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Developing Responsive Provision

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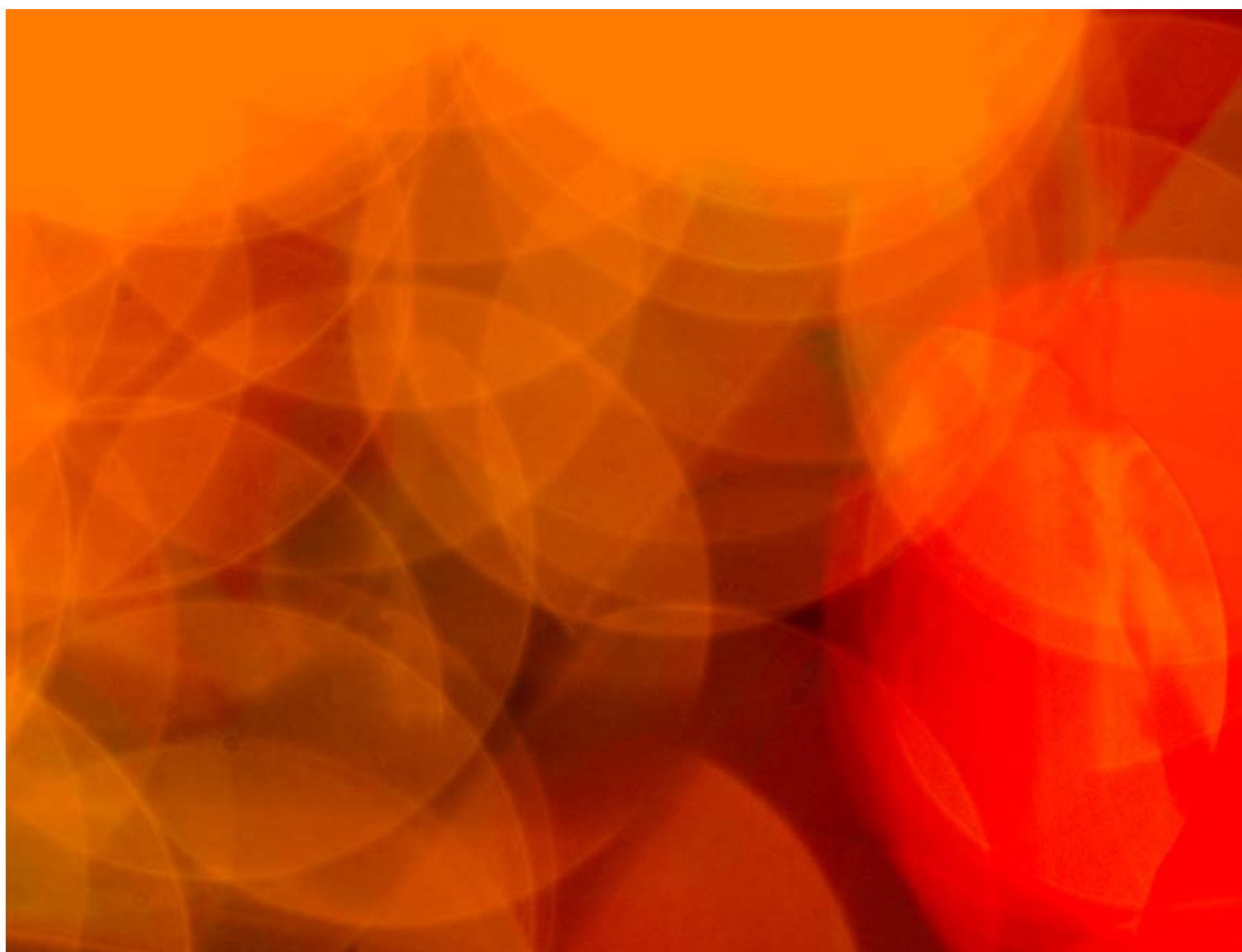
Using labour market information

Introduction

This guide is designed to help you use labour market information (LMI) in your organisation. It provides information on how it can be collected, recorded, monitored and used to aid improvement.

Labour market information alone is of limited use; it needs to be converted into labour market *intelligence* to be effective. Providers will therefore need to consider how any LMI they may use can meet their bespoke needs by taking into account such aspects as:

- how they operate
- the size of the organisation
- types of vocational discipline, etc.

This guide is developed from a series of Improvement Projects undertaken in 2007 as part of the Development Programme for Train to Gain (DPfTtG) and four national seminars on labour market information in January and February 2008. It opens with a series of top tips, which are then expanded in five longer sections.

Further information

Information from the Improvement Projects and the national seminars indicate that the four most common sources of LMI used by providers are from:

- the Learning and Skills Council
- Sector Skills Councils
- employers
- providers' own records.

Appendix 1 is a tool to help you assess how you use labour market information.

Appendix 2 provides a list of the 25 Sector Skills Councils and their web addresses.

Information on the Improvement Projects, working with employers as customers and an Employer Responsiveness Resource Pack produced from the projects can be found at: www.qiaemployerled.org.uk

Top tips

- There is no formula for determining the most suitable LMI. Providers need to find the type and amount that they feel will meet their operational requirements.

- It is important to have a basic understanding of the LMI available, what it covers and its most likely use. You do not need a detailed knowledge of all the LMI available but you should be fully conversant with any that you use.

- Be prepared to challenge LMI, especially when what is happening locally and to your employers is different from what is being indicated. Check out your perceptions to confirm if they are correct. ~~and~~ Also see if you can identify if your organisation is contributing to the situation either by meeting or failing to meet any required demands.

- The use of LMI should be encouraged throughout the organisation from senior management to operational staff. The best providers have an environment in which LMI is seen as a valuable tool to aid improvement and development.

- Make LMI an integral part of your quality procedures and ensure that staff are confident in using the information to make informed decisions.

- Ensure that LMI is being used at programme level. Put in place practices that will require LMI to be used as part of programme- level quality improvement procedures. Remember to monitor and evaluate the procedures to ensure that they are being followed and are effective.

- Evaluate the LMI that you are presently using to see if it is doing what you require. Be prepared to use other sources if the LMI being used fails to meet your need.

- It is important to have good recording and storage processes to ensure that suitable LMI is available as and when required by staff. In some organisations (usually large) it is advisable to have a central collection and distribution point. It will filter and assess the suitability of the LMI then send it to relevant parties.

- When considering LMI remember that you will already hold information on the employers with which you work. Use it to give you information about the local business environment, employment trends, concerns for the sector in question and future development opportunities, etc.

- All organisations will have some latent LMI that is not being used. Put in place practices and procedures that will capture this LMI and transfer it where it will be the most effective.

1. Labour market intelligence

There is a vast amount of labour market information available from many different sources at local, regional, national and international levels. With application it is possible to obtain information that will meet the requirement of any provider in the sector.

Labour market information on its own, devoid of analysis and consideration of expected outcomes, is of limited value. You can take the first step towards turning labour market information into labour market intelligence by filtering out inappropriate information. The rest of the information then needs to be analysed to determine how it will affect your operating practices.

You need to be prepared to challenge information, especially when it is contradictory. This is particularly relevant when there is a mismatch between what your employers are saying, or experiencing.

2. Know what LMI is available

Providers need a reasonable appreciation of the types of information available. You do not need detailed knowledge of each but rather an intimate understanding of the sources that will have the most impact on your operation. It is possible to have too much LMI and not be able to see the wood for the trees.

Appendix 1 will help you assess what LMI you have and how you use it. By getting groups of staff to complete the assessment tool you can get a clear impression of what LMI is presently being used, how it is being used and when it was last used.

Strategic planning tends to relate to longer term developments. Therefore any LMI used for strategic planning, particularly long-term planning, is at risk of change and will require monitoring to ensure that the information is still relevant.

LMI used for operational planning should be less time related, so the best type for this process is usually from local or project-related sources. These will provide information closer to the provider's present operating environment. Sometimes obtaining suitable quality operational LMI can be problematic, which can lead to decisions being made using inappropriate information or reduced estimates of long-term trends.

If you use LMI to seek extra funding through one-off projects be aware that it may become a performance indicator used to assess the project outcomes and ultimately determine success. It is therefore important that any LMI used is well understood and will produce the required performance outcomes.

3. LMI held by providers

Most providers have a core of employers that they usually service. For many providers this core will account for over 85% of their employer engagement and is therefore a potentially rich source of local LMI.

Providers will already hold information on employers that they can use to find out more about what is actually happening in a particular vocational area at a local level. They will hold employer details, contact names, learner recruitment, success and progression rates, and so on, which will all help to build a local LMI picture. In some instances you will be able to compare this information directly against other LMI sources.

The expansion of on-site learning and assessment now provides more opportunities for direct contact with employers. This opportunity should be used to collect some of the information indicated below to help form a picture of present and future labour market requirements:

- future requirements – short term and long term
- possible constraints on development – internally and externally
- impact of training on the business
- information on possible developments that will influence the business.

Information gained from employers needs to be recorded accurately and stored in a way that allows easy access and maximum utilisation, ideally in some form of database, or customer relation management system (CRM). An effective CRM systems can help to prevent employers being continually asked to provide the same information by different members of staff.

Information obtained through networking and attendance at meetings and training seminars can provide valuable LMI but you need to ensure that any suitable material is recorded and fed into some form of communication system for use by interested parties. Otherwise this potential LMI goes unused.

There is no definitive system for the collection and storage of information that is suitable for everyone's requirements so providers will need to develop a system that will meet your particular criteria. Some providers have all LMI fed into a central source; they then determine the best suitable information to pass to relevant parties for action. CRM systems can be an effective mechanism for this type of operation, especially when they are adequately resourced with knowledgeable dedicated staff.

In most organisations you will find that staff have gathered and hold 'latent' information. Often they have not used this information or released it to colleagues for wider use. Having a common process for the collection and recording of such information that is understood and practised by all staff will help to ensure that it does not go to waste. Having a central point for the storage of this information can help.

4. LMI at programme level

The use of LMI at programme level is at best limited and often non-existent. Programmes often operate without any involvement with LMI and with little or no formal consideration of what is happening in their specific labour market.

It is a good practice to use LMI as an indicator of need when you are considering the development of new provision. Also remember to use it, once a programme is up and running, as a useful indicator of performance against national, regional and local trends. It will provide a good indication of what is actually happening in your area.

Most providers have comprehensive quality systems with an array of processes, procedures and practices. Programme-level performance is one of the main drivers of quality and therefore should be actively comparing itself not just against the standard performance indicators but also against what is happening in the local labour market. You can use LMI to see if information being provided from different sources:

- is being replicated in a particular area: if not, why not and are there reasons for the difference?
- will remain the same or will there be changes, if so what will be the effect on the programme area?
- shows that the area has to change to meet new demands.

Programme areas will also be very involved in the employer engagement/employer responsiveness agenda. Working directly with employers makes programme area staff important recipients of information that will show operationally that an organisation is employer-focused. Better use and understanding of LMI at programme level can therefore help show that you are responsive to employers and that you meet the needs of the sector and the local community.

5. Evaluating LMI

It is important to evaluate any LMI you are using to check that it is producing the outcomes required and that it complements your other operating practices.

There is no ideal time to undertake an evaluation, although towards the end of the planning or academic year is probably best. You should be able to do this as part of the quality review process within the quality cycle calendar.

The actual evaluation need not be too detailed but should seek to:

- determine if the LMI used has been accurate
- identify other LMI that could also be used
- determine the most suitable LMI for the task in question
- check that the LMI being used is up to date.

Appendix 1 Assessing how you use labour market information

Consider each potential source of LMI listed below. Then record

- how you use it (for example, to inform your marketing plan or devise new offers)

- when you last used it.

Ask yourself the following questions:

- are we getting the right information?

- are we using the information effectively?

- what more do we need to do?

Discuss your thoughts with colleagues and set in motion an action plan to enhance your organisation's use of LMI.

Source	How do you use it?	When it was last used
Local Council		
Metropolitan / County Council		
Learning and Skills Council		
Jobcentre Plus		
Regional skills partnerships		
Chamber of Commerce		
Union data		
Regional observatory		
Regional Development Agency		
Department for Business, Enterprise and Regulatory Reform (DBERR)		
Government offices		
Press coverage		
Information picked up by staff who visit employers		
Company reports and accounts		
Sector Skills Council		
Other (specify)		

Appendix 2 Sector Skills Councils

SSC	Sector	Web
Asset Skills	Property, housing, cleaning services and facilities management	www.assetskills.org
Automotive Skills	Retail motor industry	www.automotiveskills.org.uk
Cogent	Chemicals and pharmaceuticals, nuclear, gas, petroleum and polymers	www.cogent-ssc.com
ConstructionSkills	Construction	www.cskills.org
Creative & Cultural Skills	Advertising, craft, cultural heritage, design, music, performing, literary and visual arts	www.ccskills.org.uk
Energy & Utility Skills	Electricity, gas, waste management and water industries	www.euskills.co.uk
e-skills	Information technology and telecommunications	www.e-skills.com
Financial Services Skills Council	Financial services industry	www.fssc.org.uk
GoSkills	Passenger Transport	www.goskills.org
Government Skills	Central government	www.government-skills.gov.uk
Improve Ltd	Food and drink manufacturing and processing	www.improveltd.co.uk
Lantra	Environmental and land-based industries	www.lantra.co.uk

Lifelong learning UK	Community learning and development, further education, higher education, libraries, archives and information services, work-based learning	www.lifelonglearninguk.org
People 1st	Hospitality, leisure, travel and tourism industry	www.people1st.co.uk
Proskills UK	Process and manufacturing in building products, coating, glass, printing, extractive and mineral processing industries	www.proskills.co.uk
SEMTA	Science, engineering and manufacturing technologies	www.semta.org.uk
Skillfast-UK	Fashion and Textiles	www.skillfast-uk.org
Skills for Care and Development	Social care, children, early years and young people's workforce in the UK	www.skillsforcare.org.uk
Skills for Health	The health sector across the UK	www.skillsforhealth.org.uk
Skills for Justice	Policing & law enforcement, youth justice, custodial care, community justice, court service and forensic science	www.skillsforjustice.com
Skills for Logistics	Freight logistics and wholesaling industry	www.skillsforlogistics.org
SkillsActive	Sport and recreation, health and fitness, the outdoors, playwork and the caravan industry	www.skillsactive.com
Skillset	Broadcasting, film, video, interactive media and photo imaging	www.skillset.org
Skillsmart retail	Retail	www.skillssmartretail.com
SummitSkills	Building services engineering	www.summitskills.org.uk