

Improving employer responsiveness

Policy, consultation and research: the key messages

Research

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LEARNING
AND SKILLS
IMPROVEMENT
SERVICE

The logo for the Learning and Skills Improvement Service (LSIS) features a stylized, flowing orange and red graphic that resembles a ribbon or a series of connected loops, positioned to the right of the text.

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**FE support for
business
development**

2 **Publisher**

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FE support for business development

Introduction

This pamphlet extracts the key messages for improving employer responsiveness emerging from a review of policy and QIA/LSIS* research, development and consultation activities relating to further education (FE) support for business development. It is one of a series of six pamphlets that consider how the FE system can develop employer-responsive provision. The others are as follows.

- 1 Developing an employer-focused mission and strategy
- 2 Marketing and infrastructure to support employer engagement
- 3 Flexible and relevant delivery for employer-facing provision
- 4 Quality improvement for employer responsiveness
- 5 Networks and partnerships for employer responsiveness

The QIA/LSIS review looked at 30 reports, considering the implications for quality improvement emerging from research and development activities commissioned by QIA on FE providers' responsiveness to employers' needs since the establishment of QIA in April 2006.

It also considered the related policy context on employer engagement. The full review is available from www.excellencegateway.org.uk/research

Each pamphlet considers issues emerging from a range of material relating to employer responsiveness.

Policy development

Government White Papers and independent reviews that have contributed to policy development in relation to employer responsiveness.

Consultation and feedback

Outcomes of consultation studies and events that provide insights into issues and concerns relating to the employer responsiveness of providers and other stakeholders.*

Research and development

Outcomes from QIA/LSIS studies on employer responsiveness.

The pamphlets also provide short case studies and advice on what providers should do to improve their employer responsiveness.

Key features of employer-responsive provision

The former QIA (now LSIS) identified the key features of responsive provision in *Supporting good practice in employer responsiveness: a guide to quality improvement* (April 2008). See pages 14 and 15 for a mapping of the review items to these key features.*

Features of FE support for business development

Providing support for the wider development of businesses is emerging as an important aspect of employer responsiveness. The key feature relating to this aspect of the service is support for employers' wider activities and for business innovation, such as using expertise or facilities for product development, or encouraging them to use similar support from other sources.

Issues emerging from the review relating to wider support for business development are considered in the sections that follow.

*

The numbers in orange boxes on pages 14 and 15 refer to items included in the review. They are consistent with the numbers in orange boxes elsewhere in this pamphlet.

Policy development

A national innovation ecosystem

The Sainsbury report *The race to the top: a review of government's science and innovation policies* ⁹ sets out the role of science and innovation in enabling the UK to compete in a global economy and move into high-value goods, services and industries, and describes a 'national innovation ecosystem'.

More effective ways to exploit research are needed – considering demand-side factors as well as supporting supply – so that employers are aware of the applications of knowledge in their business context. There is a need for a better understanding of how innovation takes place in different industries to ensure policy initiatives are applied effectively and to accommodate the different requirements of the manufacturing and service industries.

These proposals were taken forward in the joint Department for Innovation, Universities and Skills (DIUS)/Department for Business Enterprise and Regulatory Reform (BERR) White Paper, *Innovation nation*. ¹⁰ This signalled the development of a strategy to promote and support knowledge transfer within the FE reform agenda, which would:

- implement the Leitch Review of Skills to raise skill levels and enhance opportunities for innovation, building implementation of the Sainsbury review recommendations into wider strategies for FE reform;
- establish a revenue-based FE Specialisation and Innovation Fund to build the capacity of the FE sector to support businesses to raise their innovation potential;
- establish at least one National Skills Academy in every major sector of the economy in addition to the planned National Enterprise Academy and the Dyson School for Design Innovation.

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The race to the top: a review of government's science and innovation policies

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Innovation nation

The White Paper was followed by a prospectus issued by the Learning and Skills Council **11** announcing the launch of the fund and inviting FE specialist networks to propose projects allowing FE colleges and training providers to build their collective expertise, learn from best practice, and identify appropriate mechanisms for developing business innovation. The fund will facilitate ‘pathfinder’ projects to explore ways to develop the capacity and capability of the FE workforce to drive business innovation through knowledge and technology transfer.

The fund aims to help FE specialist networks to:

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- build their capacity to engage more strongly in the emerging business innovation market;
 - grow the business innovation market by working collaboratively to provide a wider range of innovative solutions to more employers;
 - improve the impact of their business innovation services on business performance and productivity by benchmarking against the market leaders;
 - refine the way they manage and deliver their business innovation services across their network as part of an on-going continuous improvement process;
 - learn from their experiences, and share that learning proactively across their network and more widely across the FE sector.

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*Further education
specialisation and
innovation: pathfinder
project funding
prospectus*

Developing innovative practice across FE

The vision behind the FE Specialisation and Innovation Fund is to develop a deeper, more dynamic relationship with employers, drawing on the expertise in the FE system that complements and stimulates employer demand for skills and qualifications.

The prospectus emphasises that business innovation does not necessarily have to be 'cutting edge' to be of economic value. FE colleges and training providers are seen as a vital channel for distributing existing knowledge and technology, making these available to employers in new ways and applying them creatively in real working environments.

Every pathfinder project will need to produce and implement a plan for improvement and reflection continuing for some time after LSC investment has taken place. LSIS will provide a programme of facilitation and support for the work of pathfinder projects through its World Class Skills – developing responsive provision programme.

Each project will determine which aspects of innovative practice should be the focus of their capacity-building effort, and LSIS will support that by helping them to formulate a research and development approach. Projects will draw up an action plan of areas to develop and investigate, which will then be monitored through reports designed to share process and practice with other pathfinder projects and the wider FE sector.

The project proposals will include a framework for measuring the outcomes of the investment and the impact of the proposed change and mainstreaming activities. The collection and sharing of this performance data will be the starting point for wider learning activities, as well as quarterly reviews with LSC.

There will be opportunities for all the pathfinder projects and their stakeholders to come together to review progress, and opportunities to maximise learning through peer and Ministerial review at the mid and end points. Pathfinders are also expected to share their learning with the FE system so that innovation services can be extended.

Research and development activity

Developing a range of support for employers

The LSN study commissioned by QIA into effective practice in employer engagement ²³ concluded that more development is needed to ensure that providers support employers through services other than training, for example, with assistance for product development.

Between February and July 2004, the Learning and Skills Development Agency (LSDA) conducted a feasibility study on behalf of the Department for Education and Skills (DfES) and LSC on the introduction of Business Innovation and Support (BIAS) ¹² ¹³ and the possibility of colleges and other LSC-funded providers delivering support for company innovation and development.

The research considered the:

- various potential benefits of the development of BIAS to firms;
- place of the service alongside other forms of business support;
- extent to which the service was in place and the steps needed to consolidate and develop it;
- risks and advantages of developing BIAS in relation to the other activities of the college or learning provider;
- nature of support required to secure quality and capacity in its delivery.

The report concluded that establishing some FE providers with a distinctive vocational mission would be in line with current proposals for the development of a modern further education and training system. The initiative would lead the way in developing an infrastructure and culture to support a college or provider mission that sees the employer as a customer as well as individuals. It would be a key aspect of FE modernisation and reform regarding the role of FE in support for business. The demand-side influence of employers and the economy would be strengthened through more equal dialogue and the establishment of mutual benefits between employers and providers. It could bring about better integration between all aspects of business support in a local area through establishing inter-dependencies between the various bodies providing support.

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Effective practice in employer engagement

12

Report of a feasibility study on the introduction of Business Innovation and Support (BIAS)

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Talking the right language: can further education offer support for business innovation?

Key Business Innovation and Support issues

FE's capacity to deliver BIAS

FE providers could offer support for research and development, specifically in relation to:

- prototype development;
- exploring the best use of manufacturing technology;
- materials and equipment testing and optimising advances in technology;
- obtaining client feedback to inform quality improvement;
- IT networking;
- website design and development.

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Small companies could benefit most from support for innovation provided by FE, as larger companies may already invest in research and development or have in-house capacity. Small businesses lack the time and resources necessary for development and innovation activities and may have limited support networks, particularly in rural areas.

FE's distinctive role

The distinguishing features of FE that could benefit employers were seen as:

- local knowledge;
- links to the knowledge and expertise in other organisations;
- a practical rather than an academic or 'intellectual' approach;
- access to subject specialists, with knowledge that could be deployed to great effect within a business context;
- (in some cases) technical facilities and equipment to illustrate the most up-to-date technology and its potential business use.

Culture change

All research partner organisations had sections that were delivering support for innovation or were committed to its development. Most of these worked within a leadership ethos that recognised its importance. However, it was generally agreed that the culture of important parts of the institution would need to change if optimum progress was to be made. Support for innovation was seen as an important form of employer engagement. Talking to companies about their business needs and the extent to which innovation services could help meet them moved their relationship towards that of strategic partners, with mutual benefits.

Delivering the service

Delivery issues that are pertinent to innovation services relate to the appropriateness of the knowledge of the staff, and speed of response. Unlike bespoke training, this service does not need to take place at a fixed time and place. Securing the release of 'experts' will require staff and managers to be flexible but does not depend on their availability during regular timetabled periods and should disrupt this provision less.

Infrastructure

Quality management systems to support the internal governance of innovation services would be needed, as well as a coordinated database of employer contacts, appraisal and staff development systems and performance indicators.

Skills for delivering innovation support

These were identified as:

- specialist, technical knowledge and skills in the areas of demand;
- ability to apply these in a business context;
- ability to develop practical solutions for companies and to communicate these effectively.

Some FE staff may have the necessary technical expertise and knowledge, but many lack commercial awareness and understanding of the current industrial context and requirements. A staff skills audit should be undertaken to assess the match with skills required for a range of different roles relating to innovation services, including industrial liaison and marketing, internal brokerage, management and administration of the service, as well as direct delivery and practical problem-solving.

Development needs

Two categories of development needs emerged from the study:

- staff development – with particular regard to increased understanding of modern industrial and commercial needs and contexts;
- capacity development – especially in terms of the ability to manage, market and broker innovation services.

Innovation Pathfinders

The Department for Innovation, Universities and Skills (DIUS) has established the FE Specialisation and Innovation Fund, which will facilitate a number of pathfinder projects during 2008–10 to develop FE's capacity to drive business innovation through knowledge and technology transfer.

The pathfinders are all based on existing or newly formed networks.

South West Composites Gateway

Aerospace Training SW

West of England Aerospace Forum

GWE Business West

Lead partner:

City of Bristol College

Innovation in Sustainable Construction

East Midlands NTI Construction Network

Lead partner:

West Nottinghamshire College

College: Business Innovation Accelerator

South West Business Innovation

Knowledge Exchange College Partnership

Lead partner:

Cornwall College

Knowledge Transfer Leadership

The Corporate College Consortium

Lead partner:

Barnfield College

£ink to FSXchange

National Skills Academy (NSA) for

Financial Services

LSIS support for developing business innovation services

The outcomes from the pathfinder projects will contribute to an understanding of what worked in the development of the service and for what reasons, and to disseminate that learning to others.

A programme of support is being delivered through the World Class Skills programme for both the Innovation Pathfinders and aspiring pathfinders.

This will consider a number of issues which are vital to the development of business innovation services by FE.

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Implications for practice – what should providers do?

Supporting business innovation

Cornwall College (available from www.excellencegateway.org.uk/research) is proud of the range of services it offers to employers; not just training courses but research, consultancy and technical support. At Duchy College, Cornwall College's specialist land-based centre, these services are a particularly important feature of the provision. The Rural Business School at Duchy accesses funding from a range of sources to support project work relevant to the sector. A typical example is the Rural Tourism Benchmarking Project. Data is collected confidentially by the Business School and then analysed so that the performance of any business can be compared against its peers. The analysis of differences is a springboard for discussions of how differences in performance can be achieved and how individual businesses can improve. It is a service in its own right but can also open the door to further work.

The most ambitious aspect of this wider business agenda is the opening of a £4.7 million Food Innovation Centre, funded by the Department for the Environment, Food and Rural Affairs (DEFRA) and the EU. The aim of the centre is demonstrate food-processing operations and allow local businesses to access the facilities to experiment with potential new products.

The college sees the centre as one way in which it can be at the hub of the food renaissance in the region, providing training both in adding value to local produce and in running successful food-related businesses. The centre also acts as a showcase for local businesses.

I am looking forward to working with the college and using the facilities it can provide for new product development.

Andy Atkinson, Cornish Orchards

Questions to address

- ▶ Is your organisation involved in helping businesses to apply knowledge from relevant research findings to develop new products and services?
- ▶ What partnerships exist with business or HE to develop the capacity to understand the new developments in specific subject areas that could be of use to employers?

Measuring the impact of support for business innovation

One of the issues that the LSIS Support Programme for the Innovation Pathfinders and aspiring pathfinders will be considering is how to measure the impact of a business innovation service.

The effectiveness of provision is generally assessed within quality assurance and improvement processes and focuses on learners' experience. Measuring the impact of training is now a requirement for full Training Quality Standard (TQS) certification. To achieve the Standard, providers need to have evidence that employers' assessment of the impact of the provider's services on their business needs shows an improving trend or a sustained high level of performance.

Providers need to collect, analyse and use evidence of the impact of their service on employers' business needs.

These need to be:

- relevant to the employer;
- agreed with the employer;
- measurable!

While this is a relatively straightforward process when the service provided is a training course, the impact of a service to support innovation is more problematic.

There is a need to consider an appropriate model for assessing the impact of a business innovation service.

This is important for a number of reasons:

- to ensure that the service is addressing issues that are relevant to the company's success;
- to quality assure the service;
- to ensure that the benefits to the business of investment in innovation are clear so that the service gains repute with employers.

Questions to address

- ▶ Does your organisation routinely collect information on the impact of its service to business?
- ▶ Does this information feed into quality improvement plans?
- ▶ Are the processes used for assessing the impact of training appropriate for assessing the impact of innovation services? If not, are you considering how to develop more appropriate measures?

Included in review items

Key features of employer-responsive provision

Policy development

Consultation and feedback

Research and development

Employer-focused mission and strategy

We explicitly recognise the importance of employer responsiveness throughout our organisation

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Our training portfolio is driven by employer and labour market needs

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We have detailed knowledge of national, regional and local skills needs and likely business developments

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Marketing and infrastructure to support employer engagement

We are aware of the business needs of employers and are committed to fulfilling them

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We provide employers with consistent, named contacts who understand their business

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We have appropriate and dependable administrative systems for employer-facing work

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We record all interactions with employers and use this information for planning and marketing

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We provide high-quality organisational and training needs analysis services

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We enable employers to secure appropriate training at a reasonable cost

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Here the items from the review catalogue are mapped to the key features of responsive provision identified in QIA's *Supporting good practice in employer responsiveness: a guide to quality improvement* (2008).

Mapping key features to the review

Included in review items

Key features of employer-responsive provision	Policy development	Consultation and feedback	Research and development
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Flexible and relevant delivery

We are able to provide training promptly in response to identified needs	2 6	14 15 16 17	18 20 23 27 28 30
We provide training in a way that minimises disturbance to the employer’s business and is delivered flexibly	4 5 6	17 18	18 20 23 26 28 30
We ensure that all trainees get initial assessment and guidance to ensure they and their employers get maximum benefits from their training and are supported to progress further	5 6 8	16	18 19 20 22 23 25 30
Our trainers and assessors are experts and interact effectively with employers and their workforce	1 2 4 9 10	14 15 16 17	18 20 22 24 28 30
We ensure that we use high-quality, appropriate training resources	3		18 23 24 26 30

Quality improvement

We help employers to identify the likely impact of training and development on their business and to measure the impact in the short and long term	1 2 3 4 5 7 9 10	15	18 20 27 28 30
We evaluate all our training and have rigorous quality assurance arrangements to continually improve the service	8	14 16 17	18 19 21 27 28 30
We share information and good practice with our colleagues to enable everyone to improve	9 10	15 17	19 20 21 24 25 27

Networks and partnerships

We are part of local training networks and partnerships aiming to improve the service to employers	1 3 4 5 9 11	12 13 14 15 17	18 19 22 25 26 27
We support networks of local employers to improve their access to training	3 6		20 24 27

Support for business development

We support employers’ wider activities, such as using expertise or facilities for product development, or encourage them to use similar support from other sources	9 10 11	12 13	23
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