

The Starting Point

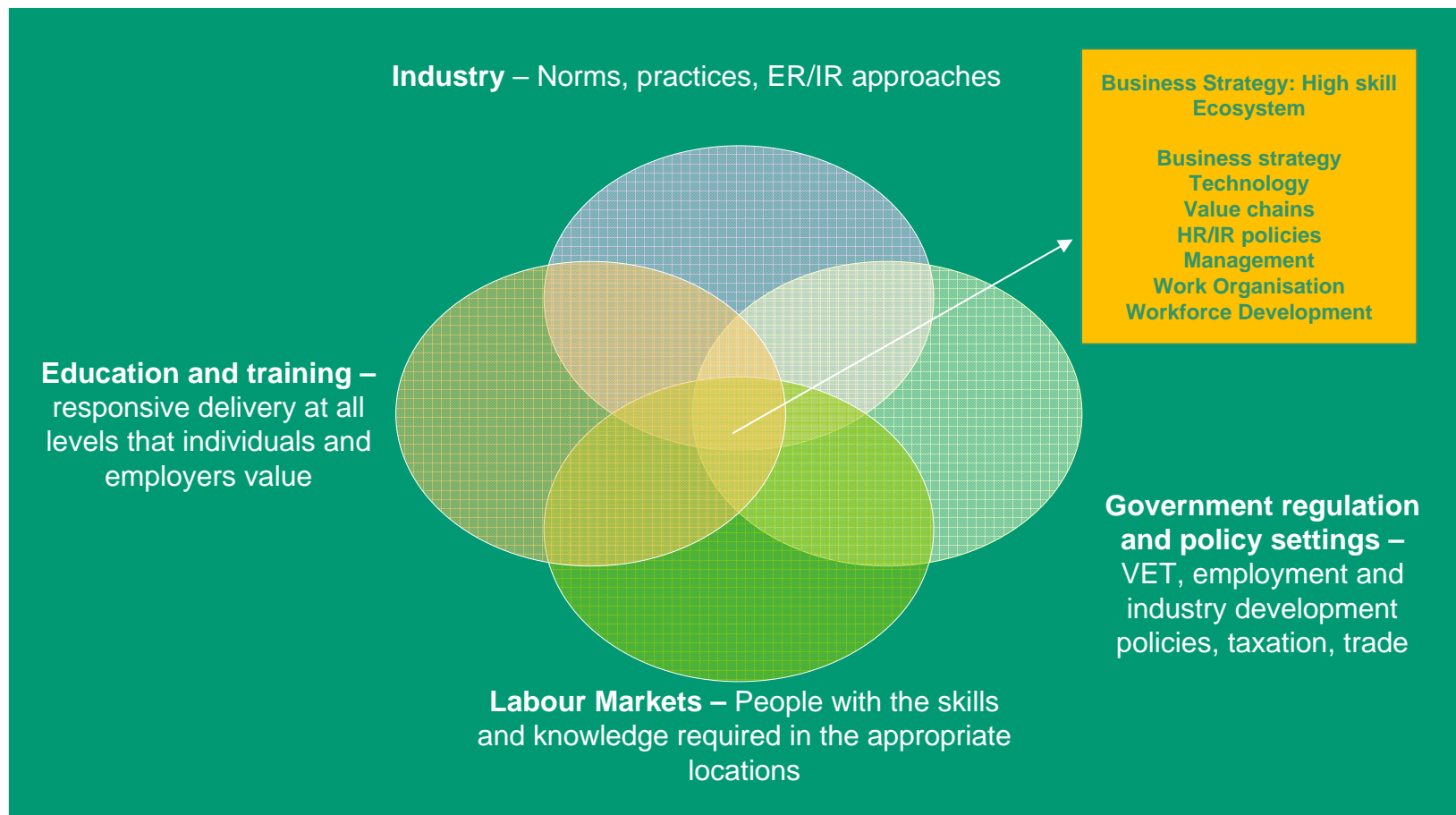
- Skills don't necessarily = Productivity
 - Skills only make a difference if they are effectively used
- Skills aren't landing where they're needed
 - Recent statistics show:
 - Only 14% of employers have significant problems recruiting people
 - 37% report employees have more skills than they require
 - Only 5% report employees have less skills than they require
- 'Business welfare' is bad for business, bad for individuals and bad for the economy

The Response

- **Focus at an industry, sector or regional level**
 - About shaping the environment that drives individual business responses
- **Address both supply and demand sides of the skill equation**
 - Address the availability or development of skill as well as its utilisation
- **Balance business performance outcomes with positive outcomes for individuals and communities**

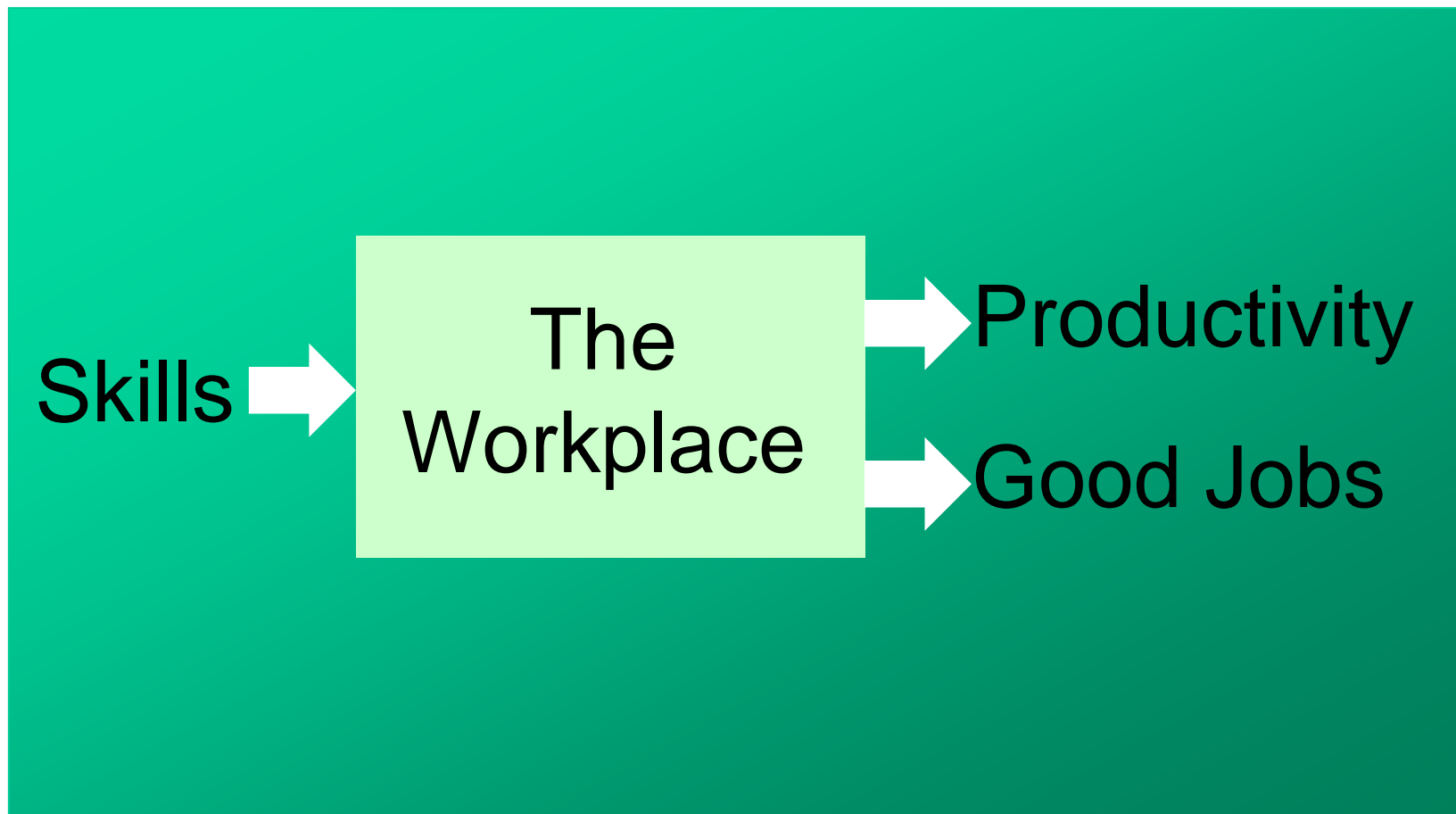
What should we measure?

Ecosystems: Getting the balance right



What should we measure?

Transforming skills into outcomes



Measurement Issues

- Traditional measures focus on the individual
- Transactional measures tell only a fraction of the story
- No single stakeholder controls the results
- Outcomes occur at multiple levels

What should we measure?

A Multi-factor Approach to Measurement

Stakeholder	Focus
Industry	Aggregate productivity measures More able to anticipate and foster skill base Initiatives to foster learning
Workplace	Business/service performance measures Skills required to meet business goals identified Learning is actively managed and evaluated
Learners, employees and unions	Relevant skills, rewarding work; attractive opportunities
Training Providers	Responsive to needs Capable of sustaining new approaches
All	Capacity to reflect; distill; learn

Measuring Outcomes: Challenges

- We need to get comfortable with learning from failure
- If we want to achieve sustainable outcomes stakeholders need to know about it, decide on measures and commit to them
- Our approaches to writing and managing contracts needs to change
- Change takes time – it can rarely be meaningfully measured over the course of funded activity

What should government measure?

- Has the amount of training increased?
- Does training = productivity and good jobs?
- Are skills landing where they are needed?
- Is government support addressing areas of most need?