Promoting Skills Development in Challenging Times

Overview

In economically challenging times, investment in skills development – like all spending – comes under pressure, and those who are convinced of the importance of skills must work harder to make a compelling case, competing for a smaller pool of funding. But what are the key arguments that must be made? These relate to keeping skills at the centre of all capital investment projects, emphasising the relative importance of e-Skills[1] in driving economic recovery, and promoting the long-term benefits of social cohesion through broad-based e-Skills development.

A Difficult Time for Investment

Little needs to be said here about how the economic environment has changed over the last 24 months. All organisations, public or private, local or international, have had to readjust their spending plans in light of declining revenue and dwindling sources of credit. Investment of every kind is coming under increased scrutiny, and static or shrinking pools of resources have to be shared among competing demands. Skills development, for example training and certification, is just one of many costs facing organisations. Increasingly rigorous cost-benefit analyses are being applied to all requests for funding. In this context, a strong case needs to be made to keep skills development at the heart of investment. This may be challenging – returns on training can be difficult to measure, although certification, as an objective measure of the impact of training, can greatly assist in this. Nevertheless, a compelling argument can and must be advanced in order to ensure that education and skills investment are not downgraded or neglected as a result of the challenging economic climate.

Why Investment in People Needs to Track Capital Investment

Physical infrastructure investment is not inherently more important than skills infrastructure. Without the necessary skills, investment in infrastructure – for example, ICT infrastructure to support broadband rollout – will have little socio-economic impact[2]. From small companies reviewing their training budgets to government departments making spending decisions to support public policy, the message is clear: Maximise the impact and effectiveness of your ICT investment decisions by ensuring skills are well established not only amongst those who implement the technology but among intended and potential users downstream.

Why e-Skills can Drive the Recovery

History has shown that, in times of severe economic turbulence, old businesses and business models become unsustainable and cease to exist, while new ones emerge. Never has this 'creative destruction' been more relevant than in the ICT age. Furthermore, when resources are scarce, they need to be focused on the areas where their impact will be the greatest. e-Skills will contribute considerably to innovation and improved productivity and efficiency[3]. When the economic situation improves, the organisations that will benefit the most will be those that can react quickly to the changing circumstances, demonstrating agility by providing new products or services or responding rapidly to increased demand. Economies with strong e-Skills at all three levels – practitioner, user, and e-business – will be best placed to emerge quickly from the downturn. Neglecting development of these skills could have a serious impact on the medium- to long-term performance of an organisation, and indeed entire regions[4]. The existence of a 'skills gap' in the provision of ICT practitioner skills has been widely recognised. Employment in the ICT sector is now coming under pressure, but it would be wrong to think that these gaps have disappeared.

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[1] The term "e-Skills" is used to describe three main categories of skills: ICT practitioner skills, ICT user skills, and e-Business skills. This follows the approach set out in Synthesis Report of the 2004 European e-Skills Forum

[2] See "Maximising the Impact ICT Infrastructure Investment" ECDL Foundation Position Paper 1, 2009

[3] See page 7, "The Impact of Broadband on Growth and Productivity" M. Fornfeld, G. Delauney, and D. Elixmann, 2008..

[4] See page 7 "Who Cares? Who Dares?: Providing Skills for an innovative and sustainable Europe", INSEAD 2009.

Analysis of variations in demand for e-Skills under different economic scenarios[5] indicates that even in a recession, there will be a continuing demand for high-skilled practitioners. What is important is that the *right* skills are available. Therefore, there needs to be careful analysis of the existing and projected demand for specific skills to ensure that the e-Skills supplied over the coming years are those that are needed in market place. This, together with the reality that it takes time to develop and acquire skills, points clearly to the need to be more concerned than ever with the development of e-Skills. If the right e-Skills are in place when economic conditions improve, then organisations and economies will be equipped to develop strongly; if the pool of e-Skills is too small or if the mix is wrong, then recovery will be slower and an opportunity will have been missed[6].

Why e-Skills Development Supports Social Cohesion

e-Skills, of course, also encompass ICT user skills. These not only relate to productivity and efficiency in organisations, but also relate to essential skills required for people to engage in the knowledge society. As computing and, in particular, web services become increasingly ubiquitous, an absence of these skills among individuals and groups leads to greater social exclusion. When unemployment levels are increasing, the risk of this happening is higher. Furthermore, employment prospects are declining at a time when public service provision is increasingly moving from traditional face-to-face interaction to e-government services. If relatively marginalised groups, such as the unemployed, are assisted in essential, practical activities such as retraining, they must have the necessary skills to avail of the new services that are available to them. Failing to support the development of these skills could therefore have short- and long-term negative consequences for both the individual and society through persistent unemployment.

Conclusion

In summary, it is possible to set out a series of recommendations for decision makers in public and private organisations who are charged with navigating through the current difficult climate and preparing for the future.

- Investment in physical infrastructure, for example broadband coverage, must be accompanied by investment in skills infrastructure.
- Fiscal stimulus must incorporate or be linked to sensible parallel investment in e-Skills: EU and national funding should be earmarked for training and re-training of the workforce, and fiscal and other incentives should be provided to business to offer training programmes for their staff.
- ICT practitioner and e-business users are particularly important in driving the economic recovery, and skills development in these areas should be managed and promoted appropriately.
- ICT user skills training should be promoted as a tool to fully exploit the benefits of e-government services and to promote social inclusion.
- Objective measures such as certification should be used to validate the effectiveness of skills development programmes.
- Synergies between public and private sector should be developed with the support of civic society and NGOs to encourage skills development.

About ECDL Foundation

The ECDL Foundation mission is to enable proficient use of ICT that empowers individuals, organisations and society, through the development, promotion and delivery of quality certification programmes throughout the world. Further information on ECDL Foundation is available at www.ecdl.org.

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[5] See chapter 3 of "Harmonise: Survey of Certification Schemes for IT Professionals across Europe towards Harmonisation", CEPIS 2007, http://www.cepis-harmonise.org/harmonise/php/index.php

[6] See page 6 "Who Cares? Who Dares?: Providing Skills for an innovative and sustainable Europe", INSEAD 2009.