



SKILLS
WEST MIDLANDS
+ WARWICKSHIRE

YOUR BUSINESS IS OUR BUSINESS

EMPLOYER SKILLS REPORT

whitecap
COMMERCIAL CLARITY™



FOREWORD

How can we plug the skills gap? How do we realise growth potential?

These questions dominate conversations about the future of our economy.

In that mix is the constant challenge of how education providers can better understand what employers need and how we can prepare young people for the world of work.

The roles played by schools and our universities are perhaps better understood than that of further education and post-16 training provision.

FE already takes a central role in supporting skills development across the region. It comprises 70 providers, employs nearly 10,000 people and teaches around 12,000 students.

But we have not engaged enough employers in the depth and breadth of what the FE ecosystem can deliver. There has not been enough collaboration, both with employers or within our diverse sector in the region.

We know the jobs and growth potential are there. We also appreciate employers are open to young people who take different pathways into employment. But they face acute labour shortages and need action now.

For our part we need to better understand employer needs, be more agile and responsive and align our offer to their requirements.

With publication of this report is the introduction of a new brand and a 'one stop shop' for employers and students.

Skills WMW will deliver on the West Midlands and Warwickshire Local Skills Improvement Plan published last year. It will present a united front, streamlining employer engagement and make it much easier to do business with FE.

This insight report provides comprehensive analysis of the skills and training issues, as well as industry trends, curriculum mapping and benefits from in depth interviews.

Through Skills WMW and a new way of working together, the region's FE sector can be an even bigger part of the region's growth story.

The rollout of Skills WMW over the coming months could prove to be a landmark moment in how a collective of some of our region's institutions make a step change in collaboration and engagement with employers to make a significant impact on jobs, growth and investment.

On behalf of Skills WMW, I welcome this report from Whitecap Consulting and want to thank the team for producing such valuable insight.

My thanks also to colleagues across further education and independent training providers in the region for the incredible spirit of collaboration, passion and drive shown working together on Local Skills Improvement Fund workstreams and the launch of Skills WMW.

I want to acknowledge the contribution of the many stakeholders involved in this endeavour, including the West Midlands Combined Authority and the three sets of Local Enterprise Partnerships and Chambers of Commerce in the region.

But my final word of thanks must go to the many employers and representative bodies who gave their valuable time to this report. I trust Skills WMW will return on that investment in the months and years ahead.



Pat Carvalho,
Principal and CEO,
Birmingham
Metropolitan
College

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THIS REPORT HAS BEEN PUBLISHED IN PARTNERSHIP WITH WHITECAP CONSULTING

Established in 2012, Whitecap Consulting is a regional strategy consultancy headquartered in Leeds, with offices in Manchester, Milton Keynes, Birmingham, Bristol and Newcastle.

Whitecap typically works with boards, executives and investors of predominantly mid-sized organisations with a turnover of £10m-£300m, helping clients analyse, develop and implement growth strategies.

The firm works with clients across a range of market sectors, with strong experience in the education and technology sectors. Over recent years, Whitecap has worked with various ecosystems, accelerators, and universities across the UK.

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INTRODUCTION



In May 2023, the West Midlands and Warwickshire (WMW) Local Skills Improvement Plan (LSIP) was approved by Secretary of State in line with the approval criteria set out in the Skills and Post-16 Education Act 2022.

The WMW LSIP covers the geographical region of the three Chambers of Commerce collaboratively delivering the Plan – Coventry and Warwickshire Chamber of Commerce, Greater Birmingham Chambers of Commerce,

and Black Country Chamber of Commerce – and the three West Midlands Local Enterprise Partnerships (Greater Birmingham and Solihull LEP, Black Country LEP, and Coventry and Warwickshire LEP).

Through engagement with WMW businesses, FE providers and other regional stakeholders, the WMW LSIP sets out actionable priorities and a clear roadmap to support the alignment of future skills provision with current and future employer need.

A priority recommendation in the WMW LSIP roadmap is ‘collaborative engagement’. This aims to tackle the identified lack of knowledge and awareness of the post-16 education and training offering across the employer ecosystem to increase the number of employers utilising Further Education (FE)-led provision to train and upskill staff.

To progress this recommendation, Whitecap Consulting was appointed by Further Education (FE) providers across the WMW region, to conduct detailed analysis into four priority growth sectors:

- Construction
- Engineering and Manufacturing
- Digital and ICT
- Logistics and Distribution

to develop an understanding of the immediate and future skills requirements of employers; to inform and support the development of an agile and responsive FE-led skills offering, and to improve engagement and collaboration between employers and the FE sector.

The research has included a comprehensive desk research phase, including four sector analyses; a mapping phase, reviewing the entire curriculum offering across the WMW FE sector; and a stakeholder interview phase, involving 1-1 in-depth discussions with decision-makers across the employer landscape.

The purpose of the report is to provide an overview of the research and a summary of the key findings across the four priority growth sectors, highlighting the need and opportunity for improved engagement between FE providers and employers, to collaboratively address the acute skills shortages that exist across the region to stimulate growth and attract investment across the four priority growth sectors.



EXECUTIVE SUMMARY

Building on the foundation of the LSIP, this comprehensive analysis delves into the critical skills requirements of employers within four priority growth sectors (construction, engineering and manufacturing, digital and ICT, and logistics and distribution) based across the WMW region.

The key findings in this report offer an in-depth review of the immediate and future skills requirements facing employers across the four sectors, as well as providing a deeper understanding of the existing levels of employer engagement, highlighting the need and/or opportunity for the FE providers to better meet employer skills requirements.

Through a combination of desk-based research/market analysis and curriculum mapping, Whitecap Consulting has gained detailed insight into industry trends, market demands, and emerging technologies as well as a complete view of the current supply of education and skills provision across the four sectors, highlighting areas of alignment and potential gaps in skills delivery in the WMW region. In addition to this, 1-1, 45-minute discussions have been conducted with key decision makers across the employer ecosystem which has

allowed for rich and nuanced insights from an industry perspective on the key challenges faced regarding skills shortages.

This research is a proactive step by FE providers seeking to improve their alignment and engagement with employers, demonstrating a commitment to enhancing the outcomes and opportunities for students whilst driving growth across the WMW business community.

The main body of this report will firstly dive into the sector-specific key findings, in the order of construction, engineering and manufacturing, digital and ICT, and logistics and distribution, where the unique skills requirements and associated challenges faced by employers in each of the sectors are identified and reflected on at length.

The report then explores the detail of cross-cutting themes that have arisen from the interviews, where employers across all four sectors have addressed similar concerns, highlighting a number of commonalities with regards to skills needs and requirements across the WMW region.

Following this are the recommendations, split into 'strategic' and 'tactical' recommendations, which are, rooted in evidence-based insights and aim to:

- catalyse targeted and effective skills interventions that enhance the region's competitiveness,
- foster productive collaboration across the FE sector,
- create a local talent pipeline capable of meeting the evolving demands of the priority growth sectors.

Primarily focusing on the key themes of employer engagement and co-opetition, the 'strategic' recommendations focus on fostering collaboration across the WMW FE providers so they can take steps to improving their employer engagement model by leverage their collective strengths.

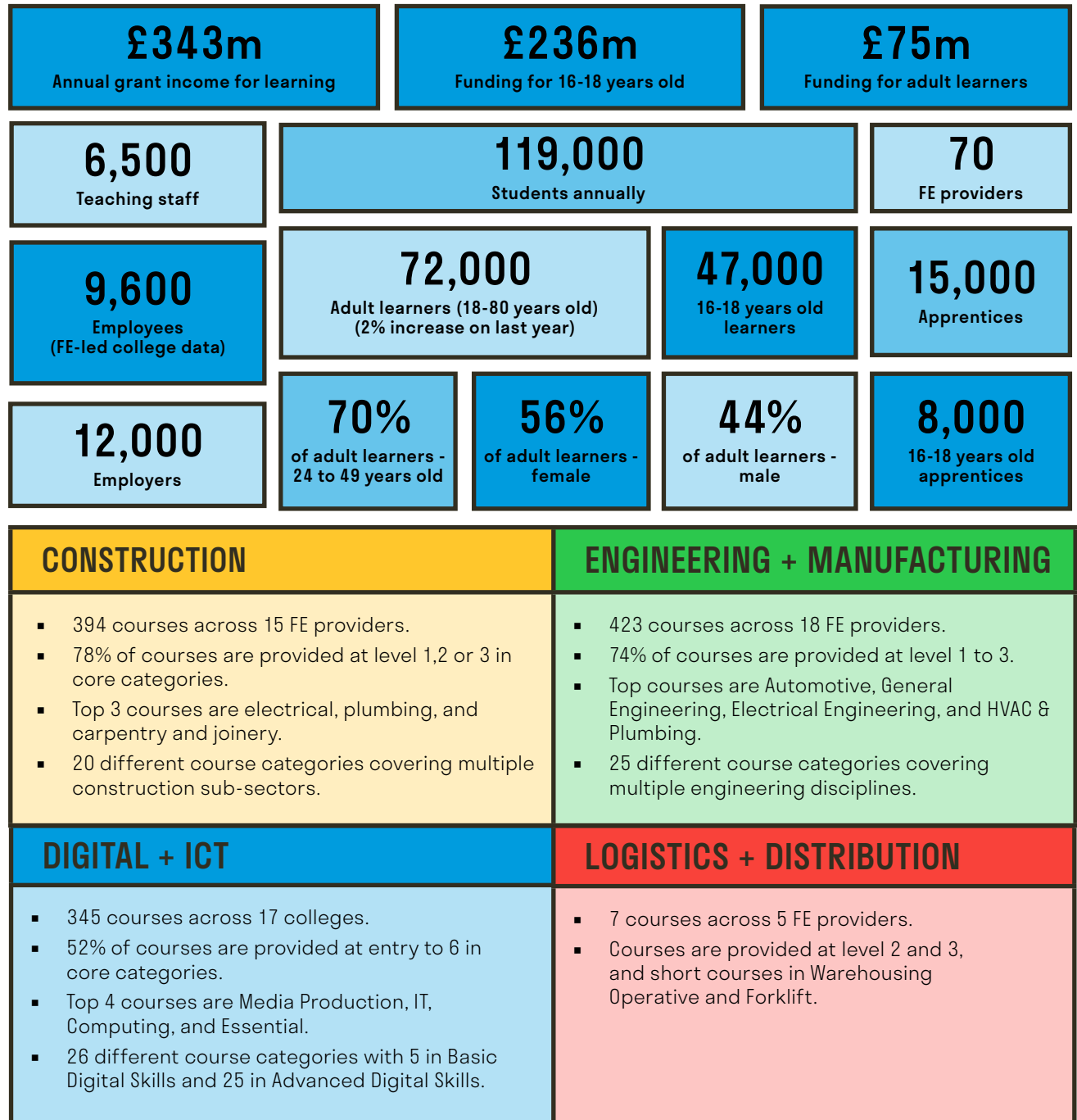
Informed by the sector specific and cross-cutting key themes, the 'tactical' recommendations address concrete steps that the WMW FE providers can take to address the specific challenges and opportunities identified.

FE SECTOR

FE includes any study after secondary education that's not part of higher education (HE). The UK boasts a diverse and wide-ranging FE sector that provides opportunities for school leavers, young adults, and mature students.

In this report, the terms 'FE providers' and the 'FE sector' are used for simplicity and should be taken to include FE Colleges, Sixth Form Colleges, Private Training Providers and any other organisations delivering statutory and non-statutory post-16 education and training. Further, while the remit of this report focuses on provision of post-16 education and training, we also acknowledge the important role of Higher Education Institutions alongside FE providers in addressing skills needs.

The education and training delivered by FE providers aims to provide top-quality academic, technical, and professional education and training for young people and adults. FE takes a central role in supporting skills development across the WMW region. For decades, the FE sector has been pivotal in providing an infrastructure which offers technical and vocational education from levels 1-5.



KEY FINDINGS

CONSTRUCTION

- The WMW construction sector is grappling with an acute labour shortage, with traditional trade roles suffering the most.
- There is an ageing workforce and a shortage of young talent into the sector, with employers struggling to replace retirees via recruitment and upskilling.
- Entry-level recruits are considered to be 'poorly equipped' for their roles.
- There is mostly a requirement for basic digital skills, rather than 'advanced', particularly the ability to use digital devices and the Microsoft suite.
- There is not an immediate demand for Sustainability skills. However, the requirement is expected to increase in the future as the sector responds to the shift towards sustainability.

ENGINEERING + MANUFACTURING

- Similar to the construction sector, engineering and manufacturing is facing an acute labour shortage.
- The engineering and manufacturing sector is experiencing an ageing workforce as well as challenges around attraction and the supply of young talent.
- Entry-level recruits are considered 'poorly equipped' for their roles, whilst experienced hires are considered 'fully equipped'.
- 80% of employers require digital skills, both basic and advanced, with this trend expected to continue.
- Sustainability/green related skills are required to varying degrees across the sector as organisations shift towards sustainability.

DIGITAL + ICT

- The digital and ICT sector sees the most acute skills shortages in experienced hires, leading to a competitive talent pool and challenges around retention.
- There is a strong supply of young talent into the sector. However, businesses consider entry-level recruits to be 'poorly equipped' for their roles.
- Businesses in this sector require advanced specialist, technical skills, with Microsoft 365 considered to be a basic qualifying requirement for a role.
- Sustainability skills are not an immediate requirement, particularly for SMEs. However, this sector is expected to face pressures to become more sustainable in the future.

LOGISTICS + DISTRIBUTION

- The logistics and distribution sector is experiencing acute labour shortages of professionals with specialist licenses and qualifications, including Certificate of Professional Competence (CPC) and Heavy Goods Vehicles (HGV). Furthermore, there is a shortage of fitters, mechanics, and technicians.
- Logistics and distribution is facing an ageing workforce and a lack of young talent in the sector.
- Employers across the WMW logistics and distribution sector reported minimal requirements for skills provision from the FE sector.
- There may be opportunities for the FE sector to offer specific in-work training courses for the employees in this sector.
- There is minimal requirement for entry-level recruits to possess digital, sustainability, and management and leadership skills from employers in this sector.



CROSS-CUTTING THEMES

- Most entry-level recruits commonly lack the necessary soft and essential skills vital for success in the workplace.
- Employers are generally satisfied with the technical skills taught by FE providers, both the range and quality of courses on offer.
- There are varying degrees of engagement with / awareness of the FE sector amongst employers. Over 90% of businesses expressed a desire to increase their knowledge of the FE sector offering.
- The apprenticeship scheme has been met with mixed reviews from employers, both in terms of the apprentice's ability to meet the skills requirements as well as the FE sectors management of the programme.
- The employer interviews revealed that there is minimal requirement for entry-level recruits to possess management and leadership skills.
- There appears to be a widespread lack of awareness among employers regarding the education and training provisions for management and leadership offered by local FE providers.
- There is a significant opportunity for FE providers to better align with the needs of employers through the effective implementation of 'co-opetition.'

KEY FINDINGS: SECTOR SPECIFIC

CONSTRUCTION

The WMW construction sector is grappling with an acute labour shortage, with traditional trade roles suffering the most.

From the interviews, employers confirmed that WMW is experiencing an acute labour shortage across the construction sector, particularly in traditional trade roles such as labourers, plumbers, electricians, and carpenters; there are also shortages of site managers and administration staff, with these gaps existing across all levels of businesses, from entry-level recruits to more experienced, senior hires.

Employer's most prominent challenge is 'quantity' rather than 'quality' as construction faces a decreasing supply of labour into the sector. More specifically, our analysis shows that construction businesses are experiencing acute skills shortages across the business in entry-level roles (73%), technical roles (55%), management (45%) and senior management roles (36%).

At what level of seniority are you experiencing the most acute skills shortages across your business?

ENTRY LEVEL	CLERICAL	TECHNICAL	MANAGEMENT	SENIOR MANAGEMENT	DIRECTOR/ C-SUITE
73%	18%	55%	45%	36%	9%

“THERE ARE SHORTAGES IN EXPERIENCED TECHNICAL ROLES, WE’VE HAD TO INCREASE SALARIES TO ENCOURAGE PEOPLE TO APPLY.”

HR MANAGER, SME CONSTRUCTION COMPANY

44% of employers interviewed said they are struggling to attract workers in typical trade roles with 60% of employers stating that these jobs are 'crucial' to their company. This aligns to the strengths seen across the WMW region, as 'specialised construction activities' including typical trade roles such as plumbers, plasterers, joiners, and electricians make up the majority of businesses across the three LEP regions including Black Country (65%), Coventry and Warwickshire (59%) and Greater Birmingham and Solihull (62%).

There is an ageing workforce and a shortage of young talent coming into the sector, with employers struggling to replace retirees via recruitment and upskilling.

Another major concern for employers is the ageing workforce. 44% of employers interviewed said that the ageing workforce is becoming a growing issue for them with increasing numbers of experienced workers getting close to retirement age.

There is a considerable number of construction workers approaching retirement age who are looking to either leave the profession or go into office-based roles, creating a skills demand for experienced tradespeople. According to the Office of National Statistics (ONS), approximately one in five UK-born construction workers were

over 55 in 2011, meaning these individuals are now at retirement age with Make UK Modular (2023), predicting that construction will lose nearly 500,000 people over the next decade through retirement alone, equating to a fifth of the workforce.

“THE SKILLSET IS GETTING OLDER AND IT’S GETTING MORE DIFFICULT TO GET YOUNG PEOPLE INTO THE INDUSTRY. IT WILL BECOME MORE OF A PROBLEM WITH OUR WORKFORCE GETTING OLDER AND STARTING TO RETIRE OR MOVING TO OTHER JOBS.”

OFFICE & HEALTH AND SAFETY MANAGER,
SME INTERIOR SYSTEMS COMPANY

Employers across the WMW reported difficulties trying to replace retirees and experienced workers via recruitment due to the talent pool being extremely competitive, resulting in wage inflation and challenges with employee retention. The recruitment challenge was particularly prevalent for SME businesses because they lack the financial resource to compete with larger employers.

“WE FIND IT DIFFICULT TO RECRUIT DUE TO THE COMPETITIVENESS OF THEIR EXPERIENCE AND SKILLS. HIGH DEMAND FOR THESE PEOPLE WHICH ALLOWS THEM TO DICTATE THEIR SALARY EXPECTATIONS – OFTEN DIFFICULT TO RETAIN THESE PEOPLE AS THEY MAY GET A BETTER PAID JOB OFFER.”

DIRECTOR, LARGE CONSTRUCTION COMPANY

56% of employers also cited an insufficient supply of younger workers entering the sector, a theme heard consistently across the interviews. This is supported by research into the career aspirations of Gen Z, which found less than a third of survey participants considered a career in construction (Pier Recruitment, 2022). This results in less opportunity for businesses to replace retirees through upskilling entry-level workers, further exacerbating the labour and skills shortage.

Most employers seem to attribute the lack of young talent to the negative perceptions and stereotypes that plague the sector, and trade roles in particular, as they are often associated with being low-skilled and physically demanding whilst construction sites are often viewed as ‘dirty’ or ‘hostile’ environments. According to CITB (2020), young people perceive the industry as “low qualified, mundane, unglamorous and focused on dirty, outdoor work.” This research led to the launch of a campaign in 2020 which focused on trying to change the perception of construction roles to under-25s and encourage them to consider a career in the sector.

“YOUNG PEOPLE ARE NOT ATTRACTED TO THE INDUSTRY, AND THIS IS CAUSING A SHORTAGE OF TALENT AS CURRENT EMPLOYEES ARE COMING UP TO RETIREMENT AGE. YOUNG PEOPLE SEEM TO BE MORE ATTRACTED TO OFFICE-BASED JOBS DUE TO THE PERCEPTION THEY HAVE OF JOBS WITHIN CONSTRUCTION.”

DIRECTOR, LARGE CONSTRUCTION COMPANY

Other reasons that employers cite for the lack of young talent include, the draw of office-based roles, that do not require unsociable or irregular working hours; insufficient exposure to construction-related careers, which leads to a lack of awareness among young people about the diverse opportunities and potential for career progression available in the sector; and the societal emphasis on academic success, which has led to a neglect of vocational and technical education.

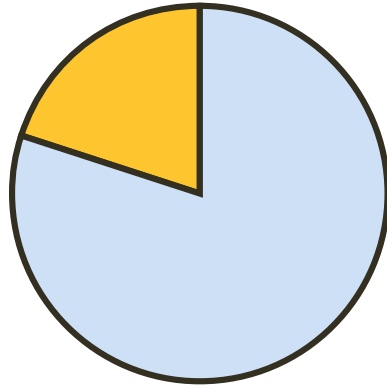




HOW EQUIPPED ARE NEW RECRUITS JOINING YOUR COMPANY IN TERMS OF POSSESSING THE SKILLS AND KNOWLEDGE REQUIRED TO DELIVER YOUR CORE SERVICES?

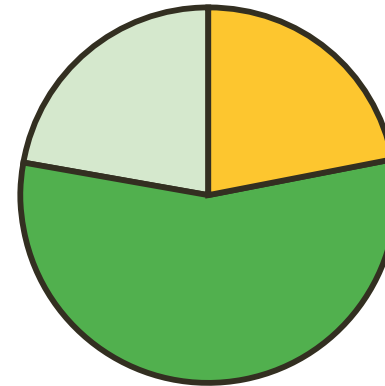
Junior level

- Not at all 0%
- Poorly 80%
- Moderately 20%
- Well 0%
- Fully 0%



Experienced hires

- Not at all 0%
- Poorly 0%
- Moderately 22%
- Well 56%
- Fully 22%



Entry-level recruits are considered to be 'poorly equipped' for their roles.

80% of interviewees claimed that entry-level workers are 'poorly equipped' for their roles and 20% said they are 'moderately equipped'. A stark contrast to senior hires as employers said that 78% are 'well equipped' or 'fully equipped' for their role. Compared to only 22% that said experienced hires are 'moderately equipped', with 0% saying they are 'poorly equipped'. To elaborate on what employers perceive to be 'poorly equipped', this is more associated with 'soft skills' over 'technical skills', with employers stating that entry-level recruits often lack practical experience as well as the right attitude, making them more difficult to train.

"THE QUALITY OF ENTRY LEVEL RECRUITS IS NOT AS GOOD AS THEY USED TO BE. WE USED TO GET PRACTICAL EXPERIENCE ALONGSIDE OUR COLLEGE WORK. THE COLLEGE AND OUTSOURCED TRAINING PROVIDERS ARE NOT DOING ENOUGH FOR THEM TO LEARN THE PRACTICAL SKILLS TO BE WELL EQUIPPED."

DIRECTOR, LARGE CONSTRUCTION COMPANY

"STRUGGLE TO RECRUIT PEOPLE WITH THE RIGHT SKILLS INTO THE TECHNOLOGY TEAM SO WE'LL USUALLY OPT FOR THE HOME-GROWN ROUTE AND TRAIN THEM OURSELVES."

LEARNING AND ORGANISATIONAL DEVELOPMENT BUSINESS PARTNER, LARGE HOUSING ASSOCIATION

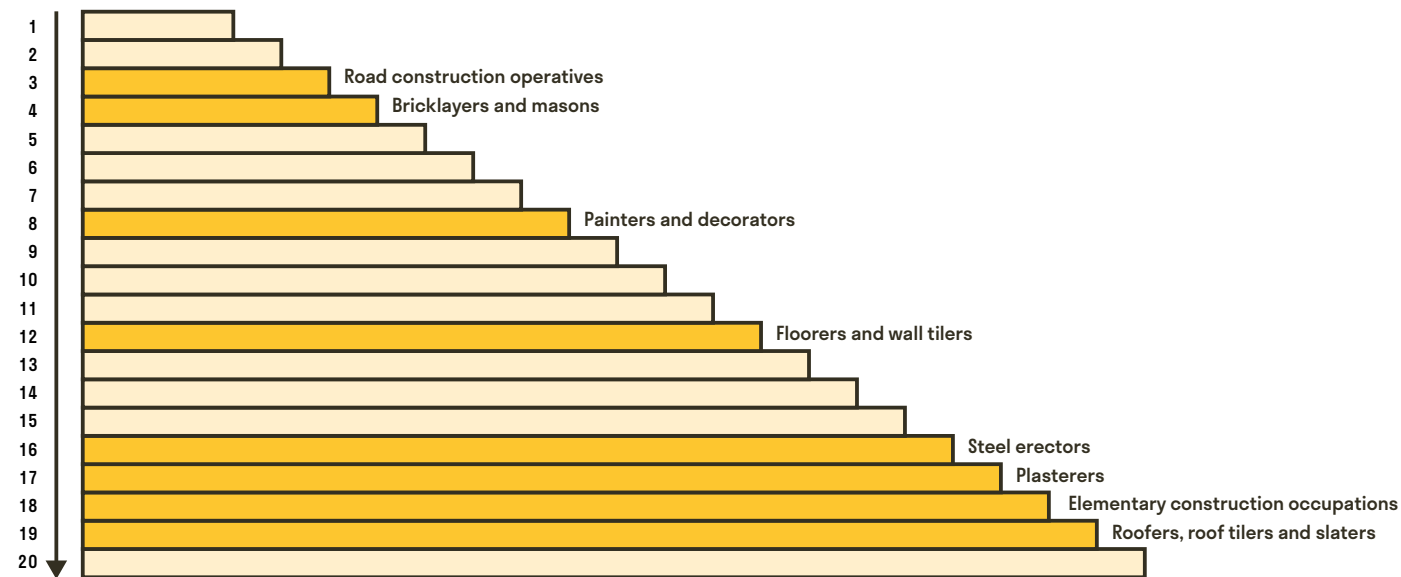
"JUNIOR RECRUITS LACK THE RIGHT ATTITUDE, AND THEY DON'T WANT TO DO THE JOB, SO THEY DON'T TEND TO STAY VERY LONG."

HR MANAGER, SME CONSTRUCTION COMPANY

"ENTRY LEVEL RECRUITS AREN'T READY TO HIT THE GROUND RUNNING BECAUSE THEY LACK PRACTICAL EXPERIENCE. 60% OF MY EXPERIENCED EMPLOYEES DON'T HAVE QUALIFICATIONS, BUT THEY HAVE A WEALTH OF EXPERIENCE."

DIRECTOR, SME CONSTRUCTION MAINTENANCE COMPANY

Top 20 occupations least exposed to AI



There is mostly a requirement for ‘basic’ digital skills, rather than ‘advanced’, particularly the ability to use digital devices and the Microsoft suite.

The construction sector is increasingly leveraging technology and digital devices to increase efficiency, enhance safety measures and improve collaboration. Devices such as smartphones and tablets can be used on-site for various purposes including to aid communication, task management, reporting and project documentation.

Rather than advanced digital skills, most employers cited basic digital skills as a skills gap for new employees. The UK Government defines basic digital skills as “being able to use devices like a computer, tablet or mobile phone

for simple, personal and work tasks; find and use information on the internet; understand how to be safe and responsible online and communicate socially and professionally using email, messaging and social media.”

Employers increasingly expect all recruits to confidently use digital devices and have the ability to use the Microsoft suite to write up reports, communicate via email, and work collaboratively. Naturally, this requirement is more prevalent for people in roles such as project management, site management, administration and senior management compared to entry-level recruits in traditional trade and labouring roles. According to national market trends, implementation of AI and automation is expected to have a widespread impact on the global workforce,

and research suggests the roles in construction most affected by digital proliferation are management, operations, and civil engineering. Project management systems, digital twins, and building information modelling are just a few technologies already present in many construction businesses; the rollout and development of these and similar technologies will likely continue to influence the construction sector.

Nevertheless, the construction sector is home to many occupations least affected by advanced digital technology, partly because of the slower rate of adoption in the sector, as seen by the relatively slow uptake of modular construction in the UK, but also due to the ‘hands-on’ nature of the roles.

The immediate opportunity for the FE sector is to play a role in upskilling future employees by ensuring entry-level recruits are fully prepared with the required basic digital skills, but also by offering adult provision to upskill the current workforce.

Looking ahead, although the rate of technology adoption may be slower than in other sectors, the construction industry is likely to look to technology for productivity and efficiency gains and, therefore, will demand more advanced digital skills.

“EVERYTHING IS RUN THROUGH A SHAREPOINT AND COMMUNICATED THROUGH MICROSOFT TEAMS, ALL OUR TRAINING IS DELIVERED ONLINE.”

DIRECTOR, SME CONSTRUCTION COMPANY

“WORKING IN CODING REQUIRES AUTO-DESK AND MICROSOFT SKILLS.”

FOUNDER, SME CONSTRUCTION COMPANY

There is not an immediate demand for sustainability skills. However, the requirement is expected to increase in the future as the sector responds to the shift towards sustainability.

As the emphasis on green/sustainable practices continues to grow, the construction sector is no exception to experiencing the pressures that have arisen from the shift towards Net Zero and corporate social responsibility (CSR). In the short to medium term, employers have expressed low expectations for sustainability related skills, particularly from entry-level recruits. In the long-term, the shift is expected to increasingly reshape the industry’s approach to projects as well as influence the skills required across the construction workforce, including new entrants.

Typically, sustainability considerations are more business-wide than employee-centric, with employers discussing the desire for the business to become more sustainable, primarily through operations and processes, rather than declaring an explicit requirement or need for green related skills. That being said, it is likely that we will see a higher demand for sustainability and green skills within larger corporates/businesses as well as at the management and senior leadership levels of business.

Employers make the point that the sector is increasingly exposed to pressures from both clients and regulation, stating that in order to win certain project tenders, they must clearly demonstrate their sustainability credentials, which are also becoming

progressively stringent. As a result, employers view sustainability related skills as a future requirement and not an immediate requirement. The expectation is this will move from a ‘nice to have’ to ‘essential’, as the need for construction workers to understand sustainable construction practices, including eco-friendly building materials and energy-efficient design rises. This may also lead to an increasing requirement for green building certifications like LEED (Leadership in Energy and Environmental Design), BREEAM (Building Research Establishment Environmental Assessment Method), WELL Certification and DGNB Green Building Certification.

Looking at the overall market trends in sustainability across construction, the sector is, and will continue to be affected by the wave of electrification. Growing electrification technology like heat pumps, battery storage, and EV chargers are becoming more popular for commercial and domestic construction, and the shift from non-electric to electric power sources is impacting the requirements for electricians across the sector. In response, the Electrical Contractors’ Association has released a charter to “recharge electrical skills” as the demand for electricians increase in line with the transition to Net Zero.

“ESG AND SUSTAINABILITY IS IMPORTANT FOR THE BUSINESS, BUT WE WOULDN’T EXPECT NEW RECRUITS OR GENERAL TRADE WORKERS TO HAVE SKILLS IN THESE AREAS.”

MANAGING DIRECTOR, SMALL MANUFACTURING AND CONSTRUCTION COMPANY

Net Zero strengths identified across the WMW includes solar and Photovoltaic (PV), with the quantity of PV sites across the region doubling in the last 10 years.

Specifically, what are the top 3 future skills that will be pivotal for your organisation to achieve its long-term strategic ambitions?

SUSTAINABILITY	EXPERIENCED STAFF	YOUNG PEOPLE THAT WANT TO WORK ONSITE	DIGITAL SKILLS	TRADING SKILLS
60%	20%	0%	40%	20%

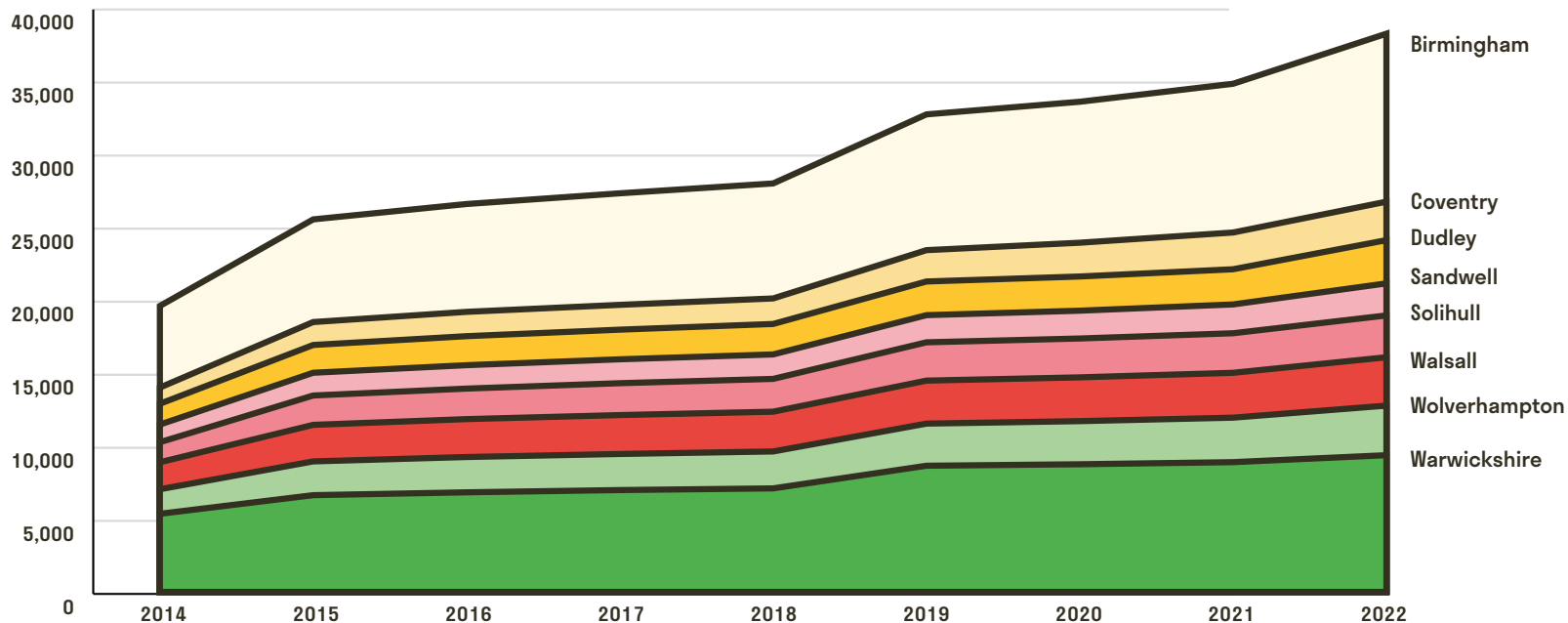
“COMPLIANCE AND REGULATION MEASURES ARE GETTING STRICTER SO IT’S BECOMING MORE AND MORE IMPORTANT. TO WIN SOME CONTRACTS NOW, WE HAVE TO DEMONSTRATE OUR SUSTAINABILITY CREDENTIALS.”

DESIGN MANAGER, LARGE CONSTRUCTION COMPANY

“IT’S BECOMING MORE IMPORTANT AS EXPECTATIONS FROM CLIENTS ARE PUTTING MORE PRESSURE ON CONSTRUCTION FIRMS TO HAVE SUSTAINABLE OPERATIONS AND USE SUSTAINABLE MATERIALS.”

DIRECTOR, LARGE CONSTRUCTION COMPANY

Photovoltaic Sites in the WMW:



STAKEHOLDER QUOTES: CONSTRUCTION

“ENTRY LEVEL RECRUITS AREN’T READY TO HIT THE GROUND RUNNING. 60% OF MY EMPLOYEES DON’T HAVE QUALIFICATIONS BUT THEY HAVE EXPERIENCE OF DOING HANDY JOBS. THIS HAS AN IMPACT ON THE QUALITY OF THE JOBS SOMETIMES.”

DIRECTOR, SME CONSTRUCTION MAINTENANCE COMPANY

“WE FIND IT DIFFICULT TO RECRUIT DUE TO THE COMPETITIVENESS OF THEIR EXPERIENCE AND SKILLS. HIGH DEMAND FOR THESE PEOPLE WHICH ALLOWS THEM TO DICTATE THEIR SALARY EXPECTATIONS - OFTEN DIFFICULT TO RETAIN THESE PEOPLE AS THEY MAY GET A BETTER PAID JOB OFFER.”

DIRECTOR, LARGE CONSTRUCTION COMPANY

“IT’S BECOMING MORE IMPORTANT AS EXPECTATIONS FROM CLIENTS ARE PUTTING MORE PRESSURE ON CONSTRUCTION FIRMS TO HAVE SUSTAINABLE OPERATIONS AND USE SUSTAINABLE MATERIALS.”

DIRECTOR, LARGE CONSTRUCTION COMPANY

“THERE ARE SHORTAGES IN EXPERIENCED/ TECHNICAL ROLES, WE’VE HAD TO INCREASE SALARIES TO ENCOURAGE PEOPLE TO APPLY.”

HR MANAGER, SME CONSTRUCTION COMPANY

“YOUNG PEOPLE ARE NOT ATTRACTED TO THE INDUSTRY, AND THIS IS CAUSING A SHORTAGE OF TALENT AS CURRENT EMPLOYEES ARE COMING UP TO RETIREMENT AGE. YOUNG PEOPLE SEEM TO BE MORE ATTRACTED TO OFFICE-BASED JOBS DUE TO THE PERCEPTION THEY HAVE OF JOBS WITHIN CONSTRUCTION.”

DIRECTOR, LARGE CONSTRUCTION COMPANY

“ECOLOGICAL/SUSTAINABILITY SKILLS ARE BECOMING MORE IN DEMAND. REGULATIONS ARE BECOMING STRICTER AND IT’S IMPACTING THE WHOLE INDUSTRY. IT’S SOMEWHAT REQUIRED NOW BUT IT IS GOING TO BECOME CRUCIAL IN THE FUTURE.”

TRAINEE ASSISTANT SITE MANAGER, LARGE CONSTRUCTION COMPANY

“WE’RE VERY MINDFUL OF SUSTAINABILITY, IT’S NOT A HUGE EXPECTATION FOR NEW HIRES TO ALREADY HAVE SUSTAINABILITY SKILLS BUT WE HELP THEM TO DEVELOP THIS INTERNALLY.”

LEARNING AND ORGANISATIONAL DEVELOPMENT BUSINESS PARTNER, LARGE HOUSING ASSOCIATION

“THE SKILLSET IS GETTING OLDER AND IT’S GETTING MORE DIFFICULT TO GET YOUNG PEOPLE INTO THE INDUSTRY. IT WILL BECOME MORE OF A PROBLEM WITH OUR WORKFORCE GETTING OLDER AND STARTING TO RETIRE OR MOVING TO OTHER JOBS.”

OFFICE & HEALTH AND SAFETY MANAGER, SME INTERIOR SYSTEMS COMPANY

“ESG AND SUSTAINABILITY IS IMPORTANT FOR THE BUSINESS, BUT WE WOULDN’T EXPECT NEW RECRUITS OR GENERAL TRADE WORKERS TO HAVE SKILLS IN THESE AREAS.”

MANAGING DIRECTOR, SMALL MANUFACTURING AND CONSTRUCTION COMPANY

“MOST PEOPLE ONSITE WILL HAVE SOME SORT OF EXPERIENCE, BUT WE DO HAVE SOME SCHOOL LEAVERS WHICH ARE FAIRLY EQUIPPED WITH THE SKILLS THEY’VE LEARNT AT COLLEGE, BUT THEY LACK THE RIGHT ATTITUDE TO WORK PROACTIVELY AND QUICKLY WHICH IS WHAT’S NEEDED ONSITE.”

TRAINEE ASSISTANT SITE MANAGER, LARGE CONSTRUCTION COMPANY

KEY FINDINGS: SECTOR SPECIFIC

ENGINEERING AND MANUFACTURING

Similar to the construction sector, engineering and manufacturing is facing an acute labour shortage.

The engineering and manufacturing sector is facing an acute labour shortage, making up 25% of all job postings in the UK and an expected annual shortfall of over 180,000 people with sector relevant skills (Engineering UK, 2023 & National Careers Service, 2022).

This trend is reflected across the WMW region with employers reporting a significant labour shortage across all levels of the business. When asked in the interviews which area of their business they are experiencing the most acute skills shortage (with respondents able to choose multiple answers), 78% highlighted technical skills, of which 54% specifically referred to specialised engineering and technical roles such as designers and mechanical, civil and electrical engineers. Additionally, 61% said management or senior leadership/C-suite, 48% said entry level, and 9% said clerical.

These statistics highlight a substantial lack of supply of talent into the sector with employers mostly attributing this to both the ageing workforce (21%) and a perceived lack of attraction by young people to the sector and its associated career opportunities (30%).

“WE HAVE MORE SHORTAGES IN THE MANUFACTURING SIDE OF THE ORGANISATION OVER ADMIN. IN GENERAL, IT’S DIFFICULT TO AFFORD GOOD QUALITY CANDIDATES.”

FOUNDER, SMALL MANUFACTURING COMPANY

“OUR TOOL MAKER MANAGER HAS BEEN WITH US FOR YEARS, WE ARE LOSING HIM, AND WE ARE WORRIED WE WON’T BE ABLE TO REPLACE HIM.”

DIRECTOR, SMALL ENGINEERING COMPANY

The engineering and manufacturing sector is experiencing an ageing workforce as well as challenges around attraction and the supply of young talent.

The average age across the engineering and manufacturing sector is 55, meaning that over the next ten to fifteen years, a large proportion of the workforce will retire, exacerbating the labour shortage and leaving behind a distinct knowledge gap (Quantum, 2022). This sentiment was echoed by employers with 21% stating that they are currently facing challenges around an ageing workforce as they expect many experienced hires to retire within the next five to ten years.

“MOST OF THE SHOP FLOOR STAFF ARE IN THEIR 50S.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

At what level of seniority are you experiencing the most acute skills shortages across your business?

ENTRY LEVEL	CLERICAL	TECHNICAL	MANAGEMENT	SENIOR MANAGEMENT	DIRECTOR/ C-SUITE
48%	9%	78%	30%	22%	9%

29% of employers also highlighted a concern around the shortage of young talent entering the sector, stating there is both a lack of awareness of the diverse career opportunities available in the sector as well as an inaccurate portrayal of the modern engineering/ manufacturing environment; many young people still view the sector with outdated stereotypes, such as 'dirty factories' with 'dangerous equipment'.

“THE INDUSTRY IS FACING A SEVERE RETIREMENT BULGE, SO WE ARE DESPERATELY TRYING TO BACKFILL ROLES WITH YOUNG PEOPLE.”

MANAGING DIRECTOR, SMALL ENGINEERING COMPANY

“YOUNG PEOPLE DON'T WANT TO WORK IN THESE PRACTICAL ROLES NOW, WE'RE ALL AGEING, AND WE DON'T HAVE YOUNG PEOPLE REPLACING US. COLLEGES COULD HELP US MAKE THE INDUSTRY MORE ATTRACTIVE TO YOUNG PEOPLE.”

DIRECTOR, SMALL FABRICATION AND MANUFACTURING COMPANY

“TRADITIONAL JOBS, SUCH AS ENGINEERING, ARE NOT ATTRACTIVE TO YOUNG PEOPLE BECAUSE THEY HAVE A WARPED PERCEPTION OF WHAT THEY ARE LIKE.”

PROFESSOR, LARGE ENGINEERING AND TECHNOLOGY INSTITUTION

There is also a significant lack of diversity across the engineering and manufacturing sector, particularly with regards to gender, with women making up c.15% of the sector nationally (WES, 2022).

With such limited representation of female role models and senior leaders, young women may be discouraged from considering a career within these fields, shrinking the talent pool even further.

Entry-level recruits are considered 'poorly equipped' for their roles, whilst experienced hires are considered 'fully equipped'.

Overall, 74% of employers agreed that entry-level recruits are either 'not at all' or 'poorly' equipped for their roles, with only 4% stating they are 'well-equipped' and 0% stating they are 'fully equipped'. It is important to note that 'equipped for their role' refers to the employer's expectation of the candidate to fulfil the requirements of an entry-level role, rather than an experienced role.



How equipped are new recruits joining your company at the junior level in terms of possessing the skills and knowledge required to deliver your core services?

NOT AT ALL EQUIPPED	POORLY EQUIPPED	MODERATELY EQUIPPED	WELL EQUIPPED	FULLY EQUIPPED
4%	70%	22%	4%	0%



“THERE AREN’T ENOUGH PEOPLE WHO HAVE THOSE CORE ENGINEERING SKILLS, THOSE SKILLS ARE LACKING ACROSS THE BOARD.”

PROFESSOR, LARGE ENGINEERING AND TECHNOLOGY INSTITUTION

“WE STRUGGLE TO GET THE HANDS ON, BASIC AND ESSENTIAL ENGINEERING SKILLS.”

MANAGING DIRECTOR, SMALL ENGINEERING COMPANY

Similar to construction, employers referenced the lack of ‘soft skills’ when queried on what makes entry-level recruits well equipped for their roles, mainly citing communication, time management and the ability to work independently as key skills requirements.

“ENTRY-LEVEL RECRUITS LACK BASIC TIME MANAGEMENT AND DIARY MANAGEMENT SKILLS.”

PEOPLE SERVICES MANAGER, LARGE AEROSPACE AND DEFENCE COMPANY

“WE STRUGGLE TO FIND ENTRY-LEVEL RECRUITS THAT CAN WORK INDEPENDENTLY.”

COMPANY DIRECTOR, SMALL FABRICATION AND MANUFACTURING COMPANY

In contrast, 86% of employers agreed that experienced hires are either ‘well-equipped’ or ‘fully equipped’ for their roles, with 0% stating they are ‘poorly equipped’. The key challenge around experienced hires, particularly for SME businesses, is the scarcity of talent, with 30% of employers stating they are grappling with increasing salary expectations and competition from other businesses.

How equipped are new recruits joining your company at as experienced hires in terms of possessing the skills and knowledge required to deliver your core services?

NOT AT ALL EQUIPPED	POORLY EQUIPPED	MODERATELY EQUIPPED	WELL EQUIPPED	FULLY EQUIPPED
0%	0%	14%	50%	36%

“OUR BIGGEST CHALLENGE ISN’T A SKILLS SHORTAGE; IT IS SALARY EXPECTATIONS. WE CAN’T COMPETE WITH THE SALARY EXPECTATIONS OF LARGER FIRMS.”

HR MANAGER, MEDIUM AUTOMOTIVE PARTS MANUFACTURING COMPANY

“SMES ARE COMPETING WITH LARGE CORPORATIONS FOR TALENT. THESE LARGE CORPORATIONS HAVE A BETTER PERCEIVED GROWTH PATH.”

MANAGING DIRECTOR, MEDIUM CARDBOARD MANUFACTURING COMPANY

“FOR SENIOR MANAGEMENT ROLES, WE HAVE TO PAY A PREMIUM TO GET THE RIGHT PEOPLE.”

MANAGING DIRECTOR, LARGE AUTOMOTIVE MANUFACTURING COMPANY



80% of employers require digital skills, both basic and advanced and it is expected this trend will continue.

61% of employers said they require basic digital skills including the ability to use digital devices and being comfortable with using the Microsoft suite (25%), whilst 43% of employers stated they require 'advanced' digital skills including design-based/technical drawing using Computer Aided Design (CAD)

and Computer Aided Manufacturing (CAM) Software (35%).

Looking ahead to future skills requirements, employers expect a similar picture with specialist/technical skills (75%) and digital skills (50%) experiencing the largest shortages, followed by green skills (40%), which is expected to become a key strategic focus across the sector.

“EVERYONE MUST HAVE A BASIC UNDERSTANDING OF COMPUTERS AND SOFTWARE TO BE ABLE TO WORK HERE.”

MANAGING DIRECTOR, SMALL GARMENTS MANUFACTURER AND SUPPLIER

“SKILLS ARE HEADED TO THE DATA, AUTOMATION, AND AI SIDE SO WE ARE ALWAYS LOOKING FOR THESE IN THE FUTURE.”

PEOPLE SERVICES MANAGER, LARGE AEROSPACE AND DEFENCE COMPANY

Specifically, what are the top 3 future skills that will be pivotal for your organisation to achieve its long-term strategic ambitions?

SUSTAINABILITY	DIGITAL SKILLS	TECHNICAL SKILLS	PROJECT MANAGEMENT	SIMILAR SKILLS TO NOW
38%	50%	75%	13%	13%

According to the Institution of Engineering and Technology’s 2023 skills for a digital future survey, digital skills that will be increasingly required across the sector include cloud computing, data security, machine learning and Artificial Intelligence (AI).

“IF YOU ARE NOT SEEKING TALENT IN THE DIGITAL ARENA, SPECIFICALLY AI AND INDUSTRY 4.0 THEN YOU ARE NOT GOING TO BE KEEPING UP WITH WHAT IS REQUIRED IN THE MANUFACTURING INDUSTRY IN THE NEXT 10 YEARS”

MANAGING DIRECTOR, SMALL CARDBOARD MANUFACTURING COMPANY

“CURRENTLY WE NEED A MINIMUM OF 4/5 PEOPLE TO HAVE ADVANCED DIGITAL SKILLS BUT IDEALLY WE ARE LOOKING TO DOUBLE THAT AS WE HEAD INTO ADVANCED MANUFACTURING IN THE FUTURE.”

MANAGING DIRECTOR, MEDIUM ARCHITECTURAL MANUFACTURER AND SUPPLIER

Sustainability/green related skills are required to varying degrees across the sector.

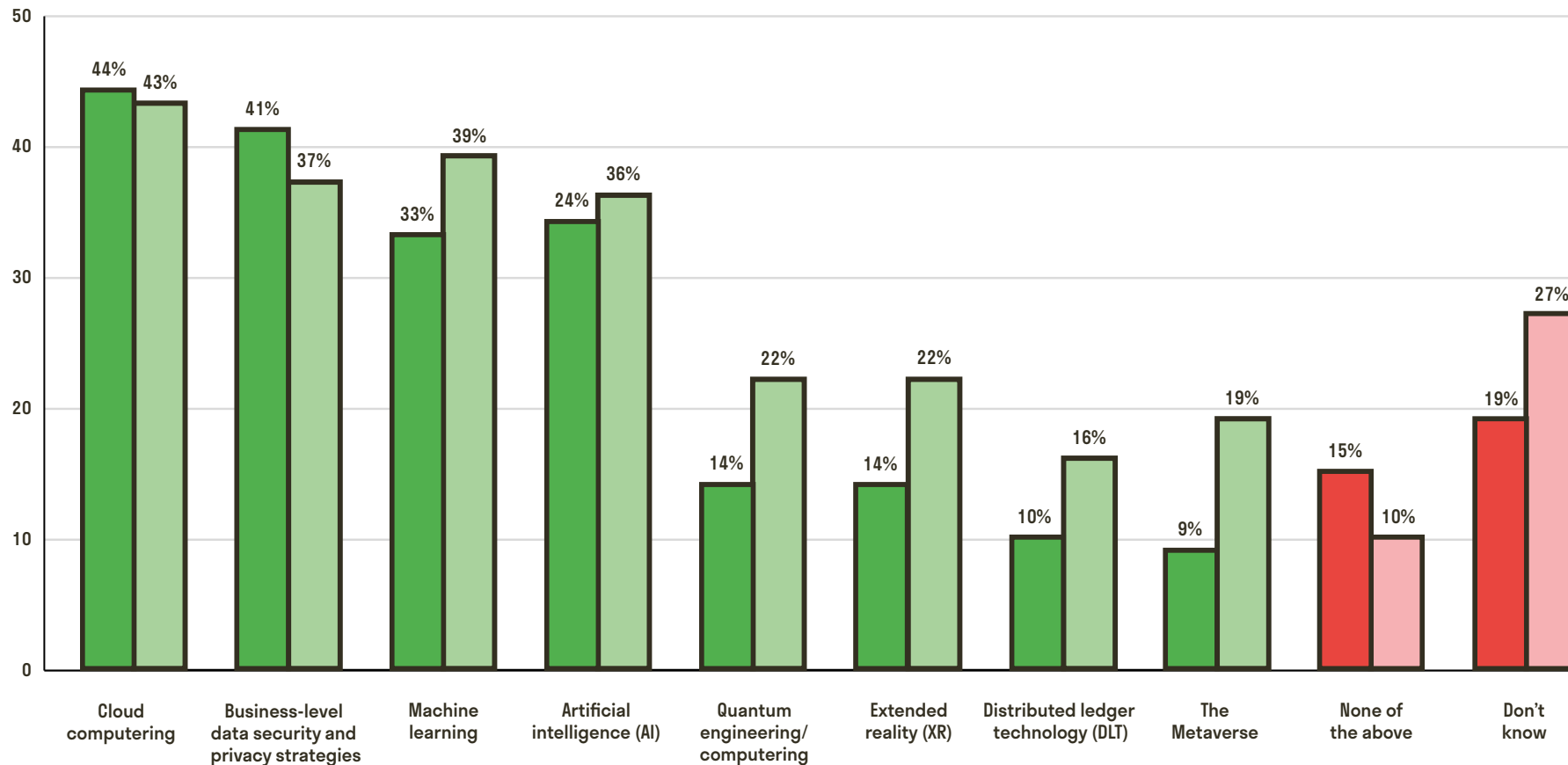
There is clear evidence from the interviews that employers are starting to transition towards sustainable practices and projects.

30% of employers state that their future strategic ambitions include 'becoming more sustainable' or 'providing more value to society'. However, there are large disparities between the perceived impact that this will have on immediate and future skills requirements.

For example, 50% of employers express that these skills are either 'not at all' or 'somewhat required', while the other 50% state they are either 'largely required' or 'crucial'.

Which of the following do you think engineers in your organisation should currently understand / understand in five years?

■ Currently ■ Currently
■ In five years ■ In five years



To what extent are green skills required to deliver current core services?

NOT AT ALL REQUIRED	SOMEWHAT REQUIRED	MODERATELY REQUIRED	LARGELY REQUIRED	CRUCIAL
32%	18%	5%	23%	23%

Some of the key pressures cited by employers that are driving the push for sustainability, particularly across large businesses (250+ employees), include:

- Regulation and Compliance**

Stringent regulation and compliance standards that require businesses to comply with emissions limits, waste disposal regulations, and other environmental guidelines.

- External Pressures**

There is increasing pressure from clients, investors and consumers who demand products and goods to be produced and manufactured sustainably.

- Efficiencies and Cost Reductions**

Businesses can take advantage of cost reductions and efficiencies that can be achieved through adopting green technologies and sustainable practices.

“NOT AS MUCH A REQUIREMENT NOW BUT WILL BE IN THE FUTURE. IT’S DEFINITELY GOING MORE THAT WAY AND CLIENTS ARE BECOMING MORE AWARE OF IT. THIS LEADS TO PRESSURE TO CONSIDER THIS MORE AND MORE.”

COMMERCIAL DIRECTOR, SMALL AUTOMOTIVE PARTS MANUFACTURING COMPANY

“GREEN IS EMBEDDED IN OUR ENGINEERING. WE NEED PEOPLE WHO WILL THINK ABOUT HOW WE DESIGN CARBON CAPTURE, HOW WE CAN BECOME MORE SUSTAINABLE IN OUR SUPPLY CHAIN, HOW DO WE BECOME NET ZERO. IT IS FRONT AND CENTRE IN OUR ENGINEERING.”

TALENT LEAD, LARGE WATER SUPPLY COMPANY

“CURRENTLY IT IS ALL ABOUT SUSTAINABILITY, BUT STUDENTS DON’T REALLY KNOW WHAT THIS MEANS. WE ARE TRIALLING THE USE OF DRONES TO DO LIVE SURVEYS SO WE WILL NEED TO BE RECRUITING FOR THESE TYPES OF SKILLS IN THE FUTURE.”

CIVIL ENGINEER, LARGE TRANSPORT AND ENGINEERING COMPANY



STAKEHOLDER QUOTES: ENGINEERING AND MANUFACTURING

“DIFFICULT TO ATTRACT YOUNG PEOPLE TO THE SECTOR AS THERE IS A HUGE PERCEPTION ISSUE AND LACK OF AWARENESS OF THE OPPORTUNITIES AVAILABLE IN THE ENGINEERING AND MANUFACTURING INDUSTRY.”

MANAGING DIRECTOR, SMALL ENGINEERING COMPANY

“EXPERIENCED HIRES ARE SO EQUIPPED, BUT THEY ARE SO DIFFICULT TO FIND.”

CONSULTANT, LARGE TRANSPORT AND CONSTRUCTION CONSULTANCY

“THERE IS A LACK OF YOUNG PEOPLE WANTING TO ENTER THE INDUSTRY.”

CONSULTANT, LARGE TRANSPORT AND CONSTRUCTION CONSULTANCY

“YOUNG PEOPLE DON’T WANT TO GO INTO THE ENGINEERING INDUSTRY AND GET THEIR HANDS DIRTY.”

MANAGING DIRECTOR, SMALL STEEL MANUFACTURING COMPANY

“SMES ARE COMPETING WITH LARGE CORPORATIONS FOR TALENT. THESE LARGE CORPORATIONS HAVE A BETTER PERCEIVED GROWTH PATH.”

MANAGING DIRECTOR, MEDIUM CARDBOARD MANUFACTURING COMPANY

“OUR BIGGEST CHALLENGE ISN’T A SKILLS SHORTAGE; IT IS SALARY EXPECTATIONS. WE CAN’T COMPETE WITH THE SALARY EXPECTATIONS OF LARGER FIRMS LIKE JAGUAR LAND ROVER.”

HR MANAGER, MEDIUM AUTOMOTIVE PARTS MANUFACTURING COMPANY

“THERE ARE SHORTAGES AT ALL LEVELS, BUT WE HAVE A REAL SHORTAGE OF ENTRY LEVEL PEOPLE THAT CAN HOPEFULLY FILL THE MORE SENIOR ROLES THROUGH THEIR DEVELOPMENT.”

CONSULTANT, LARGE TRANSPORT AND CONSTRUCTION CONSULTANCY

“THERE ARE SHORTAGES AT ALL LEVELS.”

DIRECTOR, SMALL SPECIALIST EQUIPMENT SUPPLIER

“MOST OF THE SHOP FLOOR STAFF ARE IN THEIR 50S.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“SPECIALIST ROLES SUCH AS PRODUCTION ENGINEERING ARE DIFFICULT TO COME BY BECAUSE THE TALENT IS TAKEN BY OTHER ORGANISATIONS.”

COMMERCIAL DIRECTOR, SMALL INDUSTRIAL EQUIPMENT SUPPLIER

“IT IS DIFFICULT TO AFFORD THE SALARY EXPECTATIONS FOR SOME ROLES.”

COMMERCIAL DIRECTOR, SMALL INDUSTRIAL EQUIPMENT SUPPLIER

“SPECIALIST SKILLS ARE DIFFICULT TO RECRUIT BUT ALSO DIFFICULT TO RETAIN BECAUSE PAY IS COMPETITIVE.”

FACILITY MANAGER, LARGE MOBILE ENGINEERING COMPANY

KEY FINDINGS: SECTOR SPECIFIC

DIGITAL AND ICT

The digital and ICT sector sees the most acute skills shortages in experienced hires, leading to a competitive talent pool and challenges around retention.

Digital and ICT is experiencing the most acute skills shortages amongst experienced hires with over 80% of employers confirming that their largest skills gaps are in 'management' or 'senior management' positions. These individuals are typically expected to possess both advanced technical skills as well as the soft skills that are essential for the role. This includes but is not limited to, the ability to clearly communicate technical elements of a job to various stakeholders (both internal and external), the ability to work effectively in a fast-paced environment, and the ability to manage and work to tight deadlines.

"WE'RE INCREASINGLY REQUIRING MORE EXPERIENCED HIRES DUE TO THE SKILLS THEY HAVE (BOTH PRACTICAL AND SOFT SKILLS), WHICH IS A CONCERN."

DIRECTOR, SME IT COMPANY

The intensifying competition for experienced hires has given rise to a challenging scenario, particularly for SME businesses with limited financial resource. This heightened competition has led to salary inflation, making it increasingly difficult for SMEs to match the compensation expectations of top-tier tech talent.

Consequently, these businesses find themselves grappling with the dilemma of either straining budgets to attract and retain skilled professionals or resorting to outsourcing due to the limited and often unaffordable local talent pool. The outsourcing trend has emerged as a pragmatic and immediate solution, particularly for SMEs seeking cost-effective ways to access the specialised skills that they require while navigating the challenges posed by the escalating competition for experienced tech expertise.

At what level of seniority are you experiencing the most acute skills shortages across your business?

ENTRY LEVEL	CLERICAL	TECHNICAL	MANAGEMENT	SENIOR MANAGEMENT	DIRECTOR/ C-SUITE
50%	10%	40%	30%	40%	10%

"BECAUSE OF CURRENT COMPETITION FOR TALENT AND EXPERIENCED HIRES, WE'RE WILLING TO COMPROMISE SOME JOB CRITERIA AND MAKE ROOM FOR UPSKILLING BY ACCEPTING SOMEONE MORE JUNIOR AND TRAINING THEM, DESPITE THE REQUIREMENT FOR INVESTMENT."

PRODUCT MANAGER, LARGE RAIL TRANSPORTATION COMPANY

"WE'VE STRUGGLED TO RETAIN PEOPLE, PARTICULARLY THE JUNIOR/ENTRY LEVEL ROLES THAT GAIN MORE EXPERIENCE."

HEAD OF PEOPLE, SME FINTECH

"WHEN WE RECRUIT, WE LOOK FOR PEOPLE WITH A BREADTH OF EXPERIENCE WHICH ARE DIFFICULT TO FIND BUT COLLEGE LEAVERS DON'T TEND TO HAVE WHAT WE NEED."

DELIVERY MANAGER, SME IT CONSULTANCY

Employers also cited this as a key concern when taking on apprentices. While apprenticeships are valuable for fostering new talent and providing hands-on training, the reality is that these individuals, upon gaining valuable experience, may be enticed to leave for larger companies with greater financial resources. Larger corporations can often offer higher salaries, more benefits, and more extensive career advancement opportunities, making them attractive prospects for ambitious apprentices seeking to maximise their earning potential. This risk can create a dilemma for SMEs investing time and resources in training apprentices, only to potentially lose them to competitors.

There is a strong supply of young talent into the sector. However, businesses consider entry-level recruits to be ‘poorly equipped’ for their roles.

Unlike construction and engineering and manufacturing, this sector is not facing a challenge around attraction or the supply of young talent. This is likely because young people perceive the sector positively due to the high job security, competitive remuneration packages and financial benefits, as well as opportunities for flexible and remote working.

Despite the strong supply of young talent, 60% of employers said that entry-level recruits are ‘poorly equipped’ or ‘not at all equipped’ for the roles when they arrive, with 40% stating that they lack the ability to apply their theoretical knowledge and technical

HOW EQUIPPED ARE NEW RECRUITS JOINING YOUR COMPANY IN TERMS OF POSSESSING THE SKILLS AND KNOWLEDGE REQUIRED TO DELIVER YOUR CORE SERVICES?

Junior level

- Not at all 10%
- Poorly 50%
- Moderately 30%
- Well 10%
- Fully 0%



skills to real-life projects, as well as lacking several of the ‘soft skills’ that are necessary for the role. These include but are not limited to, interpersonal skills such as listening to others, communication, and conflict resolution; a proactive and positive attitude; a willingness to learn and problem-solving.

“THERE IS A NOTICEABLE LACK OF SOFT, ESPECIALLY IN JUNIOR RECRUITMENTS.”

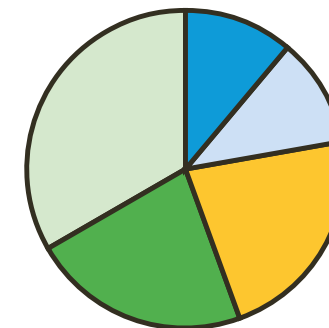
FINANCIAL SOLUTION SPECIALIST, LARGE ICT COMPANY

“SOFT SKILLS WISE THEY NEED TO HAVE GOOD INTERPERSONAL SKILLS INCLUDING BEING A GOOD COMMUNICATOR AND A PEOPLE PERSON. NEEDS TO HAVE CERTAIN PRESENTATION SKILLS AND THE ABILITY TO ASK THE RIGHT QUESTIONS.”

FINANCIAL SOLUTION SPECIALIST, LARGE ICT COMPANY

Experienced hires

- Not at all 11%
- Poorly 11%
- Moderately 22%
- Well 22%
- Fully 33%



Comparatively, 55% of employers said that experienced hires are either ‘well equipped’ or ‘fully equipped’ for the roles they are hired into, agreeing that they possess both the necessary technical and soft skills required for their roles.

“EXPERIENCED HIRES ARE FAR BETTER EQUIPPED. IF PEOPLE HAVE 8 YEARS’ EXPERIENCE IT MEANS THAT ANOTHER BUSINESS HAS ALREADY INVESTED IN DEVELOPING THEM.”

DIRECTOR, SME ICT COMPANY

“THE EXPERIENCE GIVES MORE SENIOR HIRES THE SKILLS TO SUCCEED IN THE BUSINESS.”

HEAD OF PEOPLE, SME FINTECH



Businesses in this sector require advanced specialist, technical skills, with Microsoft 365 considered to be a basic qualifying requirement for a role.

As expected, 82% of employers in this sector demand 'advanced digital skills'. Skills shortages that were reported included advanced technical capabilities such as experienced engineers, coders and developers, as well as, journey mapping, sales, commercial awareness, product management and development. Employers in this sector consider the ability to use the Microsoft 365 suite a basic qualifier / expectation for a role, rather than a key skills requirement included in a job spec.

"WE WILL NEED PEOPLE THAT UNDERSTAND THE DATA COMPLEXITY SO YOU CAN TAKE THE RIGHT DATA AND FEED IT INTO YOUR AI ENGINE. ALSO, PEOPLE THAT KNOW WHAT TO DO WITH THE AI OUTPUTS, SO THEY DRIVE VALUE FOR THE BUSINESS."

DIRECTOR, SME SOFTWARE DEVELOPMENT COMPANY

"I EXPECT PEOPLE TO BE ABLE TO USE MICROSOFT SUITE, GOOGLE WORKSPACES, I WOULDN'T EVEN CLASS THESE AS SKILLS, THEY'RE JUST A REQUIREMENT."

BUSINESS DEVELOPMENT MANAGER, LARGE BROADCAST MEDIA COMPANY

"MICROSOFT 365 IS A REQUIRED SKILL FOR US AND THEN THE SPECIALIST TECHNICAL SKILLS (AZURE)."

DELIVERY MANAGER, SME IT CONSULTANCY

To what extent are digital skills required to deliver current core services?

NOT AT ALL REQUIRED	SOMEWHAT REQUIRED	MODERATELY REQUIRED	LARGELY REQUIRED	CRUCIAL
0%	0%	0%	9%	91%

Are these digital skills considered to be basic or advanced?

BASIC	ADVANCED
18%	82%

Given the core activity of your organisation, what are the top 3 sector specific skills you require to deliver current core services?

ALL	SPECIALIST TECHNICAL SKILLS	COMMERCIAL AWARENESS	PEOPLE SKILLS	SOFTWARE ENGINEERING	SECTOR EXPERIENCE	REGULATORY KNOWLEDGE
10%	80%	40%	20%	20%	10%	10%

Sustainability skills are not an immediate requirement, particularly for SMEs. However, this sector is expected to face pressures to become more sustainable in the future.

60% of employers stated that green and sustainability related skills are 'not at all required', with 30% stating they are 'somewhat required'. However, for some large businesses, carbon reduction plans and ISO 140001 Environmental Standard positioning appears to be an important consideration, particularly for decision makers influencing purchasing decisions.

“NET ZERO IS ESSENTIAL FOR THE COMPANY, BUT WHEN IT COMES TO HIRING, HAVING KNOWLEDGE DOESN'T REALLY MAKE A DIFFERENCE.”

FINANCIAL SOLUTION SPECIALIST, LARGE ICT COMPANY

While the immediate demand for sustainability skills may not be prevalent, the sector will face more scrutiny for its energy consumption and carbon footprint and businesses will have to shift toward energy-efficient technologies, renewable energy sources, and innovative cooling solutions for data centres. This is likely going to drive innovation in green technologies and sustainable practices, impacting the skills requirements across the sector.

To what extent are green skills required to deliver current core services?

NOT AT ALL REQUIRED	SOMEWHAT REQUIRED	MODERATELY REQUIRED	LARGELY REQUIRED	CRUCIAL
60%	30%	0%	10%	0%

“NOT REQUIRED IN TERMS OF SKILLSET. AS A COMPANY WE'RE TRYING TO BE AS SUSTAINABLE AS POSSIBLE BUT THERE ARE NO SPECIFIC SKILLS REQUIRED BY TECHNICIANS REGARDING SUSTAINABILITY.”

DELIVERY MANAGER, SME IT CONSULTANCY

This sector is also expected to play a pivotal role in helping other sectors such as construction, engineering and manufacturing, and logistics and distribution to achieve Net Zero goals by leveraging innovation, digitisation, and sustainable technologies. For example:

- **Construction** – green and sustainable building practices such as Building Information Modelling (BIM) and the implementation of smart sensors and IoT.
- **Engineering** – digital twin technology, machine learning and AI-based predictive analytics for sustainable design, operation, and maintenance of engineering projects.

- **Manufacturing** – advanced robotics and automation in manufacturing to reduce energy consumption, enhance efficiency, and minimise waste. 3D printing allows for more sustainable production processes, including on-demand manufacturing and reduced material waste.
- **Logistics** – electric and autonomous vehicles to reduce carbon emissions and increasing fuel efficiency. Optimisation algorithms to optimise supply chain routes, warehouse operations, and inventory management.

STAKEHOLDER QUOTES: DIGITAL AND ICT

“WE WERE STRUGGLING WITH AN AGEING WORKFORCE BUT IN THE LAST COUPLE OF YEARS, THE DEMOGRAPHICS HAVE CHANGED.”

HR COORDINATOR, LARGE SOFTWARE DEVELOPMENT COMPANY

“AT MORE SENIOR LEVELS IT’S THE LEADERSHIP, PERSONAL AND COMMERCIAL SKILLS THAT ARE LACKING, NOT TECHNICAL.”

DIRECTOR, LARGE SOFTWARE DEVELOPMENT COMPANY

“WE GET A LARGE NUMBER OF APPLICANTS BUT OUT OF SAY 50 PEOPLE THAT APPLY, WE CAN ONLY INTERVIEW 2-3, OF WHICH 1-2 ARE ANYWHERE NEAR THE QUALITY WE NEED.”

DIRECTOR, LARGE SOFTWARE DEVELOPMENT COMPANY

“DIDN’T HAVE ANYONE THAT COULD MOVE UP INTO MORE SENIOR ROLES THAT WE NEEDED IMMEDIATELY SO WE WENT OUT TO EXTERNAL RECRUITMENT, BUT WE COULDN’T FIND THE SKILLS WE WERE LOOKING FOR EXTERNALLY, SO WE’VE RETURNED BACK TO TRYING TO UPSKILL THE ENGINEERS WE’VE ALREADY GOT.”

DELIVERY MANAGER, SME IT CONSULTANCY

“IN A PROGRAMMING CONTEXT, THEY KNOW THE WORDS BUT CAN’T ALWAYS FORM SENTENCES.”

DIRECTOR, LARGE BANK (FINTECH)

“THE NICHE TECHNICAL SKILLS ARE MORE DIFFICULT TO RECRUIT.”

DIRECTOR, LARGE SOFTWARE DEVELOPMENT COMPANY

“THERE WILL ALWAYS BE THOSE WHO ARE TECHNICAL AND THOSE THAT AREN’T, BUT THEY MIGHT HAVE LEADERSHIP CAPABILITIES. WE GET A SPLIT OF THOSE PEOPLE AND IT’S OUR JOB TO HELP THEM FIT INTO THE RIGHT ROLE THAT SUITS THEIR SKILLS.”

DIRECTOR, LARGE SOFTWARE DEVELOPMENT COMPANY

“RECRUITMENT IS HARDER TO FIND MANAGING PEOPLE AND DIFFERENT PERSONALITIES, LEADERSHIP ASPECTS AND INFLUENCE WITH AUTHORITY.”

PRODUCT MANAGER, LARGE RAIL TRANSPORTATION COMPANY.

“KNOWING HOW TO USE, READ AND MAKE SENSE OF THE DATA THAT WE HAVE. WE HAVE TO LOOK HARD TO FIND THOSE PEOPLE.”

BUSINESS DEVELOPMENT MANAGER, LARGE BROADCAST MEDIA COMPANY

“DIVERSITY OF THINKING AND APPROACH, AND CREATING AN ENVIRONMENT WHERE PEOPLE USE THEIR SKILLS TO THE BEST OF THEIR ABILITY.”

PRODUCT MANAGER, LARGE RAIL TRANSPORTATION COMPANY

“IT SHOULD BE MORE OF A CONSIDERATION FOR THE FUTURE BECAUSE THE INDUSTRY DOES HAVE A HUGE IMPACT – A LOT OF THE TECHNOLOGY USED NEVER GETS TURNED OFF.”

MARK PAULEY, SME ICT COMPANY.

“WE’RE STRUGGLING TO RECRUIT EXTERNALLY FOR SENIOR TECHNICIANS SO WE’RE HAVING TO BACKFILL THE ROLES AND UPSKILL OUR JUNIOR EMPLOYEES.”

DELIVERY MANAGER, SME IT CONSULTANCY

“LOCAL COLLEGES WOULDN'T BE ABLE TO MEET OUR REQUIREMENTS.”

HR COORDINATOR, LARGE SOFTWARE DEVELOPMENT COMPANY

“A LOT OF TEACHING IS THEORY LED BUT IT LACKS PRACTICAL SKILLS.”

BUSINESS DEVELOPMENT MANAGER, LARGE BROADCAST MEDIA COMPANY

“AT UNIVERSITY LEVEL, STUDENTS THERE HAVE MORE CAREER READINESS COURSES THAN BEFORE. I ASSUME THAT COLLEGES HAVE SOME SORT OF PERSON WHO HANDLES THAT BUT AT THE MOMENT I WOULDN'T KNOW WHO THEY ARE.”

DIRECTOR, SMALL SOFTWARE DEVELOPMENT FIRM (EDTECH)

“PROBLEM-SOLVING – NOT ALWAYS LOOKING TO OTHER PEOPLE TO SOLVE THEIR PROBLEMS.”

HEAD OF PEOPLE, SME FINTECH



KEY FINDINGS: SECTOR SPECIFIC

LOGISTICS AND DISTRIBUTION

The logistics and distribution sector is experiencing acute labour shortages of professionals with specialist licenses and qualifications, including Certificate of Professional Competence (CPC) and Heavy Goods Vehicles (HGV). Furthermore, there is a shortage of fitters, mechanics, and technicians.

71% of interviewees identified the largest talent shortage in high-skilled workers, which are classed as individuals with specialised licenses and qualifications such as mechanics, purchasing managers as well as individuals that have a CPC qualification or HGV license. Employers are also facing shortages with low-skilled workers with 43% of employers stating they lack warehouse operatives and 29% of employers stating they lack back-office and administration staff, with low levels of retention seen across these roles.

This corroborates the data recently published by the Logistics and Distribution Performance Tracker, the sector is experiencing the most severe skills shortages in fitters, mechanics, technicians and HGV drivers; 65% of firms that responded to the performance tracker reported 'severe' or 'very severe' skills shortages in these skilled roles. 37% of respondents reported acute skills shortages in HGV drivers.

"HARD TO RETAIN THIS PEOPLE IN LOW-SKILLED ROLES AS CANDIDATES ARE FLUID AND MOVE BETWEEN BUSINESSES. RETENTION IS JUST AS IMPORTANT AS RECRUITMENT."

FINANCE DIRECTOR, LARGE FREIGHT TRANSPORT COMPANY

"WE EXPERIENCE PROBLEMS WITH HGV DRIVER RECRUITMENT AS THEY ARE WELL SOUGHT AFTER, ESPECIALLY DRIVERS WHO CAN OPERATE 7.5 TONNES VEHICLES AND ABOVE."

HR DIRECTOR, LARGE FOOD PRODUCERS AND DISTRIBUTION COMPANY

Logistics and distribution is facing an ageing workforce and a lack of young talent in the sector.

The average UK HGV driver is 53 years old (Statista, 2023), 13% are over the age of 60 and set to retire soon and only 2% are under the age of 25, meaning there are not enough young drivers to replace the current workforce. A similar picture is reflected across the WMW region with 83% of employers stating their biggest skills shortages are in entry-level roles and 43% of employers stating that when they do employ entry-level recruits, they are very poorly equipped for the role.

It is also estimated that the UK has lost almost a quarter of its workforce through EU drivers since the decision was made for the UK to leave the European Union, further exacerbating the skills shortage.

"THERE'S DEFINITELY A CHALLENGE AROUND THE AGEING WORKFORCE. THE MAJORITY OF OUR WORKERS HAVE 20-30 YEARS' EXPERIENCE BUT YOUNG PEOPLE AREN'T COMING INTO THE TRADE TO REPLACE THOSE ABOUT TO RETIRE."

REGIONAL MANAGER, LARGE VEHICLE INSPECTION COMPANY

Current expectations for filling vacancies

Logistics and Distribution Performance Tracker, 2022

LEVEL	FITTERS/MECHANICS/ TECHNICIAN	WAREHOUSE STAFF	TRANSPORT MANAGERS	HGV DRIVERS	VAN DRIVERS	FORKLIFT DRIVERS	OTHER STAFF
No problem	4.7%	22.4%	47.3%	13.2%	29.5%	36.5%	17.5%
Minor	16.3%	27.6%	10.9%	22.0%	26.2%	19.2%	31.3%
Moderate	14.0%	36.2%	30.9%	27.5%	32.8%	30.8%	37.5%
Severe	32.6%	6.9%	7.3%	25.3%	11.5%	5.8%	10.0%
Very severe	32.6%	6.9%	3.6%	12.1%	0.0%	7.7%	3.8%

Employers across the WMW logistics and distribution sector reported minimal requirements for skills provision from the FE sector.

Despite the national skills shortage across this sector, employers revealed a number of key barriers that the FE sector may face when attempting to develop skills provision that meets their needs. The legal age to qualify for an HGV license in the UK is 18 (dropping from 21 years old in 2009).

However, employers reported that it is extremely rare to employ anyone under the age of 21 for a HGV driving role, with preference often given to candidates with prior experience, typically aged 25 and over. This is both due to the high risk and high insurance costs that are associated with a lack of driving experience when it comes to large and heavy good vehicles.

Employers highlighted that in spite of the high job security and opportunity to earn on average £35,000 a year, it is challenging to attract

young people to a career within this profession because they would have to stay interested and engaged in the prospect of becoming a HGV driver at least 3-7 years after finishing their studies/education.

It was clear from the interviews that employers widely accept that FE providers may not be best placed to provide a supply of young talent into the sector.

There may be opportunities for the FE sector to offer specific in-work training courses for employees in this sector who are looking to upskill and progress into management roles.

Employers did highlight an opportunity for FE providers to offer in-work training courses, such as the CPC, which must be completed every 5 years by drivers across the sector to avoid fines of up £1,000. There may also be an opportunity for the FE sector to provide CPC certified training courses related to warehouse operative skills including handling and safety.

Furthermore, FE providers could potentially provide management and leadership courses for high-skilled workers looking to progress into senior management and leadership roles, which 70% of employers stated they currently access through Independent Training Providers (ITPs) due to their perceived high levels of flexibility. Overall, employers felt offering this type of provision may be a more realistic way to support the sector with skills provision.

What are your current main methods of training/reskilling/upskilling employees?

IN-HOUSE	FE COLLEGES	INDEPENDENT TRAINING PROVIDER	HIGHER EDUCATION	ONLINE TRAINING PROVIDER
86%	29%	71%	0%	29%

There is minimal requirement for entry-level recruits to possess digital, sustainability, and management and leadership skills from employers in this sector.

57% of employers in this sector stated that digital skills are 'somewhat required', with 86% of employers stating that any digital skills required would be considered 'basic', over 'advanced'.

“THE SKILLS REQUIREMENT IN OUR BUSINESS IS ABOUT 98% PRACTICAL SKILLS AND MANPOWER AND ONLY 2% DIGITAL.”

REGIONAL MANAGER, LARGE VEHICLE INSPECTION COMPANY

Despite almost a fifth of UK logistics firms now operating electric vehicles (EVs) as part of their fleet, sustainability considerations appeared to vary significantly across employers, with some stating that green-related skills are 'not at all' required, and others stating that they are 'crucial'.

100% of employers stated that management and leadership skills are 'not at all' required by entry-level candidates. This is mostly because a large proportion of the workforce are low-skilled workers, in roles which typically see high levels of employee turnover/low levels of employee retention, and therefore employers do not expect these workers to progress into management positions within the company.

“LEADERSHIP SKILLS ARE SOMETHING TO LEARN IN-HOUSE, SO YOUNG ADULTS ARE NOT GOING TO HAVE THIS EXPERIENCE.”

HR DIRECTOR, LARGE FOOD PRODUCERS AND DISTRIBUTION COMPANY

STAKEHOLDER QUOTES: LOGISTICS AND DISTRIBUTION

“EXPERIENCED HIRES ARE EXTREMELY DIFFICULT TO FIND.”

MANAGING DIRECTOR, SMALL LOGISTICS AND DISTRIBUTION COMPANY

“WE NEED DRIVERS WHO HAVE THEIR QUALIFICATION AND HAVE COMPLETED ALL THE APPROPRIATE TESTS.”

MANAGING DIRECTOR, SMALL LOGISTICS AND DISTRIBUTION COMPANY

“RETENTION OF EMPLOYEES IS REALLY DIFFICULT. THIS HAS TO BE DONE THROUGH DEVELOPMENT AND ADEQUATE LEADERSHIP OF PEOPLE. MAKE SURE EMPLOYEES ARE SUPPORTED.”

FINANCE DIRECTOR, LARGE FREIGHT TRANSPORT COMPANY

“WE PAID FOR OUR LAST APPRENTICE TO GET HIS LICENSE, BUT HE WASN'T READY, SO IT DIDN'T WORK OUT.”

MANAGING DIRECTOR, SMALL LOGISTICS AND DISTRIBUTION COMPANY

“IT ISN'T ABOUT WHAT COLLEGES CAN DO BUT MORE ABOUT THE MINDSET STUDENTS HAVE, THEY NEED TO BE WILLING AND OPEN TO DO THE JOB.”

HR, LARGE CARE SUPPLIER COMPANY

“YOU HAVE HIGH-SKILLED WORKERS AND MANAGEMENT, AND THEY DON'T TEND TO CROSS OVER. EITHER THEY GO SOMEWHERE ELSE TO MOVE INTO MANAGEMENT OR WE WILL JUST HIRE STRAIGHT INTO MANAGEMENT. PEOPLE WILL BE DEVELOPED WITHIN THEIR SKILL BRANCH BUT NOT INTO MANAGEMENT.”

REGIONAL MANAGER, LARGE VEHICLE INSPECTION COMPANY

“A BASIC UNDERSTANDING OF COMPUTERS IS AS FAR AS YOU NEED FOR ADMIN AND OPERATIONS.”

HR, LARGE CARE SUPPLIER COMPANY



CROSS-CUTTING THEMES

In this research, cross-cutting themes refer to overarching themes that are common across the four priority growth sectors, rather than being sector-specific.

SOFT/ESSENTIAL SKILLS

Most entry-level recruits commonly lack the necessary soft and essential skills vital for success in the workplace.

Soft or essential skills are diverse and encompass a set of abilities and personal attributes that are widely considered to be crucial in the workplace. These skills impact an individual's ability to communicate, build relationships, and ultimately succeed in a role.

For example, verbal and written communication enable individuals to articulate ideas clearly, comprehend instructions and engage in productive dialogue with colleagues and clients, whilst teamwork skills such as adaptability and conflict resolution foster positive interactions within a team, enhancing the collective productivity of a workplace.

Across all four sectors, employers expressed a dissatisfaction with the soft and essential skills exhibited by entry-level employees.

When new recruits join your company at a junior level, how equipped are they with the skills and knowledge required to deliver your core services?

NOT AT ALL EQUIPPED	POORLY EQUIPPED	MODERATELY EQUIPPED	WELL EQUIPPED	FULLY EQUIPPED
6%	62%	6%	6%	0%

Interpersonal skills, attitude towards work, communication, teamwork and adaptability to the business environment were the top five key soft skills mentioned by employers.

Almost all employers revealed that when entry-level recruits join their businesses, they are not equipped with the basic 'life-skills' that enable them to be successful in the role. For instance, employers stated a significant lack of skills in areas related to workplace expectations such as time management and punctuality.

These are qualities that employers expect recruits to have before starting their career and they don't want to train new recruits on skills they consider elemental. Consequently, the FE sector needs to train these individuals on both the technical elements of the role as well as how to meet workplace expectations.

"WE STILL HAVE TO DO A LOT TO INTRODUCE THEM TO THE WORKPLACE, THE STRUCTURE, DISCIPLINE AND REQUIREMENTS OF WORKING. THEY NEED TEACHING ON HOW TO MANAGE THEIR TIME TO MEET A DEADLINE, AND NOT BE SPOON-FED EVERYTHING. WE KNOW WE MUST DO THAT BUT IT'S STILL FRUSTRATING BECAUSE THEY SHOULD POSSESS THESE SKILLS."

DIRECTOR, LARGE SOFTWARE DEVELOPMENT COMPANY

"WE'VE HAD REPORTS OF STUDENTS ON WORK EXPERIENCE THAT HAVEN'T TURNED UP ON TIME OR NOT TURNED UP AT ALL, THEY'RE JUST NOT COMMITTED. THIS HAS LED TO SOME BUSINESSES REFUSING TO TAKE ON ANY MORE STUDENTS SO AS A SECTOR, WE'RE NOT DOING ENOUGH TO TEACH STUDENTS THESE BASIC LIFE SKILLS AND WORK EXPECTATIONS."

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

Building on this, what are the top 3 soft/essential skills that you require to deliver current core services?

INTERPERSONAL SKILLS	COMMUNICATION	TEAMWORK/ TEAM PLAYER	ATTITUDE TO LEARNING / WORK AND PROFESSIONALISM	TIME MANAGEMENT	PROACTIVENESS/ INITIATIVE	ABILITY TO ADAPT TO BEING ONSITE IN A BUSINESS ENVIRONMENT	COMMERCIAL AWARENESS	LEADERSHIP SKILLS	ATTENTION TO DETAIL	EMPATHETIC	PROBLEM SOLVING
51%	62%	31%	41%	18%	22%	24%	6%	6%	4%	2%	2%

Notably, employers seemed to prioritise ‘attitude’ over ‘aptitude’, emphasising a preference for proactive individuals with a willingness to learn, over those that solely possess all the requisite technical skills and academic achievements. Employers value initiative as a sought-after commodity, often referencing examples where entry-level recruits tend to wait to be given instructions rather than taking a proactive approach to their work. Linked to this, motivation was also mentioned by a number of employers as they felt that their perception of ‘hard work’ does not always meet what entry-level recruits consider to be ‘hard work’.

“I LOOK FOR PEOPLE WITH THE RIGHT ATTITUDE AND PERSONALITY AS YOU CAN TRAIN TECHNICAL SKILLS, BUT YOU CAN’T TRAIN ATTITUDE.”

HR MANAGER, MEDIUM AUTOMOTIVE PARTS MANUFACTURING COMPANY

“WE’LL EMPLOY PEOPLE THAT HAVE THE RIGHT WORK ETHIC RATHER THAN LOOKING FOR EXPERIENCED PEOPLE. THEY NEED THEIR TECHNICAL SKILLS BUT IT’S SECONDARY TO HAVING THE RIGHT ATTITUDE. IT’S ABOUT BEING MOTIVATED; YOU CAN HAVE THE KNOWLEDGE FROM YOUR COLLEGE COURSE, BUT YOU NEED TO BE WILLING TO PUT IT TO USE.”

DIRECTOR, SMALL FABRICATION AND MANUFACTURING COMPANY

Interpersonal skills were also cited as a gap in entry-level recruits’ skillset, with 60% of employers specifically referencing communication as a key challenge for new starters. Some employers speculated that the digital age and the reliance on communicating through devices has diminished the emphasis on face-to-face interactions and the ability to build interpersonal relationships. Other employers stressed a broader societal challenge concerning the mental health, confidence, and social skills of young people (aged 16-18), which has been exacerbated by the impact of multiple lockdowns during the Covid-19 pandemic.

“ENTRY LEVEL CANDIDATES HAVE GAPS IN THEIR SOFT SKILLS, PARTICULARLY COMMUNICATION AND CONFIDENCE, THEY NEED THAT EXTRA SUPPORT. THEY DON’T FEEL LIKE THEY CAN ASK FOR HELP WHICH IS A CHALLENGE.”

DELIVERY MANAGER, SME IT CONSULTANCY.

“COVID-19 HAS RESULTED IN A SOFT SKILLS CRISIS AND THERE ARE A GROUP OF YOUNG PEOPLE WHO STRUGGLE TO COMMUNICATE. THEY CAN’T TALK TO PEOPLE OVER THE PHONE, AND THEY DON’T UNDERSTAND WHAT IS APPROPRIATE IN THE WORKPLACE. THEY SEEM TO ENJOY THE DIGITAL SIDE BUT AREN’T WILLING TO GET THEIR HANDS DIRTY.”

MANAGING DIRECTOR, SMALL ENGINEERING COMPANY

Although the majority of these findings were common across all four sectors, there were a number of requirements specific to construction. This includes entry-level recruits being comfortable and confident working in an onsite environment as well as a willingness to work unsociable hours.

To address this, a collaborative effort between employers and FE providers is proposed to provide support and enhance the chances of success for young individuals in the working environment of today.

“WE’RE TRYING TO WORK WITH EMPLOYERS AND YOUNG PEOPLE ON TRYING TO RESOLVE SOME OF THE IMPACTS THAT HAVE COME OUT OF THE COVID-19 PANDEMIC AS STUDENTS ARE FURTHER BEHIND FROM WHERE THEY SHOULD BE, BOTH IN TERMS OF SOFT SKILLS AND TECHNICAL SKILLS. THINGS LIKE WORK EXPERIENCE ARE GOING TO BE REALLY IMPORTANT IN HELPING TO PREPARE STUDENTS FOR THE WORLD OF WORK.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW



STAKEHOLDER QUOTES: SOFT/ESSENTIAL SKILLS

“WE KNOW THAT YOUNG PEOPLE ARE LACKING IN SOME OF THESE ESSENTIAL SKILLS THAT ARE REQUIRED FOR WORK SUCH AS TIME MANAGEMENT, PUNCTUALITY AND EVEN TURNING UP TO WORK ALTOGETHER BUT WE’RE WORKING HARD ON THIS AND ULTIMATELY, IT DOES COME DOWN TO HOW CLOSE THE STUDENTS ARE TO THE WORLD OF WORK.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

“MOST PEOPLE ONSITE WILL HAVE SOME SORT OF EXPERIENCE, BUT WE DO HAVE SOME SCHOOL LEAVERS WHICH ARE FAIRLY EQUIPPED WITH THE SKILLS THEY’VE LEARNT AT COLLEGE, BUT THEY LACK THE RIGHT ATTITUDE TO WORK PROACTIVELY AND QUICKLY WHICH IS WHAT’S NEEDED ONSITE.”

TRAINEE ASSISTANT SITE MANAGER, LARGE CONSTRUCTION COMPANY

“IF SOMEONE FINISHES A TASK, THEY’LL JUST STAND AROUND WAITING FOR SOMEONE TO TELL THEM THE NEXT THING TO DO RATHER THAN USING THEIR INITIATIVE.”

MANAGING DIRECTOR, SMALL GARMENTS MANUFACTURER AND SUPPLIER

“I DON’T KNOW WHAT SOME PEOPLE ARE DOING HALF THE TIME, IT’S ABOUT BEING PROACTIVE ABOUT LETTING PEOPLE KNOW WHAT YOU’RE DOING.”

BUSINESS DEVELOPMENT MANAGER, LARGE BROADCAST MEDIA COMPANY

“WE’RE HAPPY TO TEACH THE TECHNICAL SIDE OF THINGS, DIFFERENT MSPS USE DIFFERENT SOFTWARES SO WE WOULDN’T EXPECT COLLEGES TO TEACH THIS, BUT THE SOFT SKILLS ARE HARDER TO TEACH SO IT WOULD BE USEFUL FOR COLLEGES TO REALLY INVEST IN DEVELOPING THESE SKILLS.”

DELIVERY MANAGER, SME IT CONSULTANCY.

“YOUNG PEOPLE DON’T SEEM TO UNDERSTAND WHAT EMPLOYMENT IS ALL ABOUT. WE NEED PEOPLE WITH A GOOD LEVEL OF COMMON SENSE WHO ARE ENTHUSIASTIC ABOUT THE BUSINESS.”

MANAGING DIRECTOR, LARGE AUTOMOTIVE MANUFACTURING COMPANY

“NO ONE WANTS TO DO THE PHYSICAL JOB AND MORE AND MORE PEOPLE WANT TO SIT BEHIND A DESK. WE ARE EMPLOYING OLDER PEOPLE FOR THESE PHYSICAL ROLES RATHER THAN YOUNGER ONES.”

MANAGING DIRECTOR, SMALL STEEL MANUFACTURING COMPANY.

TECHNICAL SKILLS

Employers are generally satisfied with the technical skills taught by FE providers, both the range and quality of courses on offer.

Overall, employers were positive about the quality and range of technical skills that entry-level recruits possess, generally agreeing that new recruits do possess the technical skills and theoretical grounding that is required for the role. A small number of employers that operate in very specialist/niche markets did express a desire to have courses that meet their specific needs, but with an understanding that courses are only viable with adequate student demand.

“THE PROVISION OF TECHNICAL SKILLS IS THERE FROM COLLEGES, AND IT DOES MEET SKILLS REQUIREMENTS.”

PROFESSOR, LARGE ENGINEERING AND TECHNOLOGY INSTITUTION

“LOCAL COLLEGES ARE THE LEAD PROVIDER OF TECHNICAL SKILLS AND SO WE TEND TO USE THEM MORE FOR TRAINING THAN WE USE IPTS.”

CONSULTANT, LARGE TRANSPORT AND CONSTRUCTION CONSULTANCY

Some employers did however cite a challenge around applied learning with entry-level recruits stating that despite having a good theoretical foundation and understanding of the technical skills, new hires often struggle to apply them to real-life projects, particularly when faced with unexpected problems, presenting an inability to translate theoretical knowledge into practical skills.

“IT WOULD BE BENEFICIAL FOR STUDENTS TO POSSESS THE RELEVANT TECHNICAL KNOWLEDGE AS WELL AS BEING ABLE TO APPLY THAT KNOWLEDGE PRACTICALLY TO REAL-LIFE SCENARIOS. THERE SHOULD BE A STANDARDISED APPROACH TO LEARNING OPPORTUNITIES ACROSS THE WHOLE FE SECTOR.”

FINANCE DIRECTOR, LARGE FREIGHT TRANSPORT COMPANY

FE providers have a historical practical skills focus, offering technical and vocational courses that help equip students for working in sectors that are considered ‘practical’ or ‘hands-on’ such as construction and engineering and manufacturing. The introduction of T Levels is an evolution of this, as the new 2-year courses, which are being gradually rolled out across selected FE providers, schools and other providers, offer students practical and knowledge-based learning and on-the-job experience through an industry placement, demonstrating a commitment from FE providers to delivering high-quality and industry relevant technical and practical skills.

“THE GROWTH OF T-LEVELS IS GOING TO BE A KEY FOCUS FOR US IN THE COMING YEARS. WE HAVE THREE T-LEVELS LAUNCHING THIS ACADEMIC YEAR AND ANOTHER THREE LAUNCHING IN 2025/26.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

FE providers also often cater to a diverse range of learners, including those who prefer practical and hands-on learning over a more theoretical approach. This inclusivity allows them to address the needs of a broader spectrum of students and subsequently meet a variety of employer needs.

As part of this research, discussions with FE providers were also used to inform the view around current and future curriculum, these discussions revealed that FE providers are extremely flexible and responsive to employer needs. Compared to Higher Education, FE providers can adapt their course and module offering more rapidly to changes in industry needs. They are more agile in responding to emerging skills gaps, technology advancements, and shifts in the job market, ensuring that their students are well-prepared for current and future industry demands.

“EMPLOYERS COME IN TO DELIVER GUEST TALKS TO ENSURE STUDENTS ARE UP TO DATE WITH THE LATEST INDUSTRY DEVELOPMENTS AND THAT GOES ON THROUGHOUT THE YEAR. WE HAD AN EMPLOYER COME IN RECENTLY TO TEACH THE STUDENTS ABOUT SOLDERING A COLD JOINT RATHER THAN A HOT JOINT AS THIS IS NOW AN INDUSTRY REQUIREMENT.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

This sentiment was echoed by employers in regard to technical skills delivered by FE providers. Through initiatives, events and activities that are focused on employer and community engagement such as employer advisory boards, employer forums, employer breakfasts and guest talks, FE providers are actively seeking feedback and input from local employers on the current and future curriculum to try and tailor skills provision and create a workforce that meets the needs of the local job market.



“WE LAUNCH OUR UPDATED CURRICULUM WITH ANNUAL EMPLOYER BREAKFASTS WHERE WE ENGAGE WITH EMPLOYERS TO SEE WHAT THEIR REQUIREMENTS ARE.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

“WE ENGAGE WITH EMPLOYERS IN MULTIPLE WAYS INCLUDING AN EMPLOYER ADVISORY BOARD AND AN EMPLOYER FORUM WHICH HAVE REALLY HELPED WITH CURRICULUM DEVELOPMENT AND WITH THE DESIGN OF T-LEVELS.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

There is clear evidence that FE providers want to collaborate with industry partners to develop their curriculum and this appears to have some success in terms of technical skills. However, current engagement with employers is uncoordinated and inconsistent with the majority of engagement taking place with a small pool of employers that are ‘accessible’, compared to a larger pool of employers that are ‘hard to reach’ and as a result, disengaged.

STAKEHOLDER QUOTES: TECHNICAL SKILLS

“TECHNICAL KNOWLEDGE IS ESSENTIAL FOR ALL INDUSTRIES.”

BUSINESS DEVELOPMENT MANAGER, LARGE BROADCAST MEDIA COMPANY

“A MACHINE OPERATIVE WENT ON AN ELECTRICAL ENGINEERING COURSE BY CITY AND GUILDS. THIS HELPED US REDUCE COSTS AS WE DIDN’T NEED AN EXTERNAL ELECTRICAL CONTRACTOR.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“OVERALL, I HAVE A POSITIVE PERCEPTION OF THE TEACHING OFFERED AT COLLEGES, BUT THEIR COURSES TEND TO BE MORE GENERIC AND NOT TAILORED TOWARDS BUSINESS NEEDS. THAT’S WHY ITPS ARE BETTER FOR US SOMETIMES BECAUSE THEIR COURSES ARE MORE SPECIFIC TO THE REQUIREMENTS OF BUSINESSES.”

HEAD OF IT, LARGE BUILDING MATERIALS MANUFACTURERS

“AIR CONDITIONING ENGINEERING, GAS ENGINEERS ETC ARE VERY SPECIALIST TECHNICAL SKILLS SO THAT MAY BE WHY WE ARE STRUGGLING TO FILL HEAD COUNTS ACROSS THE BOARD.”

FACILITY MANAGER, LARGE MOBILE ENGINEERING COMPANY

“TECHNICAL SKILLS ARE VITAL AND WE DON’T CURRENTLY LACK ANY OF THESE SKILLS, BUT THIS MIGHT CHANGE IN THE FUTURE.”

MANAGING DIRECTOR, SMALL CARDBOARD MANUFACTURING COMPANY

“WE ALWAYS REQUIRE TECHNICAL SKILLS. WE NEED DRIVERS WHO HAVE THE REQUIRED QUALIFICATION AND HAVE COMPLETED ALL THE APPROPRIATE TESTS.”

MANAGING DIRECTOR, SMALL LOGISTICS AND DISTRIBUTION COMPANY

“STUDENTS SHOULD HAVE PRACTICAL EXPERIENCE AS WELL AS THE TECHNICAL SKILLS SO THAT THEY CAN APPLY THE THEORETICAL KNOWLEDGE THEY HAVE LEARN TO REAL-LIFE SCENARIOS.”

REGIONAL MANAGER, LARGE VEHICLE INSPECTION COMPANY

“COLLEGES NEED TO ALIGN WHAT STUDENTS ARE LEARNING WITH JOBS IN THE SECTOR, BRING IT TO LIFE. STUDENTS WOULD BENEFIT FROM SEEING THE APPLICATION OF THE THEORY LEARNT. IT IS NOT ABOUT SPECIFIC COURSE REQUIREMENTS BUT JOINING THE DOTS BETWEEN CLASSROOM LEARNING AND SOLVING REAL PROBLEMS IN THE JOB ENVIRONMENT.”

TALENT LEAD, LARGE WATER SUPPLY COMPANY

“THE QUALITY OF ENTRY LEVEL RECRUITS IS NOT AS GOOD NOW BECAUSE THEY LACK PRACTICAL SKILLS ON TOP OF THEIR THEORETICAL KNOWLEDGE. WE USED TO GET PRACTICAL EXPERIENCE ALONGSIDE OUR COLLEGE WORK.”

DIRECTOR, LARGE CONSTRUCTION COMPANY



EMPLOYER ENGAGEMENT

There are varying degrees of engagement with, and awareness of, the FE sector amongst employers. Over 90% of businesses expressed a desire to increase their knowledge of the FE sector offering.

Most employers exhibit limited awareness of the FE sector offering, stating they are either 'not at all aware' or 'a little aware', with most businesses redirecting discussions towards HE / universities when queried about the FE sector.

Notably, larger businesses appear to display a higher level of awareness and engagement with the FE sector compared to their micro or small and medium-sized enterprise (SME) counterparts. This is aligned with comments made in discussions with FE providers, where engagement with larger businesses can be as frequent as weekly meetings, compared to engagement with smaller businesses which can be once a year.

“OUR BUSINESS DEVELOPMENT TEAM TOUCHES BASE WITH SMALLER EMPLOYERS ONCE OR TWICE A YEAR AND WE ENGAGE WITH LARGER ACCOUNTS AS OFTEN AS WEEKLY.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

How aware are you of the training/skills provision on offer from the FE-led education/training sector?

NOT AT ALL AWARE	A LITTLE AWARE	SOMEWHAT AWARE	MODERATELY AWARE	LARGELY AWARE
49%	29%	10%	6%	5%

This is due to a combination of resource scarcity, particularly for smaller businesses that do not have a HR function or someone dedicated to managing the relationship between themselves and FE providers; and an uncoordinated approach to engagement from the FE provider side, where there is an absence of a best-practice, consistent approach to reaching out to local businesses and building or maintaining those relationships.

“WE NEED SOMEONE FROM THE COLLEGES TO ENGAGE WITH OUR BUSINESS AND BUILD A RELATIONSHIP SO THAT THEY UNDERSTAND OUR REQUIREMENTS AND WHERE THEY COULD POSSIBLY FILL THE GAPS.”

FOUNDER, SME CONSTRUCTION COMPANY

Among those currently disengaged, there was an overwhelmingly positive response (92%) when asked if they would be open to hearing more about the FE-led recruitment, education, and training opportunities available to them, often stating that the FE sector was simply not on their radar. However, the willingness to engage was dependant on the existence

of a straightforward and effective means of navigating the FE landscape and communicating with the appropriate people, a theme to be explored in more detail later in this report.

Would you be interested in finding out more about what the FE-led education/training sector could offer your business in terms of education/training?

YES	NO
92%	8%

“I’D BE REALLY WILLING TO WORK WITH FE TO CO-CREATE COURSES FOR JUNIOR RECRUITS AND RESKILLING AND UPSKILLING AS WELL.”

FOUNDER, SMALL HEALTHTECH COMPANY

“IF WE HAD A BETTER UNDERSTANDING THAT SOMEONE FROM A COLLEGE COULD GIVE US ON HOW THEY COULD MEET OUR REQUIREMENTS, THEN WE’D ABSOLUTELY BE OPEN TO HEARING THAT.”

SENIOR DESIGNER, SME INTERIOR DESIGN COMPANY

“I WOULD LOVE TO KNOW WHAT FE COLLEGES ARE OFFERING.”

IT MANAGER, LARGE FOOD PROCESSING AND RETAILING COMPANY

“WE USED TO HAVE CLOSE RELATIONSHIPS WITH LOCAL COLLEGES, BUT WE DON’T NOW AND IT’S SOMETHING WE’RE LOOKING TO CHANGE. THIS IS A REALLY TIMELY CONVERSATION BECAUSE WE’RE GOING TO BE PUTTING A LOT INTO TRYING TO REBUILD THE RELATIONSHIP WITH LOCAL COLLEGES.”

MANAGING DIRECTOR, SMALL STEEL MANUFACTURING COMPANY

Many respondents expressed a desire for a more influential role in shaping course content at FE providers. However, many feel that they have not been adequately consulted, listened to, or are uncertain about whom to approach to articulate their views effectively. There is clearly a discrepancy between the employer and FE provider perspectives; FE providers have introduced various means of gathering employer input on curriculum, including employer boards and forums, designed to ensure teaching relevant to industry standards. However, the employers interviewed are not involved in these programmes. Whilst engaging with every employer in the region is nigh on impossible, there needs to be a more holistic strategy for employer engagement.

“HAD NO ENGAGEMENT WITH COLLEGES WHERE THEY’VE ASKED US WHAT WE NEED, THEY LACK A SALES AND PROMOTIONAL ANGLE. YOU’D THINK THEY WOULD BE GETTING IN TOUCH WITH BUSINESSES AND LETTING THEM KNOW WHAT’S ON OFFER.”

HEAD OF IT, LARGE BUILDING MATERIALS MANUFACTURERS

“WE HOST AN ANNUAL EMPLOYER BREAKFAST EVENT WHERE EMPLOYERS ARE INVITED TO THE COLLEGE, AND WE SPEAK TO THEM ABOUT WHAT THE STUDENTS ARE TAUGHT AND HOW THEY’RE ASSESSED, AND THEY GIVE US FEEDBACK WHICH WE THEN IMPLEMENT.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

Employers strongly expressed a desire to directly engage with students to showcase the benefits and career opportunities associated with working in their respective sectors. This was particularly prevalent across construction and engineering and manufacturing where employers highlighted a perceived lack of awareness and understanding among 16–18-year-old students regarding their industries and the opportunities they offer.

“COLLEGES AND EMPLOYERS NEED TO COLLECTIVELY ENCOURAGE YOUNG PEOPLE TO ENTER INTO THE ENGINEERING AND CONSTRUCTION SECTORS BY GETTING THEM INTO WORKPLACES AND SHOWCASING WHAT’S ON OFFER.”

MANAGING DIRECTOR, SMALL STEEL MANUFACTURING COMPANY

“THE INDUSTRY HAS HAD TO MAKE THE EFFORT TO MAKE CONSTRUCTION ATTRACTIVE TO YOUNG PEOPLE AGAIN. THIS INCLUDES GOING INTO SCHOOLS AND COLLEGES AND GETTING STUDENTS INTO WORKPLACES AND ONSITE TO TALK TO THEM ABOUT THE CAREER OPPORTUNITIES THAT ARE ON OFFER. IT’S THE SAME SITUATION FOR ENGINEERING.”

SENIOR CONTRACTS MANAGER, LARGE CONSTRUCTION COMPANY

Unanimously, employers preferred the notion of a streamlined and effective single point of engagement with the FE-sector, rather than engaging separately with individual institutions. A consolidated engagement is envisioned as both a united brand and website as well as a single point of communication and engagement to influence course content and delivery.

“THE COLLEGES NEED SOMEONE WHOSE JOB IT IS TO ENGAGE WITH BUSINESSES AND BUILD RELATIONSHIPS TO FIND OUT HOW COLLEGES CAN FILL THE GAPS / NEEDS OF LOCAL BUSINESSES.”

OWNER, SMALL CONSTRUCTION COMPANY

“I FIND IT DIFFICULT TO ENGAGE WITH COLLEGES THAT COULD HELP ME, I HAVE NO IDEA WHO I WOULD SPEAK TO OR WHERE TO EVEN START WITH THAT ENGAGEMENT.”

MANAGING DIRECTOR, SMALL GARMENTS MANUFACTURER AND SUPPLIER

“I HAVE NO IDEA WHAT’S ON OFFER FROM COLLEGES AND I WOULDN’T KNOW HOW TO FIND OUT EITHER OR WHERE TO START. OUR STARTING POINT WOULD PROBABLY BE GOOGLE AND THEN MAYBE WE’D NEED TO RING EACH COLLEGE TO FIND OUT WHAT THEY’VE GOT ON OFFER. “

MANAGING DIRECTOR, SMALL STEEL MANUFACTURING COMPANY

“I RECEIVE OVER 200 EMAILS A DAY FROM RECRUITERS, I NEED SOMEONE FROM THE COLLEGES TO PROPERLY INTRODUCE THEMSELVES THROUGH A PHONE CALL OR IN-PERSON AND I NEED TO KNOW EXACTLY WHAT THE COSTS ARE FOR ME. I WANT SOMEONE TO GENUINELY CARE ABOUT THE STUDENT. WE’D LIKE TO BUILD A PROPER 2-WAY PARTNERSHIP WHERE WE BOTH HAVE A CLEAR ROLE TO PLAY... IDEALLY, COLLEGES WOULD PROVIDE A SINGLE ACCOUNT MANAGER WHO LISTENS TO YOUR FEEDBACK ON COURSE CONTENT AND WHO UNDERSTANDS YOUR RECRUITMENT NEEDS WHO CAN THEN GO AWAY AND FIND SUITABLE CANDIDATES ACROSS ALL THE COLLEGES THAT THEY CAN SEND TO US.”

MANAGING DIRECTOR, SMALL CONSTRUCTION COMPANY



STAKEHOLDER QUOTES: EMPLOYER ENGAGEMENT

“WE ENGAGE WITH LOCAL COLLEGES PRIMARILY FOR WORK EXPERIENCE REASONS AND RECRUITMENT.”

DIRECTOR, SME IT COMPANY

“WE COULD DO MORE. THERE’S A LOT OF RULES AND SIGNOFFS TO BE ABLE TO GET IT APPROVED WHICH IS A BARRIER.”

BUSINESS DEVELOPMENT MANAGER, LARGE BROADCAST MEDIA COMPANY

“IN BIRMINGHAM, THERE ARE LOTS OF GOOD COLLEGES BUT THE ONLY COMMUNICATION I SEE FROM THEM IS AIMED AT SCHOOL LEAVERS. I’D BE MORE THAN OPEN TO EMPLOYING SOMEONE STRAIGHT FROM AN FE LED COLLEGE BUT IT’S NOT SOMEWHERE THAT I’VE PREVIOUSLY THOUGHT TO LOOK FOR NEW RECRUITS.”

DIRECTOR, SME CONSTRUCTION COMPANY

“I WOULD BE INTERESTED IN HOW COLLEGES COULD SUPPORT US WITH OUR SKILLS SHORTAGES. THEY NEED BETTER SIGNPOSTING, SO WE KNOW WHAT THEY’RE OFFERING AND WHAT IS RELEVANT TO US.”

FOUNDER, SMALL MANUFACTURING COMPANY

“ENGAGEMENT BETWEEN COLLEGES AND SMES SHOULD GO BOTH WAYS AND WE SHOULD BOTH MAKE TIME FOR EACH OTHER. IF COLLEGES WANT TO UNDERSTAND WHAT SKILLS/COURSES BUSINESSES NEED THEN THEY NEED TO GO AND VISIT THEM IN-PERSON.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“COLLEGES NEED TO DO MORE WITH US, ESPECIALLY WITH SMES AS THEY CAN HELP BY COMING IN AND SEEING HOW THEY CAN SUPPORT US WITH TRAINING SKILLS.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“COLLEGES SHOULD BE AWARE OF THE CHALLENGES COMPANIES FACE AND ENGAGE MORE WITH EMPLOYERS. NEEDS TO BE A REGULAR CONVERSATION BETWEEN US.”

COMMERCIAL DIRECTOR, SMALL INDUSTRIAL EQUIPMENT SUPPLIER

“THERE HAS TO BE A BALANCE BETWEEN WHAT EMPLOYERS NEED AND STUDENT DEMAND. FOR EXAMPLE, WE INTRODUCED A MANUFACTURING ENGINEERING COURSE BECAUSE WE KNEW EMPLOYERS WANTED IT, BUT IT WASN’T VIABLE TO RUN BECAUSE STUDENTS WEREN’T INTERESTED IN IT.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

“IT WOULD BE GREAT IF COLLEGES OFFERED A COURSE FOR US BUT WE’RE SO NICHE, THERE COULD POTENTIALLY BE SOMETHING WE COULD DO IN PARTNERSHIP WITH OTHER SIMILAR COMPANIES TO US AND A COLLEGE, WHERE WE POOL OUR RESOURCES TOGETHER TO CREATE SOMETHING THAT SERVES A BUNCH OF US.”

DIRECTOR, SMALL FABRICATION AND MANUFACTURING COMPANY

“I THINK FE LED COLLEGES AND SCHOOLS SEE THE IMPORTANCE OF ENGAGING WITH EMPLOYERS, BUT EMPLOYERS HAVE BEEN VERY POOR AND SLOW TO ENGAGE WITH POTENTIAL EMPLOYEES. I CAN’T EXPECT PEOPLE TO COME TO ME.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“WE LAUNCH OUR CURRICULUM PLANS WITH AN ANNUAL EMPLOYER BREAKFAST WHERE WE ENGAGE WITH EMPLOYERS TO SEE WHAT THEIR REQUIREMENTS ARE. WE ALSO HAVE A TEAM OF BUSINESS DEVELOPMENT EXECs WHO ENGAGE WITH OVER 100 BUSINESSES TO UNDERSTAND THEIR NEEDS. WE COMPLETE A ‘TRAINING NEEDS ANALYSIS’ WITH THEM WHICH WILL INFORM OUR FUTURE CURRICULUM PLANS.”

REPRESENTATIVE FROM FE PROVIDER BASED IN WMW

APPRENTICESHIPS

The apprenticeship scheme was met with mixed reviews from employers, both in terms of the apprentices' ability to meet the skills requirements as well as the FE sector's management of the programme.

Employers gave mixed reviews when asked about their experience of the apprenticeship scheme. A significant number of employers participating in the scheme expressed dissatisfaction, citing concerns over the hands-off approach of some FE providers, which results in inadequate communication and limited touchpoints.

Furthermore, the consensus on the preparedness of apprentices for their roles was varied. While businesses are generally willing to impart technical skills, they stated that the absence of essential skills, including a proactive attitude, initiative, motivation, and confidence to ask questions were key barriers to success for their apprentices.

Compounding these concerns is the fear among employers that the investment in training apprentices might lead to their departure in pursuit of higher wages elsewhere. Additionally, some businesses, particularly across construction, engineering and manufacturing, and logistics and distribution, identify barriers to employing apprentices due to the high-risk work environments that can be associated with these sectors and limitations outlined in employment law.

"WE USED THE APPRENTICE SCHEME, BUT WE STOPPED IT BECAUSE WE DIDN'T HAVE SUCCESS WITH IT. THEY DIDN'T HAVE THE ATTITUDE OR WILLINGNESS TO WORK. THERE'S A REAL CHALLENGE AROUND WORK ETHIC AND DESIRE TO BE THERE SO USUALLY THEY ONLY LAST A COUPLE OF WEEKS."

HEAD OF PEOPLE, SME FINTECH

"HAVEN'T HAD THE BEST EXPERIENCE WITH COLLEGES SO FAR, WE'VE HAD APPRENTICES FROM THEM, BUT THEY DON'T SEEM TO HAVE THE EXPERIENCE YOU'D EXPECT THEM TO OR THE RIGHT ATTITUDE TO LEARN."

DIRECTOR, SMALL FABRICATION AND MANUFACTURING COMPANY

"WE USE COLLEGES FOR APPRENTICES BUT MY EXPERIENCE WITH THEM HASN'T BEEN POSITIVE. WE'VE HAD APPRENTICES OVER THE YEARS, AND THEY'VE COME AND GONE. ONCE THEY'VE TRAINED UP THEN THEY LEAVE ELSEWHERE FOR BETTER MONEY, OR THEY SET UP THEIR OWN BUSINESSES."

DIRECTOR, SMALL FABRICATION AND MANUFACTURING COMPANY

"APPRENTICES DON'T FIT OUR WORKING HOURS; WE WORK A LOT OF NIGHTS AND UNSOCIABLE HOURS AND THEY'RE NOT ALLOWED TO DO THAT ACCORDING TO EMPLOYMENT LAW, SO WE HIT A BARRIER STRAIGHT AWAY."

DIRECTOR, SMALL ENGINEERING/MAINTENANCE COMPANY

These challenges highlight the need for a comprehensive approach to apprenticeship programs, addressing not only technical skills but also emphasising the development of essential interpersonal and professional competencies.



STAKEHOLDER QUOTES: APPRENTICESHIPS

“APPRENTICES ARE MEANT TO DEVOTE 20% OF THEIR TIME TO OFF-JOB LEARNING, AND WE FOUND THAT THEY’D BEEN TAUGHT STUFF AT COLLEGE THAT HAD ZERO RELEVANCE TO OUR BUSINESS.”

DIRECTOR, SME SOFTWARE DEVELOPMENT COMPANY

“WHEN APPRENTICESHIPS ARE DONE RIGHT, THEY’RE GREAT. SOME ARE WELL-REOWNED AND COMPETITIVE BUT THERE’S NO CONSISTENCY.”

HEAD OF PEOPLE, SME FINTECH

“WE HAVE BEEN QUITE LUCKY, PEOPLE AT THE APPRENTICESHIP LEVEL HAVE BEEN WELL-EQUIPPED IN TERMS OF THE BASICS LIKE COMMUNICATION, ATTITUDE, ABILITY TO LEARN BUT YOU EXPECT THEM TO UPSKILL ON THE JOB REGARDS TO HARD TECHNICAL SKILLS.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“I HAVE THOUGHT ABOUT THE APPRENTICESHIP SCHEME BUT THERE IS A LOT OF BUREAUCRACY AND PAPERWORK THAT PUTS ME OFF IT.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“WE USE AN APPRENTICESHIP AND PLACEMENT SCHEME RUN THROUGH THE COLLEGES. STUDENTS WILL COME INTO THE BUSINESS AT ENTRY LEVEL, AND WE WILL TRAIN THEM UP BY ROTATING THEM ACROSS THE BUSINESS.”

CONSULTANT, LARGE TRANSPORT AND CONSTRUCTION CONSULTANCY

“IT’S A CHALLENGE WHEN THEY’RE STRAIGHT FROM SCHOOL AND IT’S THEIR FIRST JOB, THEY OFTEN LACK THE SKILLS THEY NEED TO WORK WELL IN THE WORKPLACE BUT ONCE THEY’VE GONE THROUGH THEIR APPRENTICESHIPS, THEY’RE GREAT.”

HEAD OF IT, LARGE BUILDING MATERIALS MANUFACTURERS

“THE WAREHOUSE APPRENTICESHIP HAS WORKED REALLY WELL AND UPSKILLED THE TEAM, ANY NEW ENTRANTS GO THROUGH THE LEVEL 2 WAREHOUSE AND LOGISTICS APPRENTICESHIP.”

DIRECTOR, SMALL SPECIALIST EQUIPMENT SUPPLIER

“I WOULD BE INTERESTED IN THE APPRENTICESHIP SCHEME TO MEET FUTURE REQUIREMENTS.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“OUR ADMIN APPRENTICE WAS ABLE TO PICK DIFFERENT ELEMENTS FROM THE COLLEGE, MAYBE IT WAS EASIER FOR ADMIN OVER TECHNICAL SKILLS. I FOUND THE COURSE AND GOT THE APPRENTICE THROUGH AN FE COLLEGE.”

HR MANAGER, MEDIUM AUTOMOTIVE PARTS MANUFACTURING COMPANY

“WE TOOK ON 5 APPRENTICES AT THE SAME TIME AND IT WAS A SIGNIFICANT UNDERTAKING; I DIDN’T REALISE AT THE TIME WHAT WAS NEEDED IN TERMS OF THE INVESTMENT. ONE IS NOW A FULLY QUALIFIED ACCOUNTANT.”

COMMERCIAL DIRECTOR, SMALL AUTOMOTIVE PARTS MANUFACTURING COMPANY

“I WANTED THEM TO RUN A MAINTENANCE APPRENTICESHIP WHERE I PICKED DIFFERENT ELEMENTS, WHICH IS WHAT THEY SAID I COULD DO ON THE DOCUMENTS, BUT IN REALITY COLLEGES WEREN’T WILLING TO MOVE FROM WHAT THEY DELIVERED TO A MAJOR ORGANISATION IN THE REGION.”

HR MANAGER, MEDIUM AUTOMOTIVE PARTS MANUFACTURING COMPANY

MANAGEMENT AND LEADERSHIP

The employer interviews revealed that there is minimal requirement for entry-level recruits to possess management and leadership skills.

For junior-level recruits, the consensus is they are not expected to possess leadership and management skills upon entering the workforce.

To what extent do you require new recruits in junior positions to possess management and leadership skills?

NOT AT ALL REQUIRED	SOMEWHAT REQUIRED	MODERATELY REQUIRED	LARGELY REQUIRED	CRUCIAL
74%	19%	3%	0%	3%

Instead, employers emphasise the importance of hiring individuals who demonstrate the potential and attitude to progress and develop within the company. Employers are generally willing to train individuals who have the potential to progress and will do this either internally using in-house resources, or externally utilising online providers or Independent Training Providers (ITPs).



What are your current main methods of training/reskilling/upskilling employees?

IN-HOUSE	FE COLLEGES	INDEPENDENT TRAINING PROVIDER	HIGHER EDUCATION	ONLINE TRAINING PROVIDERS
80%	39%	78%	7%	35%

“FOR 16–20-YEAR-OLDS I WOULD EXPECT VERY FEW OF THEM TO HAVE THOSE SKILLS. THE BIG THING FOR ME IS ATTITUDE, WILLINGNESS TO LEARN AND INNOVATION.”

MANAGING DIRECTOR, SMALL POLYSTYRENE MANUFACTURING COMPANY

“DON’T EXPECT THEM TO HAVE THESE LEADERSHIP AND MANAGEMENT SKILLS BUT WE WANT THEM TO HAVE THE RIGHT ATTITUDE AND FIT WITHIN THE COMPANY.”

COMMERCIAL DIRECTOR, SMALL INDUSTRIAL EQUIPMENT SUPPLIER

“NOT ESSENTIAL BUT WE NEED SOMEONE WITH AMBITION AND A SPARK, SOMEONE WHO SEES OPPORTUNITIES IN THE BUSINESS AND GROWS WITH US. WE WOULD SUPPORT THIS.”

MANAGING DIRECTOR, LARGE AUTOMOTIVE MANUFACTURING COMPANY

There appears to be a widespread lack of awareness among employers regarding the education and training provisions for management and leadership offered by local FE providers.

Most employers opting for management-related courses to upskill their workforce turn to online training providers or ITPs rather than utilising the offerings of local FE providers. Middle and senior manager roles are typically filled through upskilling employees, whereas senior leadership roles appear to be more challenging to fill via upskilling, with organisations opting for external recruitment support to fill vacancies.

Employers expressed great difficulty in finding individuals with both technical expertise and management and leadership skills, particularly in the competitive job market. This challenge is making it difficult for SME businesses to meet salary expectations.

“WE HAVE A REAL SHORTAGE OF PEOPLE THAT WE CAN UPSKILL INTO SENIOR LEADERSHIP ROLES.”

CIVIL ENGINEER, LARGE TRANSPORT AND ENGINEERING CONSULTANCY

“EMPLOYEES WILL GO INTO SUPERVISOR ROLES OR MANAGEMENT ROLES, AND SO WE PUT THEM THROUGH A 5-DAY COURSE FROM AN INDEPENDENT PROVIDER - WOULDN’T EXPECT A COLLEGE TO OFFER THIS.”

“FOR SENIOR LEADERSHIP ROLES, THEY’RE MORE DIFFICULT TO FILL VIA UPSKILLING SO WE TEND TO RECRUIT BUT WE HAVE TO PAY A PREMIUM TO GET THE RIGHT PEOPLE.”

MANAGING DIRECTOR, LARGE AUTOMOTIVE MANUFACTURING COMPANY

The following table outlines some of the specific leadership and management skills that were highly sought after by employers.

TEAM LEADERSHIP AND MANAGEMENT	<ul style="list-style-type: none"> ▪ Provide direction. ▪ Building trust and credibility: Being reliable, consistent, and building trust with their team. ▪ Empowering and involving employees: Delegating tasks, and empowering team members to take ownership.
ADAPTABILITY	<ul style="list-style-type: none"> ▪ Open to change: Embrace new ideas and readily adapts to changing circumstances. ▪ Agile: Learn new skills and technologies quickly.
PROBLEM SOLVING	<ul style="list-style-type: none"> ▪ Analytical: Identifies and analyses problems systematically. ▪ Creative: Develops innovative solutions, considering diverse perspectives. ▪ Decision-making: Makes sound decisions based on available information and potential impact.
STRATEGIC/ COMMERCIAL MANAGEMENT	<ul style="list-style-type: none"> ▪ Understanding the overall project/company goals and objectives: Sees beyond their immediate tasks and understand how their work contributes to the bigger picture/overall project/company goals. ▪ Understanding the market and competition: Understands of the market landscape, their customer needs, and relevant trends. ▪ Social and environmental responsibility: Understands and integrates social and environmental considerations into decision-making processes. ▪ Risk management: Identifies, assesses, and mitigates potential risks that could impact financial performance.
FINANCIAL MANAGEMENT	<ul style="list-style-type: none"> ▪ Budgeting and Forecasting: Estimate project costs, create detailed budgets, and track variances throughout the project lifecycle. ▪ Cost Control: Implement strategies to minimise costs, identify and manage risks, and optimize resource allocation. ▪ Financial KPIs: Interpret key financial statements and KPIs to assess project health and profitability.
COACHING/ MENTORSHIP	<ul style="list-style-type: none"> ▪ Coaching and Mentoring: Support people to become confident coaches and mentors in order to become the best leaders possible.

STAKEHOLDER QUOTES: MANAGEMENT AND LEADERSHIP

“YOUNG RECRUITS TEND TO HAVE TRANSFERRABLE MANAGEMENT SKILLS, BUT WE WOULDN’T EXPECT THIS OF THEM.”

HR MANAGER, MEDIUM AUTOMOTIVE PARTS
MANUFACTURING COMPANY

“A LOT OF OUR OLDER EMPLOYEES ARE WANTING TO GO INTO SUPERVISOR ROLES OR MANAGEMENT ROLES, AND WE PUT THEM THROUGH A 5-DAY COURSE FROM INDEPENDENT PROVIDERS BUT WOULD NOT EXPECT THIS OF AN ENTRY LEVEL CANDIDATE.”

OFFICE & HEALTH AND SAFETY MANAGER, SME INTERIOR
SYSTEMS COMPANY

“IN THE PRODUCTION SIDE SUCH AS A WELDER, TURBINE ETC IT IS NOT NECESSARY.”

PEOPLE SERVICES MANAGER, LARGE AEROSPACE
AND DEFENCE COMPANY

“NOT A REQUIREMENT OF ENTRY LEVEL RECRUITS BUT WE DO RUN A MANAGEMENT PROGRAMME FOR PEOPLE IN THE BUSINESS THAT WANT TO PROGRESS INTERNALLY SO THERE ARE OPPORTUNITIES WITHIN THE BUSINESS.”

HEAD OF IT, LARGE BUILDING MATERIALS MANUFACTURERS

“JUNIOR ROLES DO NOT NEED THESE CAPABILITIES WE WILL TEACH, UPSKILL AND ROLE MODEL LEADERSHIP. WE HAVE AN ACADEMY, WHERE LEADERSHIP IS A CORE STREAM, AND WE ENHANCE AND DEVELOP THE RECRUITS.”

TALENT LEAD, LARGE WATER SUPPLY COMPANY

“EVERYONE IN MANAGEMENT POSITIONS NOW HAS WORKED THEIR WAY UP FROM THE BOTTOM, INCLUDING MYSELF AND THE PRODUCTION MANAGER, CAD MANAGER ETC.”

DIRECTOR, SMALL FABRICATION AND MANUFACTURING COMPANY

“MANAGEMENT AND LEADERSHIP SKILLS CAN BE COACHED, TAUGHT, AND LEARNT THROUGH EXPERIENCE.”

MANAGING DIRECTOR, SMALL POLYSTYRENE
MANUFACTURING COMPANY

“WE WOULD TRAIN THEM UP AND GIVE THEM IN-HOUSE TRAINING, I WOULD START DRIP FEEDING THEM SOME OF THE RESPONSIBILITIES MY JOB HAS.”

IT MANAGER, LARGE FOOD PROCESSING AND
RETAILING COMPANY

“IT WOULD BE NICE TO HAVE PEOPLE WITH LEADERSHIP SKILLS, BUT WE DON’T EXPECT THEM TO HAVE IT.”

IT MANAGER, LARGE FOOD PROCESSING AND
RETAILING COMPANY

CO-OPETITION

There is a significant opportunity for FE providers to better align their collective provision with the needs of employers through the effective implementation of ‘co-opetition.’

The employer interviews and discussions with the WMW FE providers highlighted a theme which cuts across provision for all of the priority sectors, the concept of “co-opetition”; a strategic blend of cooperation and competition that suits the FE structure in the WMW.

The WMW LSIP presents a crucial opportunity to upskill and reskill the region’s workforce. However, the landscape of education in the region presents a challenge: while individual FE providers compete for students, successful LSIP implementation necessitates collaboration. Hence why the concept of “co-opetition” is a key characteristic for successful FE provision.

Co-opetition may seem contradictory or paradoxical; however, it is common in the business landscape, where traditionally competing organisations create joint ventures to tackle specific problems, access new markets, or combine expertise. In the context of the LSIP, FE providers can cooperate on specific areas outlined in the plan, leveraging their unique strengths and resources to address priority skills, share best practices, and optimise resource allocation. This eliminates wasteful duplication of effort, leading to cost savings and improved course and qualification efficiency.

However, co-opetition requires a delicate balance, and successful co-opetition requires a clear framework of rules. These rules should define areas of collaboration such as joint curriculum development or staff training, while accepting competition in core areas of student recruitment and enrolment. Regular dialogue and transparent communication between FE providers is essential in upholding these rules and ensuring a fair and productive co-opetitive environment.

The benefits of co-opetition transcend cost savings and efficiency. Jointly tackling challenges like work readiness, upskilling, or promoting specific priority sectors strengthens the collective brand of the region, attracting not only students but also businesses, employers, and investors. A collaborative approach fosters a vibrant exchange of ideas and talent, leading to innovative solutions and improved educational offerings for all.

“IN TERMS OF AN ENGAGEMENT MODEL, IT DOESN’T MATTER WHICH COLLEGE WE ENGAGE WITH AS LONG AS THEY’RE REASONABLY LOCAL BUT HAVING ONE CENTRAL HUB TO ENGAGE WITH WOULD BE A LOT EASIER. HAVING A PORTAL WHERE YOU CAN GO TO EXPLORE HOW YOU CAN WORK WITH COLLEGES AND SCHOOLS WOULD BE IDEAL.”

HR MANAGER, SMALL CONSTRUCTION AND MANUFACTURING COMPANY

“IT WOULD BE REALLY USEFUL TO HAVE A ONE STOP SHOP WHERE YOU CAN GO TO GET ALL THE INFORMATION ACROSS THE COLLEGES REGARDING WHAT THEY ALL OFFER.”

MANAGING DIRECTOR, SMALL GARMENTS MANUFACTURER AND SUPPLIER

WMW FE Providers are already taking steps to work together under one united brand marking a positive stride towards effective co-opetition in the region. However, for successful implementation of the LSIP, and for the FE sector to better align to employer needs, they need to go beyond this and embrace the concept; successful co-opetition requires the formulation of both a strategy and a governance model.

“ONE POINT OF CONTACT ACROSS THE VARIOUS COLLEGES THAT CAN HELP PARTNER US UP WITH THE RIGHT STUDENTS FROM THE RIGHT COLLEGES WOULD BE REALLY HELPFUL.”

CLIENT SERVICES DIRECTOR, SMALL MARKETING AGENCY

“IT WOULD BE GOOD TO HAVE AN INDIVIDUAL LOCAL POINT OF CONTACT FOR FE COLLEGES THAT WOULD GIVE THE INSIGHT FOR ALL OTHER ESTABLISHMENTS TO FIND OUT WHAT THEY OFFER AND ESTABLISH A CONNECTION TO THEIR STUDENTS.”

HR, LARGE CARE SUPPLIER COMPANY

RECOMMENDATIONS

The recommendations are deliberately divided into two distinct categories: strategic and tactical. The strategic recommendations focus on fostering a unified approach for the collaborating WMW FE providers. The tactical recommendations, on the other hand, delve deeper into specific needs identified within the four priority sectors. These recommendations address practical steps that the WMW FE providers can take to address these specific challenges and opportunities.

By providing both strategic and tactical recommendations which are inextricably linked, the following provides a roadmap for strengthening the collaboration and achieving success with the four priority sectors.



STRATEGIC LEVEL RECOMMENDATIONS

Informed by the key themes of employer engagement and co-opetition, the following strategic recommendations are designed to move the WMW FE providers forward as a unified group operating under a shared model.

The recommendations aim to further develop FE provider collaboration to leverage their collective strengths, fostering deeper engagement with employers and maximising their impact on the WMW workforce and industries.

It is important to note that some of the recommendations have already been identified by WMW FE providers and are currently being implemented. However, it is still valuable to include them here to as part of a comprehensive set of recommendations.

RECOMMENDATIONS	KEY AREA	ACTIONS
Establish the WMW FE providers as a unified entity for both employers and students.	Branding	<ul style="list-style-type: none"> Enhance brand recognition and visibility for all FE providers by presenting a unified front to potential employers and students.
	Website	<ul style="list-style-type: none"> Create a “one-stop shop” for prospective students and employers, streamlining the employer engagement processes making the FE providers “easy to do business with”, and also making it easy for prospective students to easily find the skills provision that they’re looking for. Editing the website to improve the customer journey and tailoring the experience depending on the audience.
	Cooperation	<ul style="list-style-type: none"> Optimise resource allocation by sharing expertise and programs, to improve service delivery.
Develop a go-to-market strategy for each of the priority sectors.	Gap Analysis	<ul style="list-style-type: none"> Complete any knowledge gaps. Map the existing assets, expertise, and resources within the WMW FE providers. Forecast both student interest and employer demand for skills over short, medium and long term horizons in each sector.

RECOMMENDATIONS	KEY AREA	ACTIONS
<p>Develop a go-to-market strategy for each of the priority sectors.</p>	<p>Strategy Development</p>	<ul style="list-style-type: none"> ▪ Confirm specific areas within sector to target based on employer demand and WMW capabilities. ▪ Confirm curriculum offering, training modules, and apprenticeships aligned with the chosen segments, incorporating industry standards and emerging technologies. ▪ Define clear pathways for students to progress from introductory courses to higher qualifications and employment. ▪ Offer courses and qualifications for existing sector employees to update their skills and adapt to changing industry needs. ▪ Develop sector marketing activity plans covering to reach potential students, including schools, career fairs, and online platforms. ▪ Collaborate with companies on project-based learning, internships, and guest lectures. ▪ Showcase successful college leavers and the positive impact of the courses/qualifications on the industry.
<p>Develop WMW FE providers operating model to support the LSIP and its future iterations of LSIP.</p>	<p>Purpose and Core Principles</p>	<ul style="list-style-type: none"> ▪ Define the purpose, goals, and objectives. ▪ Develop a set of shared principles to guide decision-making and interaction within the collaboration.
	<p>Operating Model Design</p>	<ul style="list-style-type: none"> ▪ Define the structure, process, people and technology elements of the operating model. ▪ Optimise resource allocation across FE providers. ▪ Explore funding options.
	<p>Governance</p>	<ul style="list-style-type: none"> ▪ Establish an appropriate steering committee. ▪ Define roles and responsibilities.
	<p>Monitoring and Evaluation</p>	<ul style="list-style-type: none"> ▪ Track Key Performance Indicators (KPIs). ▪ Conduct regular reviews to assess the effectiveness of the strategy and operating model.

TACTICAL LEVEL RECOMMENDATIONS

Informed by the sector specific and cross-cutting key themes, these recommendations address concrete steps that the WMW FE providers can take to address the specific challenges and opportunities identified.

KEY FINDINGS	RECOMMENDATIONS	
<p>The WMW construction and engineering and manufacturing sectors are grappling with an acute labour shortage, ageing population, and a lack of young talent.</p>	<p>A targeted campaign to increase the attractiveness of these sectors to young people and parents of young people.</p>	<ul style="list-style-type: none"> ▪ Increase the awareness of the diverse career opportunities available across both sectors as well as the opportunities for career growth. ▪ Design targeted campaigns to change the perception of these sectors from the outdated stereotypes to the modern working environments that they are today. Utilise employer engagement to get students into workplaces and engaged with these sectors. ▪ Foster diversity and inclusion by promoting career opportunities to young women and individuals from ethnic minority backgrounds, highlighting female and ethnic minority role models and senior leaders. ▪ Improve website communication and the customer journey to enable young people, parents, and employers' access to the information they require. Utilise websites and social media for marketing to dispel stereotypes associated with the sectors. ▪ Target marketing at professionals in other sectors or disciplines that have high anticipated levels of unemployment due to automation or AI. Offer opportunities to retrain and upskill in industries with labour shortages.
<p>Basic digital skills (the ability to use digital devices and the Microsoft 365 suite) are considered a minimal requirement by most businesses across all four sectors.</p>	<p>Introduce a Construction Technology Institute (CTI) in WMW region.</p>	<ul style="list-style-type: none"> ▪ Introduce a specialised Institute of Technology for construction in the WMW region. Taking learnings from the IoT based in the Black Country & Marches which specialises in Engineering and Manufacturing.
<p>Basic digital skills (the ability to use digital devices and the Microsoft 365 suite) are considered a minimal requirement by most businesses across all four sectors.</p>	<p>Introduce a basic digital skills module across all courses offered by the FE sector.</p>	<ul style="list-style-type: none"> ▪ Ensure all students should leave education with the basic digital skills required within a workplace. These are considered to include the ability to use digital devices such as a computer, tablet and mobile phone as well as the ability to confidently use the Microsoft 365 suite. ▪ Work with the ICT and Digital department to deliver a basic digital skills strategy with the aim of updating module leaders' skills, integrating basic digital skills into everyday course activity, and assessing student basic digital skills. ▪ Introduce a module from the ICT and digital skills courses that is mandatory for all students on all courses.

KEY FINDINGS	RECOMMENDATIONS	
<p>Advanced digital skills are required across the digital and ICT sector and are becoming increasingly required by the engineering and manufacturing sector.</p>	<p>Target businesses across digital/ICT to undertake skills needs analysis to inform curriculum development.</p> <p>Increase apprenticeship opportunities across digital and ICT.</p> <p>Promote/utilise the IoT to engage more businesses in E&M.</p>	<ul style="list-style-type: none"> ▪ Digital and ICT – Conduct skills needs analysis with businesses across this sector to better understand the technical and advanced digital skills requirements of employers. ▪ Increase apprenticeship opportunities across digital/ICT sector to increase the opportunities across the sector to upskill and fill senior/advanced roles so that less businesses rely on outsourcing talent. ▪ E&M – Utilise and promote the IoT that already exists to better serve the needs of employers by increasing reach, engagement, and collaboration, particularly across the large proportion of SME businesses that operate in the sector.
<p>Entry level recruits are not well equipped for their roles, particularly with regards to soft/essential skills and workplace expectations.</p>	<p>A collaborative effort across the FE sector and employers to teach young people the basic soft/essential skills and workplace behaviours that are required/expected.</p>	<ul style="list-style-type: none"> ▪ FE Sector – Soft skills and workplace behaviours need to become a key focus of teaching within courses/modules, with emphasis placed on building skills such as communication (both written and verbal), time management, professionalism etc, to better prepare them for the workplace environment. ▪ Employers – Increase the number of opportunities for students to undertake work experience to support the development of their soft skills and give students an insight into workplace expectations. ▪ Employers – Invite employers to develop industrial challenges and problem-based learning activities, to increase interaction with businesses and improve application of theory. ▪ FE Sector and Employers – There is a broader societal challenge around mental health and wellbeing of young people due to the impacts of the Covid-19 pandemic; some students require additional support both during their studies and in the workplace. An understanding of the challenges and a willingness to commit resources to supporting young people is required by both FE and employers.

KEY FINDINGS	RECOMMENDATIONS	
<p>There is expected to be an increased demand for employees/recruits to have an awareness of sustainable practices/considerations relevant to their sector.</p>	<p>Consider introducing sector specific sustainable practices/considerations into future curriculum development.</p>	<ul style="list-style-type: none"> ▪ Start to think about building in an awareness of green and sustainable practices/considerations across all sectors into future curriculum, however this needs prioritising construction and E&M. As this is not an immediate requirement from employers, this can start off being 'light touch' with a long-term view to increase the focus on green in the future. ▪ Engage with employers to understand the rate of change with regards to green related skills to allow for responsive skills provision.
<p>There is an opportunity for the FE sector to meet the demand for management and leadership in-work courses across all sectors.</p>	<p>Promote in-work management and leadership courses/qualifications to all sectors.</p>	<ul style="list-style-type: none"> ▪ There is already the supply in place from the FE sector to meet the demand for in-work management and leadership courses/qualifications, this needs better promotion to employers to increase the awareness of the FE offering in this space. ▪ Leverage the FE providers' sector expertise and history to differentiate themselves from ITPs and online courses.
<p>There is demand from the logistics and distribution sector for provision of specialised licenses and qualifications.</p>	<p>Offer and promote specialised licenses and qualifications to the L&D sector.</p>	<ul style="list-style-type: none"> ▪ Introduce specialised qualifications/licenses that can be accessed by those already working in L&D to progress, develop or upgrade their licenses/qualifications.
<p>There are inconsistencies around the employer opinions and experiences with apprenticeships.</p>	<p>Create and adopt a consistent engagement model which can be applied to the apprenticeship programme across all WMW FE providers.</p>	<ul style="list-style-type: none"> ▪ Employers are responsive to the idea of apprenticeships and when executed well they have the potential to provide a solution to the challenges seen across the sectors. These challenges include the labour shortage, lack of practical experience, and the rising demand for young talent.

APPENDIX

RESEARCH OVERVIEW

SECTOR ANALYSIS

The research involved four sector analyses (one for each priority growth sector), mapping the business communities, identifying regional strengths and growth opportunities, and exploring current and emerging trends and challenges, specifically focusing on how technological advancements and green/sustainability impact skills requirements.

The sector analyses provide a foundation to inform and provide context to the overall insights, whilst also offering guidance on valuable discussion points for the stakeholder interviews. The full sector analyses outputs were not created for public use. However, the insights are summarised within the key themes featured in this report.

CURRICULUM MAPPING

A curriculum map is a detailed view of the current curriculum offered by FE providers in the WMW.

To develop the curriculum map, Whitecap have collected information from FE provider

websites and created a database of the curriculum in the WMW.

The information collected includes:

- FE provider
- Location
- Course name
- Course category
- Course level
- Course modules and information
- Course cost
- Course length
- Employer engagement
- Assessment methods

Whitecap have analysed the data points, including searching for keywords in module descriptions, to create a view of the current offering from the WMW FE providers.

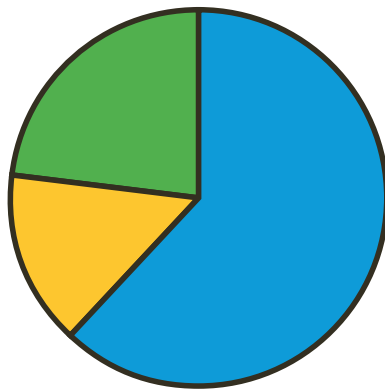
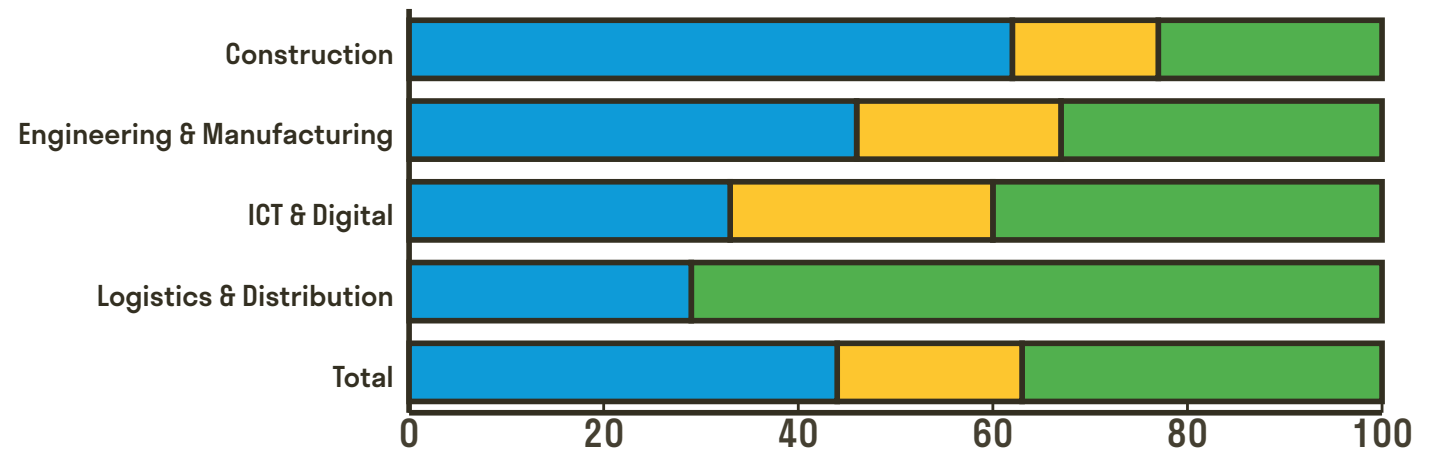
The curriculum map was not created for public use but is used to inform and support FE provider's future curriculum decisions, and act as a reference to validate findings from interview findings.



STAKEHOLDER INTERVIEWS

A key part of the research was the 1-1 stakeholder interviews; Whitecap conducted interviews with decision-makers across the WMW employer ecosystem. The discussions were approximately 45 minutes long, using a combination of qualitative and quantitative style questions, designed to gather rich, meaningful insight across the four priority growth sectors on the immediate and future skills requirements, education, training, and recruitment methods as well as the current levels of awareness and engagement between employers and the FE sector.

% BREAKDOWN OF SECTOR INTERVIEWS BY SIZE OF THE BUSINESS



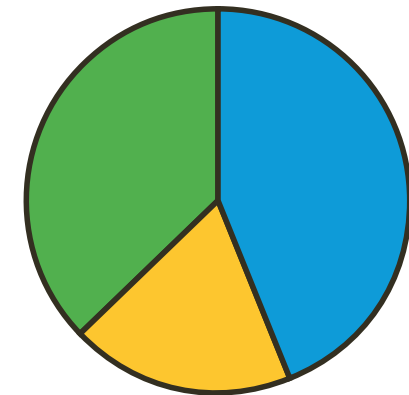
% BREAKDOWN OF CONSTRUCTION INTERVIEWS BY SIZE OF THE BUSINESS

■ Small 62%
 ■ Medium 15%
 ■ Large 23%



% BREAKDOWN OF ENGINEERING & MANUFACTURING INTERVIEWS BY SIZE OF THE BUSINESS

■ Small 46%
 ■ Medium 21%
 ■ Large 33%



% BREAKDOWN OF ALL INTERVIEWS BY SIZE OF THE BUSINESS

■ Small 44%
 ■ Medium 19%
 ■ Large 37%

KEY FINDINGS AND RECOMMENDATIONS

This process involved a systematic approach to collating the insights obtained from the sector analysis, curriculum mapping and stakeholder interviews to identify emerging themes and key findings to formulate actionable recommendations that are outlined in the main body of this report.

A crucial part of this stage was a detailed review of the interview responses using a standardised approach to coding the transcripts, ensuring a robust approach to analysing qualitative data.

Undertaking this process led to the identification of 'key findings', some which are specific to each of the four priority growth

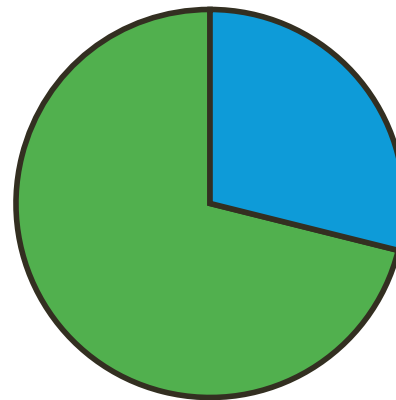
sectors and others that are common across the four sectors, referenced in this report as 'cross-cutting themes'. The key findings are primarily derived from the interview insights, using data from the sector analysis and curriculum mapping to provide supporting evidence.

These key findings have informed the recommendations which are divided into 'strategic' recommendations and 'tactical' recommendations, where specific call to actions for both the FE sector and employers have been outlined. These recommendations are expected to act as a catalyst towards more informed curriculum development as well as an improved engagement model between the FE sector and employers.



% BREAKDOWN OF ICT & DIGITAL INTERVIEWS BY SIZE OF THE BUSINESS

- Small 33%
- Medium 27%
- Large 40%



% BREAKDOWN OF LOGISTICS & DISTRIBUTION INTERVIEWS BY SIZE OF THE BUSINESS

- Small 29%
- Large 71%

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The information contained in this report is of a general nature in relation to the FinTech sector in the West Midlands Region and is not intended to address the circumstances of any particular individual or entity. Appropriate professional advice should be sought before taking action relating to the contents of the report. Whitecap Consulting has endeavoured to provide accurate and timely information but cannot guarantee the accuracy of such information at the date of publishing or in the future.

The data and charts illustrating interviewees responses to questions may not always equate to 100%. This is due to instances where interviewees provided more than one response.

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