

**AMS Standing Committee
on New Skills 2010/2011**Report on the Results
of the Expert Groups

In October 2009 the Administrative Board of Public Employment Service Austria (AMS) set up an AMS Standing Committee on New Skills; this step – against the background of the difficult economic situation at that time – aimed at making use of periods when companies are characterised by weak capacity utilisation combined with labour market-policy support measures (such as educational leave, short-time work with qualification, AMS skills training measures) in order to prepare the labour force (i.e. employees in dependent employment and unemployed) on time for coming changes and challenges.

But also independent of the respective economic situation there is urgent need to further develop the qualifications, knowledge and competences of the potential labour force with foresight to ensure that companies and the economic location of Austria overall remain competitive.

In several workshops the AMS Standing Committee on New Skills aims to identify the companies' change processes by providing input from sectoral experts from major, innovative companies and institutions jointly with representatives of continuing education and training (CET) establishments and social partner organisations. These change processes allow conclusions to be drawn about current and future requirements for employees and job-seekers, which will in turn be integrated into the forward-looking development of CET measures. It is the explicit objective of the AMS Standing Committee on New Skills to take timely qualification measures by anticipating these developments at an early stage and thus keep pace with the qualifications required in three to five years.

In the period between November 2010 and June 2011, working groups were set up in the following four company clusters (in alphabetical order):

- Electrical engineering, electronics, telecommunications
- Energy and environmental engineering
- Healthcare and nursing
- Wholesale and retail trade

The detailed results and statements of the four clusters were summarised in one short report each.

1. Decisive developments

In all working groups to date it is clearly emphasised that well-founded knowledge in the specialist area constitutes an indispensable prerequisite for the individuals' employability and success on the labour market. In principle it is stated in this connection that skilled labour as a rule demonstrate knowledge at a good level but frequently not up to date as would be necessary. Particularly among people who have not been employed for a longer period (such as career break returners) but also among individuals who have not taken any CET activities for a long time, significant knowledge gaps and deficits can be found, when faced with new situations and work processes, technologies, applications and procedures.

As well as subject-specific knowledge, social and personal competences are becoming more and more important, and are now inseparably linked and on a par with specialist qualifications and are of equal value. In this respect, the company representatives perceive considerable need to catch up both among employees and job-entrants. As regards CET courses it is demanded that these should increasingly cover both subject-specific and social competences.

Practically all clusters additionally highlight that it is necessary to strengthen fundamental knowledge and basic skills to a greater extent. At the same time, the increasing variety of products and services, the ever more complex processes and the rapid development in electronic engineering and the information and communication technologies make it necessary to acquire specialist knowledge in the respective activity areas.

This combination of specialist competences and social skills is undergoing a series of general developments which, in the next few years, will pick up momentum and pose considerable challenges both to companies in their HR development and policy and to individual employees and job-seekers:

- Internationalisation: The increasing international interdependence of the Austrian economy with the opening up of new markets and fiercer competition on the one hand and increasing international partnerships and cooperation ventures on the other entails many new challenges, for example in cooperati-

on, coordination, mobility, linguistic and intercultural competences.

- **Technologisation:** Rapid and progressive technical developments both in production engineering and the information and communication technologies enhance the need for action in initial and continuing education and training in all economic sectors and at all qualification levels. Whereas working and production processes are optimised and simplified, requirements for employees in many cases increase at the same time, because simple activities tend to be automated and job descriptions are complemented by more complex and varied tasks.
- **Tertiarisation:** Tertiarisation is the increasing importance of »service competences« in all economic sectors. These include above all the growing importance of customer-oriented competences in the production sector. Service orientation, distribution and sales qualifications, communication skills, etc. are all fields of competence which are also becoming key success factors in production and include colleagues as customers in their own company.
- **Ecologisation:** Energy efficiency, the use of alternative sources of energy, resource-saving production, the identification of cause-effect relationships, recycling and ecologically sound disposal of materials, etc. are increasingly becoming a business necessity for all companies. In this connection the development of environmentally efficient production processes, service processes and products constitutes an increasing challenge for employees from many different areas and at all qualification levels both technically and in terms of awareness-raising and understanding.
- **Generalisation & specialisation:** In many fields of activity, people are required who boast extensive knowledge and interdisciplinary competences and, at the same time, demonstrate a high level of expert knowledge in their immediate field of work. However, it can also be observed increasingly in companies that all-rounders and specialists develop in different directions. In any case, employees are increasingly expected to look beyond their own immediate field of activity and identify and understand connections, however.

In principle, all of these changes and influences have an impact both on specialist competences and social skills. New requirements are emerging and existing ones intensifying in the field of social and personal competences – also in connection with increasing technologisation – because they change the forms of cooperation and team structures in particular.

Whereas in the manufacturing sectors – due to a further shift of labour-intensive manufacturing processes to countries with lower wage levels – the segments of development, highly specialised manufacturing, as well as final assembly and services for regional markets are coming more into focus, and issues of resource optimisation and energy efficiency are gaining in importance, the requirements in the services sectors are rising due to increasingly more complex processes and team structures. Routine activities are being largely automated, which is further reducing the activity areas for semiskilled labour. Project-oriented work is becoming more important. In the contact with customers or patients, requirements are increasing due to higher demands and growing quality awareness.

Apart from these overarching developments, a number of specific developments can be observed in the individual company clusters: whether new technologies, materials, possibilities of processing and production methods in technical clusters, changing customer behaviour and new distribution channels in »wholesale and retail trade«, or new technical support options and increasing integration of the sectors of healthcare and social affairs, and consequently changing activity areas in the cluster »healthcare and nursing«.

2. Recommendations and strategies

From the developments presented here, a general necessity to obtain higher qualifications can be derived for all clusters and across all qualification levels. This necessity has to comprise improving quality in initial education and training by responding more quickly to current changes and requirements, the urgent higher qualification of skilled labour as well as of unskilled and semiskilled workers, as well as updating the knowledge and skills of the employees and job-seekers who completed their training a longer time ago.

In addition, a number of challenges arise, such as:

- **Cooperation and creation of networks:** Creation of networks between companies (particularly small and medium-sized companies), with educational establishments (schools, universities, Universities of Applied Sciences, etc.), CET providers and AMS.
- **Image building and safeguarding a supply of skilled labour:** It is becoming more and more difficult to find qualified staff and particularly young people who are interested in and qualified for completing an initial vocational education and training (IVET) pathway. This increasingly necessitates image building efforts for IVET and the world of work, but also the improvement and intensification of educational counselling and career guidance measures.
- **Ageing workforce – productive ageing:** The objective must be a generation balance in companies which guarantees that the knowledge of older staff is preserved and new knowledge of younger colleagues is transferred in an atmosphere of appreciation between the older and younger staff.
- **Learning to learn and the motivation to learn:** A lack of motivation and of the will to learn and take part in CET can frequently be observed both among young people and among older people. The motivation to learn often depends on individual prerequisites connected with learning. In many cases it is first of all necessary to learn how to learn.
- **Cost factor CET:** The actual cost factor for companies is not so much training costs but rather periods of absence. Therefore, the goals of a further flexibilisation of training times and the promotion of new forms of learning (electronic forms, tutor systems, etc.) should be pursued. At the same time, it must be put into perspective that learning is a very social process and an extensive relocation to e-learning systems can lead to the loss of social components.
- **Target group women and girls:** How can employment conditions be created that make it easier for women to reconcile employment and frequently existing care obligations and, in this way, earn an income which also enables a decent living in part-time work schemes.

3. Proposals and recommendations to different addressees

The following is a summary of recommendations made to some addressees:

1. *Proposals and recommendations to policy-makers and the education system*

- Future-oriented employment policy through innovative, forward-looking qualification as early as in initial vocational education and training (IVET);
- Intensive promotion of the labour market integration of people with non-German mother tongue;
- Flexibilisation in IVET and CET also necessitates more flexible exit points;
- More practice-oriented and practical training by strengthening cooperation projects between universities/Universities of Applied Sciences/ schools and companies;
- Intensive promotion of young people's mobility and experience abroad.

2. *Proposals and recommendations to Public Employment Service (AMS)*

- Intensification of communication and exchange between AMS, CET establishments, companies, job-seekers and employees via existing and required CET measures;
- Even stronger consideration of actual suitability in selection processes for course participants while ensuring better guidance;
- Needs appraisal: avoiding possible »qualification bubbles«;
- Placement periods for all longer CET measures for job-seekers;
- The speed of implementing new measures must be increased;
- Further intensification of the higher qualification of unqualified people via the exceptional admission to the apprenticeship-leave exam.

3. *Proposals and recommendations to continuing education and training (CET) providers*

- Companies want their staff to be trained specifically in line with the company requirements and according to the companies' mission statement – no »off-the-shelf« measures;
- The more regionally based the measures are, the higher is the willingness to take part and the possibility to use CET measures;
- With the flexibilisation of working hours it is a must that IVET and CET times, measures and trainers also become more flexible;
- Increasing consideration of the needs of small and medium-sized companies;
- Pooling of the strengths of individual education providers via cooperation projects, making better use of these strengths; reduction of the proliferation of measures where an overview is hardly possible;
- Strengthening part-time and modular measures for employees;
- Attractive qualifications for CET measures which in turn lead to add-on measures;
- The value/benefit of CET measures must be clearly recognisable and must be understandable and verifiable for third parties.

4. *Proposals and recommendations to companies*

- Intensification of cooperation with IVET and CET establishments, AMS, but also between companies for joint higher and further qualification of staff;
- Awareness-raising of the role of higher qualification and CET in companies and among employees (particularly of SMEs);
- Motivation and support for CET through time and financial resources (particularly for part-time employees and women);
- Creation of framework conditions in companies to strengthen part-time and modular measures for employees;
- Intensified promotion of personal development in company-based IVET and CET, particularly in apprenticeship training;
- Provision of work placements for people in training.

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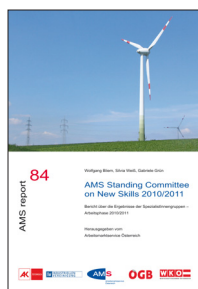
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