

CLUSTERS AND TRAINING POLICY

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As industrial clusters come to be more widely adopted in Scotland it will be important to consider their implications for training policy, and indeed their influence on training policy, and conversely the need for training policy to facilitate cluster development.

Training policy is a responsibility of the Scottish Parliament, principally through the Minister for Enterprise and Lifelong Learning, and the Scottish Executive Enterprise and Lifelong Learning Department. Training policy is often a concomitant feature of economic development. Governmental economic development policies tend to emerge through more than one source, such as the Treasury, the Department of Trade and Industry and the Department for Education and Employment. Examples which come to mind are the Competitiveness White Papers, Welfare to Work and New Deal programmes, and the National Training Organisations (NTO) structure. The Scottish Executive therefore has the task of securing synergy at the point where United Kingdom government policy on such matters interfaces with Scotland government policy. Two key agencies assist in this process, Scottish Enterprise and Scottish Highlands and Islands Enterprise; they draw up economic development and training policies and deliver these through their respective networks of local enterprise companies (LECs). Local authorities are also important organisations in economic

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Clusters and Training Policy

development policy and implementation. Securing the delivery of training policy also involves schools, colleges of further education, higher education institutions, private and voluntary sector training providers, employers and awarding bodies. So this is the super-structure which cluster developers have to navigate through and engage with in order to help make training policy work for clusters. Conversely it is also a super-structure which could learn from particular training policies which clusters might see fit to develop in order to contribute to their success.

A perusal of current documents published by Government and related agencies does not reveal many direct references of training policy to cluster development. However, a number of training policy themes can be regarded as conducive to, or supportive of, cluster development, such as to help create some pre-conditions for successful cluster development. These include lifelong learning, up-skilling, workforce development, using information technology for learning, fostering an entrepreneurial approach in educational institutions, modernising qualifications, and encouraging partnership and collaboration. Some examples include:

We will aim to build a culture of lifelong learning which cuts across traditional boundaries. ... We will work to develop a well-educated and trained workforce. Education and lifelong learning must be at the heart of enterprise policy.

(Scottish Labour Party/Scottish Liberal Democrats 1999)

There is a valuable role for initiatives to help employers recognise the value of learning and promote it within their company.

(The Scottish Office 1998)

In many areas it will make sense to concentrate demand for particular specialisms in regional centres of excellence.

(The Scottish Office 1999a)

Clusters and Training Policy

Raising skills and educational levels of the workforce is an essential part of increasing the sustainable rate of economic growth.
(The Scottish Office 1999b)

In most cases organisations can innovate and look to the future only by investing in skills and knowledge.
(Scottish Enterprise Network 1999)

Direct references to clusters are hard to find in current training policy documents. However indirect references occur, such as the skills strategy for the electronics sector, and 'learning tours' abroad for knowledge-based companies (The Scottish Office 1998). Colleges are encouraged to be active members of local partnerships in order to address 'Government priorities of access, collaboration and excellence, for example through systematic market research, local labour market intelligence and joint planning (The Scottish Office 1999b). The need to build strong partnerships between employers and training providers to make the most of Scotland's economy is emphasised: 'We will work with the learning industry to identify new initiatives which encourage the industry to work across existing boundaries to meet skill needs' (Scottish Enterprise Network 1999).

Scottish Enterprise initially selected four business sectors for cluster development: oil and gas, food and drink, biotechnology and semi-conductors, and in the case of food and drink a Skills Action Plan is being developed to improve future competitiveness (The Scottish Office 1999b). A second phase of business sectors is being targeted: the creative industries, forest products, tourism and optoelectronics (Scottish Executive 1999). Cluster teams are formed from a wide range of organisations in order to support development, and align resources and skills to encourage growth.

In the absence of a clear and coherent training policy having been developed for the cluster 'age' of economic development, it is necessary to think through ways of building the training sector's capacity to play its part as effectively as possible, on the

Clusters and Training Policy

basis that policy can still usefully be derived from practice, as distinct from always preceding it. For the training sector to contribute strongly it would be desirable for it to be involved from the start, possibly in the decision-making process leading to the choice of a business sector for cluster development; if not, then certainly from the creation of a cluster team. This would enhance the sense of shared vision, ownership and understanding by the training sector of the cluster mission, and enable it to play a full part in developing the skills action plan across the cluster. It would also enable the training sector to share in the problem-solving which will be an inevitable feature of cluster development. In such a situation the training sector would include further and higher education, other training provider(s), one or more NTOs, and the Scottish Qualifications Authority or other awarding body. The action plan would address, *inter alia*, how partners can develop leaders, evaluate the effectiveness of workforce development, stimulate a demand for continuous learning and create first-class learning opportunities (The Scottish Office 1999b, p.48). Yet the training sector, especially the institutions, has to earn the right to be at the cluster development table, not least through good management, high performance, a strong self-development culture among staff, and the fostering of an entrepreneurial mind-set within a public-funded context:

The key is to identify innovators and to give them scope, resources and challenging targets. It means speeding up systems and response times, opening up communication channels, focusing on customer satisfaction and outcomes - not on inputs.

(Lowe 1999)

Lowe goes on to stress the importance of encouraging a sophisticated mix of collaboration and competition in the training sector as a means of stretching the capability of the sector whilst driving up quality and innovation. She asserts that the cluster model is relevant to the development of the training

Clusters and Training Policy

sector or 'learning industry' in Scotland. She also emphasises the importance of personal and team development with a focus on behavioural skills. This accords with the concept of organisational learning and its attendant capabilities:

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| *confidence | *self-knowledge |
| *entrepreneurial flair | *stamina |
| *judgement | *strategic thinking |
| *innovation | *teamworking |
| *originality | *visioning |

These were set out by Rajan in a study of change in the banking, building societies and insurance industries, whereby such capabilities make up a major new dimension in the portfolio of individual and collective skills required by the cultural and structural changes taking place in most business sectors (Rajan et al 1999). It is interesting to note that this study was commissioned by two NTOs working for the financial sector. Rajan's concept of organisational learning sits in a wider model of continuous learning, which is seen as a key framework for helping companies in the financial sector identify and tackle skill gaps. Scottish Enterprise also recognises the impact of rapid change in economic and employment trends, requiring continuous learning in commercial organisations, and 'the growth in the significance of the "knowledge workers", who enjoy increased mobility in terms of employment and must take charge of their own continuous learning' (Scottish Enterprise 1999b).

Training sector organisations are of course already involved in cluster development and are having to address issues of programme design and delivery for employees, and prospective employees, in particular clusters. Decisions are having to be taken about whether more direct training programmes are delivered before, or alongside, or after more broad-based programmes. Such decisions can require new structural

Clusters and Training Policy

responses by institutions, new programme design, new equipment purchases, and unusual times of delivery of programmes. Flexible responses can be required of awarding bodies and funding agencies. It is conceivable that certain training sector organisations will emerge as centres of excellence in support of a particular cluster. What is difficult to judge at this early stage of cluster development is the extent to which a new type of worker will emerge, trained to work in a mobile way across a cluster, rather than in a traditional occupational sector. Perhaps such a person will develop so high a level of generic skills as to be able to move from one cluster to another. For some of the more highly specialised skills, required in small numbers, there may be creative challenges for the training sector in finding sufficiently economic ways of delivering training programmes. Company training policy and cluster skill action plans will obviously play a part in building and sustaining the motivation of individual workers. As they become more aware of, and take more control of, their own development, they will expect ready access to training information, access to training when, where and how they want it delivered, along with the portability and progression assurance of any qualifications they achieve.

Given the significance of skills development to our emerging industrial clusters it will be important to visit current training policy in Scotland to ensure it is sufficiently co-ordinated and coherent as to facilitate effective participation in clusters by training sector organisations. As indicated at the start of this article there is a considerable super-structure of mainly public-funded organisations which have a direct or indirect role in the formulation and delivery of training policy. The extent to which there is a clear strategy driving this super-structure is not altogether very evident (Fairley and Paterson 1999). Whilst clusters themselves can be a dynamic vehicle for pushing forward a more integrated and successful development of the

Clusters and Training Policy

economy, their task is likely to be made easier if there is reasonable synergy of policy and strategy within and between different government departments. At the same time, it is important to keep a balanced perspective about cluster development and not stand all that we do in the training sector on its head. Rather it is perhaps instructive and formative to view clusters as a catalyst for developing some aspects of our training sector organisations, such as their ways of thinking, organising, working and delivering, in support of clusters, and, as a result, for the wider Scottish economy.

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