SME STRATEGIES IN EMPLOYEE DEVELOPMENT

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INTRODUCTION

Political impetus on the requirement to up-skill labour

The UK construction skills problem is a long-standing one and has found increasing recognition of the requirement to raise skills levels to stay globally competitive. This found reflection on the political rhetoric level, with acknowledgment of difficulties for UK based employers to find skill development or skilled labour for rising work loads e.g. within Olympic infrastructure, and was followed by the commissioning of two far-ranging reviews. Sir Andrew Forster reviewed the future role of Further Education (FE) Colleges (Foster 2005), followed by the review of future skills needs by Lord Leitch (2006) commissioned by the Chancellor at the time, Gordon Brown. To redress this, the high-profile Leitch (See also Department for Innovation Universities and Skills 2007; 2006) review called for a shift towards demand-led skills provision insisting on greater involvement of employers in raising skills levels. Notwithstanding the laudable nature of such policies, little is currently known as to how employers can usefully achieve this (Chan and Moehler 2007).

Power and dynamics

The current supply of skills has developed in a very fragmented and complex way (Moehler et al. 2008), following political and employer initiatives in trying to keep pace with the developments and requirements of the world of work (Forde and MacKenzie 2007; Grugulis 2003).

As Chan and Moehler (2007) argue, the underlying problem is not about how employers can be engaged in skills development, but why they are not engaging in the first place. We contend that the institutions responsible for steering skills development through skills policies and provision should bear ownership of the growing complexity. These institutions, representing the formal system of skills development, remain somewhat disconnected from what is essentially required by industry (employers and employees). Consequently, employers that try to cope with the skills shortages resort to such informal practices as on-the-job training and mentoring (Chan and Moehler 2008).

In response, the suppliers of education and training altered the availability and duration of skills forming opportunities involving the positioning and relationship between schooling, initial training and continuing education (Coffield et al. 2007; Edward and Coffield 2007). Although constant transformation of the formal system

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added to employers’ difficulty in understanding the role of schooling, vocational and professional training, it maintained as a key route of entry into employment and occupational careers. Skill enhancement and vocational training are normally entry centred around the beginning of an occupational career and further training is based only on short-term opportunities rather than on a systematic and systemic, “life-long learning” approach. Furthermore, vocational training often lacks compensatory functioning to the individual in retrospect to their position or job role; instead, it tends to widen skills gaps between occupational groups and those that fill the niches in between (Mayer and Solga 2008).

Surprisingly, relatively few studies have been undertaken to examine how institutions can effectively support and encourage employers to engage in skills development rather than widening the gaps (Chan and Moehler 2008). It is argued that the efficacy of public institutions in formulating appropriate skills policies and enforcing skills provision is crucial in terms of inspiring confidence among employers (and employees) of the formal system of skills development. Therefore, a corollary of the inadequacy of public institutions is a greater reliance on informal approaches to skills development at the workplace, which might be insufficient to plug the problem of skills shortages. To find support for this argument, a study is currently being undertaken in Tyne and Wear in the North East of England to examine the interactions between public institutions and employers in delivering skills development for the regional construction industry. The study seeks answers to a number of research questions, including: who develops skills for whom, how are these skills being developed, what skills matter, and on what basis are decisions made regarding skills development.
CONSIDERATIONS FOR SETTING THE STRATEGY

To set a sufficient strategy towards skills development within the formal system, it is important to recognise two of the issues that will arise. First, in making decisions about how best to invest in skills development, one would have to navigate through additional layers of information. Second, increasing bureaucratisation adds to the administrative burden on employers who wish to gain access to funding regimes. This can be highly inefficient as resources that could be allocated to development of skills are now channelled towards such activities as form-filling and second-guessing shifts in government policies. This has been recognised in the governance literature as the de-politicisation of the role of government, where governments do less in terms of actual provision whilst retaining their power to control the system (Burnham 2001).

This impetus of political debate upon rising skills level of UK’s population has led to a substantial increase of organisations that are involved into setting the strategy of resources, availability and recognition of skills development (Moehler et al. 2008).

It is worth noting the profound influences these traditionalised structures have in shaping societies understanding and perspectives. To create a strategy towards skills development for the individual employee, organisation and formal recognition towards a job position, each interest group should gain the most satisfaction for minor compromise in terms of quality upon the technical skill (see figure 1).

![Figure 1: Quality creation for skills development](image-url)

Opportunities can create incentive in three cases. The first is based on personal desire, of doing so purely out of the reason of curiosity or self-will to create and experience, thus to achieve personal pleasure. The second is based on expectation and the perceived pleasure by fulfilling them. The third and most commonly used is the tangible gain, which can be exchanged for either one of the pervious incentive components (Kahneman and Thaler 2006).
To understand what creates the ability to do things as an individual, it is important to note what institutionalises societies perception on which bases we do things, i.e. a task, fulfil a role, etc.

With this perspective, two case studies will reveal the effects on skills development within the context of the Tyne and Wear area in the Northeast of England:

a) the ability of individuals to perform a combination of defined tasks that define there work environment (explicit task within firm);

b) the social setting within the company and the unintended tasks to perform that are created by interaction with colleagues (implicit task within firm);

c) the social setting of the building site where the individuals are performing the service or job and work manners and morality (implicit task across firm);

d) and the social setting of the general public wherein the job, if successfully positioned, by a group, e.g. as an occupational group, gains status and a moment on interorganisational dynamics (explicit or implicit task across firm).

With these basic components, the following two case studies will illustrate the basic settings to succeed in developing a sufficient strategy and draw on challenges and limitation that arose out of the setting.

**METHODOLOGY**

To date, a series of twenty-two in-depth (semi-structured) interviews have been carried out with managerial staff from a range of stakeholder groups, including governmental institutions (e.g. local authority) and agencies (e.g. JobCentrePlus, Learning and Skills Council), quangos (e.g. Regional Development Agency), training providers and FE Colleges, and trade unions and professional associations. Furthermore, eleven focus group interviews were undertaken with operational staff within the employer organisations, auditing networks and professional networks. Additionally, participant observations were done in two case study organisations - a private training organisation/charity and a civil engineering and plant hire company - to get a rich insight into how skills development takes place in practice. The participant observations meant that the researcher attended twenty-four meetings and observed eight trainees going through the skills development process over a period of forty days. The interviews and ethnographic research enabled the research team to make sense of how the various organisations interacted with one another in relation to skills development in UK construction.

**CASE STUDIES**

**Case Study 1 - Private training organisation**

**Background**

This case study examines the skills development from a charity board brought together from the local community, schools, council, Catholic Church and employers, all of which are based around one of the most deprived areas of Newcastle. The charity was built with the vision to create ‘An environment of opportunity where people want to belong’ (facilitator of the communal workshop, which became part of the mission statement of the organisation) and, ‘Where all residents have the
opportunity to access multi-agency, education, training and support that will assist them in engagement with the world of work’ (CEO of the charity, in brainstorming with the board [set together by managing directors and CEOs of the local businesses]).

The official purpose to secure quangos’ support; however this is worded as: ‘Through Consortium and partnership arrangements, to provide a direct route to employment through holistic support and training opportunities for target communities in the East End that responds directly to the agreed capacity and skills needs of employers. To continue to offer support post-employment to both assist employers and promote retention.’ A new training facility was set up with a focus on construction related training, e.g. bricklaying, plastering, joining, etc, for delivering in a training environment using simulated conditions or alternative work-based environments. Two different routes of entry were created delivering initially the Foundation Construction Award followed by the opportunity to achieve NVQ – level 2 (ConstructionSkills (once CITB) and City & Guilds (C&G) endorse both certificate and qualification).

**Formal skills formation**

The first route, the pathway programme, was targeted at pupils doing their GCSE to raise awareness with professional partners in a traditional work-based approach. The duration varied from school to school and feedback from a majority of pupils indicated that they had chosen to participate and the vocational occupation route was something they wanted to do (a few youngsters with employers that they had worked for due to the programme).

The second route, the mentoring programme, targets mainly disadvantaged young people. However, it is open for access to anyone and provides the conditions to form basic skills, key skills and personality forming / identification by key relationships. The official duration lasts 6 month and ends with the certificate, where the skills of plastering, trowel occupations, wood occupations and construction & civil engineering services have to be completed, in accordance to Constuctionsills and C & G. In many cases, the duration was seen more as an orientation and often participants stayed longer for several reasons.

An intended side effect was the creation of a welcoming environment, which was coined in accordance to governmental key priority groups to benefit; people with low or “no skills”, previously long-term unemployed, lone parents, young people, older workers, recent returners and women. This matched the clerical requirements from the quangos' and public bodies, dealt with eloquently by the charity’s administrative staff.

**Skills Development**

It also opened the floor to the individuals to consider their aspirations and actively make their choices and decisions in order to realise those aspirations.

The opportunity created by the charity, empowered individuals to practice and learn techniques and the usage of tools to fulfil their own or given tasks. After having adopted a learned technique from one particular peace of work onto another situated task, with slightly different conditions and other colleagues, satisfaction with their accomplishments was observed. In particular, tasks that relied on team-work and required specific fine tuning through communication, empowered the individuals to take ownership of particular roles in supporting each other to achieve the task ahead. Due to the diversity, individuals adjusted their behaviour after having recognised sensitivities from their colleagues.
Part of this recognition process was the written manifestation of the training in a dairy. Groups of five to seven people would make notes of the learned techniques and the instructor would explain basic underpinnings to give the group the possibility to discuss their work. This also created the possibility to discuss employment objectives through the creation of individual learning plans. In addition, skills development was subsequently viewed as a positive exercise by the individuals undertaking the courses. The notion of doing a piece well and practicing the technique changed the view of many participants away from their previous rejection of learning.

**Employers opinion on acquired skills**

Employers highlighted the shift in the improved applied soft-skills, especially from the youngsters. The confidence to be able to take on the challenge and get the task done was another common point of reference. One of the employers, a major supporter of the project, summarised it as: “you don’t have to worry so much about turning up late or appearing drunk at work, they are changed and they stay behind (to work on).” Furthermore, he highlighted the prestige the successful employees would bring and how they would as well “shine as inspiration.”

**Skills capacity**

One hundred and fifty participants are in the traditional work-based learning programmes and thirty-eight young individuals are participating in the mentoring programme, both of which are mainly construction focused (e.g. bricklaying, plastering, etc.). The charity has operated the programmes for 25 months.

Through a Single Regeneration Budget (SRB) project on Education, Housing, Leisure and Open Spaces of a public/private sector and community partnership (which finished in 2004), the vision emerged for the social regeneration/skills development within the community in addition to the physical regeneration. Individuals on the partnership board decided to build with the local community (as well as being involved in the monitoring process) and local stakeholders on the Tyne.

To guarantee the quality, the CITB (ConstructionSkills) and a local FE College were consulted. Further support was found from Connexions and the Federation of Master Builders. However, evidence of active support from the local FE College, connexions and the federation of master builders could not be found.

By targeting disadvantaged/excluded young people, compliance was achieved for the disadvantaged area funding route, in addition to the secured fund of £500,000 from the SRB-project. The work-based training with the local employers is carried out under the usual rules of employment (e.g. turning up late = to loss of the job).

**Case Study 2 - Civil engineering and plant hire company**

**Background**

This case study involves an organisation that has a strong presence within the Northeast, where the core activities are earth moving contracting, plant hire operation, retail market aggregates to the construction industry (licensed for a quarry) and, since one year, a training services provider for CPCS-card available in combination with NVQ level 2.

The shift was instigated with the arrival of the new CEO who described the situation as follows: “At the moment we are a construction/ civil engineering small scale and local business, defined by a narrative region. There are advantage and disadvantages:
We know the region very well and some of my colleagues moving on a particular site for the second or third time. So they know what is in there (in the ground). This is the advantage. The disadvantage is the focus on this region only. It is quite a contiguous region; it has got a separateness from the rest of the country. The region went to a particular hard time when the traditional industry declined and was very depressed. Now the north East does a lot better than some of the regions elsewhere. The market within our operations provides clearly the potential to further growth, though the recruitment did not satisfy the required specific supply of new candidates”

The need for finding new labour sources grew largely out of failed attempts to recruit new skilled (here the term ‘skill’ was not explicitly used inferences were made band in a number of key quotes, including; ”we need people that are hungry for progression and better...”) people that had the curiosity to keep learning and are able to get on with the job.

Case two is an example of how an employer develops their human resources through self-designed training; meeting the demands of the employer within the NVQ framework. This didn’t grow out of the employers choice but rather out of the low assistance that the organisation received initially.

They succeeded through networking with the Centre of Vocational Excellence (CoVE) networks at the local FE College, a sub- contractor, who had specialised to get unemployed individuals into employment via the funded routes, ConstructionSkills/ C & G, training facilitators and one of the local universities.

The skills development focused on employees, employees from other plant operating companies (mainly on plant operating specific training), candidates from the local FE College and unemployed from the sub – contractor. Primary focus was based on the skills development for plant operating on 360’ excavator. The development was focused on work based learning with theoretic blocks to add to a greater understanding. Three routes developed from that setting.

**Formal skills formation**

The first route, the entry programme to gain the CPCS card, was targeted at employees, unemployed and plant operators from other organisation, and turned into an open access pathway. The programme aims to form the basic skill of handling the machinery and having an awareness of the surrounding environment. Additional work based learning with theoretic block lessons and health and safety completed the fulfilment of the card. The duration varied, by ability of the participant, from two to four weeks in compliance to ConstructionSkills and C & G.

The second route, NVQ level 2 Plant operator and CPCS card, involved vocational education at the local FE College, with block lessons of work based learning with the case organisation.

The third route, refreshing and training programme, targets mainly employees that haven’t practised for a while. However, it is open for access to anyone and provides the conditions to form key skills, incentive for motivation and personality forming / identification by key relationships. Training with the machinery is always carried out as a team of two people, one whom operates the machinery and one that observes, directs and communicates potential improvements. In many cases, the duration of two to 14 days was seen more as an orientation and often participants stayed longer for several reasons.
The pilot course implied that trainees would fulfil the clerical requirements from the Quangos by themselves. However, little success was achieved, neither in receiving financial support nor in filling the forms correctly. Additionally, individuals were troubled with identifying themselves as one of the target groups. The pilot course case organisation employed administrative staff that dealt with all associated tasks on learning of these issues.

**Skills Development**

The training ground is stationed in a quarry, which provides enough space for setting a trench and has the required (in accordance to ConstructionSkills and C&G) ramps and slopes. The training machinery i.e. for the standard NVQ-level 2 course with CPCS card, is on 360° excavator or, for the other routes, as well alternative machinery. They are all made available by the case organisation.

In the first days of training, (after the theoretic and manual induction) being it a beginner or employee practicing, is all about getting comfortable with the machinery so that the full attention can be committed towards the surrounding environment and the positioning of the machinery therein. An essential component is the doubling up of the trainees, whereby one observes, levels and communicates to the other that operates the machinery. The instructor facilitates after every second change of operating the machine a feedback session. Within the feedback session trainees have to summarise in a logbook the conditions of the ground, the tasks they did, etc. After achieving a certain familiarity with the machinery, specific tasks are set with precise measurements and changing ground conditions with traditional and new levelling techniques. Whilst, this stage is already an advanced stage for the CPCS card holder, employees build comfort by e.g. being able set pipes in a layer and using different machinery to do similar tasks. Another bonus was the “story telling” from experienced employees to the trainee who were searching to overcome personal challenges. Often small hints would mean a large advancement in doing something in the situation, especially with the trainees from the FE College.

Along with the instructor facilitated workshops, the training coordinator began to build a career plan for the employees of the case organisation. Most participants perceived the training as “a good build up” for their confidence and brought as well the employees closer as a team. Furthermore, it was observable how the challenge of working within certain tolerances, which initially frustrated the individual through their failings, was expressed as joy and satisfaction after achieved to do so.

Most participants described the plant operation as something they wanted to do since they were children.

**Employers opinion on acquired skills**

Many of the trainees that acquired a CPCS card had assumed they would able to operate on a building site straight away, though most of them were not even able to operate the machinery without focusing on the machinery. The practicing exercise saved the case organisation expenses on two fronts: one, that the new operator has the feeling to prove himself in front of his colleagues and misses out to communicating his uncertainties, and the second, that there is a familiarity with the machinery they use, hence they are able to operate within the given tolerances.

Additionally through their training services provision, case two was able to observe potential candidates for employment and more crucially utilise the training service as a means to flexibly manage the workforce requirements against their order books.
On a employee level lifelong learning routes were established with FE Colleges and the local university to provide both short courses and periodic CPD events.

**Skills capacity**

The college had secured funding for all participants of this entry year (2008). The setting up of the training centre found very little support from ConstructionSkills (CITB) and City & Guilds. Finally support was bought in form training providers down south that helped to develop syllabus and gave advice on funding regarding the centre. The centre didn’t receive any funding, although fulfilling partial a “desperate” demand for plant operation training.

Attempts with one of the major public bodies failed initially due to reply delays that exceeded the deadlines in application. Similarly application to European Social Fund was declined due to failure to meet eligibility criteria. Funding eligibility was achieved through multiple sources the major being training of unemployed from specialised sub-contractor.

**PERSPECTIVES**

The skills agenda/policy with the impetus on employer-led developments have separated the individual from the social group integration (to picture this see figure 2).

![Policy and communication chain](image)

Figure 2: Policy and communication chain

Most employers and employees deal with the policy implication (see chain from the state to the individual and back via the intermediaries - Figure 2) and whilst seeking compliance, the emphasis provides orientation only, ends up being perceived as core concept of government supported training. Furthermore, individuals are often left alone with the implementation of policies upon learning, sometimes abstract formulation with little meaning to the individual, whilst trying to learn something new! This creates often the fatal error, which creates the most surprising constructs of outcomes, of trying to understand on one hand how to learn politically correct, whilst being challenged with the learning itself.
Likewise, many training providers’ have dropped (or never had one in the first place) the didactic notion of learning and all the pedagogic advantages that come with it (see Figure 3).

![Diagram showing the core components of employee training setting](image)

**Figure 3:** Core components of employee training setting

Both case study give in this retrospective examples of good practice in having elaborated basic concepts of learning itself – how do we acquire skills and form them into recognised skills (by the social group) by organisations and institutions.

The process of skills development can be summarised in a five stage approach and has, depending on individuals’ ability and comprehension, a reoccurring cycle of the complex conglomerate of skills that create the easily accessible learning route (see Figure 4).

![Diagram showing skills development for individual and skills pool for the organisation](image)

**Figure 4:** Skills development for individual and skills pool for the organisation

The rudimentary elements, which legitimise at a later stage the particular skills applied in situ, were introduced with new (new to the individual) tools alongside with techniques of usage by illustrating and trial & error. This resulted in a basic recognition of the functional items that build the “work environment”. This was guided by support (by the professionals and instructors) and team exercises in building elements that would be part of a greater piece (e.g. of a house roof). The learned ability would be applied to a slightly different task thus the individual would apply the learned ability with having the new task in mind. A multitude of those applied tasks.
would legitimise the skill to the social group, which would be mostly based on the ability and diligence of the individual to understand the quality standards of legitimisation within this performed skill.

In the next stage the recognition and communication upon the interplay became a major part of the learning process wherein trainees had to work together to accomplish one task. Whilst team-work created different opportunities of interactions, communicating which of the preferred elements of the whole task one individual may accomplish versus reinvention of the task together with minor communication but more interaction, communication created difficulties in regard to bringing the individually performed task together into one. In the evaluations with instructors and other team members, quality, presentation of feedback and general communication manners became a topic to discuss. Surprisingly, the plant operator training showed much more “acceptance” in terms of judging comments with little implication on the actual work or training and reacted mostly in regard to their task, e.g. comments as: “are you trying to find water” was read in the situation as levelling indication for digging to deep. This may find explanation within the size of feedback groups that was much bigger in the private training organisation with 8-10 people in total versus 5-6 in the plant operator training organisation. However, a lot of the individuals entering via the governmental target routes showed a higher sensitivity against ‘destructing’ comments whilst in the second case it did interfere very little neither with training nor with the communication level. The vulnerability is counter productive to learning and only through “welcoming and helpful environment” within the organisation; focus was regained on the actual matter of task oriented learning. Solga (2008) described these social mechanisms having an increasing impact on increasing labour vulnerability thus affect training outcomes negatively. Surprisingly, very little is written to the compensatory function the skills development provides rather it finds recognition in a limiting effect on training outcomes only.

Strangely, the idea of continuous growth and progress found its way in economic reasoning which has become an institution for measurement and benchmarking. However, static imperial knowledge does not exist as such rather it is the emergence of all systems that one ought to recognise. This can only be achieved through sensitivity and openness to new information, all times, even if it threatens belief system and hence individuals identification. Society today has failed to recognise, and the established institutions continue to paralyse, growth by preserving outdated social practice. Simultaneously, the population suffers from a fear of change, from their conditioning assumes identity and challenging somebody’s belief system usually results in insult and apprehension for being wrong and is ironically associated with failure, when in fact, proving somebody wrong, is alleviating someone to a new level of understanding and furthering awareness.

These adjustments and interactions in an intensive training environment create the role identification of accepted behaviour and manners hence integrate itself into social group moral.

This is from particular importance, when considering that the recurring issue tends to circulate around the soft-skills and very little success seems to be achieved in finding solutions to a universal accepted behaviour or morality. Even by not considering it in the strategy formulation the hidden intention is created and will find its way into the culture of the organisation.
FINDINGS AND RECOMMENDATIONS

The case studies showed how engineered training environments can influence the individual’s behaviour and create a group moral. The individual creates and identifies herself with a product or service, the quality measurement and its judgement upon it are stages of legitimatisation. The contrary is likely to happen in the case of the individual lack of identification with the learned task.

The supporting institutions within skills development are providing quality indication in that particular genre. Most of administrative requirements give very little to non attention to the actual skills development; it seems to serve primarily a process of rejection for companies that are not eligible. To gain the most out instigated skills development, it was perceived to be essential to separate the clerical demands of the institutions from the individuals going through the process.

Both settings were perceived by the employers involved as building skills that matter to their organisations need. Contradictorily, only 12% charity and 25% plant operating found employment either in the training organisation or other employers strait away (four weeks after finishing their certificate or qualification). The generic skill of employability seemed in both case studies to circulate around the matter of disposition and temperament.
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