

**Student Experience, Teaching and Quality Committee
Summary of Skills and Employability Strategic Discussion**

21 October 2009

Context

1. At SETQ's October meeting, the strategic discussion focused on skills and employability. The purpose of this agenda item was for members to advise officers how they would like to see critical or key aspects of the skills and employability agenda taken forward.
2. Paper SETQC/09/15 was briefly introduced. The paper set the scene in terms of Welsh Assembly Government policy and summarised recent HEFCW activity in this area. Attention was also drawn to the CBI's *Stronger Together* report and the National Assembly for Wales Enterprise and Learning Committee's report into *The Economic Contribution of Higher Education in Wales*.
3. The session opened with three presentations which covered a number of different angles from within the wider skills and employability agenda:
 - *GO Wales and the employability agenda*: presentation by Jackie Cresswell-Griffith
 - *A perspective from the Wales Employment and Skills Board – the Employer Challenge*: presentation and discussion paper (SETQC/09/15 Annex B) by Professor Danny Saunders
 - *The role of SSCs in Wales*: presentation and discussion paper (SETQC/09/15 Annex C) by Michelle Creed.
4. The presentations set the scene for the group discussions, which were followed by a feedback and conclusions session.

Discussion outcomes

Group One: Graduate Employability

5. The group focuses its discussion around two issues.
6. *Question One: How do we ensure more systematic and comprehensive action around the themes of employability and work-related learning in universities in Wales (eg especially for curriculum areas that do not traditionally address employability issues)?* The following key points were made:
 - There were issues around defining 'employability skills'. WESB's view was that definitions were many and various and sometimes an issue of semantics.

- Some group members considered that, until employers defined the employability skills they required, the sector could not be clear of the expectations placed upon them and, therefore, they could be continually accused of not delivering.
- The sector and employers needed to establish a common language, the lack of which was often a barrier to closer working.
- The group advised against focusing on specialist/sector-defined employability skills that quickly date and become irrelevant. Students require skills that are 'future proofed'.
- The group noted that employers wanted 'just in time' specific job skills, but these specific skills become quickly outdated while the sector had longer lead in times to devise and deliver new provision than employers sometimes anticipated.
- There was some concern about requiring homogenous employability skills. For example, some sectors required creative/'out of the box' thinkers; others required more lateral thinkers.
- The group noted that year 9 pupils/key stage three tended to lose focus/momentum at this stage in their studies, now there were no key stage three SATS. Therefore, introducing employability skills at this stage would have positive benefits.
- The sector needs to promote itself and its products to improve employers' perceptions. This would encourage employers to engage with a broader range of HEIs, ie not just the research intensive / Russell Group.
- The group recognised that HE often promotes itself as an end in itself, rather than as part of a lifelong learning continuum towards high level employment and personal well-being.
- The group considered whether employability skills in HE should be embedded in, or separate from, other HE academic subjects. It was agreed that they should be separate to ensure that:
 - they are delivered by specialists not subject academics (eg by business people rather than subject specialists who may have little knowledge of business);
 - they are up to date and realistic;
 - they provide business role models;
 - they are provided equally and to the same standard across the HEI.
- Risks with the embedded model included curriculum coordination problems, extra costs and the constraints of a modular framework focused on, and funded through, the delivery of dept/academic subject specialisms.

7. *Question Two: Should we consider the possibility of incentives, etc, that could be offered to employers and/or to universities for developing employability skills that strengthen career routes into priority sectors.* The following points were made:

- The group noted that Estyn does not inspect schools against any criteria relating to employability skills/learning and teaching which did not incentivise schools to engage in the employability agenda.

- The group noted that RH targets are input focussed, ie focused on Communities First areas, not on the progression of these groups through HE (retention issues) and into employment.

Group 2: Working with SSCs

8. The group focused its discussion around the following question: *What more can HEIs do to actively support SSCs in delivering their core remit, particularly in relation to (a) research/labour market intelligence; (b) developing and embedding National Occupational Standards into HE qualifications; (c) development of employer-led qualifications; and (d) practical development of employer engagement structures?*

a) Research/labour market intelligence (LMI)

- There may be scope to make better use of research capacity in the HE sector in relation to LMI. While commercial firms have a clear role in this respect, the group was unclear as to the extent of research available from the HE sector in Wales. Academic research in this area is not always disseminated effectively and therefore not being built upon. The possibility of investing in the HE sector to exploit its expertise might be worth exploring. Results need to be robust. There may well be a substantial role for HE in contributing to the robustness of LMI-related research.
- Labour market surveys are often at a high level of aggregation (eg presented on an all-Wales basis), which is not useful in helping HEIs to plan strategically. However, sub-regionalising might also give rise to problems. Sample sizes are an issue, in that data protection may prevent publication of disaggregated data. Also, the data required might not exist/be available.
- LLUK has a budget of £1.6m across the UK for all of the sectors within its footprint – the cost of LMI-related research is large in comparison to their overall budget.
- The group's perception was that the Assembly's Learning and Skills Observatory contained little information and was not well publicised, but that this could be a useful repository for LMI-related research. HEFCW might suggest to the Assembly Government that the Observatory should provide details on who is doing what in relation to the provision of LMI (eg via a mapping exercise) and provide a means of accessing this information.

b) Developing and embedding National Occupational Standards (NOS) into HE qualifications; and (c) development of employer-led qualifications

- There is an ongoing debate about this in England, focusing on quality control. The QAA is working with the sector on this issue.
- The HE sector cannot always respond as quickly as employers might want, but there are ways of fast-tracking (eg via the use of foundation degrees).
- 'Employer-led' is perhaps the wrong term; it would be better to focus on partnerships. There should be an emphasis on ensuring that the customer voice heard is (as opposed to the supplier voice). There needs to be reference as to how employers can articulate their precise requirements, eg in relation to course level, cost, volume of credit, etc.

- The group discussed the SHELL STEP framework in England, ie a system that can be put into place quickly against identified employer requirements and set in an academic context. Such a framework may involve training staff in industry and managing expectations.
- Training provision needs to incorporate employer-specific, as well as generic, elements. Sustainability needs to be built in: eg if the employer walks away from a programme run within an HEI, the students will need to have been given transferable skills. There also needs to be sufficient demand: there are high risks in HEIs working with small numbers or with SMEs.
- The HE sector can develop new skills provision, but it needs better information on specific skills gaps. How should HEIs best engage with SSCs, and with other stakeholder organisations, to fully articulate employer demand without duplication, undue competition, or “reinventing the wheel”? There needs to be an appreciation of the costs involved in setting up the required partnerships.
- The group noted that this type of relationship works in relation to the health service, ie dialogue with course providers, liaison with SSCs, commissioning of programmes. The view was that all publicly funded programmes should work like this (a particularly good example is social care), but this will need to be driven strategically by the Welsh Assembly Government. It was noted that the role of SSCs includes dialogue with the Professional, Statutory and Regulatory Bodies (PSRBs), which do have a role in directing curricula.
- HEIs should identify how they are discharging their public responsibilities via linking with SSCs.
- The group was reminded that the role of an SSC is to represent its particular sector, as opposed to individual employers within that sector.

d) Practical development of employer engagement structures

- There may well be issues relating to competitive advantage. HEIs need to be able to talk the employers’ language. There is also potential for a disconnect within the HEI – research activity does not necessarily link to learning and teaching activity.
- There are existing policy imperatives for HEI employer engagement, as this is included within the Third Mission strategies required by HEFCW. These strategies allow HEIs to elaborate on their activity in terms of their relationship with business and employers.
- There may be benefit in asking HEIs to link their teaching quality information (which includes information on how they link with employers) to SSC activity, ie a move to SSC links rather than individual employer links.
- Links to SSCs need to be managed in a coherent way. WAG funds a number of initiatives (eg the Human Resource Development (HRD) advisers supported via its Workforce Development Programme) and HEIs need to make links with these.

9. In conclusion the group noted:

- The challenges of obtaining good research data at both a sector and a local level;

- The need for the Learning and Skills Observatory to link with HE activity on skills and employability;
- The need to avoid employer engagement being compartmentalised within too many agencies. Employer engagement strategies of HEIs should include a broader dialogue with SSCs and how partnerships could be mutually beneficial;
- Between the needs of students, employers, SSCs, PSRBs, etc, HEIs have a huge balancing act to manage.

Group 3: Business needs

10. The group focused on three of the six priorities identified by the CBI's *Stronger Together* report in terms of what business wants from higher education. That is: *How might HEFCW take steps to ensure all graduates have employability skills; encourage more workforce training; and support diversity in the HE system to cater for an ever-wider range of student and business needs?* The following key points were made:

- Evidence of employer demand may be one way of demonstrating the impact of HE.
- There is a danger of parochialism, ie graduates from Wales need to be able to impact in a global market, not just on the Welsh economy. Wales needs to be seen as an attractive place for international students to set up businesses. But there is potential for conflict between competing agendas, eg the need for HEIs to demonstrate their impact on the economic agenda may conflict with the international agenda for HE. Welsh HE will need to create an attractive environment for international students and Wales as a whole will benefit, whether or not these students remain after graduation. (NB overseas students are not eligible under the GO Wales programme.)
- We need to capitalise on the fact that the Welsh Assembly Government now seems to be more overtly recognising the contribution of higher education, but in reporting impact there needs to be a mix of evidence. Specific data needs to be accompanied by appropriate narrative.
- The CBI is not necessarily the right lobby group to represent the needs of Wales, with its a relatively high SMEs presence.
- The Scottish Government has identified higher education as one of its key priority sectors. We need to be more assertive in challenging the Welsh Assembly Government on its own sector priorities.
- Flexibility of funding: the mechanism for reporting student progression needs to be matched to HEFCW's flexible credit-based funding method. The HESA returns currently work against this, with implications in terms of clawback. The issue is one of encouraging, but managing, risk. Departments that want to take risks in terms of developing new or non-traditional course provision are often prevented from doing so because of the danger of non-completion and funding clawback. HEFCW needs to introduce the concept of sharing the risk with the HE sector in cases where HEIs want to prioritise new markets and provide something distinctive for their graduates. The model now being drawn up for funding the University of the Heads of the Valleys Initiative (a relatively high-risk venture) may prove useful in this respect, as its ring-fenced funding will provide a degree of "cushioning" for a particular group of students.

- Numbers of part-time students have declined over the past five or six years. This seemed to indicate a mismatch with a flexible model of provision.
- First destination studies (DLHE) do not categorise self-employment as a graduate level employment.
- Precise workforce/LMI data gathering exercises are out of date very quickly, for example as the economy changes. We therefore need generic skills and generic aspirations, which means that any disinvestment argument is difficult to defend.
- There need to be new models for sharing best practice, eg where HEIs can ask for input from entrepreneurs, employers organisations, professional bodies, etc. A directive to work exclusively through SSCs might get in the way of wider employer engagement.

Feedback and conclusions

11. Each of the groups provided brief feedback on its discussion (a summary of the issues covered is attached) The Committee then turned to the two specific questions posed in paper SETQ/09/15:

Para 14.2 HEFCW funding: HEFCW is about to consult on the operation of the third cycle of the Third Mission Fund. Should some of this funding (currently largely unhypothecated) be tied to the delivery of specific policy imperatives in relation to skills and employability?

- Members appreciated the sentiment behind this proposal, but advised against it. The Third Mission strategies required by HEFCW deal adequately with this agenda without the need to hypothecate funding, which would tie the Third Mission Fund to outcomes that were too specific and would therefore act against the principles established for the Fund. The Committee noted that HEFCW's consultation circular would be published imminently.

Para 14.3 Remit letter requirements: How might we demonstrate the economic impact of HEI activity in relation to skills provision and graduate employability?

- Members suggested that there was potential here for a programme of applied research into the impact of the HE sector. It was also noted that research initiative currently being funded jointly by ESRC and the UK funding bodies *Impact of HEIs on Regional Economies* would be useful in this respect and that HEFCW's Research, Innovation and Engagement Committee would be looking more closely at the outcomes of this.
- It was recognised that the need for a better understanding of the impact of HE is a UK-wide issue (reference was made to a recent speech by David Lammy to UUK in Edinburgh).
- It was agreed that the standard input/output model needed to be supplemented with appropriate narrative. It was also important to describe the impact of specific interventions as opposed to that of the HE sector as a whole.
- It was agreed that we need to take into account broader measures, eg of wellbeing, social justice, etc.
- It was noted that HEFCW's GO Wales programme already captures attitudinal-type information that could be used to illustrate the value of its interventions.