

"Recognising what employers want and need"

Paul Foley, Council member, CBI Scotland and Director of the Glasgow based business consultancy company Kynesis

Thanks for the invite – delighted to be here.

My degree is in Marine Zoology. I then went into the pharmaceutical industry and followed that with a stint in the wine trade – drugs and booze. I now am Director of a consultancy that specialises in organisational performance improvement and strategic communications.

My degree is irrelevant to my career. For the majority of people who go through university their degree will be irrelevant to their career.

As well as running Kynesis, I'm on the Scottish Council of the Confederation of British Industry. The CBI promotes the interests of over 25,000 firms in Scotland, firms of all sizes, from all sectors and from all parts of the country. We have a simple role: we articulate the views of our members to policy makers on a wide range of issues.

As a member of Council, I was actively involved in the development of the education and skills section of our manifesto *'The Scottish Economy: The Priority of Priorities'* which was published ahead of the last Scottish Parliamentary Elections. After consultation with the wider membership of CBI Scotland it became apparent that although it is difficult to anticipate the specific skill requirements as Scottish businesses evolve, there were **skills that every business requires from every new employee, and they were these employability skills.**

What the members were essentially telling us as we developed our manifesto was they required **new recruits who were 'work ready'**. No matter what sector they worked in, no matter what size of organisation they had, **employers were telling us** then and more recently in our 2008 skills report **that they value employability skills above anything else in their workforce.**

Let me just put on the record what I mean when I talk about employability skills.

Personal Qualities:

- taking responsibility and delivering on commitments
- being self-confidence – not arrogant
- managing yourself , your time, your workload
- solving problems and knowing *how* to solve problems
- being able to learn – knowing how best to learn new things



INVESTOR IN PEOPLE

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Interpersonal Skills:

- participating as a member of the team
- exercising leadership
- helping others learn new things
- showing a real sense of customer / client awareness
- negotiating skills
- working with people who think differently from them

I joined CBI Scotland's Council in 2004 and **the issue of skills** has always been very high on our agenda. I think I'd go as far as to say it **has been the most important issue for Scottish business** in recent years. In our "*Education-Business Coalition*" which brings together teachers, Directors of Education, HMI and the Principal of Glasgow Caledonian University with business people, soft skills – employability skills - in particular kept coming up as something which we desperately want to address but which the Education community find challenging in already busy curricula. What was reassuring was the common understanding of their importance.

We don't profess to have an expert knowledge of the education system, but we do have to develop high performance from the people that your world produces. That, I think you'll agree, gives us a very real interest in skills development in Scotland – something I think I have in common with everyone here today.....

But why are the soft skills SO important?

As your own Real World project highlights, they are what get people employed.

Scottish businesses now operate in an increasingly competitive global economy and if we are going to succeed in this environment, prioritising Scotland's economic needs in our approach to lifelong education and skills development is vital.

The point about these **employability skills**, and why they are so vital, is that **they are generic – they are relevant to virtually ever job in every workplace in every industry. Every business uses them everyday and so does every employee.**

The CBI's most recent skills report – "Taking Stock" – makes interesting reading. For example, from the organisations surveyed, **only 30% of graduate level jobs demand a specific degree discipline.** In the view of the CEOs surveyed, 86% view the possession of a good level of employability skills as being the most important consideration when recruiting.

The world of knowledge-based business involves a continuous redefinition of organisational goals. This new business environment is characterized by radical and discontinuous change. The public sector is now experiencing the same. THAT is why **we need people who are adaptable, can work with others who have differing views of the world, can problem solve individually and in teams, can learn new things and can communicate and sell ideas.**

And how do we currently stand? Can we face the future with confidence? We start from a position of relative strength. The Scottish Education 'system' can claim many achievements and has notable strengths.

However, **our competitors** – particularly those whose economies are growing at the fastest rates such as China and India – **have rightly placed a huge level of importance on skill development** including critically, these soft skills. What is good enough now for Scotland will

not be good enough in the future as these nations continue to strengthen their skills base at a colossal pace.

The statistics are staggering. China produces five million graduates a year. The Indian software company *Infosys* employs 100,000 new graduates each year! And soft skills are at the heart of their induction.

Despite the importance of these competencies, **too many new entrants to the world of work still lack adequate employability skills.** The CBI / Pertemps Employment Trends Survey of last year found that that **nearly half of employers are dissatisfied with graduates' business awareness, over a quarter with their literacy skills and over a quarter again with their generic employability skills.** What I find particularly worrying about this is that these are the high- achieving young people who have been through university but still there are significant concerns about their readiness and preparedness for the world of work.

The vision and the challenge of equipping young people with the skills they need to be successful in the workplace cannot be achieved by any one stakeholder on their own. We need to work in partnership. The business community, the education community, organisations such as CBI, the trade unions, the government and students themselves all have to understand the importance of employability skills for future personal and collective success, and make appropriate decisions and choices.

On a positive note, business is not shirking its responsibility and there are public policy initiatives underway to meet the challenge. I am encouraged that this is also recognised by the Scottish Government. In fact, one of the first things that the Government in Scotland did when assuming power was to publish their skills strategy.

I do not want to be over critical of our universities and colleges either. Many, including Glasgow Caledonian, produce highly employable graduates and many others are stepping up to the mark. **The Real World project is a great example of a change to ensure that students learn employability skills alongside their academic work.**

Now schools programmes such as “Determined to Succeed” and “Young Enterprise” are excellent examples of where policy makers have recognised the importance of exposing young people to the world of work and to improving the employability skills that will enhance their value to employers. I believe that such programmes will not only develop employability in our young people but have an equally important role in encouraging self-reliance and in increasing the proportion of young people who will make a positively strong contribution to our society. This is something that should be welcomed and encouraged by us all and particularly by myself and my peers within the business community.

Potentially, one of the most effective means of developing a student's employability is through work based learning. Work experience is, quite simply, one of the best ways of ensuring that young people get a better understanding of exactly what is required of them in the workplace. They can see and touch it and feel it for themselves. They see the skills they need – from the basics like turning up for work on time to more complex tasks like working effectively as part of a group – and they become aware of the consequences when it doesn't occur. **However one 5-day block of work experience is never going to be enough and I believe we need to evolve more meaningful approaches and I commend the work of your Real World project in this regard.**

I think it is fair to say that there has always been support from both business and education in the **encouragement of part-time employment** for students. When it comes to developing

employability skills in our young people, it is an invaluable tool in doing so. Properly managed part-time employment gives exposure to working with others, being relied upon by colleagues and dealing with real problems. I wonder whether we can make more of it. If most young people undertake part time employment, can we look for ways of bringing that experience into their colleges and universities and use it to feed into more structured learning?

We most be bold. Every aspect of the school, FE and HE curriculum, what is taught and how it is taught, must be aligned with the demands that working life will place on our young people as they enter and progress through the labour market.

We are a small country operating in a hugely competitive world. We need to get the best from our HE partners – and swiftly. Please don't let natural instincts to compete or to build your own institutions' reputations get in the way of effective collaboration – and learning – from each other.

And **business must also engage.** Government must find the most effective ways to reach out and engage with employers. Those same employers must not spurn the opportunity to shape a better future for our young people and their ability to contribute to our society.

I hope that I have been able to highlight the message that Scottish business faces a monumental challenge, and that **we all need to raise our game in partnership**, and do so quickly. The Leitch Report rightly claims that in the 21st century our best natural resource is our people. The young people in our schools, colleges and universities across the country this afternoon have huge potential but too much of it remains untapped. But, if we can tap more of it then Scotland can win the prize of becoming a more prosperous and fairer society. Employability skills are essential in helping us to win this prize.

I would like to once again thank you for inviting me here today to provide the 'business perspective' on an issue that we all view as being of huge importance to the future success of Scotland's economic - and social - performance. I wish you well.