

# Scottish Government's Economic Strategy...

Recognises importance of human capital as the basis upon which Scotland would compete with the world

Highlights the disconnect between Scotland's comparatively well qualified workforce and a lower than anticipated economic impact

Acknowledges that skills utilisation is not front and centre for all employers in Scotland



# Levers which can drive demand...

Leadership campaigns

Encouraging the adoption of ambitious organisational strategies

Supply chain procurement practices of Scotland's biggest industries

Public procurement

Inspection and quality improvement strategies of the public sector

Business support assistance potentially being tied to improvement in skills utilisation



# Skills utilisation action group...

Membership drawn from across all sectors in Scotland

Reported into Skills utilisation leadership group – now led by Mike Russell

Aim was to increase the number of employers in Scotland who see their sustained economic advantage coming through improved skills utilisation of their workforce



# Effective skills utilisation is all about:

Confident, motivated and relevantly skilled individuals who are aware of the skills they possess and know how to best use them in the workplace

*working in*

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

*in order to*

Increase performance and productivity, improve job satisfaction and employee well-being, and stimulate investment, enterprise and innovation



# Effective skills utilisation is all about:

With the right encouragement, support (and in some circumstances, additional training) staff may be able to use their skills more effectively

The main enablers of better workplace practices are leadership and management and employee trust and motivation

Equality issues are also an integral feature

Employers and employees (and their representatives) need to work in partnership to deliver sustainable meaningful change

The impact of new skills training can be maximised if off-the-job training is effectively managed to ensure that what is learned is actually transferred to the workplace



# Skills utilisation – the holy grail?

A 10% increase in business investment in HRM, training and management practices equated on average to:

- An increase in gross profits per employee of between £1139 and £1284
- An increase in profit margins per employee of between 1.19% and 3.66% (i.e. the ratio of profit over sales)
- A 0.09% increase in sales growth per employee
- A 3.1% increase in the probability of achieving sales from new technology



# Recommendations...

Attitudinal and workplace practices requiring significant change

Need to refocus away from the learning system onto what happens in the workplace

Three objectives identified:

...to increase awareness of the relevance and benefits of skills utilisation to organisations and of the range of workplace practices that may improve skills utilisation in their types of workplaces

...to help organisations implement workplace change to improve the utilisation of skills and

...to better support key delivery agencies and stakeholders to deliver these objectives



# Recommendations...

Adopt a communications plan

Public sector to lead by example

Explore public procurement obstacles

Where appropriate, scrutiny frameworks to demonstrate skills utilisation

Enhance services for leadership and management

Embed skills utilisation in organisational development support services

Establish a skills utilisation cross-sectoral communications and learning network



# Skills utilisation - the role of HR?

What functions are there in HR which can contribute to both the acquisition and the utilisation of skills in the workforce/ workplace?



# Skills utilisation – the role of HR?

Examples include:

- Job design
- Competence frameworks
- Employee engagement
- Review and development
- Industrial relations
- Leadership and management
- Design and delivery of learning and development...



# Skills utilisation – the role of HR?

EVALUATION of learning and development!!!



# What about us in HR?

What skills will we need - how will we get them –  
how will we use them effectively?



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# Scottish Government update...

- Case studies
- Funding for projects - universities
- Diagnostic toolkit



# Reference sources...

- [www.scotland.gov.uk/topics/education/skills-strategy/making-skills-work/utilisation/employer advice/betterworkplacepractices](http://www.scotland.gov.uk/topics/education/skills-strategy/making-skills-work/utilisation/employer%20advice/betterworkplacepractices)
- [www.talentmap.ukces](http://www.talentmap.ukces)

