

# 2020 Skills Vision – Executive Summary

## The Skills, Recruitment and Training Landscape

### Introduction and objectives

This report was conceived last year as a response to concerns about current and future skills shortages in the engineering sector.

It was initiated by the Engineering and Machinery Alliance, an alliance of trade associations, all of which identified skills as the biggest issue facing their sectors: machine tools, automation, robotics, component manufacturing, material handling, distribution, and maintenance, including compressed air and fluid power.

The objectives of the report were:

- to identify SMEs' approaches to funded apprenticeships and alternatives to apprenticeships;
- to produce a report that EAMA's member associations could use to strengthen debate and elicit positive action within their sectors;
- to prompt further policy development within EAMA and government.

Since the survey was completed and the report largely written, the UK has been hit by the coronavirus COVID-19 pandemic. That crisis has transformed the immediate priorities of businesses and government and created uncertainties about the future. Short-to-medium term employment levels in engineering (as elsewhere) are uncertain and this is likely to change the dynamic in terms of skills shortages. These developments will inevitably influence thinking.

The original objectives of the project remain valid, however. Skills remains a central issue for the sector and arguably takes on a greater urgency for firms. Supply chains are being re-appraised, creating new threats and opportunities, and it is anticipated that there will be a greater urgency for accepting new technology, methods of working, and business models – all of which will impact on skills requirements.

### Findings of the report

The report shows an industry facing extensive problems with training provision:

- more than three-quarters of companies have major skills gaps;
- those firms that do not perceive a skills gap tend to be small;
- an exceptionally wide range of specialist skill requirements were identified;
- the most common gap was in digital skills;
- older workers have many strengths but can be slow to adopt new technology;
- the biggest impacts of recruitment and skills gaps are increased workload on other staff and reduced productivity;
- the most common training was in-house, undertaken by three-quarters of surveyed companies, followed by training from equipment suppliers, used by half the firms surveyed. A small number of firms sent staff to their European parent companies for training;
- skills planning tends to be short-term, although one third of companies say they can plan a long-term strategy;

- half the firms surveyed had one or more apprentices, with intermediate and advanced the most common levels.

While many firms can access satisfactory apprentice training services, a range of reasons are provided as to why apprentices are not engaged:

- training in the subject is either completely unavailable, too far away or goes into the subject in insufficient depth and quality;
- it was widely felt that there is insufficient funding and support for training technicians and product support staff;
- the employer, mostly small firms, felt unable to offer the training and mentoring needed;
- apprentices being unsuited to the nature and level of work – including perceived health and safety issues around young people;
- there was a lack of suitable candidates;
- cost.

It was clear that engagement between employers and training providers is often poor, especially where the training provider is not located nearby.

Asked what actions should be taken, the top three priorities felt by employers were:

- stronger promotion of engineering and manufacturing careers;
- improved technical education in schools;
- more and better courses from colleges.

### **Commentary and next steps**

There is a perceived issue in the industry around having young people on site. It is key that the perceptions around this are better understood to allow employers to take young people for work experience as part of the roll out of T Levels. This can be an important step towards meeting the industry's desire, and need, to attract young people with the right aptitude and attitude. 'Health and safety' was often quoted, although it is far from clear that the regulatory issues are different for under-18 from what they are for adults. Insurance issues are likely to be a factor in the minds of many firms. EAMA can play a role in better understanding what lies behind these perceptions and working with partner to provide factual information and propose solutions.

EAMA's trade associations are already at the centre of their sectors. Many already have a significant, beneficial, and increasing involvement in apprenticeship standards and training delivery, engaging with their members and other stakeholders. These activities should be recognised and encouraged, particularly in the following area:

- promoting best practice for their sectors. They may wish to develop a toolkit for firms to help them to plan and manage their training needs, and to highlight what is available. This could be an evolving and flexible document; with an option to add a bench-marking service;
- sustained encouragement of firms in their sector to pool their skills training requirements, in order to be in a better position to procure high-quality training, either from third parties or in consortium, that meets their needs. We are seeing a recognition by many firms of an increasing need to collaborate with others in the supply chain on other issues, and skills is an area where collaboration can deliver strongly beneficial outcomes. This can be done

while recognising that some firms may prefer to maintain confidentiality, for reasons of competitive advantage;

- working, with members and other stakeholders, to identify and develop centres of excellence. It may be that for some skills there is tension to be resolved, between having many training centres without the need to stay away overnight, and fewer – perhaps down to one or two national centres – providing centres of excellence;
- many of EAMA's members already partner organisations dedicated to supporting firms that wish to promote themselves to schools and colleges in their area. They may wish to urge much stronger participation in these schemes by members;
- we anticipate that the COVID-19 crisis will prompt a surge of interest in e-learning, and we are already seeing an acceleration in the development of e-learning tools. The role of e-learning in helping to meet skills needs should be re-assessed;
- it is recognised that additional workload on trade bodies, as elsewhere, requires additional resource and the active support of members;
- it is hoped that this report can contribute to a re-appraisal of EAMA trade associations' asks of government, in terms of support for their members and sectors. Now is the time to start being specific as to what is needed, and to press ministers.

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