



HM Government

Skills Pledge

Case Studies

The case studies presented here are intended to demonstrate what can be achieved when employers, whatever their size, business or sector, invest in developing the skills of their employees. All of the organisations highlighted have made efforts to ensure that their staff are skilled, competent and qualified to make a full contribution to the success of their company or organisation. In effect they have all 'made the Skills Pledge' before there was a pledge to be launched. These examples cover a wide range of sectors, and organisations of all sizes, from owner-manager companies to very large global companies. They have all seen the need to invest in the skills of their workforce. They illustrate the impact that investing in the skills of their employees has had on the individual and the productivity of their business.

1. McDonald's

McDonald's currently employs around 67,000 people in the UK and is one of the biggest employers of young people in the country with 60 per cent of its staff under 21 years old.

For many young people, working at McDonald's is their first job. McDonald's recruits people for their qualities rather than the qualifications they hold. This recruitment policy is known as 'Hire the Smile', and means that the company employs a diverse range of people, from university graduates to those who may have left school without qualifications.

McDonald's is committed to offering training and development opportunities to all its employees. As part of this commitment, the company wanted to provide learning opportunities for those employees wishing or needing to brush up on basic skills to improve their self-confidence and communication skills.

As a result McDonald's has been working with the Learning and Skills Council to develop and deliver a new training programme entitled 'Skills for Life'. This is an innovative online learning programme that provides employees with valuable skills.

The programme is available on a lifestyle and learning website designed for employees, called 'ourlounge.co.uk'. Online delivery enables McDonald's to provide qualifications to employees on varying shifts across more than 1,200 restaurants in the UK. As a result, participation rates have been impressive since launch in September 2006 with 800 staff undertaking 1,150 Maths and English qualifications at present. McDonald's estimates that up to 1,000 employees will gain basic skills qualifications in the first year of the programme.

McDonald's believes that engaging employees through training produces better customer service, which ultimately has a positive impact on the bottom line. The Skills for Life programme is an attractive offer for prospective employees, and McDonald's anticipates that the programme will yield a strong return on investment. The company is currently assessing the programme's impact to date.

McDonald's conducts an annual attitudinal survey entitled 'Your Viewpoint' which has produced positive results on questions relating to training and development. According to the survey:

- 96 per cent of employees believe the skills they gain at work would be beneficial to other employers
- 85 per cent of employees believe that their manager is committed to training and development and
- 84 per cent of employees feel proud to work for McDonald's

2. Dollond and Aitchison

Dollond and Aitchison set to double economic productivity through up-skilling their staff.

Following de-regulation of the optical industry in the late 1980s, all workers were permitted to dispense glasses, no matter what level or business area they worked in (previously only opticians were allowed).

At the time, Dollond & Aitchison's (D&A) training programme was not set up to meet the flexibility of a de-regulated market and so quality control became difficult to manage. In order to meet the new requirements, D&A began an innovative development programme that they designed in-house for their staff. The aim of the programme was to ensure that all their optical advisers were confident, skilful and were able to provide the best service on offer.

In response to their efforts, in 2005, D&A became the first optical retailer to deliver a NVQ Level 2 qualification in optical retailing through their in-house programme. The industry later adopted an NVQ Level 2 based on D&A's existing programme.

Following an assessment by the LSC, D&A identified that literacy and numeracy was a key issue to the productivity of their staff.

To ensure they were able to help their staff effectively, D&A began to assess these core skills at interview stage to ensure they could immediately assess the training their new staff needed. If applicants did not meet D&A's recruitment requirements, they pointed the candidate in the right direction for further skills training.

D&A also recognised that some existing workers required literacy and numeracy training and the accredited NVQ qualification meant that these core skills were assessed as part of the overall training programme.

Business benefits of the training programme have been closely monitored since 1999 and include:

- Year-on-year increase in sales in an increasingly competitive market (+4 per cent between 2004 and 2006)
- Labour turnover at 10 per cent less than the retail industry average (Source: Skillsmart Retail Ltd, Retail Sector Skills Council. May 2006)
- 90 per cent of management appointments made internally
- Mystery Shop on customer service scoring 72 per cent (minimum), with 85 per cent of customers willing to recommend the company
- Its reputation for training has had an impact on the marketability of D&A as the optical employer of choice

3. First UK Bus (First Group plc)

Carrying 2.8 million passengers daily, First UK Bus operates in more than 40 UK towns and cities, and has 25,500 employees. With the Transport & General Worker's Union (TGWU), the Company has pioneered a joint strategy of Learning Centres aimed at its 20,300 drivers – the three key business drivers being recruitment, retention and motivation.

Processes:

Specifically, the objectives were to grow local access to learning, in order to stimulate interest and increase competence and retention; provide learning facilities greater than the competition in order to be the 'Employer of Choice'; and to provide flexible, effective and attractive learning opportunities within the workplace. As an operator in numerous communities, there were other important aims, such as the need to increase job opportunities for local people, particularly minority groups; to ensure maximum safety; and to provide increased customer satisfaction.

In 2002 a 'Lifelong Learning Manager' was appointed (to work alongside his Divisional Management role to ensure a balance of operational realism and workplace learning focus), and the TGWU demonstrated its commitment with an investment that funded the development of 100 Union Learning Representatives (ULRs). Innovation was essential in some parts of the UK, especially Scotland, where having three operating companies with numerous depots functioning over a wide geography, meant that static provision would not provide sufficient access for employees. Scottish Executive Funding secured three fully equipped mobile learning centres with UK Bus providing vehicles and the ULR resource to manage them.

The 40th Learning Centre opened in March 2006, and employee access to the Centres now stands at 60 per cent, exceeding the original target of 40 per cent.

Impact:

- Annual independent customer satisfaction survey (comparing October 04 to October 05), showed Overall Service Quality increased by 50 per cent
- In 2004/2005, UK Bus has successfully recruited 930 of 1,143 applications from Jobcentre Plus (a higher conversion rate than the industry norm). Where appropriate, these individuals have joined Learning Centres to address basic skills needs, 45 per cent of these being defined as from minority groups. This industry-leading relationship has been showcased as best practice in recruitment/skills development
- Average number of staff injuries has decreased by 25 per cent

- Driver turnover has progressively improved since 2002 and is now at 26 per cent average (industry average is 30 per cent), even lower where 'Learning Centre culture' at it's most robust – a saving of at least £2.8 million in driver recruitment costs since Learning Centres were introduced
- Benefits of ESOL/basic skills on EU recruits – 94 per cent retention of 814 drivers and engineers recruited from EU Accession states (between May 04 and February 06), higher than the 74 per cent UK Bus average
- In Basildon, Essex, UK Bus has opened its first Learning Centre to the public as well as employees

This is an excerpt from a detailed case study developed by Business Action on Skills for Life, part of Business in the Community. The campaign is funded by the DfES to tackle poor literacy, numeracy and language in the workplace by supporting large employers in developing and implementing training programmes. For the full case studies see www.bitc.org.uk/skillsforlife

4. City Gateway

City Gateway is a charity employing 30 people in East London. Their staff are from diverse backgrounds, coming through graduate internships, apprenticeships and mainstream recruitment. City Gateway offered skills training opportunities to staff at all levels including: teacher training for their tutors; management training for their Business Development Manager; and accredited Level 2 IT training for their staff delivered in-house. These, and other forms of training provision, have not only increased the pool of skills within the organisation but have motivated staff, who saw that the organisation had made a serious commitment to invest in them and equip them to grow in their roles. City Gateway is currently in the process of working towards Investors in People, and their investment in staff training is a key facet to this.

As a charity in a competitive sector, City Gateway has limited budgets, but the organisation has been able to access support from various government-funded sources so that they have not had to hold back from training their staff. Many staff have particularly benefited from opportunities to accredit their existing skills and knowledge, and others have seen great gains in productivity through learning totally new skills.

5. The Borders and Immigration Agency (BIA) of the Home Office

The BIA ensures migration is managed to benefit the UK, while preventing abuse of the immigration laws and the asylum system. BIA's 17,000 staff perform a wide range of roles from frontline services to policy development. They have quite a public interface, so good levels of literacy are important.

BIA was one of the first government departments to offer staff access to essential literacy and numeracy assessment and support. The courses did a lot to improve literacy and numeracy, but BIA also wanted a programme that would lead to nationally recognised qualifications. A Skills for Life pilot was launched in their offices in Croydon and at Heathrow airport.

BIA believes that workforce recognition of Skills for Life is important. Its strategy is to raise awareness, work to put provision in place, then hand responsibility for delivery to others.

A typical awareness-raising event attracted 200 staff, including 50 managers. Regional roadshows are now being planned, and in the summer links will be re-established with the Scottish, Welsh and Northern Ireland authorities to determine how Skills for Life provision can be promoted in those areas.

There is a direct link between Skills for Life, the BIA improvement agenda, the work in development of Professional Skills for Government and the Investors in People re-accreditation that BIA is working towards in 2008. So far over 280 staff have either taken part in, or have been accepted onto, the programme in Croydon alone.

6. Mount Tai Foods Ltd

The management at the oriental food manufacturer Mount Tai Foods know what is required to get ahead. A programme of expansion to increase production capacity has been successfully implemented, culminating in the company being awarded the accolade of Lewisham Growth Business of the Year 2006.

Having originally started out as a restaurant and caterer, the business has changed considerably over the years. Challenges have been met and opportunities successfully exploited, due in no small part to the enlightened approach of the company toward their most valuable resource – their staff.

It was recognised from the beginning that without a motivated and happy workforce the company would always struggle to achieve its goals.

The company has invested both time and financial resources into staff training ensuring not only compliance with statutory regulations but also a productive, flexible and efficient workforce. Geeta Kohli, General Manager has led on this: “We have provided training to all of our staff to enable them to excel at their job. The participation in training and the attainment of qualifications provides a real sense of achievement for the individuals, thereby encouraging further participation.....it’s like a virtuous circle”.

A particular problem faced by the company was communication: the majority of its workers do not have English as their first language. Not only was it a problem for the management, but frequently staff would have difficulty communicating amongst themselves. Arrangements were made with a local college for English teaching to be provided at the factory. “It is enormously helpful to have the training on-site at times that suited our operations – the training could not have taken place otherwise. The assessment and streaming of learners into separate teaching groups means that both beginners and more advanced students get taught at the appropriate level and pace.”

As the workforce becomes more proficient in English so they become more productive: less time is taken to give/receive instructions and communicate issues, and there is less scope for misunderstandings and costly errors. This in turn provides the business with a tangible return on the time and resources invested in training.

7. Taylor's Fish

Taylor's was a traditional fish and chip shop set up originally by the mother and father of the current owner, Mrs Anne Wallace, who has worked in the business all her adult life. Although the business was ticking over it required a lot of hard work for which Mrs Wallace and her husband (as owner-managers) were not getting much financial reward. Anne and her husband debated what to do – even considering selling up or closing down. However, their instinct was that more could be done with the business if they adopted a different approach.

The way forward, they believed, was to energise their staff to achieve higher standards. The overall aim of the programme adopted by the Wallaces was to turn a standard fish and chip restaurant into one which was vibrant with a wider range of dishes, more profitable and achieving a higher turnover – and where the management could afford to have a life outside of the business. The first step was to seek the staff's views through an employee satisfaction survey. Individuals were keen to get better at their jobs and learn other jobs in the restaurant too. So to start the process 'skill sharing sessions' were established.

Contact was then made with the local further education college and all staff members attended and successfully completed a food hygiene programme. After this development the decision was taken to set up a formal system of on-going training in specific skills and knowledge areas. So the management contacted the local Chamber of Commerce to investigate what training might be available. Through the Chamber of Commerce it transpired that Taylor's could have access to free training in a number of areas. The programmes undertaken by the staff included: fish frying skills delivered on-site by the Seafish/National Federation of Fishmongers (NFF); NVQ Level 2 in team leading and customer service; formal Apprenticeships in 'Quick Serve' and computer training courses at the local college.

The results and benefits proved to be very impressive. Turnover increased significantly and the profit margin also went up. As a result of the higher skill levels being achieved by the staff and the burden of constant supervision being lifted, Anne Wallace was able to direct her energies towards extending the range of food served within the shop and restaurant. Salads, light curries and other 'healthy options' dishes were introduced successfully. As a result the business began to thrive and there was a real buzz about the place. The staff were much more positive and local people positively wanted to work there. The business also sought and gained recognition as an Investor in People. The 'healthy option' dishes won the shop the 'Heartbeat Award', unprecedented for a fish and chip shop. They were named as the Edge Small Business Employer of the Year 2006.

How do I find out more about the Skills Pledge?

To register your interest in making the Skills Pledge you can call 08000 15 55 45 or register your details on traintogain.gov.uk



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