

By Jeremy Baker

It is 1342. Pestilence sweeps across Europe. The Black Death has arrived. Within a decade nearly a third of the population is dead. In its wake come massive social and economic changes that bring about the end of feudalism, and eventually underpin the industrial revolution.

New Zealand in 2008 is facing nothing quite so devastating. But the challenges we are experiencing as we move towards the long-term shrinking of our workforce are just as profound.

They are about changing the way we operate as a nation to ensure we can increase our productivity through a skilled workforce.

For years we have known the importance of training. That's so last century! While we still need people to recognise the importance of training, we need to focus utilising that training so that we can benefit from all the value it offers us.

Many of us had things we might have passed at school that we have not used since, and that if put in front of us now, we would struggle to recognise (mine was calculus!). Was it a waste of time? Perhaps ... but an important part of the school system is to develop the whole person.

The main focus of industry training is (or at least it should be) training people to do things that help our businesses, workers and ultimately the whole economy operate more effectively.

Part of that, surely, is ensuring that the training in which people, firms and the government invest in, is then put to good use in the workplace.

Industry Training Organisations are working collectively on a project that has just that at its heart. Through Workforce 2020 they are developing ways to work more strategically to meet New Zealand's Labour market challenges.

Those challenges are well documented. Low unemployment, nearly 70% of adults in the workforce, long working hours and 40% of employers citing skill shortages as the key impediment to growth.

There are employers who secretly hope for, or expect, high unemployment to rear its ugly head as a way of solving workforce shortages. Think again. There is a better solution that requires changing the way we work and ensuring we better utilise the training in which we invest so much time and money.

Take, for example, a cheese factory that would like to have 50 staff on board. Labour shortages mean the current staff is only 40 and Mr Cheesemaker is going bald with the amount of hair he pulls out every time one of his valued staff leaves for brighter pasturisers.

Mr Cheesemaker knows that the population in Cheesedale is not getting any larger, or younger. His solution therefore is to change his manufacturing techniques so that he needs fewer staff but can still increase his productivity. That requires investing a bit in training, but he's careful to ensure that the training is meaningful, and the staff then use what they learn on the job. A spin off of that is that their work is more challenging and enjoyable, helping with staff retention (which of course is also helped by the fact that Mr Cheesemaker is making much more money and can pay higher wages).

Now. Pinch yourselves and wake up and think about how we can turn this into reality. It is here that actively helping people like Mr Cheesemaker to use training as a way of overcoming business issues and improving performance, that ITOs have a powerful potential role to play beyond arranging training.

Taking up this new role is challenging ITOs to change the way they work. Increasingly they'll be working more closely with each other and industries to keep up with trends in industrial development and to be more vigorous in monitoring labour market changes. From there they will lead the development of quality qualifications to meet identified needs.

ITOs are more than ready for this challenge. Already they are working on exciting projects that focus on making the best use of skills in New Zealand workplaces.

The Agriculture ITO has spent two years helping farmers understand how they can get a better return from training. They not only discovered that the returns on workplace learning were good, but identified some key ways that farm managers can get more out of their trainees: things like making sure that the

trainee understands that their boss values the training, and sitting down with the trainee to work out how what they have learnt can “change the way we do things around here”.

The Apparel and Textile ITO has taken a different tack, contracting industrial process engineers to review the processes at a number of firms. The advice these consultants provide not only helps target training where it is needed, it helps business performance overall, and directly links skill improvement to improving business processes.

Yet another example is the Competitive Manufacturing Initiative (CMI), where a group of ITOs are working with a range of manufacturing firms to address not only the technical manufacturing skills of their workforce, but the overall operating processes of those firms. These initiatives focus on the skills of the whole workplace, and are as much about the skills of teams as of individuals.

These are just some of the approaches ITOs are taking to tackling the fundamental changes and challenges facing New Zealand industry. It is an exciting time to be business; while there are great challenges, they are certainly much more pleasant ones than those faced by Europeans in the 1340s!

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Jeremy Baker is Executive Director of the Industry Training Federation, a membership organisation representing all of New Zealand's 40 Industry Training Organisations.