

NATIONAL ECONOMIC FORUM – NINETEENTH MEETING : 13 DECEMBER 2017

DISCUSSION REPORT: INNOVATION, TECHNOLOGICAL ADVANCES AND THE CHANGING WORLD OF WORK: DO WE UNDERSTAND SCOTLAND'S FUTURE SKILLS NEEDS

Host:

- **Mr Hepburn, Minister for Employability and Training**

Speaker / facilitator:

- **Lucy-Rose Walker – Entrepreneurial Spark**
- **Victoria Hamilton – Recoil Knee Pads**

Summary

The discussion group explored the importance of understanding and delivering Scotland's future skills needs, to drive increased productivity and inclusive economic growth in Scotland. The discussion built on references made in the opening addresses to the NEF by both FM and Nora Senior in relation to the Strategic Board.

Introduction and Background

While Scotland's skills levels compare well with other OECD countries, similar comparisons on other indicators, such as productivity, demonstrate a more challenging environment. Improving the contribution skills can make to increased productivity is an area of importance for the recently established Strategic Board. Within this context the discussion group explored the extent to which we understand Scotland's future skills need, based on current work on this agenda by Skills Development Scotland's Centre for Work Based Learning.

The Minister for Employment and Training introduced the session, underlining the importance of debate on the future skills agenda in Scotland. The discussion was then facilitated by two Entrepreneurs, who used two videos to provide a thought provoking overview of both the rapidly changing world of work, and the roles of individuals and their skills within this.

Themes discussed:

Discussions covered a wide range of dynamics on the future skills agenda, but the overarching themes are summarised below:

The need to balance both technology/digital advances and human potential in the future. This will require identifying those economic opportunities where both elements could flourish, and getting the balance right in order to derive mutual benefits which recognised each element has a future role and future value.

The ability to respond at pace to emerging skills needs. A range of issues were explored, from the value of incremental marginal changes, to the perceived rigidity and inflexibility of the wider system, institutions, and their planning processes within it. It was widely accepted that Scotland's future skills needs are largely a known unknown. While our current skills gaps are more clearly understood, our skills system must begin to develop understanding of our future skills needs if we are to maximise future opportunity.

The need to create new and improved opportunities for skills development. There was a very strong focus in the discussion on the importance and value of up-skilling and reskilling our

existing workforce. This would require different types of capacity within the skills system and new approaches, including an appetite for risk (despite financial constraints) as necessary to developing a system which is more future focussed. Both the development of the Strategic Board and Developing the Young Workforce (DYW) are examples of where more radical approaches were being developed, which could be built upon in the future.

Scotland's skills system

There was a number of references to the agility, responsiveness, and ability, of Scotland's skills system to understand and deliver our future skills needs. A range of issues were explored in relation to this including:

- The duration and relevance of skills development, particularly within more formal settings, with the longer term planning processes which underpin these seen as a potential barrier to agility and responsiveness.
- The extent to which these formal settings and the provision within them truly reflect the increasingly dynamic and rapidly evolving nature of work. There was reference to the increasingly creative environments that 'disrupters' were establishing, and the ability of young people to adapt to this. Can the same be said for our skills system?
- The opportunities within work based learning to provide shorter, but more continual, bursts of learning which are more closely aligned to emerging changes in the labour market, economy and employer demand. This requires enhanced leadership, management and coaching within businesses, and for this to be supported by the public sector and its institutions.
- The importance of informal learning, mentoring, and peer support within the work place, were often cited as being valuable and bespoke mechanisms through which more agile and relevant skills support can be provided.
- The importance of meaningful employer input into the skills system was underlined, as was the need for this to increasingly include small and micro businesses.
- The need to develop a perspective and supporting delivery models which kept pace with emerging change, rather than focus so much on addressing already established skills needs.
- All of the above issues were considered to be important and appropriate for the Strategic Board to consider.

Skills for individuals

There was a number of references to the types of individuals who would require support in developing their skills in the future. These can be summarised as follows:

- The need to develop the correct mind set and attitude in both the existing as well as future workforce.
- The need to provide skills support at all levels of the labour market, in particular recognising low level skills are an intrinsic part of the economy and labour market.
- The importance of up-skilling and reskilling the entire workforce to avoid skill levels becoming even more polarised. And in doing so, recognising that the need for future and different skills can cause anxiety in the work place.
- The importance of cross generational learning was recognised. As the workforce becomes older and works for longer, how do we ensure this extended knowledge, expertise and experience is shared and used for the benefit of others?
- The importance of reskilling workforce returners and providing new work experience opportunities to ease that transition, capitalising on their expertise and experience.

What are our future skills?

There was a wide ranging discussion on the skills, attributes and attitudes which might form the highly skilled workforce of the future. The importance of a growth mind set – one which is fixed on seizing opportunities – was underlined, and could be increasingly recognised and evidenced within our young people. There was however less assurance over the extent to which the wider demographic displayed this trait. The need to be ‘opportunity hungry’ echoed key themes of the introductory address to the NEF by Nora Senior in particular.

A range of future core skills, attributes and attitudes were suggested, building on this theme:

- the ability to continually learn (including from others),
- being comfortable with being uncomfortable
- tenacity
- to actively question and challenge
- agility and flexibility
- social and emotional skills and intelligence
- curiosity

It was recognised that the Curriculum for Excellence is helping to develop many of these within the school context, but there was less assurance on how development of these skills, attributes and attitudes were being embedded in a wider education and skills context, and how we might encourage and measure these types of learning outcomes more systematically.

Closing Comments

In summary it was recognised that Scotland may very well require a different skills base in the future, that developing those skills now would require different approaches in our education and skills system, and this required a more forward looking perspective and agenda which went beyond currently understood and quantifiable skills requirements.

Confidence was taken from the recent development of Foundation and Graduate Level Apprenticeships, and their focus on developing vocational and high level skills in a work based learning context, through new partnerships between employers and educational institutions.

The need to follow the principles of these models and think about greater diversification in our skills support in Scotland, increasingly up-skilling and reskilling the workforce, will be important in both addressing Scotland’s future skills needs and in ensuring skills gaps do not widen. The role of Strategic Board was both welcome, and seen as fundamental, in driving a more co-ordinated and opportunity hungry approach to this agenda

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