



Skilling the Existing Workforce

Consultation Paper

Enterprises

An Australian Industry Group Project

**AUSTRALIAN INDUSTRY GROUP
SKILLING THE EXISTING
WORKFORCE
CONSULTATION PAPER
ENTERPRISES**

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The Skilling the Existing Workforce Project is a Commonwealth-State Skills Shortage Initiative funded through the Strategic National Initiatives component of the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*.

1 Purpose

This Consultation Paper has been prepared to assist with formal consultations for the *Skilling the Existing Workforce Project*, which is being undertaken by the Australian Industry Group (Ai Group) on behalf of the Australian, state and territory governments.

The project has three remaining stages:

1. *Consultations*: on the ways we currently skill existing workers and possible future approaches and strategies to be trialled by enterprises.
2. *Trial approaches*: to test approaches to and develop models of skilling existing workers and produce case study reports.
3. *Evaluation*: documenting and evaluating the outcomes of trials and case studies and producing the case study programs.

This Consultation Paper contains the conclusions of a longer research report entitled *Skilling the Existing Workforce – Background Research Report* which should be considered as part of the consultation process. All project papers are available on the Ai Group website <http://www.aigroup.asn.au> and on the Australian Government Department of Education, Science and Training website at http://www.dest.gov.au/sectors/training_skills/

The Consultation Paper sets out a range of issues for consultation to inform industry, training organisation and government approaches to workforce skilling, and as an input to the development of specific approaches and models for workforce skilling which will be tested and evaluated through enterprise level trials in 2007.

2 Research Conclusions

1. Recent policy developments confirm that skilling the existing workforce is increasingly important for a range of reasons including:
 - the consequences of the trend of the ageing of the population and the resultant need to retain existing workers;
 - the lack of post-school skills and qualifications acquisition by many existing workers;
 - the rapidly changing nature of skills required in the modern workforce; and
 - the need for a highly skilled and flexible workforce to help ensure that enterprises become and remain competitive in an increasingly competitive global market.
2. Forms of learning for existing workers are varied and include training provided as a part of the national vocational education and training system, but also include learning acquired through non-formal and informal experiences.
3. Informal and non-formal approaches to learning are increasingly important as learners age but these forms of learning are not well recognised in current policy settings.
4. Skilling the existing workforce requires a broad approach that can be referred to as a *workforce skills development* approach. This approach should incorporate all forms of skill acquisition through formal, non-formal and informal learning experiences.
5. There are many factors which influence participation in and patterns of workforce skills development. It is important to be aware that participation declines with age and that there are inequalities in the access of existing workers to workforce skills development opportunities. Decisions to invest in training are driven by the needs of enterprises and the linkage between business and training strategies.
6. Workforce skills development approaches need to be aware of the influences on and patterns of participation, embrace both codified and tacit knowledge, recognise that the workplace is an increasingly important learning site, adopt broader notions of competence that are directed towards capability rather than task completion and utilise a workplace learning pedagogy that reflects these requirements.

3 Issues for Consultation

This section of the paper is designed to provide a framework for consultation on the analysis in the report and the issues arising from the analysis. Comment is sought in three broad areas:

1. Comments on the analysis.
2. Priorities for workforce skills development.
3. Roles and responsibilities of government, industry and individuals for workforce skills development; and specifically, enterprise level strategies.

These issues are mainly relevant to the focus of this paper; workforce skills development through enterprise and work-based learning. It is recognised that there are many adults who will need to access learning and skills development through other pathways and other priorities and strategies to help boost workforce participation and skills levels.

Outcomes from the consultations, particularly in relation to effective strategies at the enterprise level, will help to inform the selection of enterprise level cases studies of effective workforce skills development in enterprises.

3.1 *Comments on the analysis*

The research report identifies and analyses a range of major research findings and policy issues about skilling the existing workforce, including advocating the adoption of more comprehensive workforce skills development approaches.

Issues for Consultation

1. *Is the concept of workforce skills development a useful approach – what other approaches or frameworks might we consider?*

3.2 *Priorities for Workforce Skills Development*

The report suggests that there are some important priorities for governments and other key stakeholders to improve the level and effectiveness of workforce skills development in Australia. The suggested priorities are:

- a) To improve the level of participation in workforce skills development by those with low skills;
- b) To increase the proportion of workers with high skills levels including workers moving from low to high skills levels;
- c) To more effectively link formal, non-formal and informal learning through workforce skills development;

- d) To improve information flows about and understandings of workforce skills development;
- e) To build world class skills outcomes for individuals and enterprises through high quality workforce skills development.

Issues for Consultation

2. *Are these appropriate priorities for workforce skills development?*
3. *What other priorities might be considered and why are they important?*

3.3 Roles and responsibilities of government, industry¹ and individuals

Workforce skills development strategies involve varying degrees of responsibility for government, industry and individuals which must be underpinned by a clear policy framework, particularly in terms of the role of government.

At the outset it must be recognised that workforce skills development is primarily a responsibility of enterprises (in terms of the relative investment in skills and training) and of individuals particularly as far as informal and non-formal learning is concerned and particularly for those in the workforce with high levels of educational attainment. Some elements of workforce development are more of a shared responsibility between governments, industry and individuals particularly in terms of publicly funded and/or publicly regulated education and training including Vocational Education and Training.

3.3.1 Enterprise Level Strategies

The research report sets out a range of workforce development strategies for enterprises. Following the consultation process, some of the strategies will be the focus for trialling of specific models and approaches at the enterprise level, in particular new and innovative approaches in areas such as the integration of formal, non-formal and informal learning. Some strategies being used at the enterprise level are:

1. Undertaking comprehensive workforce skills needs assessments.
2. Fully integrating workforce development into business strategies and plans.
3. Setting and monitoring clear targets and benchmarks for required skill-levels within the enterprise to deliver on its business goals.
4. Developing individual learning plans for employees encompassing both informal and formal learning linked to career paths and employee goals.

¹ Industry for the purposes of consultation includes enterprises and industry associations.

5. Developing management roles and accountabilities which clearly set out manager's roles for workforce development for individuals and workgroups.
6. Using workforce development strategies as a key element in employee attraction and retention strategies.
7. Employing strategies to more effectively link informal and non-formal learning to formal learning by:
 - Ensuring that informal and non-formal learning strategies result in high quality learning outcomes, for example through the use of highly relevant and quality learning materials, the use of appropriately trained staff or external providers and ongoing processes for employee evaluation and feedback on the quality and relevance of learning;
 - Linking employee appraisal methods such as 360 degree feedback to ongoing learning and professional development;
 - Integrating project and problem based learning approaches in job design and work organisation to address specific enterprise needs;
 - Developing employee learning portfolios to record and accumulate outcomes from formal and informal learning as the basis of Recognition of Prior Learning;
 - The use of workplace mentoring;
 - Developing partnerships with Registered Training Organisations able to link programs to enterprise needs and build confidence in outcomes from informal and non-formal learning for the purposes of Recognition of Prior Learning.
8. Developing networks of practitioners to share knowledge and experience and examples of successful practice.
9. Adopting strategies to broaden participation in workforce development strategies at the enterprise level by specifically targeting low-skilled and employees with language literacy and numeracy needs and developing highly relevant accessible and "non threatening" programs employing informal and non-formal learning techniques.
10. Extending access to workforce development programs to casual and part-time employees where it is currently not available.
11. Working with suppliers, contractors etc to develop workforce skills in commonly required areas through supply chains, vendor training etc, quality systems etc.
12. Developing strategies to identify, capture, apply and disseminate new knowledge generated through workforce skills development as part of productivity and continuous improvement strategies.
 - For example ensuring that project and problem based learning outcomes are properly recorded and their effectiveness in changing enterprise practices properly evaluated. Participants can then be encouraged and

assisted to disseminate and apply new knowledge by themselves becoming workplace trainers and/or mentors within the enterprise.

Issues for Consultation

4. *What strategies are enterprises currently using for workforce skills development?*
5. *What strategies are most effective in stimulating interest and participation in workforce skills development?*
6. *Are the enterprise level strategies listed above appropriate?*
7. *What additional strategies could be considered and in particular, new and innovative approaches to workforce skills development?*

3.4 Other Comments

Are there any other comments that enterprises wish to make in addition to these questions?

4 Next Steps

Through the consultation process on this report it is proposed to:

1. Discuss the analysis with a view to building understanding of the key issues involved in workforce skilling and workforce skills development;
2. Consider and assess the suggested strategies as the basis of input by the Ai Group to policy development in this area;
3. Consider and assess the suggested enterprise level strategies as the basis of the development of specific approaches and models which can be tested and evaluated through enterprise level case studies.



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