National Council of Universities UK. HEW membership encompasses all the heads of the universities and higher education institutions in Wales and provides an expert resource on all aspects of higher education in Wales to the many interested stakeholders, including Assembly Members and Welsh MPs, the Welsh and UK media, students, staff, business leaders and industrial entrepreneurs. Effectively, the role of HEW is to promote and support higher education in Wales, representing the interests of its members to the National Assembly, to Parliament, political parties, European institutions and bodies, and negotiating on behalf of Welsh higher education. It has specific officers with responsibility for the analysis of skills policy and employer engagement.

Fforwm

Fforwm is the national organisation representing the 23 further education (FE) colleges and two FE institutions in Wales. It was created in 1993 as an educational charity and a company limited by guarantee and provides services to its members including networking, conferences, research, consultancy and the dissemination of best practice. It works closely with various partners in post-16 education and training and its officers hold important positions on various national committees, working parties and other groups influencing and shaping policy in post-16 education, training and life-long learning. Effectively fforwm is the 'voice' of the FE sector in Wales needs and aspirations to a wide variety of stakeholders.

Higher Education Funding Council for Wales

The Higher Education Funding Council for Wales (HEFCW) was established in May 1992 under the Further and Higher Education Act 1992. HEFCW's mission is to promote internationally excellent higher education in Wales, for the benefit of individuals, society and the economy, in Wales and more widely. The Council distributes funds across the HE sector in Wales in order to support education, research and related activities. Essentially, HEFCW acts as an intermediary body between the Welsh Assembly Government and the higher education sector in Wales, receiving their funding from, and being accountable to, the Welsh Assembly Government.

²²¹ URL: <http://www.fforwm.ac.uk/>

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Council for Industry and Higher Education (CIHE)

The CIHE was established in 1986 and is made up of a powerful mix of CEOs from leading UK universities, FE colleges, QA agencies, digital innovation and computing companies, telecommunications companies pharmaceutical companies, management consultants, banks, charitable trusts, the Leadership Foundation for HE British Council and HEFCE. It is arguably one of the lead agencies for developing an agreed agenda on the learning issues that affect the UK's global competitiveness, social cohesion and individual development. One of CIHE's re-current main themes and project activity is employer engagement for high level learning and their research focuses on how business demands can best be articulated and how this can influence the overall HE curriculum and new learning provision.

Higher Education Academy (HEA)

The HEA is the main professional agency that UK academics link into when seeking to carry out discipline specific programme development or share their applied research. Under the expert guidance of Professor Freda Tallantyre the HEA has created a vibrant Subject Centre and 'supranet' for work based learning and workforce development. This subject centre has enabled experts in the field to come together with university and business leaders to share 'best practice' projects' and debate central issues which help promote and deter the development of work based learning in our universities and businesses. It has to be said that until recently Welsh academics have been conspicuous by their absence in this academic arena, but, with the arrival of this partnership project and the dissemination of its findings as the project has progressed, the visibility of work based learning activity in Welsh universities is beginning to become apparent and attract interest from academics and businesses across the UK.²²² The HEA, is therefore, a powerful vehicle for knowledge exchange, project creation and support and partnership building between UK businesses and universities.

Professional Bodies

The Chartered Institute of Personal Development (CIPD) is the main professional body that HEIs in Wales engage with for the management and development of their own staff With over 130,000 UK individual members and with a mission to lead the field in the development and promotion of the management and development of people and organisations, CIPD is a key networking body for management change and development training in Wales. Universities have always valued their association with professional bodies as they are invariably key advisers in the development of vocational degree programmes and seen as important in their guidance and confirmation of 'approved' indicative content on accredited short course training that some universities deliver in direct association with these professional bodies. Currently, Welsh universities have a wide range of employer engagement programmes being delivered with approval from Chartered professional bodies.²²³

The Wales Council for Voluntary Action (WCVA)

The WCVA is the voice of the voluntary sector in Wales and represent and campaign for voluntary organisations, volunteers and communities across Wales. Together with their regional partners across the UK, the WCVA has formed an important UK Voluntary sector Workforce Hub which helps guide and advise on the development of skills strategies in the voluntary sector. The WCVA acts as a training and accreditation agency and a policy and research centre to inform and lobby Welsh Assembly Government and other key stakeholders keen to support the voluntary or '3rd sector' in Wales.

UK and Wales schemes and incentives

A large number of schemes and incentives have been put in place by the UK government following the Leitch Review to encourage stakeholders, particularly universities, to begin a structured and sustained engagement with high level learning in the workplace. These have, almost exclusively, been open only to English universities and have seen Welsh universities hamstrung by a lack of funding to be able to develop any systematic, collaborative approaches to employer engagement. The schemes that have offered support for level 3 and 4 learning support in England include – the 'Modern Apprenticeship' programme; Graduate Apprenticeships; 'TrainGain' (T2G); and *foundation degree forward (fdf)* funding. In various ways, these schemes have helped mature adult returners and employers to access work-based training and education involving block release from work and bursary support. The *fdf* funding has enabled English universities to design innovative foundation degrees for sector skills specific employers and deliver these either on their own to full time or part time audiences, or, via HE/FE and business networks.

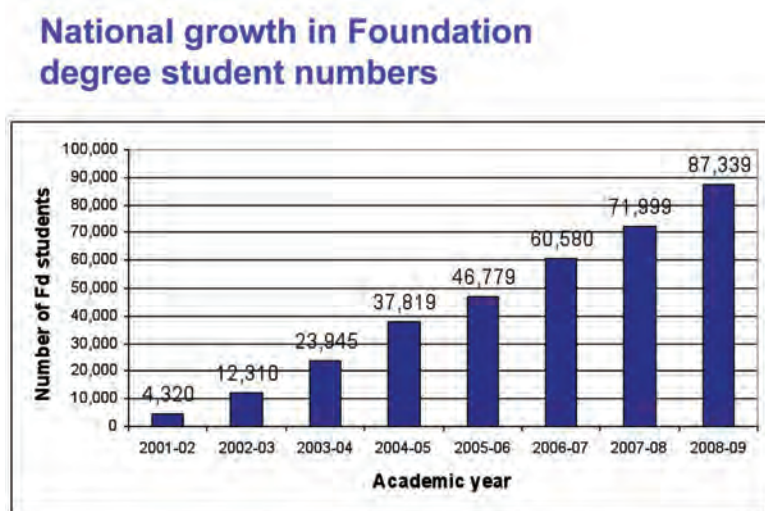
Some of these learning networks, like the Staffordshire University Regional Federation (SURF) led the way in creating vibrant FE and HE academic exchange regarding the development of foundation degrees for part time learners and making regional businesses see the massive potential of organisational and individual development for their companies. This certainly helped promote the *fdf* 'brand' and facilitate a growth in progression opportunities for mature adult returners from FE into HE study. Very quickly, as with all great ideas, this infrastructure was mimicked in a small number of other English universities with a strong vocational and regional mission, and in

²²² Treadwell P 'Marketing and Brokerage,' – seminar presentation at the HEA conference – *Better together: sharing learning from workforce development projects across the UK,* London, 19th May 2009.

²²³ From discussions with staff in Lifelong Learning Centres in Welsh HEIs accredited short course training is being carried out with the following chartered professional bodies - like the British Law Society, the British Psychological Society, the Chartered Institute of Bankers, the Chartered Institute of Environmental Health, the Chartered Institute of Housing, the Chartered Institute of Management Accountants, the Chartered Institute of Personnel and Development, the Chartered Management Institute, the Institute of Biology, the Institute of Physics, the Royal College of Nursing, the Royal Institution of Chartered Surveyors, the Royal Pharmaceutical Society, the Royal Society for the Promotion of Health, the Royal Society of Medicine, the Royal Town Planning Institute, the Chartered Institute of Marketing.

one Welsh university.²²⁴ In England, HEFCE saw an opportunity to build on this type of activity and to directly complement their *AimHigher* programme for widening participation into higher education by under-represented groups. In 2005, they constructed an initiative which allowed for selected English universities to be funded in order to create *Lifelong Learning Networks (LLNs)* and these networks, have over time, become the major drivers for increased employer engagement in English universities and FE colleges. By the end of 2007 just over £100 million had been allocated to 29 LLNs which had seen 120 English universities build academic partners with over 300 English FECs.²²⁵ Currently, that funding is under review and not likely to be sustained, but the initiative, when combined with the on-going work of *fdf* has helped promote over 100,000 new foundation degree learners into the English FE and HE systems and critically been a major driver for progression by full time and part time adult learners into higher education work based study (see figure below regarding *fdf* student growth).²²⁶

Figure: National growth in Foundation degrees in the UK –source Longhurst (2009)



Lastly, with respect to English initiatives, the three *Higher Level Skills Pathfinder Projects (HLSPP)* funded by HEFCE explored the development of collaborative strategies for the delivery of employer engagement in the North East, North West and South West of England with the specific intent of extending the UK governments brokerage scheme – especially for level 3 into 4 progression and beyond. This required extensive dialogue between all key stakeholders and the building of mutual trust and shared services to meet project objectives. The work of Bolden and Petrov (2008) is indicative of the quality of the groundwork and analysis put into these individual projects.²²⁷

Wales specific initiatives by comparison are more difficult to identify. The establishment of the WESB is likely to be the most enduring and innovative creation. But, much of the high level employer engagement agenda has, to date been built by individuals in specific departments in a mix of Welsh universities. Hopefully, some of that 'best practice' is captured in this report. Pump-priming funding for development of foundation degrees was rolled out to universities some years ago and this tended to be used by academics to re-badge existing HNC/Ds and, in certain circumstances design new Fds. As a result, a number of Fds exist across the HE ad FE sectors in Wales, some co-delivered, other franchised direct to FE colleges, and some designed in direct collaboration with SSCs and individual companies. At the timing of reporting, staff inside WAG are conducting a review of the volume and academic 'reach' of these existing programmes and are discussing with a group of experts as to the priority SSC needs in Wales in order to ask collaborative partners to design new fds that will be 'fit for purpose' and help companies learn their way forward. The FdA and the MA in Applied Professional Practice are seen by the project partners to be non discipline specific programmes that will, hopefully meet some of the leadership development and project management needs of Welsh companies – especially SMEs.

²²⁴ The universities of Anglia Ruskin, Derby, East London and Kingston developed similar structures and schemes linked to the FE/HE 'consortium' concept and HEFCE via *fdf* supported projects financially and in the release of additional student numbers (ASNs) to these HEIs for distribution to their FE regional partners. In Wales, UWIC created their 'UWIC FE2HE consortium' which has enabled the growth of franchised undergraduate degrees and foundation degrees in vocational subjects linked to areas of skills uplift in SE Wales. This has been funded within the HEFCW annual grant allocation to sponsor franchised activity between HEIs and FECs in Wales and currently sees UWIC contributing over £200K annually of its own income to support the work of the consortium.

²²⁵ Little B and Williams R (2007) 'Lifelong Learning Networks: what and how are they doing?' presentation to the SRHE Conference, December 12-14th, Brighton.

²²⁶ Longhurst D (2009) 'Learning Working,' a keynote presentation to the 'Employer Engagement' conference, 13th May 2009. The presentations from this conference can be assessed via the Times Higher Education website at www.timeshighereducation.co.uk

²²⁷ Bolden and Petrov (2008) p20.

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It is worth here mentioning the 'WorldSkills 2011' project. The UK will host *WorldSkills 2011* between 6th – 9th October 2011 at the Excel Exhibition and Conference Centre in London. The UK government won the bid in May 2006 after beating off stiff competition from Australia and Sweden. This bid by the UK government is recognition of the importance that the development of skills is fundamental to building a strong economy and increasing employment levels and, that this is particularly relevant in the current economic climate. Through the collaboration of all four regional administrations of the UK Government, the lead in to the 2011 event will be focused upon raising the profile of skills nationally through a series of related events and an intensive marketing campaign. *WorldSkills 2011* will effectively form an integral part of national skills development and promotion, by providing a practical demonstration of the levels of excellence that can be achieved in vocational skills development in the UK. Previous skills Olympics in 2005 and 2007 have seen limited UK engagement but UK representatives have won gold and bronze medals in auto body repair and auto custom design and painting.²²⁸

Lastly, Academic Expertise for Business (A4B), is a six year project funded by the Welsh Assembly Government and European Structural Funding geared to ensure Wales maximizes the economic impact of its academic institutions. Launched in October 2008, it is designed to provide the basis for Wales to become a leading player in key technologies and to create long-term growth within strategic business sectors. A4B will primarily support a range of activities in Welsh higher and further education that develop more effective knowledge transfer, commercialize Intellectual Property (IP) and develop new products and processes. Hopefully, this will see increases in business investment in R&D by Welsh companies and see them exploiting the research base of Welsh HEIs in particular. One of the outcomes of A4B could be increased knowledge exchange which as a by-product promotes high level work based learning driven via industrial research collaborations and partnerships carried out in innovation university- business 'clusters.'

The Demand for High Level Skills in Wales

In order for the widening of engagement by HEIs with employers and the business community in general, HEIs are effectively required to access what for some of them is a new marketplace, and one that is generally regarded as under exploited by the HE sector as a whole. The Welsh Assembly Government in its '*Skills that Work for Wales*' document outlined its commitment to increasing the incidence of higher level skills amongst the Welsh workforce.²²⁹ In this section we will consider several aspects of the perceived market for those skills in Wales. The ability to understand the nature of the market and the issues that are peculiar to Wales is vital to enable HEIs to resolve existing challenges and to pre-empt future difficulties. The topics we have focused on are;

- The Demand for High Level Skills in Wales
- Skills gaps and shortages
- Trend analysis
- Investment in HE opportunities for employers
- Opportunities and challenges for HE
- Particular issues for HE engagement with businesses in Wales

What is clear from many reports of the available on workforce development opportunities is the heterogeneity of the market, it is multiple, multi layered rather than a single market. When we attempt to intertwine this complex, demand driven environment with HEIs who have hugely varying strategic missions it should be of little surprise that mismatches are commonplace with resulting mistrust from both parties. With this wealth of choice and freedom of information, businesses are now seeming to 'cherry pick' HEIs depending upon the specific needs and perceived capabilities of their workforce and in many cases to work with several HEIs chosen as a result of perceived Institutional expertise.

Understanding this demand and recognising the potential impact increased involvement by HEIs may have upon workforce development is a key factor in the resolution of potential challenges and opportunities faced by HEIs when attempting to interface with businesses. In section 8 of the Welsh Assembly Government (WAG) '*Skills that work for Wales*' document a clear economic case is presented for Higher Level skills amongst the workforce when it is stated that '*a single percentage point increase in the share of the workforce that has a degree could increase productivity by 0.5%*'.²³⁰ In order to facilitate this increase in skill levels and the predicted increase in productivity WAG has been actively encouraging HEIs to increase their interaction with employers and employer organisations. The diversification of strategic missions of the Welsh HEIs has led to significant differences in the nature of this interaction. Within research – intensive universities there is a tendency to focus on employer engagement that may lead to research findings whereas teaching and business focussed universities may be broader in the kinds of activities they engage in.

When considering workforce development expenditure as an indicator of the market for Higher Level skills, the National Employers Skills Survey 2007 estimates that expenditure on training in the previous 12 months was £38.6 bn, fees to external suppliers represented £2.7bn.²³¹ The East Midlands University Association (EMUA) found that 61% of organisations surveyed had not

²²⁸ URL: www.worldskillsulondon2011.com

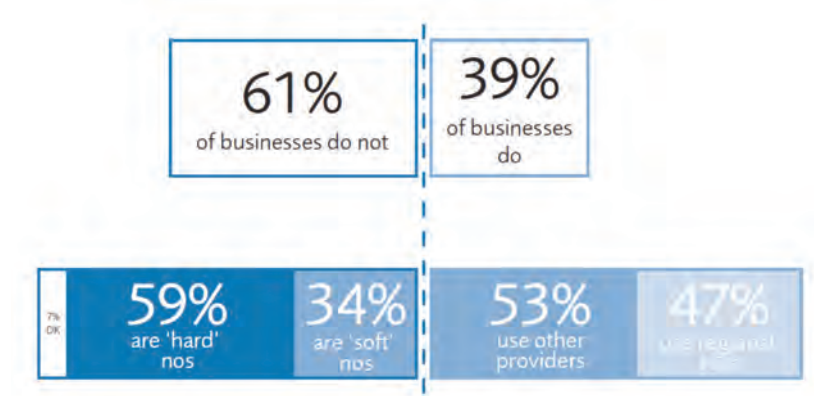
²²⁹ Welsh Assembly Government (2008) '*Skills That Work for Wales : Skills and Employment Strategy and Action Plan*,' -see Section 8, WAG.

²³⁰ Welsh Assembly Government (2008) '*Skills That Work for Wales : Skills and Employment Strategy and Action Plan*,' -see Section 8, WAG.

²³¹ LSC (2007) '*National Employers Skills Survey 2007*' LSC.

undertaken any Higher Level Skills training in the preceding 12 months, when questioned their reason was that they felt there was no benefit to their business in doing so (in complete contradiction to the WAG statement). Interestingly, of the organisations that did participate in high level skills training, almost 80% reported that the training had had a positive impact on their business.²³² The figure below shows the market demand for higher level skills in the East Midlands. Comparisons between the West Midlands and Wales may be drawn from figures published by the Office for National Statistics, Labour market statistics, January 2009.²³³ The West Midlands and Wales are only 4% apart in employment figures, and are in close proximity for other statistics such as earnings, economic inactivity and job density. This close comparison allows us to draw action recommendations for Wales from the figure below

Figure: demand for high level skills – East Midlands region, 2009



These figures indicate the target markets for HEIs that are actively engaged in increasing their market share in higher skills development. The 53% of businesses that do participate in higher level skills training but do not use HEIs must represent a considerable business opportunity to HEIs.

Organisational demand is only one facet of the demand for higher level skills training as there is a potential for HEIs to provide programmes that are supported by businesses but not by students. One member of Universities UK stated *'we cannot afford to develop new programmes that employers want if students do not want them.'*²³⁴ To lessen the cost burden of developing programmes for untested student demand there would appear to be a case for a business/HEI joint funding mechanism as the Leitch Report's call for demand led provision does not recognise University decision making driven by student demand.

As the typical employer engagement learner is of employed status, higher level skills training is predominantly carried out on a part time study basis in Wales. According to the Office for National Statistics (ONS) Wales 38% of all enrolments in Welsh HEIs were part time in 2007/08, down 7% than in 2006/07.²³⁵ This decrease could be the direct result of the economic downturn as more employers reduce budgets for training and development, or lose staff.

Skills gaps and shortages -overview

Skills gaps and skills shortages in the current workforce is an on going problem and one for which there is no 'quick fix' as some observers feel that the situation is exacerbated each year by an influx into the employment market of a new cohort of graduates who lack employability skills. Rick Trainor, the president of Universities UK stated that universities produced 260,000 graduates each year and that they must be equipped with the skills that are valued by employers and equally are required by the economy.²³⁶ David Lammy, Minister of State for Higher Education and intellectual property said in the same UUK and CBI report (2009) that *'we all know that graduates need to be equipped with the right skills to succeed in the workplace.....this CBI/UUK Future Fit report highlights the role HEIs and employers both have to play in giving students the best possible opportunities to build, refine and articulate their skills.'*²³⁷ Additionally, Richard Lambert, Director General, CBI said *'developing student employability must be a joint responsibility - employers have an important role to play... there are significant benefits for universities, employers and students themselves through increased collaboration. But there is one clear message: we must all-employer, university and student-raise our game.'*²³⁸ The importance in employer's opinion of employability skills over subject specific knowledge is clearly shown in the table overleaf. For this table senior executives were asked to rank the most important factors they considered when recruiting graduates.

²³² EMUA (2008) 'Get Ahead –supplying high level skills to smaller companies,' Report from the East Midlands Universities Association.

²³³ ONS (2009) 'Labour market Statistics,' Office of National Statistics, May 2009.

²³⁴ Universities UK (2007) *Response to the Leitch review of Skills,* March UUK URL: <http://www.universitiesuk.ac.uk/consultations/responses/>

²³⁵ ONS (2009) 'Students in Higher Educational Institutions –Wales, 2007/8,' Statistics for Wales 26th February Bulletin, 2009.

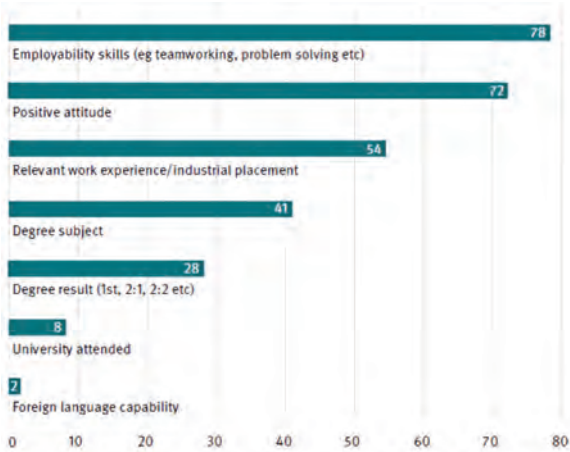
²³⁶ CBI and UUK (2009) 'Future Fit – preparing graduates for the world of work,' p3, CBI and UUK.

²³⁷ As above, Foreword section.

²³⁸ As above, p2.

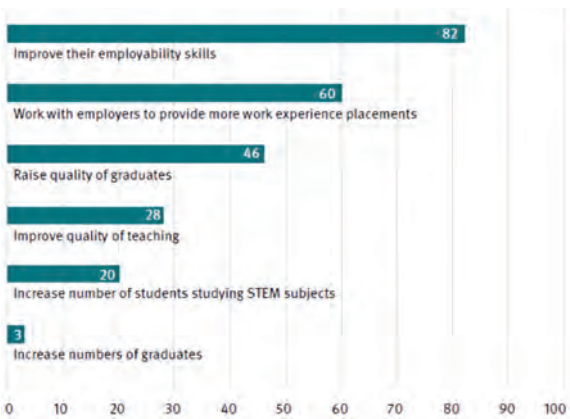
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Figure: Important factors considered when recruiting graduates (%)



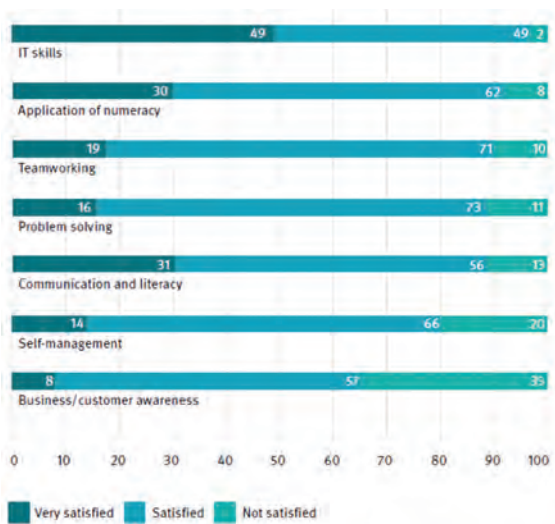
When asked what they felt universities should focus on, 82% of employers stated that employability skills development was of greater importance than increasing the numbers of students graduating each year.²³⁹

Figure: What should universities prioritise in terms of undergraduates?



Coincidentally, students also placed employability as the most valued factor when employers recruit graduates.²⁴⁰

Figure: The level to which graduates are equipped with employability skills (%)



²³⁹ CBI and UUK (2009) As before, p22.

²⁴⁰ CBI and UUK (2009) As before, p21.

It is important to understand that the skill shortage issue is not one that is based solely on the 'supply' side of the skills development equation. At a recent summit on 'Higher level skills,' it was stated by Chris Humphries, CEO of UKCES that this is equally a 'demand' side problem as employers do not commit funds or resources to the up-skilling of their workforce.²⁴¹

The 'National Employers Skills Survey' 2007, which was commissioned by the LSC, DIUS and the SSDA details evidence of skills gaps in England. The report showed that a minority of employers in England were affected by 'skills gaps' where it was considered that employees not proficient at their jobs.²⁴² In another, later study produced by CBI/Edexcel no clear distinction was made between higher level skills and the general skills needs of organisations. In this report 53% of employers reported a lack of confidence in their ability to find enough people with the right skills for their business. However 63% of employers described staff in high skill roles as 'good'.²⁴³ According to a recent SEMTA Wales, hard to fill vacancies are costing the Welsh economy £31million in lost productivity.²⁴⁴ The report also states that there are significant science, engineering and manufacturing skills shortages in Wales that need to be filled. The report calls on Welsh science, engineering and manufacturing companies to take advantage of the skills funding available, as the benefits are clear, identifiable and can have a huge impact on the bottom line of small to medium sized businesses in particular.²⁴⁵ By accessing these available funding opportunities employers may coincidentally address what is deemed the main reason cited for hard to fill vacancies which was identified as a lack of applicants with the required qualifications and skills. The CBI/ Nord Anglia survey (2009) states that 'looking to the future it is vital the UK has the higher level skills needed to drive the low carbon economy and rebuild the national infrastructure,' but also comments that 'over half (57%) of employers in the survey lack confidence in there being enough highly skilled staff in future.'²⁴⁶ According to Richard Lambert, Director General of the CBI, 'looking to the future, our competitiveness will be based increasingly on our high skilled, high value added sectors. Our survey provides further evidence of the serious mismatch in demand and supply, with two thirds of businesses of businesses recruiting STEM – skilled staff.'²⁴⁷ He reinforces this same point in another CBI report (2008) when saying 'it is on the skills of the British workforce - and on the development and use of new skills- that our future prosperity in large part depends.'²⁴⁸ Lambert also acknowledges that interaction between businesses and HE had improved over the last 10 years in the UK but felt that there was scope for even greater interaction between higher education and businesses, whilst urging all parties to continue their efforts to bring down any remaining barriers to making employer engagement happen effectively. Lambert stressed that 'nowhere is this more important than in the area of workforce development.'²⁴⁹

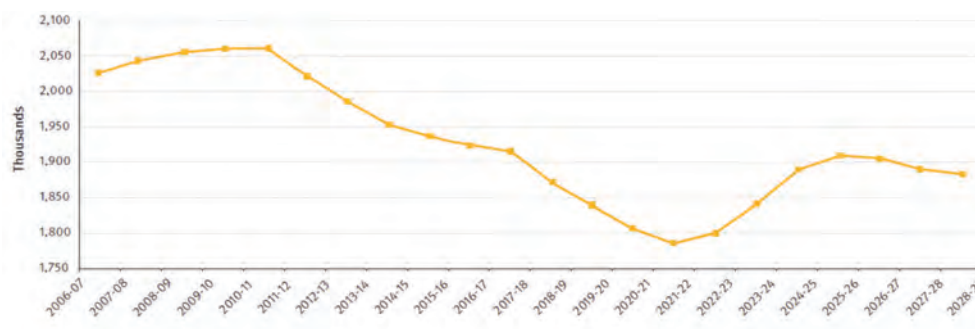
Trend analysis

There are several identifiable trends that have an immediate effect upon the market and demand for workforce via HE in Wales. The task for HEIs is to recognise these trends and address them in their engagement with business. There are several clearly identifiable areas within which trends may be observed -

- Demographics

A changing demographic profile is likely to influence demand for Higher Level Skills development and for demand for HE in general in the coming years. The growth in demand for HE can be directly attributed to the rise in the 18 – 30 age group however the effect of a decrease in the birth rate in 2003 will materialise in years to come, circa 2023. The graph overleaf shows the projected figures for 18-20 year olds between 2006 and 2029. The fall in numbers will have the negative effect upon demand discussed above.

Figure: 18-20 year-olds from 2006/07 to 2028/29



Source: Higher Education Policy Institute using ONS and Government Actuary's Department (2005 based projections, published in August 2006), adjusted by DfES for academic years

²⁴¹ UUK and the Alliance of Sector Skills Councils (2009) 'Overview of the UK Commission for Employment and Skills – Employability report,' - keynote presentation by Chris Humphries, May 15th 2009.

²⁴² LSC (2007) 'National Employers Skills Survey 2007' LSC.

²⁴³ CBI and Edexcel (2008) 'Education and Skills survey,' p1, CBI/Edexcel.

²⁴⁴ SEMTA (2008) 'Engineering Balance-Sheet Wales,' Executive Summary, SEMTA., September 2008.

²⁴⁵ As above.

²⁴⁶ CBI and Nord Anglia (2009) 'Emerging Stronger: The value of education and skills in turbulent times,' p6, CBI/Nord Anglia.

²⁴⁷ As above, p4.

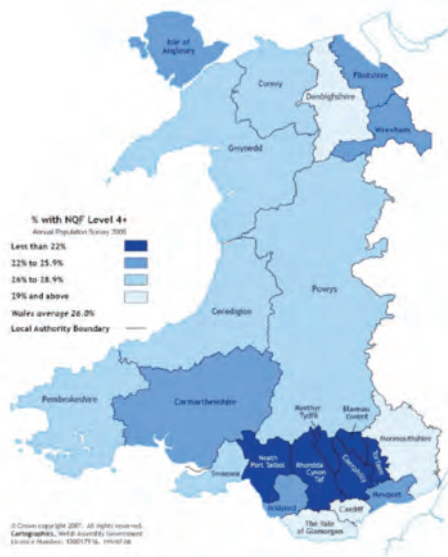
²⁴⁸ CBI/HEFCE/UUK(2008) 'Stepping Higher – Workforce development through employer-higher education partnership,' p6, CBI/HEFCE/UUK.

²⁴⁹ As above, p6.

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Additionally, the map below indicates the 'spread' of qualifications throughout the Principality and the concentration of more highly qualified individuals in certain areas corresponds with the concentration of higher skilled employment. The effect of this polarisation is that there is less demand for higher level skills from the areas where there is a lower percentage of adults qualified to at least NQF level 4 as there are fewer employment opportunities requiring higher qualified applicants.

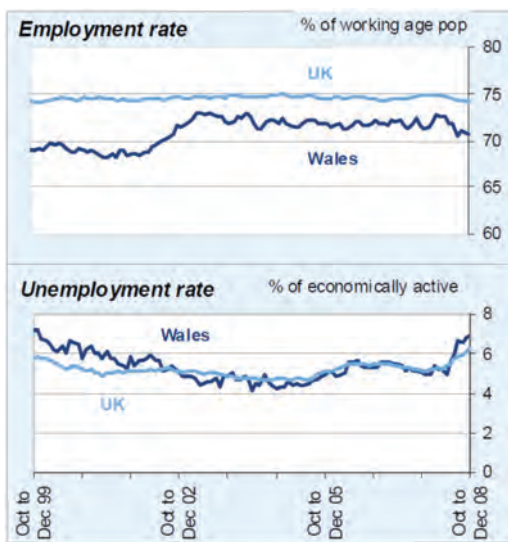
Figure: Percentage of Adults of Working Age Qualified to at Least NQF Level 4



- Unemployment

Any increase in the levels of unemployment will have an effect upon numbers of people entering Higher Level Skills Development programmes as employed status is considered a pre requisite for attendance on many development programmes. According to the Economic Statistics Monthly Bulletin the Unemployment rate in Wales for December 2008 rose almost 2% from the 2007 figure to 7.0%.²⁵⁰

Figure: Employment and Unemployment rates – UK and Wales



- Sectoral Changes in Employment

²⁵⁰ ONS (2009) 'Employment and Unemployment rate, UK and Wales,' Economic Statistics Monthly Bulletin, Feb. '09.

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As people enter employment in non manufacturing / heavy industry sectors so the demand and market for a different range of skills development increases. The need for leadership and management skills development becomes more of a significant force with the drive from such documents as the 'National Employers Skills Surveys'²⁵¹ and the 'Skills at Work 1986 – 2006' survey.²⁵² According to these reports employers now regard such skills as communication, customer handling, team working, problem solving and influencing as being important for the 21st Century employee. The 'Workplace Employment by Industry in Wales 2001 – 2006,' report indicates a fall in employment in the manufacturing sector in Wales by 18% over the period with a rise in the financial & business employment sectors by 28% over the same period - also supporting this changing skills agenda.²⁵³

Figure: Share of Workplace Employment by Industry, Wales, UK, 2006.

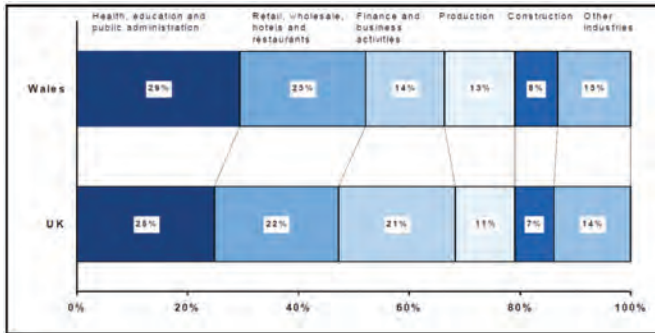
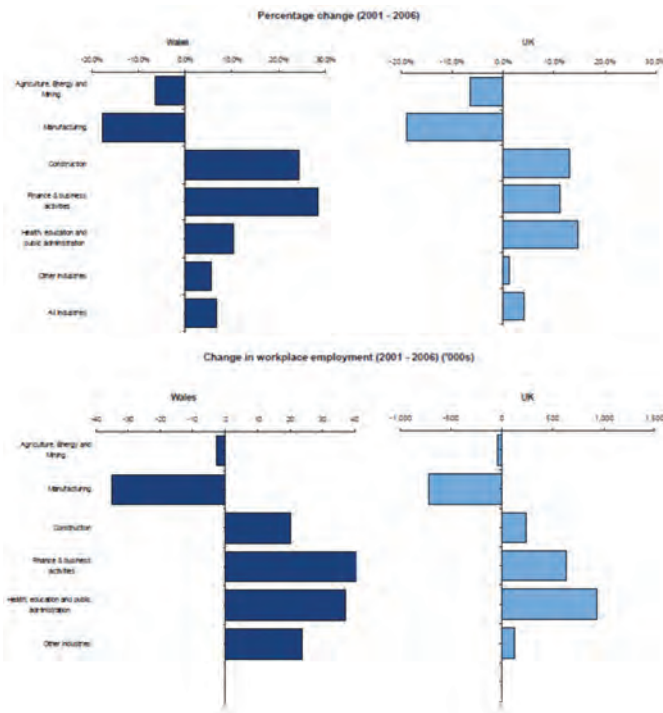


Figure: Change in Workplace Employment by Industry, Wales, UK, 2001 - 2006



Investment opportunities for employers

In these challenging times for employers each decision that carries a cost implication will come under intense scrutiny, however,

²⁵¹ LSC (2007) 'National Employers Skills Survey 2007' LSC.

²⁵² DIUS (2007) 'Skills at Work, 1986-2006,' DIUS.

²⁵³ ONS (2008) 'Workplace Employment by Industry in Wales, 2001-2006,' ONS.

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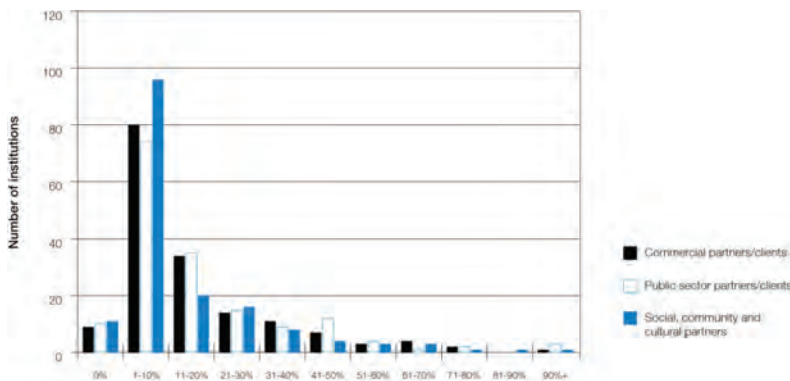
investment in the skills of employees should be one that should be regarded as crucial when considering the long term future of the organisation. When considering the drivers for investment in Higher Skills Training, Kewin et al (2008) that indicated HR issues such as improved retention, motivation and staff reward were the greatest investment drivers at 36% of respondents.²⁵⁴

The task for HEIs in Wales is to ensure that when employers do indicate a willingness to engage with universities, they have the capacity to respond in an appropriate manner. The graph below shows the proportion of academic staff engaged in such activity.

Figure: Drivers for Investment in Higher Skills Training (Source: Kewin et al., 2008)



Figure: Academic staff directly involved in providing services to business and community partners



Opportunities and challenges for HE

The 'High Performance Workforce study' (2006), produced by Accenture stated that in polling executives on what they considered to be significant factors that influenced high performance, people and workforce related factors were cited as occupying 3 of the top 5 answers. For HE and its role as a developer of higher level skills, the most relevant factor was 'finding and developing talented leaders.' 36% of those executives polled felt that this was very important in achieving strong financial performance whilst only 10% (165 companies) felt that they addressed this factor very well.²⁵⁵

²⁵⁴ J Kewin, L Bowes and T Hughes (2009) 'Beyond known unknowns,' – a further exploration of the demand for higher level skills from businesses, East Midlands Universities Association, CFE, January, p28.

²⁵⁵ Accenture (2006) 'High Performance Workforce study' (2006), Accenture.

Figure: Accenture High Performance study (2006) - Finding and developing talented leaders



When combining these results with the fact that only 9% of respondents felt that training and development was one of the top 3 functions of their organisation and only 14% of that number rated the performance of the training and development function as high, it may not be surprising that 81% of respondents felt that the training support offered to their workforce was less than highly effective.²⁵⁶ Given this negativity towards engagement in training and development there is clear evidence for HEIs to actively engage with employers by offering a credible option when considering higher level skills workforce development. The challenge for HE is to fully engage in the workforce development or up-skilling agenda whilst carrying on with its regular undergraduate and postgraduate programmes. That there is a large number of potential learners is clearly indicated from ONS Wales data that shows that the number of employed staff between 25 and 34 years of age qualified to NQF level 2 is between 70 and 80%, whereas the number of people in the same age group qualified to NQF level 4-6 shows a catastrophic drop to below 40%.²⁵⁷

Figure: Proportion qualified to at least NQF level 2, by age and gender, 2006 (ONS Wales).

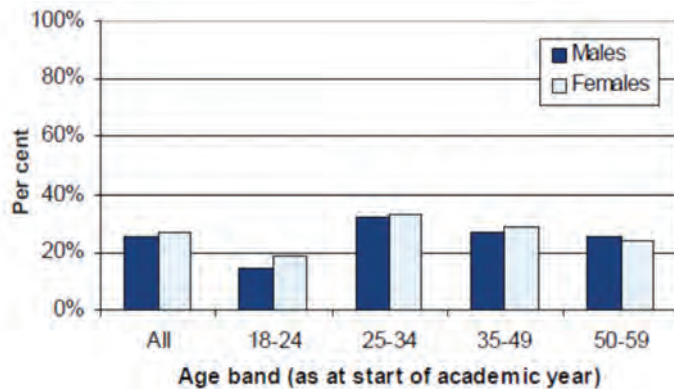
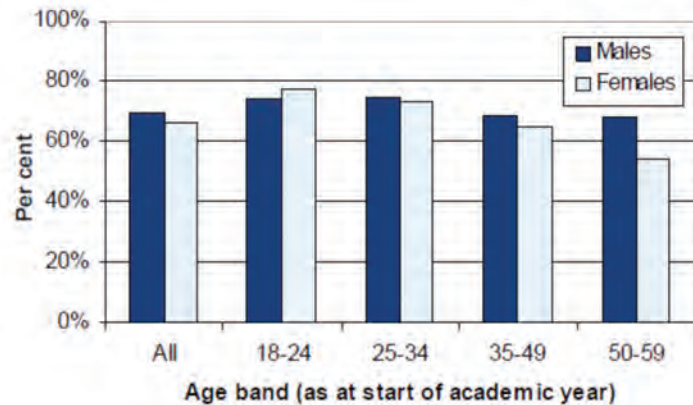


Figure: Proportion qualified to at least NQF level 4-6, by age and gender, 2006 (ONS Wales)



This should represent a considerable target market for HEIs in Wales and the way in which they could address this opportunity is outlined below.

²⁵⁶ As before

²⁵⁷ ONS (2009) 'Students in Higher Education Institutions -Wales, 2007/8,' ONS Wales.

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As an example of the way in which employers perceive HEIs and their business interface, Victoria Tomlinson, founder and owner of a small PR company said that ;'if universities want to work with SMEs, they have to 'think business'. Everything they do for SMEs has to be business-like –from their speed of response to the language they use. Universities probably need an account management system – a customer service team with an interface role. They would understand how both sides think and operate and do all the leg-work on behalf of businesses - and - SMEs expect universities to be up-to-speed on the funding support available that could pay for programmes, research, placements and other joint initiatives.'²⁵⁸

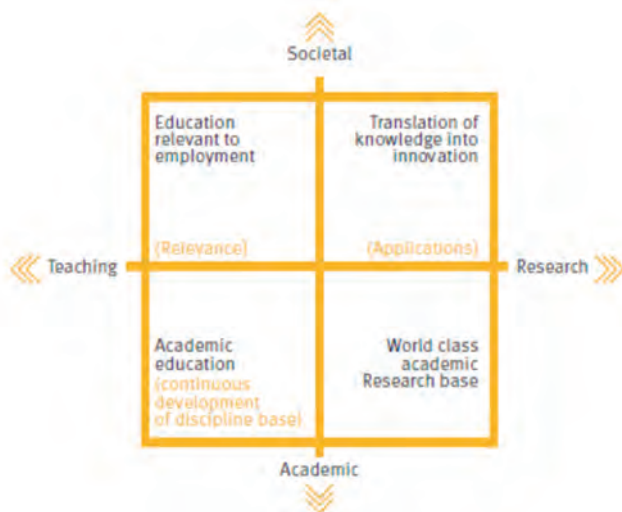
Particular issues for HE engagement with businesses in Wales

The Accenture report (2006) evidences that of the entire workforce of those companies taking part in the research, the percentage considered to have industry leading skills almost halved between 2003 (27%) and 2006 (14%). This apparent reduction in skill levels offers HEIs a valid and robust opportunity to engage more closely with employers in order to keep their businesses at the cutting edge of management capability and knowledge innovation.²⁵⁹

For many employers, the issues involved in engagement with HE are based upon perceived differences in intellectual capacity and knowledge utilisation between academics and employees. Leitch did not resolve the tension between targeting provision to meet the needs of employers and allowing providers to respond directly to employee as student demand - which is the most efficient means of maximizing aggregate skills levels but not necessarily of ensuring a match between those skills and the needs of employers. For all practical purposes, however, the message from Leitch was clear – and that was that providers of post-compulsory education needed to be much more focused upon what employers wanted. In the Welsh Assembly Government (2007) statistical bulletin, the percentage of staff engaged in managerial and senior official employment holding level 2 NQF qualifications is 83% and this figure drops to 32% for those holding level 4 – 6 qualifications.²⁶⁰ Once again these figures clearly indicate that the market is in place for HE/employer engagement in Wales, but it is the manner in which this engagement is embarked upon that is central to success. Communication with the marketplace has always been perceived as a weakness of HEIs by the business sector. The CBI/Nord Anglia survey (2009) seems to offer statistical evidence that there is still a paucity of quality marketing information from HEIs to redress this weakness. For example, 69% of firms with 1-49 employees stated that a lack of information on what universities have to offer was a key barrier to engagement with the HE sector.²⁶¹

According to the CBI 'Stepping Higher' report (2008), HEIs typically engage in a variety of ways with employers²⁶² – see below and overleaf -

Figure: The range of HE activity linked to employer engagement (CBI, 2008)



²⁵⁸ CBI and Nord Anglia (2009) 'Emerging Stronger: The value of education and skills in turbulent times,' p44, CBI/Nord Anglia.

²⁵⁹ Accenture (2006) 'High Performance Workforce study' (2006), p14, Accenture.

²⁶⁰ ONS (2007) 'The levels of highest qualification held by working age adults in Wales, 2006,' ONS, 22nd November 2007.

²⁶¹ CBI and Nord Anglia (2009) 'Emerging Stronger: The value of education and skills in turbulent times,' p47, CBI/Nord Anglia.

²⁶² CBI/HEFCE/UUK(2008) 'Stepping Higher – Workforce development through employer-higher education partnership,' p16, CBI/HEFCE/UUK, October 2008.

Figure: HEI engagement with employment (CBI, 2008)



The report states that universities engage with employers by -supplying labour – graduates and post graduates; offering a source of continuous professional development (CPD) and other bespoke programmes; and supplying research and development. Additionally, as many HEIs are large employers in their own right they are also a source of labour demand and as such will have an effect upon the level of qualifications required for employment in a geographical area.²⁶³

Figure: Business links with universities (%) – CBI/Nord Anglia (2009)²⁶⁴

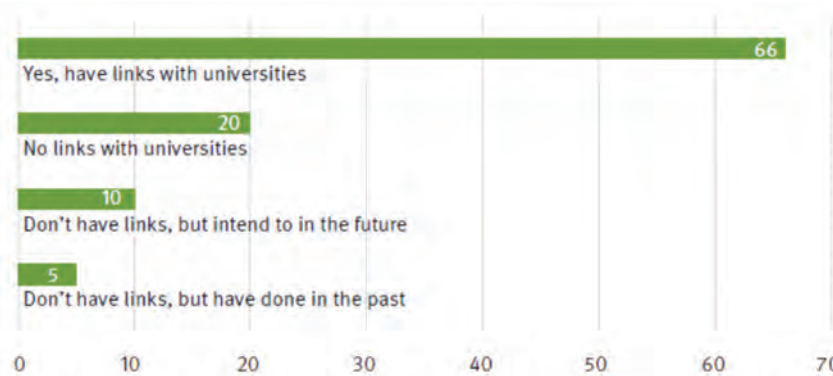


Figure: Business links with universities – by size of employer (%) - CBI/Nord Anglia (2009)²⁶⁵

	Have links with universities	Don't have links, but intend to in the future	Don't have links but have done in the past	No links with universities
1-49 employees	42	10	3	45
50-199	55	6	10	28
200-499	65	12	5	18
500-4,999	72	12	3	13
5,000+	84	7	2	7
All respondents	66	10	5	20

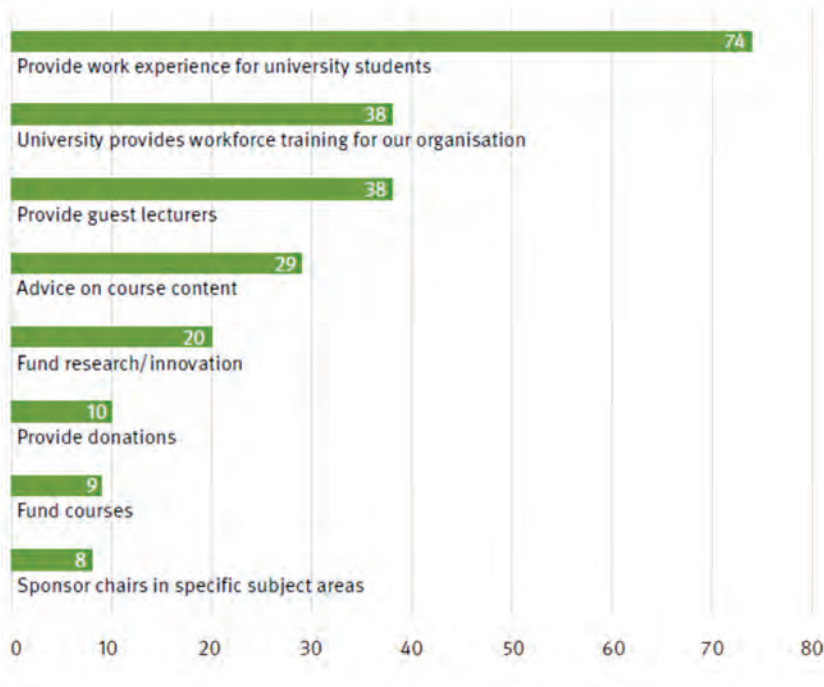
²⁶³ CBI/HEFCE/UUK(2008) 'Stepping Higher – Workforce development through employer-higher education partnership,' p16, CBI/HEFCE/UUK, October 2008..

²⁶⁴ CBI and Nord Anglia (2009) 'Emerging Stronger: The value of education and skills in turbulent times,' p45, CBI/Nord Anglia.

²⁶⁵ CBI and Nord Anglia (2009) 'Emerging Stronger: The value of education and skills in turbulent times,' p45, CBI/Nord Anglia.

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Figure: Nature of employer links with universities (%) - CBI/Nord Anglia (2009)²⁶⁶



Sector Specific examples of skills gaps

This particular commentary seeks to offer examples of high level learning needs as matched against existing Sector Skills gaps in a number of business sectors. It is not possible or indeed necessary in this report to offer an exhaustive analysis of all Sector Skills Council labour market intelligence reports. This can be carried out by going on line and pulling down each SSCs most recent analysis of skills needs and gaps.²⁶⁷

However, recent analysis carried out by Deloitte for the Welsh Assembly Government highlights 10 key sectors in Wales for inward investment. The report comments that *'the appeal of Wales is emphasised by the diversity of inward investment, much of which taps into its strong knowledge-driven networks. There is a growing trend of interest from companies who are looking for both investment opportunities and partnerships in the form of joint ventures, technology transfers and licensing and distribution agreements'*.²⁶⁸ These key sectors are outlined below.

Figure: key sectors for inward investment as identified by International Business Wales, source Deloitte, (2009)

Sector	Example and ownership	Activity	Employment	Location
Aerospace	Airbus (Germany)	Wing manufacture and assembly	7,000	North Wales
Automotive	Ford (USA)	Manufacture of petrol engines for Europe	2,000	South Wales
Bioscience	ConvaTec (USA)	Development, manufacture and supply of wound management products	900	South and North Wales
Business Processes	Conduit (USA)	Outsourced customer service	1,500	South Wales
Creative Industries	Tinopolis (UK)	TV production – sport, drama, current affairs	450	South and West Wales
ICT	BT (UK)	Telecom and IT service provision	3,900	South and West Wales
Financial Services	Lloyds TSB (UK)	Retail Bank, Asset Finance, Insurance back office and contact centres	6,000	South Wales
Logistics	Amazon (USA)	Fulfilment centre	1,200	West Wales (Swansea)
Manufacturing	Tata Steel (India)	Steel producer	7,000	Wales-wide
Sustainable Technologies	Sharp (Japan)	Photovoltaic cell production	500	North Wales (Wrexham)

Additionally, the IBW/Deloitte report notes that *'after the public sector, the four largest sectors by employment are : distribution, hotels and restaurants, banking, finance and insurance and manufacturing'*.²⁶⁹

²⁶⁶ As above, p45.

²⁶⁷ For example, go to the Alliance of Sector Skills Wales website - URL: <http://www.sscalliance.org>

²⁶⁸ Deloitte(2009) 'A guide to investing in Wales,' for International Business Wales (IBW), Deloitte, London, pp27-44.

²⁶⁹ As above, p15.

Figure: Largest employment sectors in Wales, source IBW/Deloitte, (2009)

Employment by sector'	Wales	Great Britain
Agriculture and fishing	1.2%	0.9%
Energy and water	0.6%	0.6%
Manufacturing	13.4%	10.9%
Construction	5.3%	4.8%
Distribution, hotels and restaurants	23.4%	23.5%
Transport and communications	4.3%	5.9%
Banking, finance and insurance, etc.	14.2%	21.2%
Public administration, education & health	32.2%	26.9%
Other services	5.5%	5.3%

Also, the report went on to state that 'the qualifications of the workforce are important for any employer. At all levels Cardiff and Swansea exceed both the Welsh and Great Britain averages whilst at degree level Cardiff has one of the highest percentages of graduate calibre personnel in the UK.'²⁷⁰ This type of information bears out the significance and potential of developing the 'city region' concept and utilising Welsh universities as key drivers in the whole knowledge exchange forum between universities and regional businesses.

Figure: Qualifications by urban area in Wales

Qualifications ¹	Cardiff	Newport	Swansea	Wrexham	Bangor (Gwynedd)	Wales	Great Britain
Degree or equivalent – NVQ4 and above ²	73,400 (35.3%)	20,300 (24.1%)	37,700 (27.3%)	19,200 (23.7%)	18,000 (26.0%)	25.4%	28.6%
A-level equivalent – NVQ3 and above ²	113,000 (54.4%)	35,100 (41.7%)	65,300 (47.2%)	32,200 (39.7%)	29,900 (43.2%)	43.8%	46.4%
GCSE level equivalent – NVQ2 and above ²	148,000 (71.3%)	50,900 (60.4%)	91,400 (66.1%)	49,100 (60.6%)	44,600 (64.4%)	63.8%	64.5%

1: January 2007-December 2007

2: % is a proportion of working age population

Source: Office of National Statistics

From this initial snapshot of sector specific information we have identified a number of sector skills areas for a brief analysis of high level learning needs and skills gaps. We have chosen five sectors specifically due to their general locations and the size of their employment workforce.

Manufacturing
Financial Services
Creative & Cultural
E-Skills

Manufacturing

With respect to high level skills issues in Wales, the Metals, Manufacturing and Electrical Equipment (MME) sector 'Gap Analysis – Wales' report (2008) to SEMTA notes that only 20% of its workforce at NVQ level 4 which is 4% below the UK MME average. 25% of MME companies reported skills gaps, which was above the UK average and the gaps which had the most significant effect on their business were lack of 'professionals' or managers/leaders (27% of MME establishments in Wales).

²⁷⁰ As above, p16.

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Figure: MME Skills Summary

Table 3.1: Summary of skills and workforce employment indicators in Wales

	% workforce that are female	% workforce aged 45+	% workforce that are Non-White	Gross Value Added per employee	% change in employment 1984-2004	Projected annual average % growth rate in employment 2005-2014	Projected annual net requirement 2005-2014	% workforce with highest qualification NVQ Level 4 or above	% workforce with no qualifications	% establishments reporting hard to fill vacancies over the last 12 months	% establishments reporting skill gaps over the last 12 months
Metals	13%	45%	1%	£32,820	-33%	-1.7%	5,590	19%	11%	18%	23%
Mechanical Equipment	22%	47%	2%	£31,560	-21%	-1.9%	1,740	18%	16%	24%	38%
Electrical Equipment	28%	49%	2%		15%	0.7%	3,470	27%	10%	18%	10%
MME (Wales)	18%	46%	1%	£26,730	-25%	-1.4%	10,780	20%	12%	20%	25%
All sectors (Wales)	52%	40%	2%	£19,670	16%	0.8%		29%	11%		
MME (UK)	19%*	46%	5%		-37%			22%	12%	17%	20%

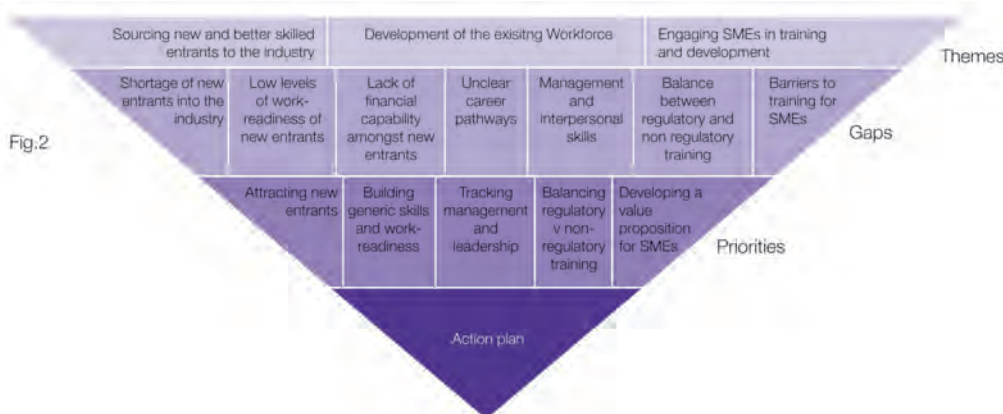
Sources: Annual Population Survey 2006, ABI 2005, Semta LMS Survey 2007, Semta/IER employment projections 2007

*The figure relates to Great Britain

Financial Services

The Financial Services Sector Skills Agreement (SSA) entitled 'Skills Bill' (2008) has identified five key priorities for action in Wales with respect to the skills agenda. Following consultation with employers it was revealed that leadership and management is the most important skills gap facing the industry. It is the first priority for 63% of financial services firms in Wales and across the UK.

Figure: Financial services Wales skills pyramid



Creative and Cultural

In its 'Creative Blueprint Wales' SSA (2008) Wales has 3% of the total UK FE/HE provision of 180,000 courses and 60,000 students. 16% of Welsh companies in the industry had recruitment problems and 23% had skills gaps. Additionally, over 36% of employers had CPD problems with nine out ten companies not having a dedicated training budget and where they did exist they were usually less than £1,000 per annum in total. High level skills gaps included business planning, finance and marketing and new business modelling. Future high level skills needs were linked directly to management and leadership, digital technology, negotiation, selling and marketing/PR skills.

E Skills

In the E Skills SSA 'Creating The IT Nation: the strategic plan for Wales, 2009-14' (2008) it notes that 31% of new recruits in Wales (over 1,000 people annually) are career changers and 57% of these annual new recruits enter directly into managerial and highly skilled professional positions. In Wales, employment in IT professional occupations has grown by 80% since the early 1990s. 23% of IT and telecoms professionals are now employed as 'ICT managers' and a further 38% are employed as either strategy/ planning or software professionals. Over 25% of all Welsh companies say lack of suitable IT professionals has an adverse affect on the business and these companies also link this with lack of problem-solving and managerial skills gaps. Interestingly, in this sector 62% of all workers are qualified to CQFW level 7 or above. In terms of needing to act, the E Skills Strategy Plan for Wales suggests that all Welsh companies need to 'grasp the strategic implications of technology and have the skills to realise its potential.'

All of this SSC snapshot data is reinforced by research from Will Hutton on 'Contemporary Trends in Work and Organisation) via the Work Foundation (2007) which emphasises the shift in occupations in the UK over the last 25 years and highlights that 48% of all UK jobs are now in the knowledge based industries. Additionally, this research highlights that has been a 24% growth in knowledge industries between 1995 and 2005 and that knowledge services exports trebled from £27 billion to £76 billion in that same period.

The recent research of Professor Alan Felstead in 'Contemporary Wales' (2009) on the skill levels and quality of jobs in contemporary Wales stresses that 'the skills content of jobs in Wales are of a poorer quality than jobs elsewhere in the UK' and that this is directly linked to the 'greater prevalence of low pay in Wales and lower average rates of pay.' He also makes the point that whilst the qualification level of the Welsh workforce has risen over the last 14 years 'the demand from employers for qualified has not increased at a similar pace.' This suggests that much more needs to be done to raise the expectations of employers in Wales because, as the WAG 'Skills That Work for Wales' skills and employment strategy notes 'skills will make the biggest difference to the prosperity of Wales when they are used effectively in the workplace.'

This research from Professor Felstead also stresses the importance of the emergent UKCES 'Talent map' which is a talent coalition project co-ordinated by Business in the Community for UKCES, with support from the UK and regional governments, CBI, and FSB. Essentially, the talent map is a simple, single unifying web based framework for employers, brokers and educators. Interestingly, it is not a central web site but rather a unifying linkage point to a distributed set of web-tools owned by the major employer engagement stakeholders in the UK. (see Appendices).

Messages

The initial message from this section is quite straightforward and it is that:

the market is in place for HE/employer engagement in Wales, but it is the manner in which this engagement is embarked upon that is central to success. Communication with the marketplace has always been perceived as a weakness of HEIs by the business sector.

Additionally, an all-Wales specific initiative with respect to the development of foundation degrees which meet both sector specific needs and also enable the growth of non-discipline –based degrees that tackle uplift in leadership and project management skills is vital. At present, no clear strategy from either WAG or HEFCW is readily apparent for foundation degree development in Wales. Also, much of the high level employer engagement agenda has, to date been built by individuals in specific departments in a mix of Welsh universities.

As a result, there is also a real need for a co-ordinated approach to employer engagement both within and between HE institutions in Wales.

Section 5

Organisational challenges & opportunities for HEIs in Wales

Introduction

For Universities in Wales there are real opportunities and challenges linked to this employer engagement agenda. These can be categorised broadly as – additional collaboration and partnership building leading to enterprise and consultancy activity; curriculum innovation and redesign to enhance the appeal of a university education; increased engagement with the world of business for university academics and subsequent improved “personal currency”; additional student numbers and income streams linked to student recruitment and CPD/executive education activity.²⁷¹ With particular respect to the CPD and executive education marketplace the HEFCE Employer Engagement Strategy comments that opportunities for universities engaging in workforce development activity include – engaging with mature adult returners in work; creation of additional high value added products and services; increasing regional entrepreneurship activity including additional university business startups; focussed CPD and applied research linked to management and leadership training; and discreet working with SSCs to ameliorate high skills deficits.²⁷² The Universities Vocational Awards Council (UVAC) report on integrating work-based learning into higher education concludes that much of this professional development and executive education provision should be provided via a subtle blend of face-to-face and distance learning. They note that the UK has an industrial population with many SMEs and, as such, this type of delivery and content is well suited to those type of organisations that are under increasing pressure to compete effectively in national and international marketplaces. This, and other related research, emanating from UVAC places a particular steer towards universities offering action learning and problem solving work-based tasks in order to develop the transferable skills and knowledge capacity of SME workforces. Certainly, the move towards a less traditional model of curriculum delivery for both full time and part time student populations in Welsh higher education seems to be a priority not least in order to enable our HEIs to be *'more agile, to be able to respond quickly to changing market conditions and to develop new collaborative capabilities both within and between organisations.'*²⁷³ Our research provided evidence that SMEs found it very difficult to free their employees in order to study off site but equally welcomed opportunities for on site training and training using electronic materials and study packs which could be supported by in company industrial mentors (who preferably had been trained by the providing university).

However, our research also made it clear that this type of employer engagement activity offered serious challenges to our academic staff in that it invariably required them to be less of a lecturer and more of a facilitator of the learning process, and additionally, an innovative designer of interactive learning materials. Employer engagement activity essential challenges the traditionally understood model of 'academic lecturer' whilst simultaneously offering academics unique opportunities to be innovative and creative and students as employees who are constantly having to operationalise their ideas and improve business services and design new products. Hogarth (2007) has noted that employers still feel universities offer a poor customer service and tend to be too discipline focussed in their knowledge exchange with businesses. Additionally, where new product development occurs the pace of agreement linked to Intellectual Property Rights (IPR) tends to be too slow and outmoded management practices sometimes also slow down project or learning development.²⁷⁴

Organisational infrastructure

In terms of organisational structures, two leading studies by Nixon et al. (2006 and 2008) for the HEA noted that a small number of HEIs in England had established 'one stop shops' in order to be able to cope with the increase in employer engagement activity and that these administrative centres were collaborative in nature, invariably linked to Lifelong Learning Networks (LLNs) and possessed a vibrant web presence.²⁷⁵ Access to HEFCE employer engagement funding streams have made this type of structural development possible and, when aligned with initiatives like the HEA Subject Centre for work-based learning and the creation of Centres of Excellence in Teaching and Learning (CETLs), have all encouraged academics to become innovative in designing and delivering exciting new degree programmes and CPD/executive education and training to regional and national businesses. In Wales, HEFCW funding has enabled some universities to develop dedicated centres for CPD and some universities like Glamorgan and Newport have mimicked the CETL concept and developed CELTs – Centres for Excellence in Learning and Teaching in order to enhance pedagogic research which includes disseminating best practice outside the university to employer engagement partners.²⁷⁶

²⁷¹ The Royal Society (2008) 'A Higher Degree of Concern,' policy document January, The Royal Society.

²⁷² HEFCE (2006) 'Engaging Employers with Higher Education: HEFCE strategy to support links between higher education and employers on skills and lifelong learning.' HEFCE
URL: www.hefce.ac.uk/learning/employer/Strat/Board_strategy_plus_annexes.pdf

²⁷³ UVAC (2005) 'Integrating Work-based Learning into Higher Education: a guide to good practice UVAC'. See also UVAC (2007), (2008), (2009) 'Work-based Learning Futures: proceedings from the Workbased Learning Futures Conferences 1 2 and 3', UVAC.

²⁷⁴ Hogarth T, Winterbotham M, Hasluck C, Carter K, Danielle W, Green A and J Morrison (2007) 'Employer and University Engagement in the use and Development of Graduate Level Skill' Research Report No. 835A, DfES. URL: www.dfes.gov.uk/research/data/uploadfiles/RR835A.pdf

²⁷⁵ Nixon I, Smith K, Tafford R and S Camm (2006) 'Work Based Learning: illuminating the higher education landscape.' York, HEA.

URL: www.heacademy.ac.uk/resources/detail/Employability/employability692 and Nixon I (2008) 'Work based learning: Impact Study,' York, HEA.

²⁷⁶ For example, go to - URL: http://www3.newport.ac.uk/displayPage.aspx?object_id=7588&type=PAG

Organisational challenges & opportunities for HEIs in Wales

On an executive level, an increasing number of English universities have decided to make strategic decisions to become 'business facing' and build sustaining university-business partnerships. Obviously, this type of decision is based on a subtle blend of factors linked to diversification into new student and enterprise markets, further utilisation and development of knowledge and learning systems and broad mission 'fit.' In making this type of move, it may well be that it is a simple consolidation of a university's strategic intent and direction and movement into employer engagement sits neatly within existing organisational structures. However, for some universities it appears to be a distinctive movement not only in operational activity but also brings with it structural change in order to maximise delivery and impact. The move by the University of Derby to create the *University of Derby Corporate* and the creation of the University of Bradford *Escalate Centre* and their *Executive Education* website are all highly innovative responses by these universities to responding to workforce development needs in to both make an impact on business performance in their regions but also increase their own brand identity and demonstrate their ability in offering a proactive and responsible service. These universities, along with others like Middlesex and Hertfordshire to single out other English 'lead' organisations, have effectively made a commitment to a performance driven culture and a commitment to continuous improvement for their business clients and themselves.²⁷⁷ These are developments that Welsh universities and businesses are, we are sure, well aware of and would do well to consider replicating either in a stand alone university capacity – or in direct collaboration with other regional university and business partners. Indeed, this is something that is being considered as an integral part of the '*Cardiff Hub*' scheme at a proposed site at St.Mellons near Cardiff, promoted recently by Nigel Roberts, the CEO and managing Director of Paramount Interiors. On a similar, but much more ambitious scale, proposals to build an entirely new campus for Swansea University are also close to fruition in a development that experts predict could contribute £3bn to the economy of South Wales over the next decade. The 100-acre development will focus on science and innovation as well as providing extra accommodation space for thousands of students. It is anticipated that it will attract blue-chip companies, including Rolls-Royce and BP if it is given the green light for building development.²⁷⁸

Developing high value added and knowledge intensive management training

Directly linked to the above organisational implications of responding dynamically to employer engagement in Wales, the CIHE(2009) argue that UK universities need to help improve the management capability and overall business performance of our many SMEs, because this lack of management capability impacts negatively on our '*productivity performance*.' They also comment that not enough UK organisations are high value adding and knowledge intensive and this, in part, is due to a lack of concentration of graduates, post-graduates and well educated managers in their individual businesses. Additionally, they also add that these types of organisation tend not to work closely with our universities on the development and application of knowledge.²⁷⁹ They contend that a generation of managers has not benefited from experiencing UK higher education as the expansion in provision only stemmed from the mid-1980s. This, combined with the relatively recent growth of our business schools, means we have a lower percentage of graduate managers than many of our competitors and, as a consequence, tend not to use of modern management techniques and have a poor awareness of the need for management development and training (see Figure below).

Figure: UK graduate managers and training days [source CIHE, 2009]



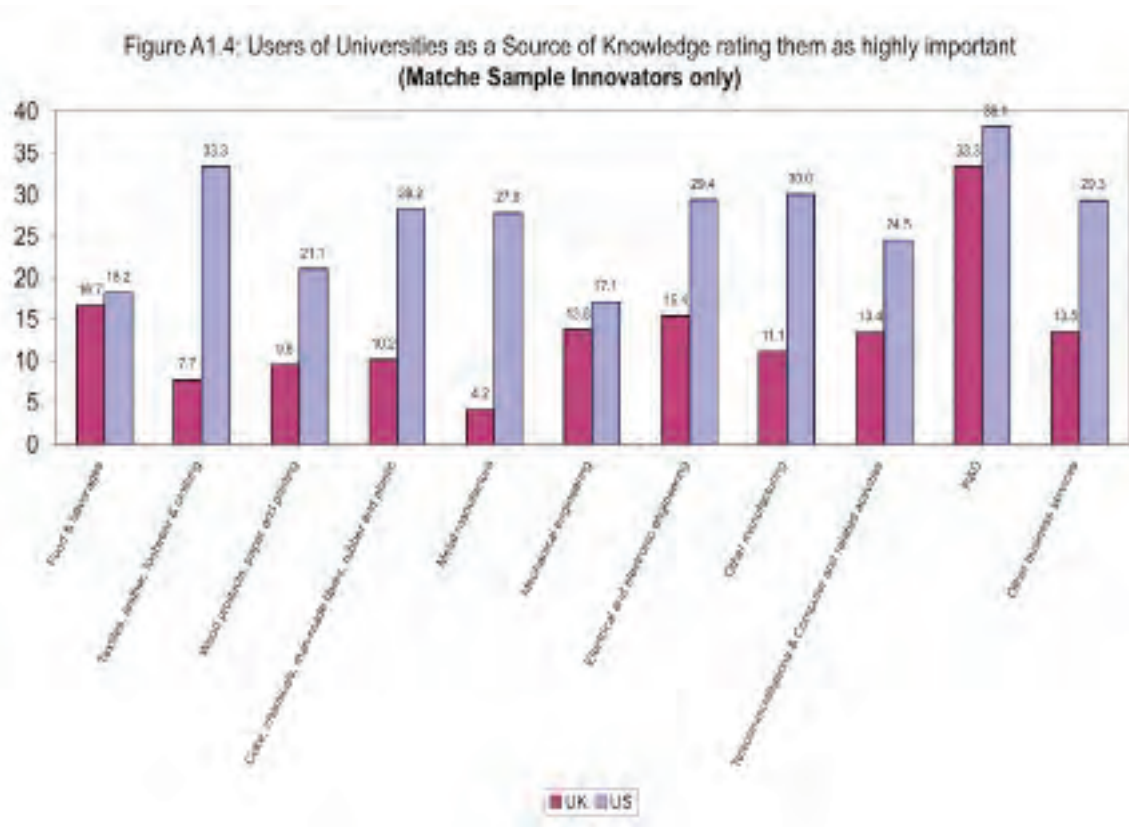
²⁷⁷ Find their websites at – University of Derby URL <http://www.derby.ac.uk/corporate/about-us> and University of Bradford – URL <http://www.brad.ac.uk/escalate/escalate-centre-and-facilities/escalate-launch/>

²⁷⁸ 'If we think like Brunel we can make these things happen...' Western Mail, Business Wales supplement, p2, 20th May 2009. *University transformation will create 11,000 jobs,* Western Mail, Thursday 18th June, 2009, p1

²⁷⁹ CIHE (2009) '*Rebuilding Britain: the Role of Universities*,' CIHE Paper 01-05-09, p1.

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Additionally, when compared with SMEs in the USA, Cosh and Hughes (2008) highlight that UK SMEs have a much more shallow relationship with their local universities when it comes to knowledge exchange, research development and employer engagement (see figure below).²⁸⁰



Few SME leaders in Wales see Welsh universities as places to up-skill their key staff and only a few Welsh HEIs are offering their own university space to jointly develop new businesses and see the university campus as the key venue for professional development training.²⁸¹ Linked to this is the fact that business performance and employer engagement are both empowered by modern digital technologies. As CIHE (2008) have commented with respect to promoting greater entrepreneurialism in our student populations, 'we need universities to be more attuned to the needs of the digital age and to develop more creative online delivery platforms for students from all disciplines.'²⁸² The current economic recession offers Welsh universities a real opportunity to stimulate greater interaction between themselves and their local and regional SMEs. Graham Love, CEO of QinetiQ and a member of the CBI HE Task Force recently commented that, with respect to employer engagement, 'strong discipline knowledge is a given in our people, we are looking for employees who have an enquiring mind, are good team players and expert problem-solvers – attitudinal challenges are what universities can provide our workers.' He placed innovation, horizon scanning, technology road mapping, technology brokerage, intellectual property management, systems integration and project management as all vital employer engagement training that Welsh universities ought to seek to provide their regional business partners.²⁸³ This plea from the employer side to HEIs echoes research from Cosh, Hughes and Lester (2006) which noted that UK university-business interactions focused less on employer engagement and problem solving and much more on graduate recruitment, internships, joint research and conference developments (see Figure overleaf).²⁸⁴

²⁸⁰ Cosh A and A Hughes (2008) 'Science based Entrepreneurship: University-Industry Links and Barriers to Innovation in the UK and the USA,' paper presented at the Prime Network Conference on 'The Dynamics of Science-Based Entrepreneurship,' Sestri Levante, 1st April.

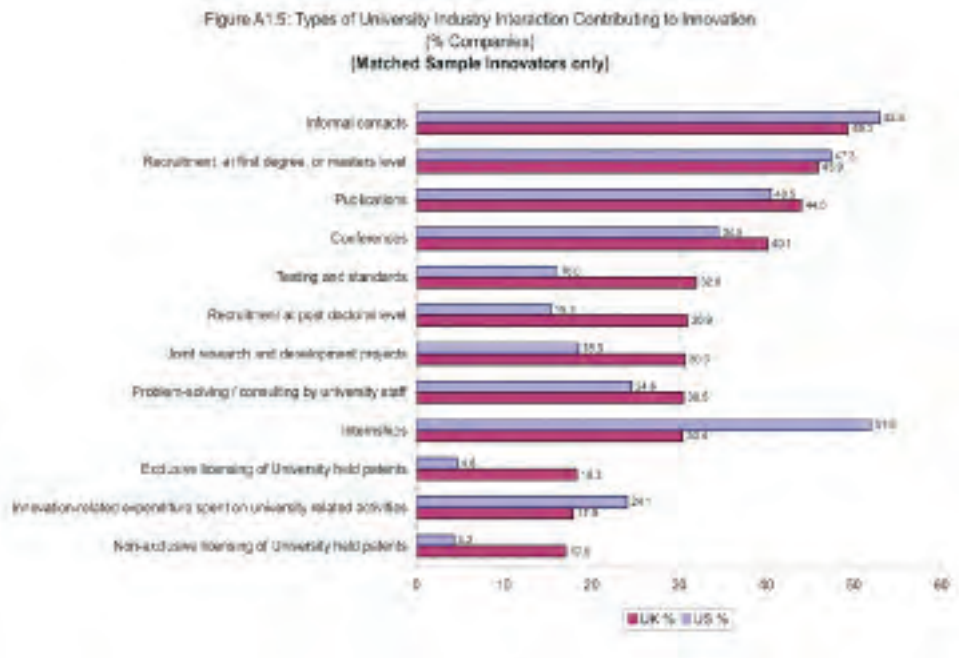
²⁸¹ A shining example of where this is already happening in Wales is Cardiff University's *Innovation Network* which offers SME business networking, collaborative funding, 'expert searches and SME access to specialist facilities. Go to URL <http://www.innovation-network.org.uk/>

²⁸² Hermann K, Cox J, Hannon P and P Ternouth' *Developing Entrepreneurial Graduates: putting entrepreneurship at the centre of higher education*, CIHE, NESTA, NCGE, London.

²⁸³ Love G (2009) 'Workforce Skills for the 21st century –an Employer's View,' keynote presentation - Times Higher Education Employer Engagement conference, 13th May 2009. This presentations can be assessed via the Times Higher Education website at www.timeshighereducation.co.uk

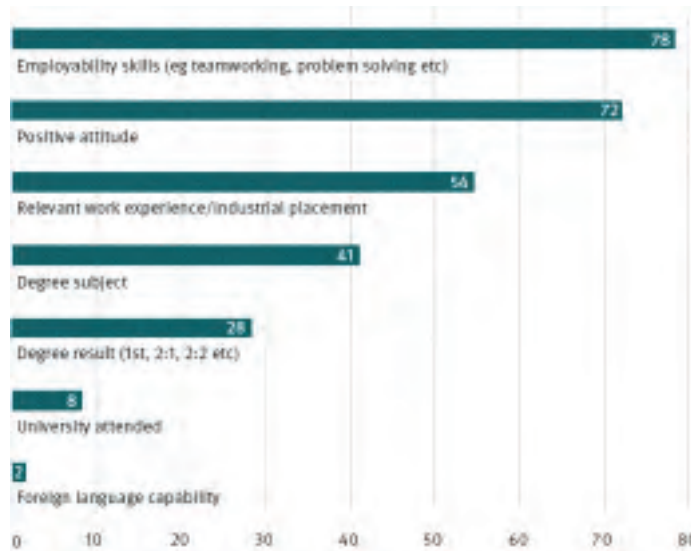
²⁸⁴ Cosh A, Hughes A and RK Lester (2006) 'UK PLC - Just How Innovative Are We?' Cambridge UK: Cambridge, MIT Institute.

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Contingently linked to this commentary by Love, on behalf of UK employers is the opportunity for UK universities to see employer engagement as means of capturing a larger share of the high-end CPD marketplace. For example, the CBI report on preparing graduates for the world of work (2009) indicates that the key factors for companies when recruiting graduates or up-skilling their workers are employability skills and attitudinal behaviours (see figure overleaf) and that universities have some improvements to make in improving the quality of their graduates in this regard.²⁸⁵

Figure: Important factors considered when recruiting graduates (%)



²⁸⁵ CBI(2009) 'Future Fit- Preparing graduates for the world of work,' p21, CBI.

Academic staff workloads and parity of esteem factors

Bolden and Petrov (2008) argue very powerfully that one of the main barriers to a dramatic move to embrace the employer engagement agenda by UK universities are a combination of inter-related factors like the traditional three term academic year schedule, academic staff workload modelling, job contracts and the present academic performance and reward system (prevalent particularly in 'research intensive' universities).²⁸⁶ The Research Assessment Exercise (RAE) has certainly been a clear target for all Welsh universities as a vehicle for measuring the quality of their research outputs and subsequent esteem as a university. The pressure to compete effectively in this heady environment has been considerable for universities with a predominantly learning and teaching focus as well as for the most notable research intensive universities of Aberystwyth, Bangor, Cardiff, Swansea, and learning and teaching universities like Swansea Metropolitan, Glyndwr, Newport and UWIC have all seen research funding increases in the recent HEFCW funding allocations.²⁸⁷ As the RAE gives way to the evaluation tool of the Research Excellence Framework (REF) there may be even more opportunity for these learning and teaching universities in Wales to utilise the applied research activity emanating from their employer engagement activity as the REF might well take into account a broader range of research outputs and activities including workforce development applied research findings and consultancy reports.²⁸⁸ In the present environment of research grading, star ratings and league tables it is not surprising that present employer engagement activity is seen by some university leaders as very much 3rd tier activity. As a result, academics who decide to work in this field run the risk of limiting their career potential and salary expectations as they carry out very valuable and important work for a university's business clients but, paradoxically do not see themselves rewarded similarly in esteem and career development terms to more 'mainstream' researchers or academic programme leaders. This clearly needs to change but is only likely occur in a major organisational context when we move away from understanding how, why and for whom our universities function in the 21st century and, as a result, take our HE institutions some way forward from the 'traditionalist' or 'redbrick' model which has been described by Wedgwood (2008) and many others and understood from distance by the public in very generalist terms.

Learning and teaching approaches

Once again, a follow-on from the debate surrounding parity of esteem between functional roles carried out by an academic in a post-modern university in Wales today comes the linked discussion of what is the value of employer engagement activity to our core function of learning and teaching? This is a debate that has had considerable 'air time' in every UK universities and in agencies like the HEA. Strong positioning has occurred from many university leaders who recognise that the UK economy is fast approaching a point where the knowledge economy will contribute 50% of UK gross domestic product (GDP)²⁸⁹ and where, as a result, university lecturers and students are 'all researchers now ... teaching and research are becoming ever more intimately related ... in a 'knowledge society' all students – certainly all graduates – have to be researchers. Not only are they engaged in the production of knowledge; they must also be educated to cope with the risks and uncertainties generated by the advance of science.'²⁹⁰ We would argue from our research findings that universities now need lecturers who are both teachers and researchers and who seek to inform and lead learning and teaching and see opportunities via employer engagement as a means to encourage learning and research innovation and build new learning and enterprise competences in themselves and their immediate academic colleagues. How will this transformation occur? Via university staff getting closer to employers and out of their academic 'comfort zones' and into activity which sees them, together with fellow academics, business clients and students, thinking their way forward and operationalising their ideas and turning them into reality. The traditional teaching delivery model is where knowledge is passed via mass lectures from academics to students in a 'one way' linear fashion invariably supported by follow-up group tutorials and e-based *Blackboard* or *Moodle* learning materials. This is a *transmission* model which is driven by getting course content knowledge 'out' from academics and 'into' students and can tend to be viewed as 'surface' learning. A more *engaged* model involves the sharing and negotiation of course content knowledge where teaching becomes much more of a dialogue between students and lecturers and results in a 'deep' learning between students and lecturers.²⁹¹ As Richard Brown, the CEO of the Council for Industry in Higher Education recently stated, 'universities must do more problem-solving teaching in teams in order to build questioning minds because businesses want thinking minds and want to grow the absorptive

²⁸⁶ R Bolden and G Petrov (2008) 'Employer Engagement with Higher Education: A Literature Review.' Higher Education Region Development Association - South West (HERDA- SW), p35.

²⁸⁷ 'Echoes of England as Modern Welsh institutions gain ground in allocation,' Times Higher Education, p11, 19th March 2009.

²⁸⁸ R Bolden and G Petrov (2008) as above, ppp35-36.

²⁸⁹ Microsoft plc (2007) 'Developing the Future' – executive summary, consultancy report by Microsoft for City University.

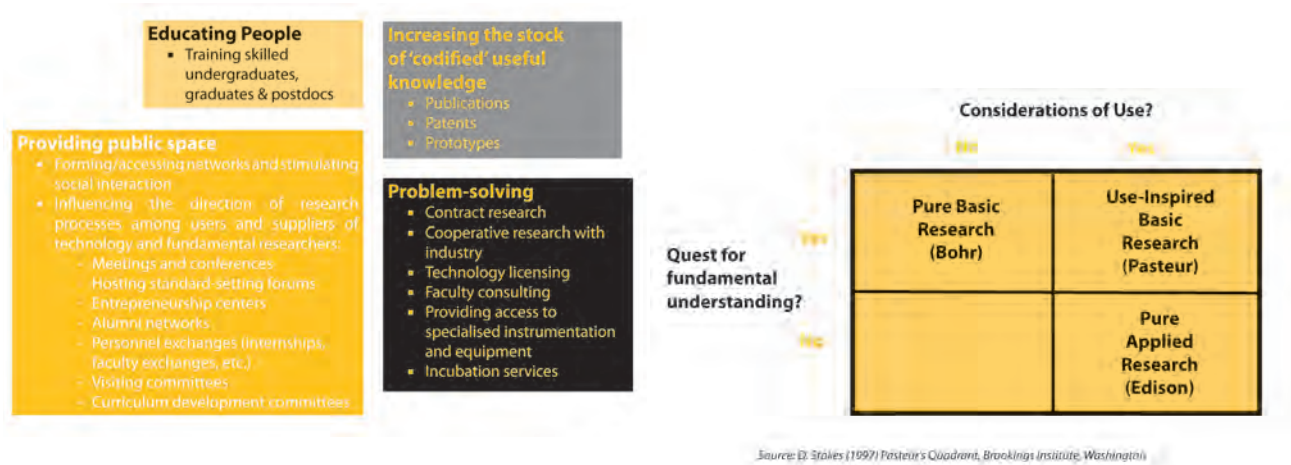
²⁹⁰ Scott P (2002) 'The Limits of the Market: universities and the knowledge economy', in The Global Higher Education Market, ed. Dorrit van Dalen, The Hague: NUFFIC (Netherlands Organisation for International Cooperation in Higher Education), 2002 and 'Globalisation and Higher Education: Challenges for the 21st Century', *Journal of Studies in International Education*, Volume 4, Number 1, Spring 2000.

²⁹¹ Light G and R Cox (2001) 'Learning and Teaching in Higher Education: the Reflective Professional,' London, Sage.

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capacity of their people.' He challenged universities to use the employer engagement agenda as an opportunity to totally review their curriculum and make it more business-friendly, offering at the same time for universities to reflect on the work of Stokes (1997 and Cosh et al (2006) whose 'quadrant models' aid critical analysis of the way universities contribute to the economy and society.²⁹²

Figure: Quadrant Models



This is the central tenet that drives employer engagement delivery and challenges the notion of university teaching being a private affair and requires lecturers to be comfortable with a much more 'public' encounter where their knowledge and ideas are more readily challenged, revised and utilised. The approach to learning is predicated of the notion of 'building learning power,' a scheme developed for young people by Professor Guy Claxton, where the learning experience is transformative and not only adds to a person's knowledge, skills and understanding but also impacts positively on their behaviour and attitudes in defined situations.²⁹³

This learning approach is where the teacher is seen as the 'master learner' and the employee (as student) becomes a cutting edge learner by a process of facilitation driven by the master learner. The outcome of this visionary approach to learning will hopefully be a convergence of major university strategies linked to learning and teaching, research and enterprise and regional development. In the specific workforce development context it is already leading some universities in England to build 'communities of practice'²⁹⁴ from their university-business partners. Additionally, building these communities of practice resonates strongly with employers who prefer learning which is founded off 'real work' experiences and involves substantial team working and group problem solving and recognises that academics and employees (as students) meet on a level playing field and see the learning experience as 'contested terrain' and where solutions are negotiated as employees grow as much as individuals as they do as learners.²⁹⁵ Didactic learning approaches become much less valuable with respect to work-based learning and, for obvious reasons not just linked to extending the reach of a university educational experience, the function and power of distance and blended learning becomes of paramount experience. Directly aligned to this the power of the group learning experience and its support via learning networks and electronic learning communities becomes vitally important. Welsh universities have been empowered in this regard by HEFCW via JISC funded project support and extending the influence of WBL and employer engagement in Wales will be increasingly dependent upon these types of electronic learning vehicles.²⁹⁶

²⁹² R Brown (2009) Keynote presentation at the 'Employer Engagement conference, Times Higher Education, 13th May 2009. The presentations from this conference can be assessed via the Times Higher Education website at www.timeshighereducation.co.uk. See also – Abreu M, Grinevich V, Hughes A, Kitson M and P Ternouth (2008) *Universities, Business and Knowledge Exchange*, CIHE and Centre for Business Research, London, pp15-17. URL –<http://cihe-uk.com>.

²⁹³ For a detailed discussion of 'Building Learning Power' go to Professor Guy Claxton's own website URL <http://www.guyclaxton.com/blp.htm>.

²⁹⁴ Wenger E (1999) *Communities of Practice: learning, meaning and identity*, Cambridge, Cambridge University Press, and Lave J and E Wenger (1991) *Situated Learning: legitimate peripheral participation*, Cambridge, Cambridge University Press and most recently – Wenger E, McDermott R and W Synder (2002) *Cultivating Communities of Practice – a guide to managing knowledge*, Harvard Business School Press, Boston.

²⁹⁵ Nixon I, Smith K, Tafford R and S Camm (2006) *Work-Based Learning: illuminating the higher education landscape*, York, HEA. URL <http://www.heacademy.ac.uk/resources/detail/Employability/employability692>

²⁹⁶ For further information on innovative distance learning projects and services to support work based learning in the UK go to – URL <http://www.jisc.ac.uk>

Communities of Practice

'Communities of Practice' (CoP) have been hailed as the perfect vehicle for knowledge transfer and competence development, and the associated theory presented as a bridge between the theories of organisational learning and organisational performance. Unlike some 'here today-gone tomorrow' solutions to corporate under-performance²⁹⁷ CoP theory and practice seems to have had a much longer period of maturation, finally coming to prominence as a result of its co-evolution with the theory and practices of knowledge management, especially when supported by development of computer enabled and mediated networking. It has gained considerable global currency in the field of corporate development and is now gaining research interest from scholars and practitioners in the UK work based learning.²⁹⁸ This interest has occurred largely because of the increasing emphasis that business leaders now place on knowledge development and exchange inside companies as a vital competitive asset and also because academics who are seeking to understand how employer engagement can work best in terms of interface between universities and business cultures have seen great validity in the CoP as promulgated originally by Lave and Wenger. With its acceptance and wider diffusion in North American business and technology has come a proliferation of community types or forms, such as, communities of interest, virtual communities, and distributed communities of practice, all of which have added to the original CoP model. Described simplistically, CoP links to teamship, learning organisation theory and to the social significance of informal social groupings in and beyond the workplace.

But just what are 'communities of practice?' Jean Lave and Etienne Wenger used the term to refer to an organisational phenomenon they identified as being a feature of the development of social groupings that had a particular need or desire to transfer skills and practices from one member to another.²⁹⁹ (Lave and Wenger: 1991). Examples of CoPs include the organisations of Ancient Greek craftsmen and the medieval guilds of Europe. In such communities, apprentices learned from watching and working for their masters until they were competent enough to work on their own account, eventually becoming masters themselves. They watched *from the periphery* as newcomers to their craft and modelled their own knowledge from learning experiences which were relational and often hierarchical and ritualistic. Perhaps the most frequently cited modern CoP is that of the 'technical or service community' of Xerox photocopier repair technicians as researched by Brown and Duguid (1991).³⁰⁰ Lave and Wenger initially described a community of practice as 'a set of relations among persons, activity and world, over time and in relation with other tangential and overlapping CoPs'³⁰¹ The idea is based on working environments as social entities where members are bound together in a joint enterprise that requires mutual understanding to problem-solving or resolution of an issue resulting in a desire and commitment to solve the problem and 'grow' the company's capacity and productivity. Thus, the CoP concept becomes aligned with knowledge management and the function of the community is to build and exchange knowledge and develop the capabilities of community members. The self-organising quality of CoPs can put them at odds with those who would seek to control them, but, if they can be 'directed', the benefits that can arise, especially in knowledge based firms are said to be considerable.³⁰² Because communities of practice are groups of people who share a passion for something that they know how to do, and who interact regularly to learn how to do it better, the very knowledge they create serves as the basis of their continuous reinvention. In a notional state of constant excitement and passion for learning, CoPs present the opportunity for companies to capture a stream, not only of creative solutions, but also of radical innovations.³⁰³ These are just some of the reasons why business leaders are keen to try this type of working and, why certain academics at leading employer engagement universities like Birmingham City, Derby, Kingston and Middlesex are utilising such a model in their university-business partnership activities.³⁰⁴ Developing CoP linked to workforce development in Welsh universities would offer a strategic steer which saw such 'communities' as forming a legitimate place in the organisational structures and strategic imperatives of both universities and companies as learning organisations. CoPs educate, support, encourage and integrate their members and allow them to learn by doing. They provide a domain of shared interest focusing on organisational change and people development. Their short-term value is locked into helping with specific challenges, accessing expertise and building confidence, enjoyment and meaning into work activities. If successful, they create a problem-solving community, save time, build knowledge-sharing and engender sustainable synergies between academics and business people. Their long-term value is in the growth of their members, their networking and strategic capacity building, their innovation and retention of talent.³⁰⁵ Critical factors for the successful evolution of CoPs include – a skilful and reputable facilitator, involvement of a range of experts, a rhythm and mix of practical and theoretical exercises, ferocious communication, a strategic relevance, adequate resources and visible but not micro management support.

²⁹⁷ Bond P (2004) 'Communities of Practice and Complexity: Conversation and Culture,' Organisations and People Journal, Vol. 11 No. 4, November 2004 – see also <http://www.learningfutures.co.uk> for discussions and methods of how to form innovative collaborative knowledge networks.

²⁹⁸ See numerous presentations from UK academics on CoPs in workforce development from the recent 'Work Based Learning Futures 3' conference, held at the University of Derby – URL <http://www.derby.ac.uk>. Also look at Thomas C (2009) 'WhoseSpace? Employer Engagement and Inclusive Education: Are they unnatural bedfellows,' in *Challenging Isolation: the role of Lifelong Learning*. London, FACE.

²⁹⁹ Lave J and E Wenger (1991) as before.

³⁰⁰ Brown J and Duguid (2000) 'Balancing Act: How to capture knowledge without killing it,' Harvard Business Review, May-June 2000, pp 73-80.

³⁰¹ Lave J and E Wenger (1991) as above, p3.

³⁰² Wenger E, McDermott R and W Synder (2002) 'Cultivating Communities of Practice – a guide to managing knowledge,' Harvard Business School Press, Boston – see introduction and Chapter 1.

³⁰³ Bond P (2004) 'Communities of Practice and Complexity: Conversation and Culture,' Organisations and People Journal, Vol. 11 No. 4, November 2004.

³⁰⁴ For example, see C Thomas (2009) 'CoPs and Bloggers – online social networking for work-based learning,' Work Based Learning Futures conference 3, University of Derby, May 2009 and URL <http://www.kubis.org.uk/spaces> and Wareing M (2009) 'Coach-mentorship for work-based learning in the context of communities of practice,' Moss C and M Bromley (2009) 'Towards a Multi Agency Community of Practice in Events Safety Management,' Critten P (2009) 'Creating a parallel learning organisation – a model for Work Based Organisational Learning,' Watson A and T White (2009) 'Implementing a work based programme for organisational change,' – all Work Based Learning Futures conference 3, University of Derby, May 2009.

³⁰⁵ Watson A and T White (2009) 'Implementing a work based programme for organisational change,' – all Work Based Learning Futures conference 3, University of Derby, May 2009.

If these critical success factors come together then positive organisational change will occur. Common barriers to CoPs are lack of support for this type of approach to business solutions, a lack of a clear leader of the whole learning process and general support for this type of 'community' learning. From initial research studies of CoPs in workforce development high level learning in the UK it would appear that the opportunities far outweigh the barriers for success.³⁰⁶ CoPs and work-based typically see engagement with mature adults who are well established in work. The learning experience places these people at the interface between work and the university and grows both the human and the structural capital of their organisation and also builds awareness of customer capital by highlighting the way organisations should build relationships with their clients.³⁰⁷ CoPs demand that workers create new knowledge that has a performative edge using reflective practices which inevitably question or challenge organisational decision making and ultimately builds the structural capital of organisations.

Learning recognition, accreditation and development

One of the distinctive features of work based learning is the way university workers attempt to design CPD or degree study that has a strong element of negotiated learning inside these programmes which is bounded or regulated by a trans-disciplinary framework of standards and levels.³⁰⁸ Key independent learning tools are crucial to the whole work-based learning experience and these include the accreditation of prior and experiential learning, learning contracts and negotiated projects. Accreditation of Prior Experiential Learning (APEL) relates to the subtle measuring or quantifying of tacit and explicit knowledge and is invariably linked to academic project pre-understanding and programme planning. Additionally, this programme planning has a close alignment to business solutions, stakeholder commitment and access to related structural capital.³⁰⁹ As a result, common assessment options linked to work-based learning include reflective essay writing, written accounts of business projects, portfolios of evidence which highlight existing knowledge, skills and presentational capabilities. This articulation of prior learning, often carried out via 'make your experience count seminars' is an ideal vehicle which enables these mature adults to enter the academic world and, on behalf of themselves and their sponsors, negotiate their learning programme and hopefully 'fast track' this learning experience and entice them onto further learning.³¹⁰

As Bolden and Petrov (2008) have succinctly stated '*one of the key selling points of the HE sector is the capacity to award qualifications.*'³¹¹ Accredited learning processes are closely guided by the protocols established by the Quality Assurance Agency (QAA). Very recently, their advice and role when linked to employer engagement has started to be a cause for concern with some vice chancellors who have made their universities more business-facing and want them to be more agile with respect to the accreditation of prior experiential learning. For example, Professor Madeleine Atkins, vice chancellor at Coventry University commented on QAA that '*Higher education courses delivered in collaboration with employers should not be assessed by the Quality Assurance Agency*' and that universities should '*stop believing there is only one name in this game.*' In a similar vein, Brad Coales, director of employer engagement at London South Bank University, said that universities often cited the demands of the QAA as a reason to back out of delivering courses developed with the private sector. He stated that '*the QAA scrutinizes how we abide by our own rules. Sometimes people use that as an excuse.*' In defence of the QAA, Wendy Stubbs, assistant director of the QAA, said that the agency was increasingly offering accreditation of "bite-size" employer-based courses, but that calling them "training" could undermine the role of universities and the standard of higher education being delivered.³¹²

This is in line with a stance taken by UVAC some years ago, where their own research indicated that streamlining accreditation processes and ensuring greater consistency and transparency of methodologies was a key priority in supporting growth in high level workforce development learning and training.³¹³ Our own micro project research in this regard echoes these concerns but also shows that Welsh universities have some way to go in being primed and alert to these type of accreditation opportunities largely because of a lack of flexible and dynamic accreditation infrastructures in their academic registry's and academic schools. So, on the one hand QAA procedures offer a quality infrastructure within which employer engagement learning can operate, this structure has a quality control and assurance mechanism which often slows down the integration of the employee as learner into the academic community and this erodes any competitive advantage that university accreditation might initially appear to offer the learner and their industrial sponsor.

³⁰⁶ Watson A and T White (2009) as above.

³⁰⁷ Garnett J (2009) '*Contributing to the Intellectual Capital of Organisations,*' in Garnett J, Costley R Workman (Eds) '*Work Based Learning: Journeys to the Core of Higher Education,*' London, Middlesex University Press and Garnett J (2009) '*Meeting the needs of all stakeholders,*' Work Based Learning Futures conference 3, University of Derby, May 2009.

³⁰⁸ Boud D and N Solomon, Eds (2001) '*Work-Based Learning: A New Higher Education,*' Buckingham, SRHE and OU Press.

³⁰⁹ and Garnett J (2009) '*Meeting the needs of all stakeholders,*' Work Based Learning Futures conference 3, University of Derby, May 2009.

³¹⁰ One of the earliest innovators of this sort planning for APEL between the employee as student and the university came from the University of East London and became the framework for WBL student preparation and counselling by UWIC.

³¹¹ R Bolden and G Petrov (2008) '*Employer Engagement with Higher Education: A Literature Review.*' Higher Education Region Development Association - South West (HERDA- SW), p38.

³¹² Question time discussions at the '*Employer Engagement conference,*' Times Higher Education, London, 13th May 2009.

³¹³ UVAC (2005) '*Integrating Work-based Learning into Higher Education: a guide to good practice.*' UVAC.

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However, the development of a Qualifications Credit Framework (QCF) created by the Quality and Curriculum Authority (QCA) in direct liaison with DCELLS has prepared the overall learning and qualification infrastructure which will enable Welsh and UK universities to accredit small blocks of learning ie. – at 5 or 10 learning credit volume – right the way through to diploma of HE awards and on to complete degree recognition. This type of system flexibility has promoted the development and accreditation of innovative 'shell' modules which are in essence negotiated blocks of learning of various sizes which are predicated of open content which is articulated between the learner, the academic facilitator and the industrial mentor. These types of shell modules are not restricted by alignment to any core content but are rather more concerned for the evolution of negotiated learning outcomes which are worked towards and given a nascent credit value which is only made real following the production of textual knowledge and information by the work based learner. This type of learning experience fits neatly into the CoP concept and is proving very attractive to both employees and employers.³¹⁴

Effectively, QAA seeks to provide an international benchmark that offers a guide to consistency of approach and a concern for quality and protection of standards in learning recognition and accreditation. However, the very nature of high level WBL and employer engagement challenges the more conventional recognition procedures for learning. Additionally, whilst businesses which sponsor their employees are not hung up on qualifications or credit rating being a core ingredient of the learning process the learners themselves see this recognition as an attractive learning outcome. However, our research and research from business support agencies does seem to support the need for credit rating to be given to employer engagement CPD as 'qualification status' as well as problem solving based training does seem to have a growing significance to employers.³¹⁵ Finally, it has to be noted that whilst concern for improvement in accreditation of WBL and our accreditation processes is of growing importance, informal learning that is unaccredited is still a large part of company employer engagement portfolios.

Overall, from our research, the accreditation and quality assurance processes currently being exercised by most Welsh universities are at present invariably designed to support full-time undergraduate market and not mature adult returners trying to break into or fast track higher education. Our research indicates that most accreditation procedures in Welsh universities are also laborious, laden with jargon and often costly and not readily conducive to recognising work-based learning and prior individualised learning.³¹⁶ As a result there is little incentive for large scale employers in Wales to gain accreditation for their own bespoke CPD provision from Welsh universities – instead, they are more likely to travel to seek out accreditation opportunities at more established UK universities like Middlesex or Derby.

Progression and retention of work-based learners

For mature adults in work who want to develop their higher level skills via part time study, the creation of the Foundation degree (FdA or FdSc) by *foundation degree forward (fdf)* has been a huge success story for HEFCE, SSCs and companies that have co-funded their employees through these vocational programmes. Launched in 2001 by Professor Derek Longhurst, *fdf's* CEO and primary advocate, these CQFW level 4 and 5 programmes are seen by many in the business and academic worlds as the ideal structure to support demand-led learning.³¹⁷ These type of qualifications have been heavily supported in marketing and financial terms by HEFCE. Now, following a very inauspicious beginning in recruitment terms, the foundation degree population is well on target to move beyond 100,000 students in the UK. One of the reasons for this growth is that a number of English vocational universities like Derby, Hertfordshire, Kingston and Staffordshire have combined with their local FE Colleges, specific companies and SSCs in order to offer innovative full-time and part-time Fds in order to directly meet employer needs and skills gaps as well as helping build higher education student populations in FE Colleges, again with direct support from HEFCE *Employer Engagement Funding* and *Lifelong Learning Network* funding. In a time of economic recession and mounting student debt, the full-time Fd programme has proved equally attractive to young school-leavers as well as their original marketing target – mature adult returners. Coupled with this innovative programme design, direct government support and concentrated marketing the Fd programmes effectively drew the lifeblood out of the Higher National Certificate and Diploma (HNC and HND) programmes. However, it has been argued that these new Fd programmes did not create a vast new employer engagement population they merely diverted the existing HNC/D populations into the much publicised new foundation degrees.³¹⁸ This is somewhat unfair on the *fdf* movement, for these new foundation degrees have helped model a new political economy of high skills learning and effectively stimulated new programme demand and offered a high

³¹⁴ R Bolden and G Petrov (2008) 'Employer Engagement with Higher Education: A Literature Review.' Higher Education Region Development Association - South West (HERDA- SW), pp3-40.

³¹⁵ King M (2007) 'Workforce development: how much engagement do employers have with higher education?' March, CIHE – URL: www.cihe-uk.com/docs/PUBS/0703WFDEmployerEngagement.pdf. See also, J Kewin, L Bowes and T Hughes (2009) 'Beyond known unknowns,' – a further exploration of the demand for higher level skills from businesses, East Midlands Universities Association, CFE, January.

³¹⁶ Saunders D (2008) 'A dozen demand led dilemmas for your consideration!' CQFW and Widening Access to Higher Education seminar, January 2008.

³¹⁷ R Bolden and G Petrov (2008) as above, pp42.

³¹⁸ Sastry T and B Berkhradnia (2007) 'Higher Education, Skills and Employer Engagement,' Oxford, HEPI. URL: <http://www.hepi.ac.uk/downloads/30HEskillsandemployereengagementfull.pdf>

volume of work-based learning and blended learning previously not available to full-time or part-time students or their sponsoring employers. Current analysis shows that the majority of the teaching to full-time Fd students in the UK is carried out by FE Colleges via franchised programmes whilst with respect to part-time delivery more is carried out directly in HE institutions. Also, as Professor Derek Longhurst has recently stated, *'let us have no preconceptions about who Fds are for – many full-time students and part-time students as workers in industry already carry excellent initial degrees – they simply want to keep learning at work.'*³¹⁹ In Wales, the Welsh Assembly Government and HEFCW have held a watching brief on these Fd developments in England despite offering some small amounts of pump-priming funding to HEIs a number of years ago in order to create new foundation degrees or re-brand existing HNC/Ds. This will undoubtedly change if the Welsh Assembly Government grant awarding powers to the largest FE Colleges in Wales. We can expect a managed growth in foundation degrees and possibly two calendar year 'compressed' honours degrees similar to those piloted in selected English FE/HE consortiums with regional businesses. As Steven Wyn Williams, head of the Academic Development Institute at Staffordshire University commented on this scheme, *'it does attract people who are a bit older and those who want to change direction in their career and feel they haven't got the luxury of time or money.'*³²⁰ It would appear that this particular work-based learning initiative is part of the landscape change that the UK government want to take place in UK higher education in order to make it more business-facing.

Currently, DIUS (2008) suggest that of the over 12 million adults in the UK that currently do not hold a level 4 qualification over 30% would be interested in progressing into higher education.³²¹ The development of foundation degrees has provided an exciting work-based learning impetus and compressed honours degrees may well add an additional boost to that new curriculum mix. These type of initiatives should encourage progression into Welsh further and higher education.

Strategic Intent and Direction

As Professor Phil Gummatt, the CEO of HEFCW said recently, *'we certainly are living in challenging times and, a challenging landscape lays before us in Welsh higher education.'* If we link this post-recessionary period in Wales to the wider political landscape it is worth noting the wise words of Barack Obama the new President of the USA who said recently of his own country's plight that *"change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek."*³²³

The expansion into employer engagement activity by UK universities like Middlesex, Thames Valley, Derby, Glasgow Caledonian and Hertfordshire is certainly realising some major changes to the way in which higher education is offered, supported and funded. In some English regions it is already generating a positive shift in employers' perceptions of HE as a valuable source of learning provision.³²⁴ It is still seen by some in HE institutional circles as a high-risk strategy in becoming 'business-facing' not least because the plans offered by universities like Middlesex are viewed as ambitious in their scale in terms of numbers of additional students to be sought and level of funding required. Without question, these employer engagement projects will have a positive transformational impact on the shape and size of their universities. However, a UCU spokesperson sceptically responded to the Middlesex plan as seeking to – *"turn universities, and therefore their staff, into the teaching and research arm of employers."*³²⁵ Also, at a recent Select Committee meeting in February 2009, chaired by Paul Willis MP, a verbal boxing match occurred with four vice chancellors from English universities on the state of UK higher education. Following a wide-ranging discussion (in which the Universities UK president Professor Rick Professor Trainor noted that widening participation is the sector's "most urgent agenda") a frustrated Mr Willis concluded that *"it would have been wonderful just to hear that there was some slight flaw in the higher education system this morning."* This was the same MP that chaired the House of Commons 'Innovation, Universities, Science and Skills Committee and produced the *'Re-Skilling for recovery: After Leitch, implementing skills and training policies'* report [January 2009]. That report looked at the progress and focus made post Leitch, from December 2006 when the UK 'Skills' agenda was effectively announced. It offers some damning commentary on progress to-date – especially from UK business sector representatives. For example,

*"We heard pleas from practitioners for simplification. Colourful phrases were used about how training and skills provision looks to those who come into contact with it: "a pig's ear or a dog's breakfast", "a very complex duplicating mess", "almost incomprehensible", "astounding complexity and perpetual change."*³²⁶

³¹⁹ Longhurst D (2009) *'Learning Working'*, a keynote presentation to the 'Employer Engagement' conference, 13th May 2009.

³²⁰ Woolcock T (2008) *'How do I do a degree in two years?'* Times Higher Education, June 18th, 2008 – an account of a HEFCE sponsored pilot of new two calendar year honours degrees in vocational subjects involving a large volume of work-based learning. Lead centres include Staffordshire University and the University of Derby.

³²¹ DIUS (2008) *'Higher Education at Work – High Skills: High Value'*, DIUS.

³²² Gummatt P (2009) *'Widening Access for Lifelong Learning: Policy and Practice in Wales'*, keynote lecture, NIACE Dysgu Cyrmu Conference, 'Moving Forward: Reviewing HE in Wales,' February 2009 and Brown N et al (2008) *'The future size and shape of the higher education sector in the UK: threats and opportunities'*, UniversitiesUK

³²³ Part of Barack Obama's Presidential Address to the people of the United States of America, Washington, 2009.

³²⁴ R Bolden and G Petrov (2008) *'Employer Engagement with Higher Education: A Literature Review'*, HERDA South West, p45.

³²⁵ Newman M (2008) *'Business-facing project 'high risk''*, Times Higher Education 30th October.

³²⁶ *'Re-skilling for recovery: After Leitch, implementing skills and training policies'*, First report of Session 2008-09, Volume 1, pp3, House of Commons Innovation, Universities, Science and Skills Committee, 16th January 2009.

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Hardly a glowing commentary on high level learning and workforce development! The IUS&S committee also concluded that –

*“while the Leitch review was produced during a period of economic optimism, the climate has now changed. These [skills] programmes involve millions of pounds of taxpayers money, they play a large part in the success of UK companies and the UK economy and, perhaps most importantly, they make a difference to the lives of millions of people. The current economic situation has raised the stakes: skills policy could be the key factor which determines how and when the UK economy recovers and grows. Government must accept this and drive the agenda forward.”*³²⁷

Professor Tim Wilson, vice-chancellor of the University of Hertfordshire recently declared his university to be

“the UK’s leading business-facing university” and highlighted that “a business-facing university has a revolving door with business - a true interaction. Employers know that the university will deliver - whether it be high-level skills, applied research, knowledge exchange or process improvement, short courses for their staff or expert consultancy services.”

Wedgwood (2008)³²⁸, Bolden and Petrov (2008)³²⁹ and others³³⁰ both identify a number of substantial cultural as well as structural barriers that need to be addressed before employer engagement becomes a widespread and mainstream activity within our HE sector. We have reflected on this commentary and our own research findings and offer some current organisational ‘roadblocks’ to successful HE employer engagement in Welsh HEIs. These include –

Limited market segmentation and service

Most employer engagement reviews criticise HEIs for being too passive, unresponsive and inflexible when it comes to workforce development. Analysing mainstream services this refers to limited flexibility of delivery; preference to offer programmes with qualifications rather than small bites of learning; bureaucratic and often intractable accreditation procedures or course approval mechanisms.³³¹ Add to that an inability to communicate effectively via an e-presence to business and one sees an organisational culture that looks in on itself rather than out to new markets and student communities.

Esteem and perceived value

Arguably, workforce development activity and employer engagement is a feint blip on the radar of most HEI academics in Wales. Indeed, when they realise what is involved in a delivery context, many seek the solace of the more comfortable and easily ‘measurable’ sub-culture of the Research Assessment Exercise [RAE] and the ‘publication production’ culture about to be maintained by the new REF. Business-facing employer engagement measures of success are repeat purchases and public exhortation – not RAE or REF league table successes.³³²

Financial appeal?

Investment in employer engagement in Wales is high risk because it carries little sustainable, mainstream funding from the Welsh Assembly Government at present. Employer engagement is also volatile and subject to considerable private sector competition and lengthy delay on any initial investment. It, therefore, remains unappealing to many of those Welsh universities who are not cash rich and unable to speculate. Paradoxically, if developments in England are anything to compare with, for those that do enter into this marketplace there are rich financial enterprise and consultancy rewards and a ‘branding’ as a post-modern 21st century university that has considerable appeal and partnership opportunity for businesses in Wales.

Brand image

Employer engagement HE products like short course provision and qualified programmes are seen by many employers in Wales – and UK wide - to be driven from the supply side – i.e. direct from the universities, especially as they are invariably subject discipline based. They are also viewed as costly, of limited value in building organisational capacity, lack credibility, difficult to access and offer variable employee/student support. Agility and adaptability to business demand for learning are not honest descriptors of current HE employer engagement.³³³

Values and language

The values, cultures and strategic intents of business and higher education are seen to be very different in Wales and in the UK at present. Much of the ‘language’ or rhetoric surrounding current HE employer engagement is complex and not easy for business to decipher. Developing a common vocabulary and agenda ought to be the bedrock for sustained engagement. Improved productivity and skills development ought to be fundamental learning outcomes of HE employer engagement. Nixon et al. (2006) suggest development of a common employer engagement ‘language’ would remove the confusion (e.g. - the term WBL has many interpretations and differing meaning for different people - workplace learning, vocational learning, on the job training, work-related learning).³³⁴

³²⁷ As above, p4

³²⁸ Wedgwood M (2008) ‘Higher Education for the Workforce: Barriers and Facilitators to Employer Engagement,’ April, DIUS.

³²⁹ R Bolden and G Petrov (2008) ‘Employer Engagement with Higher Education: A Literature Review,’ HERDA South West, p46.

³³⁰ Nixon I et al (2006) ‘Work Based Learning: illuminating the higher education landscape,’ York, HEA.

³³¹ Kevin J et al (2008) ‘Known Unknowns: The demand for higher level skills from business,’ CFE report, Leicester, March 2008.

³³² Kevin J et al (2008) ‘Beyond Known Unknowns,’ CFE report, Leicester, November 2008.

³³³ HEFCW Workforce Development Practitioner Conference workshop discussion group sessions, UWIC, April 2009.

³³⁴ Nixon I et al (2006) ‘Work Based Learning: illuminating the the higher education landscape,’ York, HEA.

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We found from our research and general discussions with business leaders in Wales and with officers and committees from Welsh SSCs that they were frequently deterred by the 'academic' language linked to accreditation and quality assurance of WBL and, as a result, potential opportunities are limited at the outset by this 'language barrier.'

WBL as 'contested terrain'

Universities are seen as potentially powerful hubs of regional knowledge economies. However, the HE delivery model rarely engages directly with the workplace. Additionally, research intimates that over 70% of learning comes from 'real work' experiences³³⁵ and, if this could be harnessed and supported better than businesses might feel even less dependent upon universities. Private training providers and in company 'bespoke' non-accredited training is currently preferred to any university short course offering. With an estimated £5 billion CPD 'marketplace' in the UK³³⁶, WBL and employer engagement is very much 'contested terrain.'

Co-funding

Employers need to meet HEIs halfway – especially in terms of co-funding and finding time to give to their people to generate higher skills development. Most UK companies invest poorly in high level CPD and the concept of the 'learning organisation' is not as strong as it is in USA, Scandinavian and Far Eastern nation states. Skills reports from DIUS³³⁷ also comment on the reluctance by British employers to invest in their staff, especially when they are unclear what a university can really offer them.

Business vision in Wales

It appears that large businesses are becoming users of HE for CPD with 52% of UK companies over 5,000 employees using HE provision for learning and development activities.³³⁸ However, with respect to SMEs employing less than 50 staff over 70% accessed private trainers and 20% used local FE colleges. HEIs appear not to be an option for these companies, perhaps because they do not have dedicated training budgets and tend to concentrate on immediate priorities and are less likely to strategically plan and invest in their people for the future.³³⁹ This latter scenario is probably more typical of small businesses in Wales at this present time.

Barriers to mature learners

There appear to be tangible financial barriers and less tangible, but equally dis-empowering social and psychological barriers for mature learners trying to enter HE. Lack of financial support and access to effective information and guidance and a preconception that the HE learning environment is for the educated young all powerful de-motivators. First encounters of formal education for some mature adults are also not positive and images and traditional notions of a university education appear out of reach in both mind and practical aspiration.³⁴⁰ 'Train to Gain' in England seems to be redressing these imbalances and hopefully 'ProAct' will have similar positive outcomes in Wales.³⁴¹

The new ProAct scheme in Wales receives £68 million (€75 million) to improve skills and respond to the economic crisis. The £68m funding package, including £38 million from the ESF, is allowing support for businesses, apprenticeships, employees and learners over the 2009-2010 period. It provides alternatives to redundancies by supporting short-time working with retraining during the days not worked and helps apprentices complete their training in cases where their employers are struggling, owing to the fall-off in business activity caused by the current economic crisis. Launching the scheme, Welsh First Minister Rhodri Morgan said *'when the downturn started to bite in the Autumn, we initiated our Economic Summits involving businesses and the trade union leaders. The basic idea for ProAct came from those summits. While Welsh industry appreciated the importance of the ReAct scheme, which deals with post-redundancy retraining and re-employment, the lack of an equivalent scheme to deal with the pre-redundancy situation emerged as a top priority.'*

Messages

The Council for Industry and Higher Education (CIHE, 2007) states that HE 'responsiveness' to employer engagement is largely down to "committed individuals or institutions outside the mainstream. A few players are willing to restructure their whole approach and are even considering separate institutions within their existing HEIs dedicated to addressing the different needs of this market."³⁴² This is certainly indicative of the landscape in Welsh universities at present.

Additionally, employers only seem to invest in employer engagement with HE when it is of clear value and offers a return on investment which is easy to define and measure. Basically, HEI employer engagement in Wales must impact positively on productivity and personal and organisational performance. It must also be offered in a business-like manner where the perceived benefits are tabled up-front in HE-business negotiations.³⁴³

³³⁵ As above.

³³⁶ Times Higher (2007) Speech by Bill Rammell, MP, Minister for Innovation, Universities and Skills (DIUS), July 13th 2007.

³³⁷ DIUS (2008) *Higher Education at Work - High Skills: High Value*, April.

³³⁸ As above.

³³⁹ As above.

³⁴⁰ DIUS (2008) *University is Not Just for Young People*, March, DIUS.

³⁴¹ CBI (2008) *Taking Stock*, CBI education and skills survey 2008.

³⁴² King M (2007) *Workforce development: how much engagement do employers have with higher education?* p3, Council for Industry and Higher Education, February.

³⁴³ Wedgwood M (2008) *Higher Education for the Workforce: Barriers and Facilitators to Employer Engagement*, April, DIUS.

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The CIHE report also highlights a number of specific benefits for employers from engagement with HEIs. This includes a productivity and skills uplift. Research from DIUS on 'high skills' reports that productivity is 30% higher if all the workforce has a degree.³⁴⁴ Additionally, employers value practical skills in employees, especially when it is juxtaposed with theoretical understanding to build a culture of change agency in their organisations. Giving employees work-based CPD FE or HE credits that build towards a CQFW National Framework award needs to be on 'terms which employers recognise, value and embrace.'³⁴⁵ Offering credit and progression opportunities to employees may not be an employers main rationale for employer engagement but, it does show employer social and educational commitment to their people – a form of employer benevolence. If this is 'given' by employers then discretionary effort in order to 'make the difference' is likely to be 'given back' by many employees.³⁴⁶ Additionally, companies also gain competitive advantage by investing in their employees.³⁴⁷ This includes access to the 'knowledge houses' of Further and Higher Education institutions – and, as a result, contact with and use of 'lead' thinking and technology; potential linkage with new talent pools [graduates]; and networking opportunities into specialist consultancy and business networks. Wedgwood (2008) found that where employers were prepared to support qualifications for their employees it was in what they as employers were familiar with – i.e. – engineering and construction having a traditional preference for HNCs and HNDs because many managers have completed these qualifications themselves – and those qualifications which also gave professional body membership as in healthcare and education.³⁴⁸

Additionally, benefits for learners include career enhancement. For example, a DIUS (2008) study concluded that students who entered part time HE study as mature adult returners improved their career prospects, employability and earning potential. From the same study, over a third of respondents felt HE study helped them grow as a person intellectually and emotionally. This was a key motivational factor, 34% of respondents gave personal development as their main reason for considering going to university, and 26% of those not considering HE recognised this as a benefit of HE. Together this represents almost one-third of responding adults who saw this particular benefit to HE. Personal development was particularly a key motivator for older adults and those from managerial/professional backgrounds.

Working in a 'learning organisation' is also a key factor. Kersh and Evans (2006) comment on the importance of the workplace as a positive environment to facilitate learning and support engagement with high level learning.³⁴⁹ In a 'learning organisation' workers are motivated to learn and develop at work and are invariably supported by industrial mentors and a 'community of practice.'³⁵⁰ Learning engagement extends worker competencies, tacit understanding and attitudes to work.

Employer engagement, is of course a triangular process and the suppliers of the learning 'product' – the university or FE college – must also profit from the relationship. The universities of Derby, Hertfordshire and Middlesex have employer engagement overtly written into their 'statements of intent' or missions. Some of the most obvious benefits to HEIs include new product development and 'marketisation.'

For most HEIs in Wales, the primary benefit of greater employer engagement is the creation of new part time degrees, CPD and learning recognition and development systems that entice new 'non-traditional' learners into the university.

Professor Roger Brown (2009) has outlined a move to the 'marketisation' of UK higher education and concludes that introducing market competition "makes institutions more responsive to stakeholder needs, and curbs the tendency of institutions to engage in activities that may have very little societal pay-off."³⁵¹ Additionally, employer engagement and high level learning development can have both local and global economic impact.

Benefits of employer engagement can include HEIs in Wales being the hub for the knowledge economy in their local region. HEIs in Wales could enhance their role and underpin their importance by unlocking the potential that exists in the people of their region by attracting, nurturing and retaining talent and by building new knowledge, skills and understanding in people and companies which promotes innovation and entrepreneurship and helps drive up productivity and build economic growth and regeneration. Once this is achieved regionally, this 'capacity' could be sold nationally and internationally when linked to sector skills and see universities as lead agents in creating high skilled companies and new jobs opportunities.³⁵²

³⁴⁴ DIUS (2008) 'Higher Education at Work - High Skills: High Value,' April.

³⁴⁵ Connor H (2005) 'Workforce Development and Higher Education,' London, Council for Industry and Higher Education.

³⁴⁶ HayMcBer (2006) 'Leadership Programme for Serving Head-Teachers [LPSH]' and 'National Professional Qualification for aspiring Head-Teachers [NPQH]' programmes, WAG.

³⁴⁷ Lambert R (2003) 'Lambert Review of Business-University Collaboration – Final Report,' HM Treasury.

³⁴⁸ Wedgwood M (2008) 'Higher Education for the Workforce: Barriers and Facilitators to Employer Engagement,' April, DIUS.

³⁴⁹ Kersh N and Evans K (2006) 'Competence Development and Workplace Learning,' Project report, November, London, Institute of Education.

³⁵⁰ Wenger E, R McDermott, W Snyder (2002) 'Cultivating Communities of Practice,' a guide to managing knowledge,' Harvard Business School Press, Boston.

³⁵¹ Brown R (2009) 'The Role of the Market in Higher Education,' HEPI Occasional Report 1, Leadership Foundation for Higher Education, March 2009.

³⁵² DIUS (2008) 'Higher Education at Work - High Skills: High Value,' April.

Organisational challenges & opportunities for HEIs in Wales

Employer engagement is clearly a social process and if HEIs in Wales perform effectively in this employer engagement marketplace they can expect to multiply their activity via knowledge transfer and innovation activity, research, mentoring and coaching and student placement activity.³⁵³ It will also offer individual consultancy opportunities for Welsh university academics and academic 'clusters' and offer new research sites and opportunities to build research partnerships that might drive research proposals and, ultimately grow new intellectual property and university wealth creation.³⁵⁴ Directly linked to this last factor, employer engagement will also put academic teams at the interface with leading practitioners in the workplace and practitioners in training agencies and business agencies. These people are an invaluable resource – and essentially have the potential to become an extended academic 'community.'³⁵⁵

Employer engagement by HEIs does help to shape or refine a university's organisational culture. It challenges institutional vision and strategic intent, requires vice chancellors and their executive teams to be properly on board. It also challenges 'traditional' learning and teaching delivery and requires academic staff to be facilitators of learning rather than conventional lecturers. It requires the whole university to be 'business-facing' and build sustainable partnerships with companies where engagement continuously informs the culture change in both stakeholders. It also challenges existing student recruitment mechanisms, student support and quality assurance capacity and capability.³⁵⁶ Wedgwood's (2008) research identified the need for 'light touch' management and a move away from the over regulation and lack of flexibility that often burdens university development. She offers a plea *not* to create a 'one size fits all' approach to employer engagement but that organic growth facilitates the emergence of a community of expert practitioners who can demand a common and flexible framework which allows for the most effective use of government and co-funding, credit transfer, learning technologies, assessment mechanisms and research and enterprise opportunities.³⁵⁷

Miller (2007) suggests that HEIs need to become more proactive in approaching employers with respect to the employer engagement agenda – this we feel is certainly true in Wales. Making contact with them via key business support agencies like the British Chambers of Commerce, Business in the Community, the CBI, and the Federation of Small Business seems a sensible way of building key 'brokerage points. Additionally, using the HE sector's own Sector Skills Council – Lifelong Learning UK [LLUK] would be beneficial as their labour market intelligence of our sector is very informative on our present 'fitness for purpose' and the direction of our present research, teaching and employer engagement missions. Building transparent and easily accessible regional employer engagement web presences also seems to be a powerful 'signposting' mechanism for displaying our intent and showcasing some of our potential services to Welsh businesses. This would also demonstrate our desire to broker not only services but the building of sustainable employer engagement 'networks' – both in electronic and face-to-face professional contexts. It would evidence our desire to let business into our world of academe – on mutually supportive terms and with due trust in order to agenda set and plan for the future. This needs to be established not from the dualistic perspectives of 'supplier' and 'demander' of goods and services, but from a mutual alignment between what Connor and Hirsh (2008) from CIHE refer to as needs and drivers ('strategic fit'), processes, structures and resources ('practical fit') and relationships and commitment ('people fit') of both employers and HEI.³⁵⁸ This will demand time and a meeting of minds but will bring a landscape change to how both stakeholders operate and value each other.

The initial next step forward ought to be to build on the very valuable 'Delivering the Skills that will Work for Wales' inaugural conference run by WESB in January 2009. Bringing together key stakeholders from universities, businesses, business agencies and policy makers in a 'think- tank' environment to discuss and agree a common employer engagement agenda and strategy for high level learning in Wales is essential. This would send out a powerful message that the sector wanted to make a significant and lasting difference to workforce education and development in Wales and, importantly, that partnership working was the key driver for success in shaping not only high level learning but also building organisational capacity and capability in our 21st century universities.

So, we would conclude that universities in Wales must begin to sponsor employer engagement and high level learning more vigorously. Competition in this global economy will continue to grow in intensity and Wales needs to move up the value chain of knowledge creation in order to meet the economic, social and cultural aspirations of a Welsh society that wants success in the business sector as much as it prizes its successes in international sporting and artistic communities. With the global recession hitting hard in Wales, the role of Welsh universities in helping build a robust post-recession economy cannot be underestimated. Identifying demand, marketing effectively, bringing products and services to the marketplace and delivering with flair, enthusiasm and high quality are all key imperatives. Welsh universities must look at themselves and ask what are they there for and what is expected of them now and in the next decade. Meeting this employer engagement challenge and adapting their strategic mission and intent so that it is more in line with UK and Welsh Assembly Government policy drivers is something that vice chancellors and governing bodies in Welsh universities will have to consider. Understanding where they are within the Wedgwood 'diversity model' and mapping their distinctive business mix will be vital in the immediate years ahead.³⁵⁹

³⁵³ Hogarth T (2007) 'Employer and University Engagement in the Use and Development of Graduate Level Skills,' Research report No 835A, DfES.

³⁵⁴ As above.

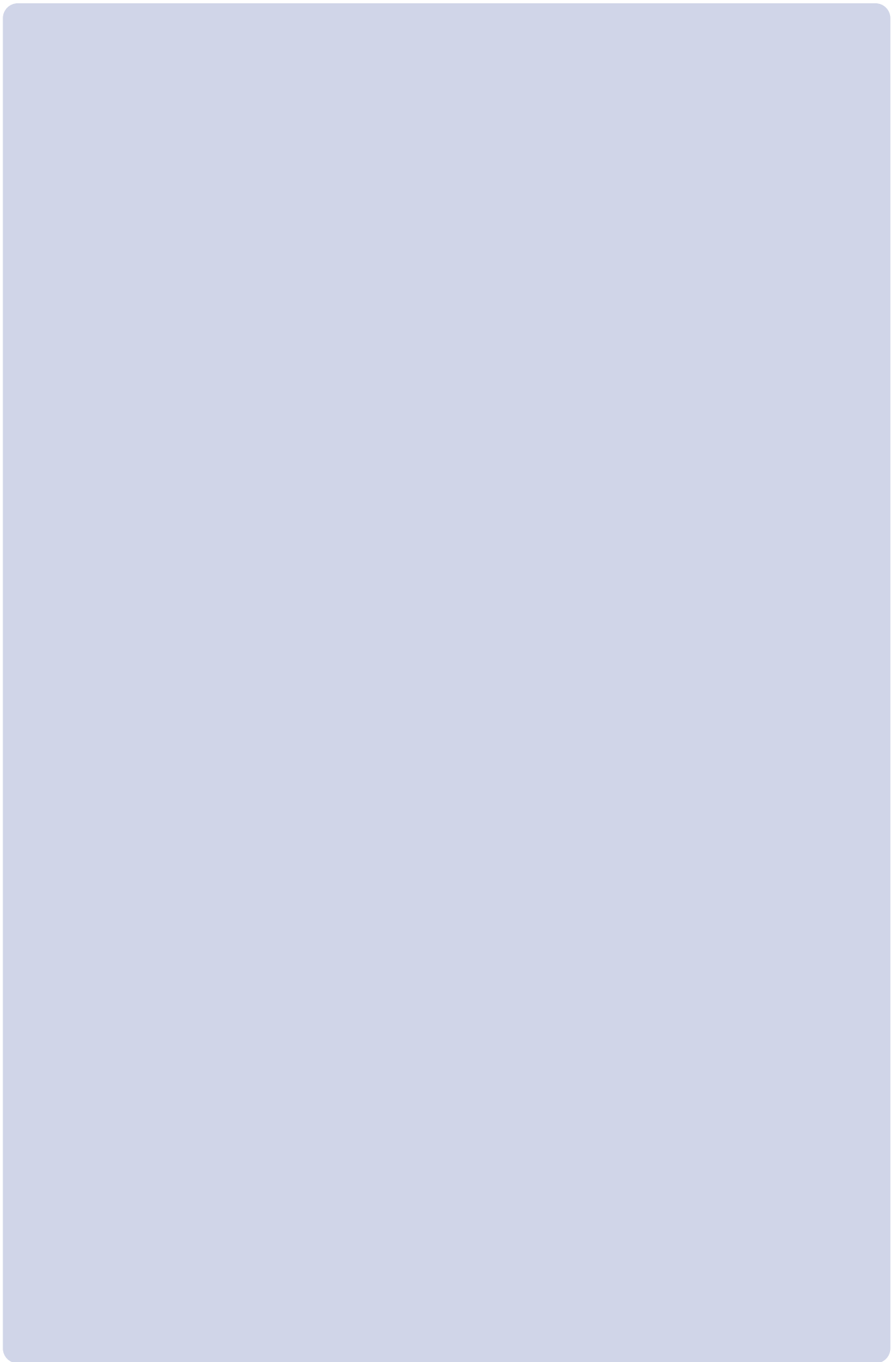
³⁵⁵ CBI (2008) 'Taking Stock,' CBI education and skills survey 2008.

³⁵⁶ Wedgwood M (2008) 'Higher Education for the Workforce: Barriers and Facilitators to Employer Engagement,' April, DIUS.

³⁵⁷ As above.

³⁵⁸ Connor H and Hirsh W (2008) 'Influence through Collaboration: Employer demand for Higher Learning and Engagement with Higher Education,' London, Council for Industry and Higher Education.

³⁵⁹ Coyne J (2009) 'Work Based Learning Futures: keynote presentation', Work Based Learning Futures conference 3, University of Derby, May 2009.



Section 6

Key Messages & Recommendations

Introduction

The Welsh Assembly Government has embarked on a skills and employer engagement agenda at the most critical time – immediately prior to the start of a global economic recession. That recession has already begun to bite hard across the UK with over 141,000 jobs being lost since October 2008.³⁶⁰ In Wales, analysis carried out in November 2008 by Professor Dylan Jones-Evans, Director of research and innovation at the University of Wales indicated that the number of unemployed people would hit approximately 130,000 with major companies like Corus releasing nearly 400 workers and Taylor Wimpey nearly 1,000.³⁶¹ These are the very times when experts suggest we need to be at our most creative and innovative. Arguably, the Welsh economy has been seriously under-performing when compared to UK and other small European nation states for some time and a complete transformational agenda has been needed to reverse that growing lack of competitiveness.³⁶²

The content already presented in this report has sought to highlight the key issues linked to employer engagement and high level learning in Wales at this present time. These have been drawn from desk-top research of the major UK and Wales policy documentation and the leading UK research on employer engagement. The recession has simply placed those issues into the most sharpest of focus. This final chapter attempts to synthesise those key issues and place them in the context of a series of reporting messages to the key stakeholders already identified in this agenda. Those messages contain certain implications for leaders in those stakeholder organisations or agencies which we feel must be addressed if Wales is to build a distinctive and dynamic approach to employer engagement and high level learning.

Government Policy makers and Advisers

Employer Engagement policy in Wales

Skills policy and development has been a key building block of the UK Labour government's policy agenda since 2003.³⁶³ However, it is only since the Leitch report in 2006, the research publications by Wedgwood to Ministers around the same time and the subsequent creation of the UKCES that the term 'employer³⁶⁴ engagement' was used and understood in any meaningful way. It has to be said that all these developments occurred in an English context and did not find their way into any substantive policy debate and agenda in Wales. The current *Skills that Work for Wales: A Skills and Employment Strategy and Action Plan* (2008) offers little directional steer to stakeholders with respect to employer engagement – especially linked to high level learning. Indeed, what messages that do appear in this current strategy seem to offer little encouragement to higher education institutions in Wales to enter the field in a substantial manner in order to further stimulate *'the flow of transferable knowledge into the Welsh economy.'*³⁶⁵ Arguably, what is needed is a clearly articulated employer engagement strategy linked to the promotion of high level learning that can sit alongside the initiatives like *ProAct* and Advanced Modern Apprenticeships which encourage lower level learning. This type of policy needs to have a scale, pace, flexibility, simplicity and clear outcomes³⁶⁶ that attracts various stakeholders – but especially Welsh Higher and Further education to fully engage and collaboratively help Wales think, train and innovate its way out of recession. As Professor Derek Longhurst recently commented *'employer engagement policy ought to be about stimulating demand and subsequent re-modelling of the political economy of high skills formation in the UK.'*³⁶⁷ His stimulus for this type of thinking comes from the work of Professor Phillip Brown and his co-researchers at Cardiff University whose recent findings challenge the policy mantra of a high-skills, high-wage economy. They contend that *'it is how the capabilities of the workforce are combined in innovative and productive ways that holds the key' and they add a vital caveat that 'high-skilled workers in high-cost countries will have to contend with the price advantage of university graduates in developing countries.'*³⁶⁸ In a policy context, Brown et al (2009) go on to argue powerfully that there is little evidence to underpin the policy assertion that the value of human capital (i.e. high level knowledge, skills and understanding) will continue to grow even as leading transnational companies restructure their global market operations and deliver innovative products and services at even lower costs. The policy approach fails to recognise how emergent economies as in India and China are simply leap-frogging decades of technological growth and development in Western economies in order to compete for the high-skills, high-value end of business activity. The age of high-skill, low-wage national economies are with us and the human capital theory which underpins our current UK and Wales policies on skills is flawed because they sponsor an 'evolutionary' model of skills development and still assume a linear relationship between skills, jobs and organisational returns and personal rewards where our more accessible higher education system is now better structured to reduce income inequalities as more and more people of all ages gain new knowledge and

³⁶⁰ Daily Telegraph 22nd May 2009.

³⁶¹ Jones-Evans D (2009) *Wales on Sunday* November 16th 2009.

³⁶² *A Wales that Works – summary*, First Annual Report of the Wales Employment and Skills Board, April 2009, p1-2.

³⁶³ Bolden and Petrov (2008) p69.

³⁶⁴ Longhurst D (2009) *'Learning Working.'* a keynote presentation to the 'Employer Engagement' conference, 13th May 2009. The presentations from this conference can be assessed via the Timer Higher Education website at www.timeshighereducation.co.uk

³⁶⁵ *A Wales that Works – summary*, First Annual Report of the Wales Employment and Skills Board, April 2009, p4

³⁶⁶ As above, p4.

³⁶⁷ Longhurst D (2009) *'Learning Working.'* a keynote presentation to the 'Employer Engagement' conference, 13th May 2009. The presentations from this conference can be assessed via the Timer Higher Education website at www.timeshighereducation.co.uk

³⁶⁸ Brown, P, Lauder H and D Ashton (2009) *Education, globalisation and the knowledge economy,* – A commentary by the Teaching and Learning Research Programme, Economic and Research Council, pp17-18. Available via www.tirp.org

competences to secure high skilled and high waged jobs.³⁶⁹ The reality is far more complex and Brown et al (2009) suggest that mass higher education in the UK is failing to narrow income inequalities. What is happening is that UK companies are simply differentiating their 'knowledge' workers around criteria of functionality, competence and performance, with a subsequent 'war for talent' between major companies that is reflected in their business and human recruitment strategies. Brown et al (2009) write of the emergence of a 'winner takes all' marketplace for skills and that 'we must confront the prospect of a high-skilled, low-waged economy for the UK' in the immediate future.³⁷⁰ This all leaves our policy makers floundering, as the pace of change in industrial markets and the forces that drive this change inevitably outdates even the most forward-looking strategy documentation. However, as Brown et al (2009) conclude 'there has never been a time when alternative visions of education, economy and society have been more important'³⁷¹ and we would contend that a futuristic, employer engagement strategy for Wales could be an important catalyst for bringing the leaders of Welsh politics, business and higher education together with critical thinkers like Professor Brown to think our way forward with respect to high level learning and workforce development. This is also vitally important in bringing politicians, academics and business leaders more closely together to better articulate a UK skills agenda which is currently seen by parliamentarians themselves to be far too complex a landscape in terms of policy overload, organisational duplication, language and competing not collaborative relationships.³⁷² If this 'deep' level of collaboration can be fostered it may well underline a changing role for some Welsh universities – or future university partnerships – as change the business world's perception of universities. In this fast-moving global economy and knowledge world contemporary universities cannot possibly remain as the only expert producer of knowledge but they can extend their presence as the main facilitators of learning and, in doing so, cement their position as the primary accreditation vehicle of that learning. Our research intimates that this is a unique selling point (USP) that Welsh universities have severely under-played with respect to employer engagement and may be linked to a reluctance to enter this field of activity until some pump-priming Welsh Assembly Government funding has been put in place.

We recommend that the appropriate Welsh Ministers consider asking WESB to create an 'Employer Engagement Think Tank' that might bring together key leaders of stakeholder groups and critical thinkers linked to higher education, workforce development and the knowledge economy in order to help inform future policy making on employer engagement strategy in Wales - stimulating substantial and sustainable new approaches to high level learning in our universities and businesses that will promote creativity, innovation, support the national economy and reduce dependency on public funding.

We also believe that this type of 'Think Tank' could steer WAG civil servants to work more closely between their individual departments in order to extend their continuity and consistency of approach to policy, planning and implementation with respect to employer engagement in regional and sector specific contexts. If this could occur, the potential positive impact in terms of 'scaling-up' high level employer engagement via collaborative project activity becomes much more realistic.

The House of Commons Innovation, Universities, Science and Skills committee first report (2009) makes many very critical and perceptive comments on the 'Re-skilling for recovery' post Leitch agenda –not least with respect to skills target setting. They comment that 'we are concerned that the conflation of skills and qualifications in the targets may lead Government to assume that a qualifications strategy is an adequate substitute or proxy for an overall skills strategy.'³⁷³ An increasing number of people would agree with this stance, including James Rowbotham, Chief Executive of the NE Chamber of Commerce who noted that 'higher education should be less about measuring qualifications and the output success of awards and much more about progression of the student and their fitness for purpose in the work environment.'³⁷⁴ Professor Alison Wolf's research echoes this sentiment, commenting that many adults' reasons for learning are 'diverse and are often not simply related to learning for employment or accreditation'³⁷⁵ and she has made her personal thoughts on the Leitch qualification targets quite clear by saying 'you cannot automatically assume that just because somebody has another qualification that they have become more productive.'³⁷⁶ In a highly critical analysis of the Leitch Review she cleverly re-quoted its own commentary that 'history tells us that no one can predict with any accuracy future occupational skills. The Review is clear that skill demands will increase at every single level' and noted that these contradictory sentences seemed to confuse rather than clarify the skills policy debate³⁷⁷

³⁶⁹ As above, p17.

³⁷⁰ As above, pp17-18.

³⁷¹ As above, p18.

³⁷² House of Commons Innovation, Universities, Science and Skills Committee (2009) 'Re-skilling for recovery: After Leitch, implementing skills and training policies,' *First Report of Session 2008-9*, Volume 1, pp3-9, January 2009.

³⁷³ As above, p81.

³⁷⁴ Ramsbotham J (2009) 'Work Based Learning –some 'Lessons so far' from the NE', a keynote presentation to the 'Employer Engagement' conference, 13th May 2009. The presentations from this conference can be assessed via the Timer Higher Education website at www.timeshighereducation.co.uk

³⁷⁵ Wolf A and A Hodgson (2007) 'Adult Learning, policy and accreditation,' keynote presentation, Teaching & Learning Research programme (TLRP).

³⁷⁶ House of Commons Select Committee on Innovation, Universities, Science and Skills Committee, oral evidence supplied by Professor A Wolf, in preparation for the 'Re-skilling for recovery: After Leitch, implementing skills and training policies,' *First Report of Session 2008-9*, Volume 1, pp3-9, January 2009.

³⁷⁷ Wolf A (2007) 'Round and Round the Houses: the Leitch Review of Skills,' *Local Economy* vol.22 No 2, pp111, May

HE sector providers

In a recent conference on Employer Engagement, David Sweeney, the HEFCE Director of Research, Innovation and Skills commented that *'universities should not be given orders on how to proceed, their core functions cannot be narrowly defined by government policy or employers.'*³⁷⁸ This somewhat defensive approach which is enshrined in the autonomy of universities to self-determine their own distinctive mission and future strategic intent is to be both applauded but challenged. This view on how universities should perform in this 21st century recessionary environment was offered within a context of the growing volume of '3rd Stream' activity that HEFCE and English universities had engaged in 'post Leitch' and 'post Lambert' reviews. One simplistic measure of that increasing activity in employer engagement and its growing importance in many English universities are the number and seniority of posts being advertised in the THE. Arguably, these type of hybrid posts, that are at the interface of enterprise, applied research and teaching and learning innovation indicate how much more business-facing selected UK universities have become in present times. A linked indicator would be the increased volume of HEBCIS funding and employer engagement activity that over 60 English universities have created in the last three years and, as a result, the way employer engagement has become embedded in institutional missions. This type of funding support and linked policy initiative which helps drive organisational culture change has not been available – but equally – has not been extensively called for by vice chancellors in Welsh universities. It is highly debatable which should come first, the policy and the supporting funding or the mission building and cultural shift. In defence of vice chancellors in Wales, they lead already significantly under-funded institutions and to ask them to do more with even less funding is a really tough call – especially when it comes from government policy-makers who appear very unsure of whether it is further or higher education in Wales who should be the employer engagement catalysts for higher level learning. Sweeney argues that the 'transformational agenda' which has been laid down to UK universities and is a powerful part of the WAG political rhetoric is a hostage to fortune because it sets the barrier so high for universities.³⁷⁹ HEFCE have attempted to ameliorate the situation in England with the release over £400 million of HEIF funding which began in 2008 and is currently planned to run through to 2011. This has encouraged 61 universities to support the development of a broad knowledge exchange activity which firmly embeds employer engagement in their organisational cultures and enables universities in England to build a more coherent offering between universities and their various partners to regional and national businesses. Couple this with the HEFCE sponsored *'Employer Engagement Fund'* which has currently given £148 million to English universities and FE colleges for the creation of new degree programmes and bespoke CPD activity and one can easily determine that Welsh universities are operating in a hugely different support environment. This approximate £150 million equates to approximately £3 million growing to HE/FE partnerships that have delivered an additional 10,700 co-funded places up to 2009 and a target of 18,700 places by 2010.³⁸⁰ This might appear to be an unfair comparison between English and Welsh employer engagement activity but it should not diminish the point that talking through how this type of activity might be encouraged in Wales has not apparently been made high priority in Higher Education Wales (HEW), HEFCW or DCELLS/WAG. Whilst a 'do more with less' mantra quite sensibly prevails from WAG it is disturbingly apparent that, without additional government funding, Welsh universities will slip further and further behind in this whole arena of employer engagement. Without dedicated funding support from WAG via HEFCW it is difficult to see how employer partnership and 'co-funding' activity would be able to be stimulated in meaningful volumes in any regional or national context in Wales and, how on its own could encourage any universities to commit to this type of engagement in any mainstream manner. The whole funding scenario linked to high level employer engagement for Welsh university vice chancellors is very risky and offers many uncertainties and few attractions. WAG and HEFCW's stance on foundation degrees is still unclear and really does need to be decided quickly in order to encourage certain universities to plan exciting and innovation part time degree provision and accredited short course training that can meet business needs in carefully focused industries and regions in Wales.

We recommend that WAG via HEFCW consider creating an 'Employer Engagement' Fund that would enable universities to develop new relationships with regional FE Colleges, employers and employer agencies and result in a Pan-Wales workforce development programme that had related goals of designing and delivering HE degree and accredited short courses in partnership with employers, and increasing the number of part-time learners in the workplace supported by their employers.

We would also recommend this funding be offered in two forms – organisational funding - to support organisational change that enables universities to present proposals to HEFCW that will transform their capacity and agility to respond to employers' higher-level skills needs and significantly grow co-funded provision by employers in Wales, and - programme funding – that supports growth in part-time student numbers direct from employees in priority sector skill areas identified in SSAs and labour market intelligence gathered from sources like International Business Wales.

³⁷⁸ Sweeney D (2009) *'Making sure universities meet the needs of employers'* a keynote presentation to the *'Employer Engagement'* conference, 13th May 2009.

³⁷⁹ As above.

³⁸⁰ Sweeney D (2009) *'Making sure universities meet the needs of employers'* a keynote presentation to the *'Employer Engagement'* conference, 13th May 2009.

This type of HEFCW Employer Engagement Fund would encourage employers to make a financial contribution and 'co-fund' provision for their employees as work-based learning students learning predominantly in a workplace environment. Whilst the post Leitch higher skills policy agenda has indicated that there will be a steady increase in overall student numbers it is expected that there will be a gradual reduction in government funding per head. So, co-funding via business is vital if universities expect to recoup the full cost of this type of employer engagement provision.

Additionally, without this 'pump-priming' funding a whole series of organisational change factors linked to employer engagement cannot be mitigated – factors linked directly to senior management 'buy-in'; strategic change and partnership building; improved 'responsiveness' to industrial need; removal of academic school 'silo' mentality; increase in cross-institutional debate; curriculum re-design and innovation, increased cross-disciplinary working; improved staff capability; workload re-modelling; staff development strategic funding, and change in assessment practices to name but a few! This 'list' is a kind of simple 'pay-check' evaluation which, at present does not entice many Welsh vice chancellors to commit fully to the employer engagement agenda. Paradoxically, this scenario has to be understood in a context where the UK CPD marketplace is currently worth £5 billion and that UK universities only currently capture £400 million of that market share.³⁸¹ However, the economic recession has already seen Welsh universities working more closely together and, HEFCW have acted swiftly to create an *Economic Support Initiative* of approximately £2 million as a 'one-off fund' to encourage cross-institutional and business working in order to help unemployed graduates and businesses who might be considering laying off existing staff.

We recommend that the HEIs and FECs in Wales create employer engagement 'advocates' from within their existing workforces at executive and senior management levels in academic schools and departments in order to stimulate further employer engagement activity and that these individuals build employer engagement 'communities of practice' inside their organisations that also involves key business stakeholders .

Additionally, we recommend that these advocates and their 'community' members be encouraged to network on a regional and Pan-Wales basis using the Higher Education Academy Employer Engagement Observatory (via www.heacademy.ac.uk).

Contingently linked to these recommendations, we would also strongly advise that universities who seek to fully engage with this workforce development agenda in Wales consider ring-fencing a proportion of their annual staff development budgets for building staff capability in employer engagement.³⁸² Universities need to develop a much more flexible curriculum and training provision for high level learning. Study for people in employment means balancing study around work around family priorities and much greater flexibility is needed in terms of funding support, content, location, student support, industrial and academic mentorship, and delivery mechanisms. A consistent message coming from our micro projects and at our Practitioner conference was the need for universities to deliver WBL in bite-size chunks and preferably not at the university but in the workplace or, when necessary, delivered face-to-face in high quality environs over a highly concentrated timeframe by top-quality facilitators using action-learning sets and bountiful support material. The likely diverse nature of these part-time employer engagement student populations also means that substantial pre and post session materials will be required to support effective student and cohort learning. Predominantly, universities in Wales have concentrated on a supply side structured curriculum instead of a curriculum which is directly work-related, learner centred, self-directed, experiential and problem focused.

We recommend that universities tackle the creation of blended learning materials and training for academic and industrial mentors as a priority in order to be ready for the hopeful surge in employer engagement high level learning demand in Wales.

What also emerges from this whole analysis of employer engagement in the broad UK context is that the need for greater and regular exchange with the business community and individual chief executive officers of all sizes and shapes of organisation is of paramount importance. In Wales, we must build on the vibrant work of the WESB and give added recognition and value to the mutual understanding of motivations and pressures that drive both business and university sectors. Talking together and building a critical dialogue is what WESB has very publicly encouraged with its inaugural conference. The WESB first annual report (2009) recommends that *'the government further stimulate the flow of transferable knowledge into the Welsh economy and complement it with targeted support for high level skills which places a far stronger emphasis on areas of strong potential growth.'*³⁸³ We would endorse that recommendation completely but add that to get to that end point both – indeed all – key stakeholders linked to employer engagement in Wales need to initiate distinctive and focussed dialogues that mutually determine where and why any growth in workforce development should occur.

³⁸¹ J Kewin, L Bowes and T Hughes (2009) *'Beyond known unknowns,' – a further exploration of the demand for higher level skills from businesses*, East Midlands Universities Association, CFE, January and Dr B Light (2009) *'Are universities caught in a maelstrom of change?'* Work-Based Learning Futures 3 conference, University of Derby, April 2009.

³⁸² In the period 2005-9, Coventry university spent £500,000 on improving the capability of staff to engage in workforce development activity – source – Professor Madeleine Atkins, vice chancellor's present on *'Employer Engagement at Coventry University,'* Employer Engagement conference, 13th May 2009.

³⁸³ *A Wales that Works – First Annual Report*, April 2009, p3, WESB.

Key Messages & Recommendations

To that end, we would recommend that WAG establish three Regional Task Forces linked to employer engagement that encourages employers and individuals in Wales to take responsibility for their own organisational and personal learning needs and that they articulate these with key university, FE college and SSC representatives.

One of the intended outcomes of this type of critical dialogue between the business and university sectors in Regional Task Forces would be that the HE sector would be more transparent and accountable and seen to be delivering against identified and agreed business priorities that supported growth in productivity, organisational and personal development and social capacity building. Hopefully, in a short space of time it might encourage even more knowledge exchange that led to new company start-ups and a much higher volume of high level learning and accreditation activity carried out by universities on behalf of business. This would, no doubt lead to the creation of 'Work-Based Institutes' across Welsh universities and FE Colleges that encouraged new models of employer engagement and underpinned work related teaching, the development of applied knowledge and enhanced student employability.³⁸⁴ Looking into the short term future if these type of 'Work Based Institutes' could be encouraged to grow and prosper across our university and FE sectors then two-way secondments and business internships and placements for academics could be much more commonplace in our Welsh academic communities. These Institutes generate a concern for 'learning working'³⁸⁵ a term coined by Professor Derek Longhurst, CEO of *foundationdegreeforward (fdf)*. 'Learning working' is predicated off a desire to make suppliers of learning like universities and FE colleges concerned about knowledge creation but also to be much more concerned about how to facilitate the learning environments that need to exist both on and off campus at this present time and how to shape these environments into the early 21st century. Professor Longhurst's message is all about 'putting knowledge to work effectively' and about accessing the university learning experience in a means which is enticing, meaningful and sustainable to both mature adult returners and new young students. His concern is also that we seek in the UK to keep our universities and the university experience 'special' to all our students and that with specific respect to any growth in work-based learning activity we do not see WBL as rolling out a bit of training for a business or simple skills development. As Professor Madeleine Atkins has commented recently, '*employer engagement activity offers multiple opportunities for real intellectual challenge for both our students and staff; its problem-solving focus often requires a multi-disciplinary search for new knowledge, builds fabulous new applied research and motivates all concerned through the satisfaction of operationalising their ideas.*'³⁸⁶ Professor Graham Henderson, vice chancellor at Teesside University has said that high level employer engagement activity had helped '*build our external confidence by demonstrating our responsiveness to being able to supply high added value and flexible learning and knowledge to our business partners.*' He also commented passionately that '*it made us start behaving like a business and created a 'can do' and business solutions culture in our university.*'³⁸⁷ It certainly seems that many of the English universities that have bought into employer engagement activity have seen their universities become much more market aware and place the regional economy at the heart of everything they do. Developing cross disciplinary enterprise activity, rationalising staff workloads and rewards systems and creating streamlined accreditation and approval mechanisms all seem to have created university organisational cultures which are alert and responsive to the needs of their business partners. Additionally, escaping the physicality of the university campus as the only site of delivery which invariably involves a long, slow module style delivery is of paramount importance. There is a clear lesson here for those Welsh universities that might be considering a more concerted strategic entry into this type of marketplace. That lesson seems to say that employer engagement must be properly prepared for and embraced – so – '*if you want to do it, do it well, know what you are good at before you are asked and establish a top-class reputation for delivery.*'³⁸⁸

We, therefore, recommend that universities work closely with end users to determine the preferred nature of their learning experience for individual employer engagement projects and, that where possible – and where appropriate – distance learning, industrial mentorship and peer support mechanisms are strongly considered as vehicles for student learning in our to widen our student 'reach' and facilitate the creation of new work-based learning environments.

If we consider this type of development as an opportunity for not only growth in our student populations but also a challenge to our present size, shape and 'reason for being.' Universities are, quite rightly autonomous organisations and in an educational context have worked almost exclusively within a 'supply side' model of delivery. Post Leitch, universities are being encouraged to embrace more of a demand-led provision of higher education and, using Wedgwood's diversity model as an exemplar reflect on who and where their markets will be in the early 21st century. Clearly, not all universities in Wales will seek to embrace the employer engagement agenda – or they may – but on focused, sustainable terms. If they do decide to consider making employer engagement one of their new unique selling points (USPs) then they may have to release some of that autonomy they prize so highly in order to entice businesses to build sustainable partnerships with universities. The degree of travel in the future should also simultaneously ask us to reconsider what the notion of student and studentship means to us. Arguably, universities in Wales, as in the UK, have mainly focused much of their attention on the recruitment of young, full time undergraduates. This is certainly a factor that we have repeatedly heard when engaging

³⁸⁴ This type of initiative leading to estates development can be found at Coventry University where 'Institutes' house specialist work-based learning facilities and incubate wholly owned subsidiaries from business and university partnerships and offer discrete brokerage and advice and guidance to student entrepreneurs and existing companies.

³⁸⁵ Longhurst D (2009) 'Learning Working,' a keynote presentation to the 'Employer Engagement' conference, 13th May 2009. The presentations from this conference can be assessed via the Times Higher Education website at www.timeshighereducation.co.uk

³⁸⁶ Atkins M (2009) as before.

³⁸⁷ Henderson G and J Ramsbotham (2009) 'Work Based Learning –some 'Lessons so far' from the NE', a keynote presentation to the 'Employer Engagement' conference, 13th May 2009.

³⁸⁸ Professor Graham Henderson (2009) as above.

with leaders from business support agencies like the FSB in Wales. University websites are not generally designed to attract mature adult returners and access to part-time study opportunities ought to be only three or four clicks away on any university website. We would contend that there are multiple web based and paper based marketing initiatives required in order to encourage a substantial uplift in high level learning employer engagement activity. Those universities in Wales that do decide to embrace this agenda as soon as possible may well create for themselves a very strong market presence that proves to be not only lucrative but also a vehicle for curriculum innovation and new learning products and support services.

We recommend that designers of university websites in Wales critically review their sites usability and accessibility for part-time mature adult returners and especially for those potential students who require advice and guidance on how they might get their existing knowledge and prior formal and informal learning accredited.

Additionally to individual universities in Wales considering to re-structure their websites to attract and serve mature adult returners we would suggest that there is room for a single e-based brokerage point that could act on behalf of all key stakeholders to grow this employer engagement marketplace linked to high level learning for the benefit of all concerned, especially for new learners, employers and their organisations and universities. Organisations like *fdf* and the HEA³⁸⁹ have already created their own individualised employee engagement consultancy services which consist of a detailed web presence linked to issues like WBL, APEL, accreditation, negotiated learning frameworks, learning contracts, funding and support streams, curriculum development advice and quality assurance. Also, as some of the FE Colleges in Wales seek to expand their higher education portfolios by developing new foundation degrees for full time and part time students, the need for a Foundation Degree Development Centre as has been created in some English universities is a another possible need. Our research found that there was considerable variation in the extent and quality of service that Welsh universities offered to potential local, national business partners and individuals. Disappointingly, provision of easy access to, and use of accreditation services to support employer engagement did not appear to be a priority area for Welsh universities.

We would recommend that HEFCW engage a task and finish group made up of university and business partners to create an e-based brokerage service linked to employer engagement that could offer relevant information, advice and guidance (IAG) services for employees, employers, employer support agencies and FE College academics and administrators.

Lastly, with respect to existing employer engagement activity and high level work-based learning in Welsh universities there are some exciting pockets of activity being carried out by academic and technical support staff. Some of this work is highlighted via our micro projects and reported on later in this report and on the project website on - www.uwic.ac.uk/cppd. Researching this pioneering work, modelling its key structures and processes and disseminating the findings for easy replication should be a primary move in order to quickly build the stock of employer engagement in Welsh universities. If this can be quickly achieved and supported by grants from agencies like the HEA then parity of esteem and reward for this type of work should quickly arrive inside our universities.

Employers and business support agencies

The Post Leitch agenda has certainly seen the employers 'voice' be deemed to be central to the whole debate of employer engagement and high level learning. This is not simply because they are the prime 'end-user' of the learning process tackled by UK full time and part time higher education learners but because their views, thinking and needs can and must be a positive catalyst for learning and teaching innovation which could pervade the whole curriculum design process in those Welsh universities that seek to buy into employer engagement and workforce development. However, it has to be realised that businesses, however big or small, are market driven and not policy driven and can easily ignore the impassioned calls of policy makers and academics to join in this particular educational change. Also, at a time when spare capital or new money is incredibly hard to find, the notion of high level learning engagement via co-funded part time employee/student study that demands growth in a company human resource development requires passionate and visionary leadership. However, there is enough evidence from research studies in Wales, the UK and globally to indicate that high level learning and employee engagement can have a positive impact on organisational culture and strategic thinking as well as the obvious returns linked to productivity and economic growth.³⁹⁰

Research also indicates that businesses need to be helped to understand just what exactly 'employer engagement' and 'high level learning' means in real terms and, most importantly do organisations have willing people distributed throughout the layers of their company to embrace the concept and make it their own for their specific individual and corporate needs? Winning over hearts and minds of key decision-makers in companies will not occur if the policy messages from government, the 'products' and services from universities, and whole language, terminology and benefits surrounding employer engagement are unclear and un-enticing. Our research indicated that many small to medium enterprises and voluntary or 3rd sector organisations in Wales are still in real need of

³⁸⁹ Look at the HEA site – www.info@thetraininggateway.com

³⁹⁰ Kewin J, Casey P and R Smith (2008) *Known Unknowns: the demand for higher levels skills from businesses*, March, CFE, pp5-6.

Key Messages & Recommendations

people to come in and help them with the execution of accurate corporate needs analysis followed by discrete learning and skills assessment for key teams and individual staff inside their companies. Additionally, there is evidence that for SMEs there is great value in organisations like universities and business support agencies like the British Chambers and Business in the Community (BITCW) coming together to create peer to peer support networks which encourage the development of business and university consortia and sector specific and supply chain company dialogue and ideas exchange. Additionally, two-way secondments of company and academic staff become possible as well as short term internships for students and recent graduates. This type of employer engagement and knowledge exchange also helps harvest new company spin-outs, new product creation and new bespoke short course training. This type of activity has to be predicated of considerable trust and negotiated confidentiality but via careful facilitation and dynamic action learning sets involving creativity and innovation workshops it produces increased business turnover which is obviously a major attraction to business leaders.³⁹¹ As Professor Colin Monk, pro-vice chancellor at Brighton university commented recently, '*our local businesses view us as an Aladdin's cave of opportunities for growth and development and we see businesses as an inexhaustible opportunity for student projects and work placements.*'³⁹² Certainly, in this current economic recession, it appears there is a real positivism that could come from increased business- university partnerships, in part drawn out of a shared suffering and a proactive approach to focus on innovation development and strategic planning to survive this current downturn. Research³⁹³ suggests that this type of partnership building also builds strong teams in companies and between businesses and universities and sees individuals really enjoying their work and extending their relational management and problem-solving skills.

We would recommend that Welsh universities collaborate together and consider establishing regional sector specific industrial clusters that encourage increased business-university dialogue and help promote increased business innovation and employer engagement activity.

From our research micro projects and from our desk-top research on the nature of high level skills gaps in Wales it is overwhelmingly clear that the business sector is calling for courses and programmes that offer improvement in transferable skills, leadership and management skills, languages for business and especially STEM specific skills uplift. We recognise that innovative schemes³⁹⁴ are already in place to remedy this situation but much more still needs to be done by universities to support Welsh business and keep them at the cutting edge. It has to be noted, however, that although co-funding is called for by both policy makers and university leaders to help create and sustain these type of new CPD offerings, in Wales, with the predominance of businesses being SMEs and micro SMEs these type of companies have little spare cash floating around in their coffers to become active in supporting work based learning. We found that many owners of small companies were worried that offering training opportunities to their workers would see these same individuals 'cash in' their new knowledge and skills by leaving the company. Additionally, many owners of small companies tend to be focused on very short-term operational activities – all invariably controlled by financial flows – and the more long term worth of employer engagement is much more difficult to quantify. Paradoxically, as these companies struggle hard to survive and see they way through this current economic recession universities and business support agencies should arguably be doing more by opening their doors and encouraging these businesses to come in and engage by exploring the knowledge bank that is cosily tucked up in our academic departments and research centres.

Coupled with this it was also noticeable from our research that many small business leaders and officers from business support agencies do not readily know how to access this university knowledge bank. There are very few central sources of information on high level learning and employer engagement packages available to these businesses and what there is on many university web sites is not very 'front of house' and can be difficult to find either electronically or via cold-calling.³⁹⁵ Industrial liaison officers (ILOs) at all Welsh universities do sterling work in getting out into the world of work and encouraging businesses to make use of the Knowledge Transfer Programme scheme. However, business leaders repeatedly told us they would value the creation of a 'one-stop-shop' or brokerage point for this type of high level learning and employer engagement opportunities.

We would recommend that the major business support agencies in Wales talk with the major stakeholders to investigate the creation of a Pan Wales, web-based brokerage point similar to some of those that have been sponsored by the creation of Lifelong Learning Networks (LLNs) in business, business-support and university partnerships.³⁹⁶

³⁹¹ Brighton University's ProfitNet company, created with support from the HEFCE Employer Engagement fund, has seen the development of 'industrial clusters' where groups of 15 decision makers from various businesses are brought together by facilitators to think their way forward. In this last year data analysis of the companies involved in the project have shown an overall 13% increase in profits and 24 new business start-ups and has seen 78% of the companies involved create new products and 2% of the companies involved revise their service provision – source – Professor Colin Monk (2009) '*How can universities help small businesses survive the recession and reposition for the upturn?*' Employer Engagement conference 13th May 2009.

³⁹² Monk C (2009) Employer Engagement conference 13th May 2009.

³⁹³ As above and, see - Kewin J, Casey P and R Smith (2008) '*Known Unknowns: the demand for higher levels skills from businesses,*' March, CFE.

³⁹⁴ For some initial examples, see the Wales Centre for Health '*Public Health Workforce development programme,*' the creation of Public Service Management Wales [PSMW] and their PG Certificate in Leadership for Collaboration validated by Bangor University and UWIC.

³⁹⁵ R Bolden and G Petrov (2008) '*Employer Engagement with Higher Education: A Literature Review.*' Higher Education Region Development Association - South West (HERDA- SW), p70.

³⁹⁶ For example – look at the web based brokerage services offered by the 'Knowledge House' website housed at the University of Northumbria – <http://www.knowledgehouse.ac.uk/> and the University of Teesside business solutions and employer engagement website – http://www.tees.ac.uk/sections/business/workforce_dev.cfm.

If these types of web-based brokerage points could be developed they would encourage business leaders to value academic educational opportunities for their workers a lot more and make them realise that this type of part time employer engagement activity can lead to credit accumulation and degree opportunities that complement professional and industrial qualifications. Awareness raising of these opportunities via slick website design and accessibility, supported by clear marketing material and advice and guidance on topics like gaining credit for prior learning will entice many more employees and owners of companies to seek out universities and business support agencies as the vehicles for their lifelong learning. Qualifications are not valued as highly as skills uplift and new knowledge creation and utilisation by business owners, however, if the short courses and degrees are designed with work related teaching in mind then skills uplift and new knowledge will be a natural product of the process. These are messages that must come across clearly on these e-based brokerage points and be constantly championed by employer engagement advocates.

The Alliance of Sector Skills Councils and Sector Skills Councils

Without doubt, our research and other major research studies of employer engagement indicate that there are a plethora of organisations that offer a brokerage and mediation role between UK businesses and higher education institutions.³⁹⁷ It is clear that the Sector Skills Councils in Wales do a tremendous job in liaising with their sector specific businesses to create labour market intelligence data that could be of fantastic benefit to our universities. It would appear at the moment that much of the work of SSC officers in Wales has gone into addressing lower level skills gaps and that that their triangulation activity between themselves, businesses and further education is much stronger than it is with our university sector. That may simply be a reflection of initial responsiveness and prioritisation against learning and skills needs rather than any attempt by universities to not engage with SSCs. This whole world of brokerage to support businesses meeting their organisational and staff needs is an increasingly complex and almost 'political' arena. It was clear from our studies that there was some uncertainty from university senior staff as to the function and capacity of SSCs in Wales with respect to the quality assurance and delivery of high level learning. Additionally, SSCs appear to be working in an arena where agencies like the CBI, the FSB, the British Chambers and Business in the Community have been working successfully in their distinctive roles for many years. All this has left many individual small business leaders and directors of human resources of larger companies at a loss of knowing who to turn to for the most appropriate advice with respect to workforce development. Bolden and Petrov (2008) appraise this support environment brilliantly when they note that *'the broker role is largely one of responsibility without power – dependent on their ability to persuade and influence others rather than being able to deliver outcomes themselves.'*³⁹⁸ Their role is both challenging yet frustrating in that they can identify clear skills deficits and source the academic support improvement but not be able to provide the requisite funding to enable a solution to the skills problem. Additionally, at high level learning, knowledge tends to be complex and related to specialised demand and provision and, arguably, is best resolved via the evolution of *'a one door gateway between businesses and universities.'*³⁹⁹ It seems from our research that here is much mileage in creating this type of concept in Wales with universities working with a whole range of intermediaries who help sell university services. We have to realise, for example, that to be effective in high level employer engagement, universities do not have to be the deliverers but ought to be the quality assurers and accreditors of that learning where employers and employees want credit recognition for that learning and want to encourage learner progression into other learning.

Unitary Authorities and Cities in Wales

Earlier in this report we stressed the potential of following the concept of The Work Foundation for the creation by leaders of public policy and leaders of innovation to build *Knowledge Cities and Knowledge Regions*.⁴⁰⁰ David Miliband also extended this thinking to unitary authorities with a city presence to align themselves closely with universities in order to create top –quality public services and act as innovation hubs for their region.⁴⁰¹ This also links powerfully with the concept of *Science Cities* which were launched in 2004 by the then Chancellor of the Exchequer, Gordon Brown. These are Birmingham, Bristol, Manchester, Newcastle, Nottingham and York. Collectively the universities and their unitary authorities have formed a national Science Cities Development Group with the primary objective of developing and promoting the Science Cities so they become internationally recognised as vibrant knowledge based centres of excellence. Additionally these universities will also advise and influence proactively all parts of central, regional and local government and its agencies, including the funding and research councils to secure support for the development of Science Cities and engage proactively in joint projects to contribute to mobilising Science Cities in support of national objectives –basically inward investment development.⁴⁰² This seems like a concept worthy of further investigation by WAG and our major unitary authorities and university partners for the Welsh cities of Bangor, Cardiff, Newport, St Davids, and Swansea.

³⁹⁷ R Bolden and G Petrov (2008) as above, p73.

³⁹⁸ R Bolden and G Petrov (2008) p73.

³⁹⁹ Henderson G and J Ramsbotham (2009) *Work Based Learning –some 'Lessons so far' from the NE'*, a keynote presentation to the 'Employer Engagement' conference, 13th May 2009.

⁴⁰⁰ D Miliband (2006) *Ideopolis: Knowledge City-Regions*, extracts from a transcript of the Ideopolis project, 3rd April 2006.

⁴⁰¹ *The State of the Cities* report

⁴⁰² Launched in 2005 and elaborated upon by Professor Henry Etzkowitz, the Chair in Management Innovation, Business School, Newcastle University at the Science Cities National Workshop, York, 23rd September 2005 – see his keynote presentation – *'Making Science Cities: The Triple Helix of Regional Growth and Renewal.'* This drew on the evolution of the two leading US high-tech regions – Route 128 and Silicon Valley – as 'brownfield' and 'greenfield' exemplars of initial models for regional economic development. Go to <http://www.manchesterknowledge.com> for a current UK exemplar – Manchester: Knowledge Capital.

Key Messages & Recommendations

We would recommend that unitary authorities see universities as primary catalysts for collaboration linked to community regeneration, sponsoring employer engagement as a vital vehicle for the creation of 'high value' service jobs and knowledge intensive businesses where workers can be 'captured' and encouraged to stay in the city region's vibrant knowledge economy.

Learners

Our research clearly indicated that there is a demand for high level learning from individuals in employment or in a voluntary capacity in businesses in Wales. They prize any opportunity to improve themselves and gain formal credit for their learning. They value informal learning but increasingly realise that a flexible and responsive part time university provision offers them a great chance to build their learning around their work and personal/family commitments and enable them to enhance their career prospects. Learners in work are more and more knowledgeable about the need to gain higher skills in order to build or maintain their effectiveness and professional identity. They also value the friendships and professional networking that emerge as a spin-off from this part time learning. One difficulty is the cost of this type of study – both in financial and time commitments – and co-funding or industrial sponsorships or academic bursaries seem to be an essential ingredient in deciding whether people will, or will not, return to learning. A related issue is finding out what is available from universities and gaining advice and guidance as to whether they are accessing the appropriate learning package. Once on course and inside the university environment they are very complimentary with respect to the academic and pastoral support they gain to help them in their studies. They value the mentorship they gain from university academics and note that they really succeed when this is matched with industrial mentorship back in the workplace and the support they gain from formal, e-based student networks. Much of what is on offer to part time learners in Welsh universities is still degree programmes although some universities are beginning to accredit in-company training and, therefore, offer employees to 'fast track' into degree programmes using their previous accredited and non-accredited learning.

Concluding comments

Employer engagement and high level learning can only be done effectively in Wales if it is carried out via sustainable partnerships involving key stakeholders. For partnerships to occur in the first place and for project sustainability to occur there has to be a meeting of minds that builds strategic alliances which help meet organisational objectives. This requires leaders to meet the very specific challenges that come from this type of activity and undoubtedly means that compromises and mediation will need to take place if collective benefits are to be maximised. This type of relational management and joint project development take time to create and mature and can be easily de-railed. Putting the right people in place to design and deliver appears to be vital and relaxing a little and trusting in your people and your partners seems to be a crucial behavioural trait that vice chancellors and pro vice chancellors need to employ. That is easily said but difficult to do when institutional reputation and credibility is so important as universities compete in a global knowledge economy. However, employer engagement and high level learning has extended institutional reputations in an interesting mix of English universities like Brighton, Coventry, Derby, Hertfordshire, Middlesex, Northumbria and Teesside. So, we ought to seek to learn more from these universities in an attempt to offer a coherent employer engagement offering to our business communities – both large and small and sector specific – in Wales. To do that we have to establish clearer business and marketing strategies and products and services. This will hopefully inject a clearer language and communication process surrounding this employer engagement agenda and build a healthy dialogue between universities and businesses in Wales, which in time will translate into 'best practice' that will see Wales at the cutting edge of employer engagement in the UK and globally. In a nation steeped in innovation and achievement in skills and employment,⁴⁰³ this should be our 21st century educational passion.

⁴⁰³ WESB (2009) 'A Wales that Works,' – summary, First Annual Report, April 2009, p1.

Appendices

Appendix: Additional Organisations linked to Employer Engagement in Wales

British Educational Communications and Technological Agency (BECTA)

BECTA is the Government's lead agency in the strategic development and delivery of its Information and Communications Technology (ICT) strategy for education. It leads the co-ordination, development and delivery of the UK Government's strategy to harness the power of technology to support education, skills and children's services.

www.becta.org.uk

Leadership Foundation for Higher Education (LFHE)

A registered charity, the LFHE provides a support and advice service on leadership, governance and management for all the UK's higher education institutions. It aims to develop and improve the management and leadership skills of existing and future leaders in higher education. It was established by the UUK and GuildHE and is funded by a combination of programme fees, membership income and funding from the four UK higher education funding bodies. It currently offers an extensive CPD programme for university CEOs, leadership teams, aspiring leaders and existing heads of departments.

www.lfhe.ac.uk

Lifelong Learning UK (LLUK)

The Sector Skills Council responsible for the professional development of practitioners working in further education; higher education; community learning and development; libraries, archives and information services; and work-based learning. Lifelong Learning UK aims to provide workforce intelligence and information; to build a framework of core standards and credit-based qualifications; to promote sector-wide career pathways and progression routes; to improve recruitment and development of the workforce; and to engage employers and stakeholders in boosting the performance of the sector.

www.lifelonglearninguk.org

Welsh Local Government Association (WLGA)

A voluntary lobbying organisation that promotes the interests of the 22 Welsh local authorities. The WLGA exists to promote better local government and a better future for authorities' localities and communities. It works with the Welsh Assembly Government to ensure that the policy, legislative and financial context in which authorities operate supports these objectives. Education policy is a core component of the WLGA's work.

www.wlga.gov.uk

National Institute of Adult Continuing Education (England and Wales) (NIACE)

A non-governmental organisation to promote the study and general advancement of adult continuing education and support an increase in the total numbers of adults engaged in formal and informal learning in England and Wales. It is a charity owned by its members. Its core funding comes from DIUS, the LSC, the Local Government Association and the National Assembly for Wales. It advocates positive action to improve opportunities and widen access to learning opportunities for those communities under-represented in current provision. In July 2007 NIACE took over the Basic Skills Agency (BSA) and formed a new 'Alliance for Lifelong Learning' with Tribal (a private sector consultancy organisation), which is taking forward the work of the BSA in its support of literacy, language and numeracy.

www.niacedysgucymru.org.uk

Quality Assurance Agency for Higher Education (QAA)

The QAA is an independent body with a UK-wide remit, funded by subscriptions from universities and colleges of higher education and through contracts with the main higher education funding bodies. It works in partnership with providers and funders of higher education, staff and students in higher education, employers and other stakeholders to: maintain standards of academic awards and the quality of higher education; communicate information on academic standards and quality to inform student choice and employer understanding; and promote a wider understanding of the nature of standards and quality in higher education.

www.qaa.ac.uk

Staff and Educational Development Association (SEDA)

SEDA is the professional association for staff and educational developers in the UK, promoting innovation and good practice in higher education. SEDA's activities cover four main areas: professional development of staff working in higher education; conferences and events; membership services, such as dissemination of best practice; and publications.

www.seda.ac.uk

Ufi Cymru

Created in 1998 and funded by the Learning and Skills Council, the Ufi established learndirect, the largest e-learning network of its kind in the world, which has delivered learning to a mass audience (more than two and half million learners since 2000) through a combination of flexibility, accessibility and support. There are three strands of the learndirect service—learndirect skills and qualifications, learndirect business and learndirect careers advice.

www.uficymrु.com

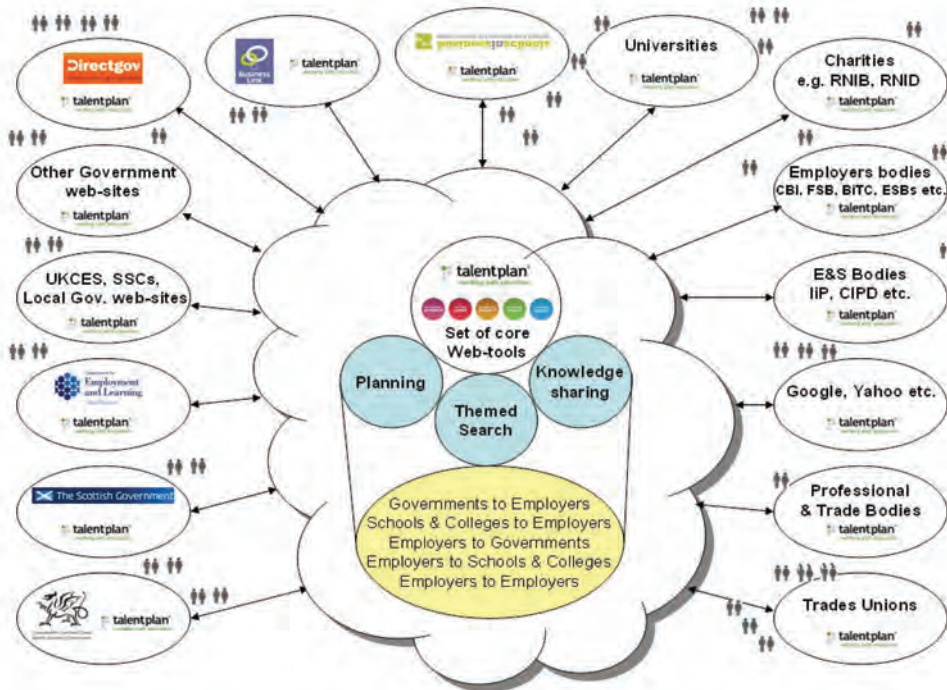
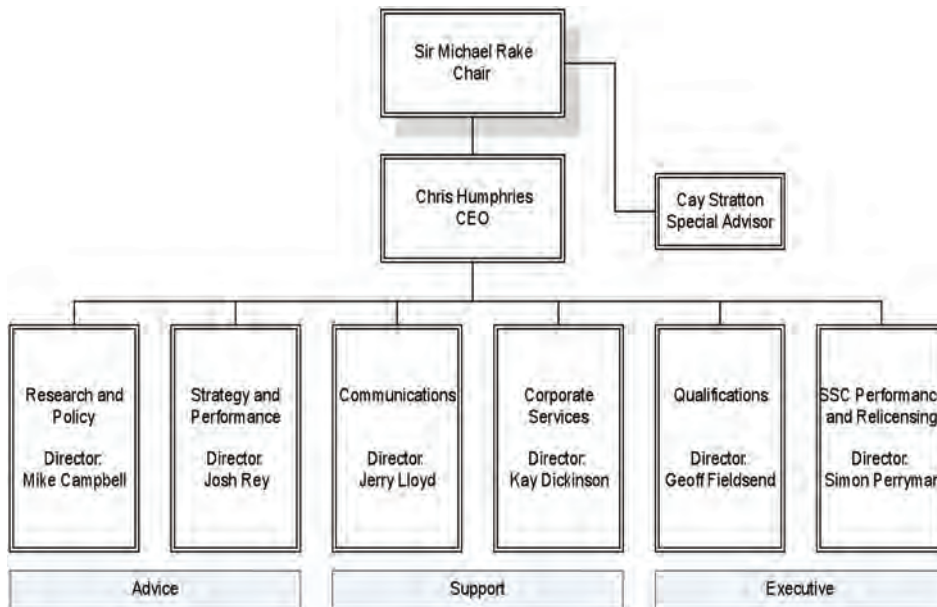
University and College Union UCU

Formed by the amalgamation of the Association of University Teachers and NATFHE in 2006, UCU is the largest trade union and professional association for academics, lecturers, trainers, researchers and academic-related staff working in further and higher education throughout the UK.

www.ucu.org.uk

Appendices

Appendix: The UK Commission for Employment and Skills (UKCES) –Structural map and talent map - source Humphries, C (2009).



Talent plan web resource – not a central web-site, but a distributed set of web-tools

Appendix: The Wales Employment and Skills Board (WESB)

The Wales and Employment and Skills Board has been created to:

- strengthen the employer voice on skills in Wales;
- give expert advice to Welsh Ministers; and
- help Wales to develop a high-skills economy with opportunities for everyone.

Sir Adrian Webb is the Chair of the Wales Employment and Skills Board. He is also the UK Commissioner for Wales on the UK Commission for Employment and Skills - which has a UK-wide remit to provide vigorous and independent challenge, advising government at the highest levels across the UK on employment and skills strategy, targets, and policies.

Members of the Board have been selected due to their expertise in the skills and employment arena in Wales. There is representation from employers, training providers, trade unions, local authorities, higher education, further education and the business sector: Current members are listed below -

Adrian Webb (Chair)

Huw Jones (Deputy Chair)

Paul Egan

John Geraint

Wendy Giles

Alison Itani

Glyn Jones

Iwan Jones

Robert Lloyd

Martin Mansfield

Marcella Maxwell

Charles Middleton

Professor Danny Saunders

List of Abbreviations

APEL	Accreditation of Prior Experiential Learning
APL	Accreditation of Prior Learning
BERR	Department of Business, Enterprise and Regulatory Reform
CBI	Confederation of British Industry
CELTs	Centre of Excellence in Learning and Teaching
CETL	Centres for Excellence in Teaching and Learning
CIHE	Council for Industry and Higher Education
CIPD	Chartered Institute of Personnel and Development
COI	Central Office of Information
CPD	Continuing Professional Development
QCFW	Credit and Qualifications Framework for Wales
DCELLS	Department for Children, Education, Lifelong Learning and Skills
DfES	Department for Education and Skills
DIUS	Department for Innovation, Universities and Skills
ELQ	Equivalent and Lower Qualifications policy
ESRC	Economic and Social Research Council
EU	European Union
EUA	European Universities Association
FD	Foundation Degree
FdF	Foundation Degree Forward
FE	Further Education
FEC	Further Education College
FSB	Federation of Small Businesses
GVA	Gross Value Added
HE	Higher Education
HEA	Higher Education Academy
HSE	High Skill Ecosystems
HE-BCI	Higher Education-Business and Community Interaction Survey
HEFCE	Higher Education Funding Council for England
HEFCW	Higher Education Funding Council for Wales
HEI	Higher Education Institution
HEIF	Higher Education Innovation Fund (from HEFCE)

HLSPP	Higher Level Skills Pathfinder Project
HNC	Higher National Certificate
HND	Higher National Diploma
IAG	Information, Advice and Guidance
ICT	Information and Communications Technology
IPR	Intellectual property rights
IT	Information Technology
JISC	Joint Information Systems Committee
KTP	Knowledge Transfer Partnership
LEA	Local Education Authority
LLN	Lifelong Learning Network
LSC	Learning and Skills Council
NOS	National Occupational Standards
NQF	National Qualifications Framework
QAA	Quality Assurance Agency for Higher Education
QCA	Qualifications and Curriculum Authority
QCF	Qualifications Credit Framework
RAE	Research Assessment Exercise
RDA	Regional Development Agency
REF	Research Excellence Framework
SfBN	Skills for Business Network
SME	Small and medium-sized enterprise
SSA	Sector Skills Agreement
SSC	Sector Skills Council
SSDA	Sector Skills Development Agency
STEM	Science, engineering, technology and mathematics
T2G	Train to Gain
TLRP	Teaching and Learning Research Programme (from ESRC)
UK	United Kingdom
UKCES	UK Commission for Employment & Skills
USP	Unique selling point
UUK	Universities UK
UVAC	University Vocational Awards Council
WBL	Work-based learning

Websites

KEY WORK-BASED AND LEARNING FOCUSED WEBSITES

HEFCW Workforce Development project website - www.uwic.ac.uk/cppd

The Learning Observatory – www.learningobservatory.com/

The Training Gateway – www.thetraininggateway.com

JISC – www.jisc.ac.uk

GOVERNMENT

Department for Children, Lifelong Learning and Skills – www.wea.gov.uk

Department for Business, Enterprise and Regulatory Reform – www.berr.gov.uk

FUNDING

Higher Education Funding Council for Wales – www.hefcw.ac.uk

LOBBYING AND SUPPORT

GuildHE – www.guildhe.ac.uk

Higher Education Academy – www.hea.ac.uk

Higher Education Wales – www.universitiesuk.ac.uk

Leadership Foundation for HE – www.lfhe.ac.uk

EMPLOYER AND BROKERAGE ORGANISATIONS

Alliance of Sector Skills Councils – www.sscalliance.org

Confederation of Business Industry – www.cbi.org.uk

Confederation of Business Industry Wales –

www.cbi.org.uk/ndbs/Regions.nsf/ef81c9bf84009a1f80256f0b0048178b/7ea084291ad48bf5802567310064a6d0?..

British Chamber of Commerce – www.britishchambers.org.uk

Business in the Community Wales – www.bitc.org.uk

Federation of Small Businesses Wales - <http://www.fsb.org.uk/default.aspx?id=0&loc=wales>

The Training Gateway – www.thetraininggateway.com

Welsh Education Skills Board – www.learningobservatory.com/wales-employment-skills-board-wesb/

QUALITY ASSURANCE

Qualifications and Curriculum Authority – www.qca.org.uk

Quality Assurance Agency for HE – www.qaa.ac.uk

GENERAL RESOURCES

CIHE Publications – www.cihe-uk.com/publications.php

DIUS Learning and Skills pages – www.dcsf.gov.uk/learning&skills/index.shtml

DIUS Publications – www.dius.gov.uk/publications

HEA Research Observatory – www.heacademy.ac.uk/observatory

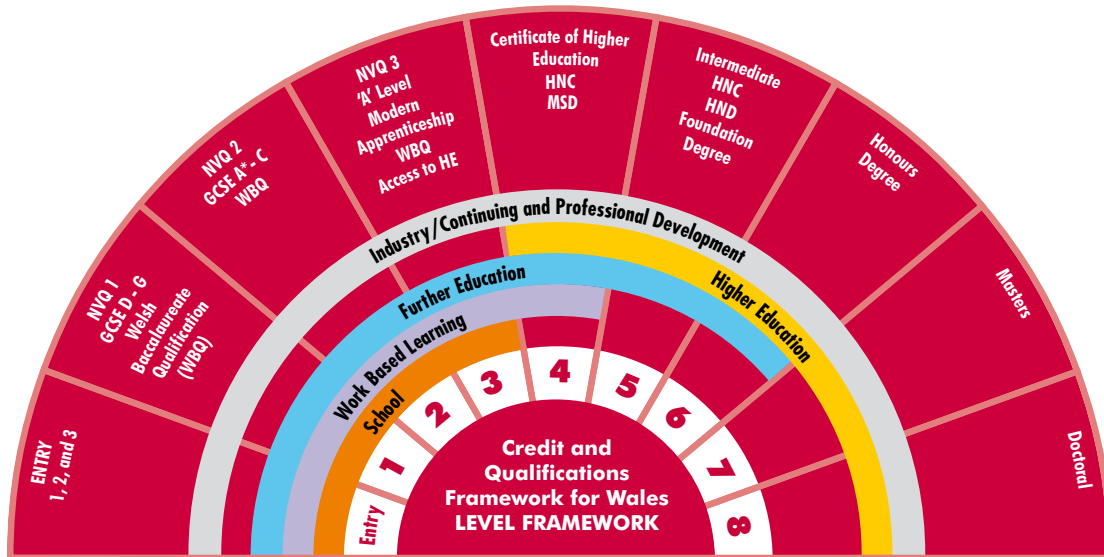
HEPI Publications – www.hepi.ac.uk/pubs.asp?DOC=Reports

LFHE Research Reports – www.lfhe.ac.uk/publications/research.html

UUK Publications – <http://bookshop.universitiesuk.ac.uk>

Credit and Qualification Framework for Wales

Credit and Qualifications Framework for Wales Learning and Progression Routes



The Credit and Qualifications Framework for Wales was introduced in 2003 as a fully inclusive learning framework. The Levels capture all learning from the very initial stages (Entry) to the most advanced (Level 8). The Fan diagram illustrates the levels and examples of qualifications and learning provision that are included in it.

For further details contact the CQFW Secretariat:
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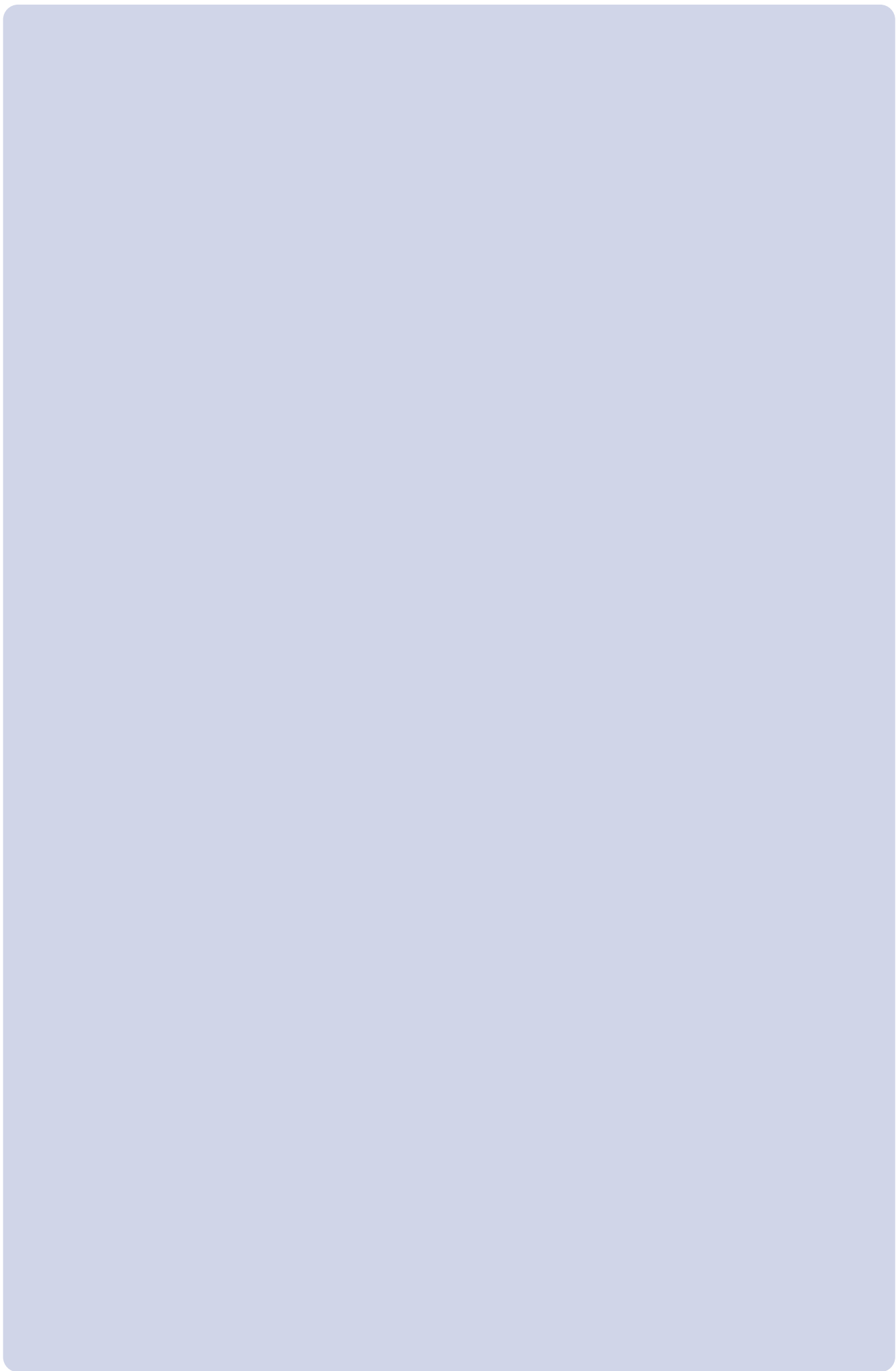
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