

European Strategy Report [Provence-Alps-Côte d'Azur Region]

Support low-skilled workers in training to cover the need of the industry

Author: Matteo Sgarzi – August 2018

Context

The REPLAY-VET studies focused in France on the Metallurgy and Logistics. Both these sectors are historical providers of low qualified jobs but they present different characteristics and different approaches towards the low skilled workers. As the other involved partners the work carried out in France consisted in a series of reports, stakeholders meeting, and a Toolkit with 'How To' guides for policy makers at local and national level. (http://www.regionallabourmarketmonitoring.net/replayvet_project.htm).

This report aims to highlight key problems and suggestion appropriate solutions to major participation of low skilled people, current and future potential workers, on occupational training or vocational training for employment actions as well as other actions to improve attractiveness of the two sectors indicated above. These issues have been discussed and analysed in the regional context of the PACA Region (south of France), nevertheless key lessons are relevant at national level and across the EU.

Metallurgy sector deals with a bad image in society. Its occupations are perceived as dangerous and physically demanding, in addition the industry is perceived at high risk of restructuring, closure or delocalization which does not provide great motivation to youth to enter the sector, especially in economic uncertainty times. Nevertheless, salary and contract conditions for the newcomers are more interesting than in other sectors. Metallurgy workers are stable, weakly exposed to turnover and with good career development perspectives; job rotation and professional growth allow a substantial mobility of workers inside the sector. Metallurgy sector is experiencing a dramatic rise of the average qualification level required to enter the industry, so it is necessary to introduce high impact strategies for equip workers to reach a higher qualification level.

The logistics sector is always in demand of short terms flexible contracts often supplied by private interim companies. Logistics workers are generally low qualified and exposed to high turnover rates. The sector is subject to seasonal workload waves leading to almost double the workforce. The volatility of logistics jobs doesn't mean a lack of specialization. Logistics workers progressively increase their competences by performing tasks on the workplace. Workers usually remain in the availability of interim agencies that provide them with job posts on a quite regular basis. Longer contracts are possible for those workers that show to be particularly competent, reliable and resilient but always after a long sequence of interim contracts. Logistics sector still continue to offer many employment opportunities for low skilled workers.

Policy recommendations at regional/sub-regional levels

1. Promote jobs in the sector and opportunities for career development

The sector skills councils or economic branches organizations have to work actively with high school students to **promote jobs in the sector and opportunities for career development**: they have to communicate more about the main technical developments (digitalization, predictive maintenance based of big data analysis, virtual and augmented reality, cobotics, robotics, mechanization, etc.) providing the feeling that the jobs of the sectors have completely changed and touched by innovation. In addition, they have to communicate on the career opportunity quickly leading to stable professions (particularly in metallurgy) and progression opportunity. In the case of logistics some specific aspects can be stressed like the development of digital competences warehouse jobs or the internationalization of merchandise exchanges network.

2. Identify recruiting practices capable to bring out the potential of the less qualified individuals

In the Metallurgy sector there is a growing tendency to recruit higher qualified workforce thus, excluding young people with low levels of diploma. Many received ideas describe youngsters as lacking of basic know-how, maturity and (of course) experience. It is necessary to **break the assumption "the higher the diploma the better maturity and experience"**, it is a simplistic idea which has to be reconsidered. It is necessary to identify recruiting practices capable to bring out the growth potential of the less qualified individuals. In this respect the evaluation of personal features (savoir-être) is more important than specific technical competences. This will help generate additional human resources for the industry.

It is necessary to develop more accurate screening processes having the goal to check soft skills that persons would be able to mobilize in a process of professional and personal development within the industry. Companies' RH manager should collaborate with local public and private recruiting agencies in order to develop innovative screening tools



3. Rethink or strengthen corporate HR policies

Rethink or strengthen **corporate HR policies** aiming to recognize the potential of workers for professional and personal growth in lower skilled (both young and adult workers). Provide a certain horizon of career progression (limit precarious contracts). Put the staff in condition of acquiring specific and transversal complementary skills (boost tasks rotation, company or sector internal mobility, work based learning, promote branch/sector partial qualifications, and limit the use of interim workers and short-term contracts).

In the logistics sector promote the training value of the company, develop more consolidated HR strategies able to support employees beyond the seasonal cycles and production needs repeated frantically without leaving space for a reflection the human component, training guidance and tutoring.

4. Promoting inter-sectoral mobility

Generate additional human resources for the industry by **promoting inter-sector mobility** of jobseekers and professional reconversion. Move towards a greater modularization of training standards based on the so-called “skill blocs” or “modules” combined with processes of validation of prior learning. Improve the porosity between economic sectors.

Identify methods for the identification of potentially transferable skills in neighboring economic sectors (e.g. from chemistry to metallurgy industry or even more distant branches: from the catering sector to logistics)

5. Sharing of technical platforms

Strengthen exchanges between training institutions and companies to create circularity of learning for the benefit of all stakeholders. Train students in vocational training on updated technical platforms in line with the technological evolution of companies and major industries. Train the trainers to the most innovative methods implemented in the industry. Train employees in training establishments sharing of technical platform with the industry.



6. Cope with disadvantaged job seekers social demand

Between the social demand of **disadvantaged job seekers** and the companies' businesses goals where to put the cursor? It is evident that logistics sector is capable to absorb large number of low-skilled labor force and offer opportunities to young or adults workers in disadvantaged conditions (e.g. the logistic branch has developed training courses reserved for public with learning problems or cognitive difficulties). Nevertheless, the entrepreneurial logic must prevail and this has an impact on the hiring conditions and HRM policies. The balance between these two opposite logics has to be found with the joint involvement of public welfare services and private actors.

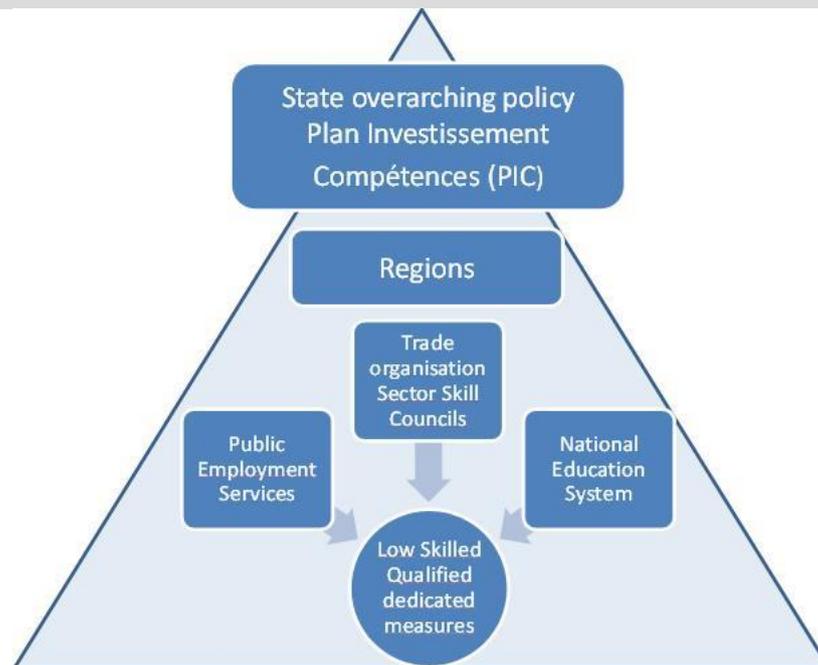
Three key lessons relevant to European-wide skills and employment policies

Lessons identified from the Regional Report findings in PACA Region, that have particular relevance to skills and employment policy-making at the European level, include:

1

AN OVERARCHING NATIONAL POLICY OF INVESTEMENTS IN COMPETENCES AND SKILLS SPECIFICALLY ORIENTED TO LOW QUALIFIED WORKERS

Although a long process of decentralization of powers to regions, in particular in VET system governance, France stays a centralized state. It's up to the central Government to address policy strategy and allocate major resources for reaching strategic objectives. French government is fully aware that promoting training is the best way to fight against unemployment. In the current context of rapid technological and ecological change it has been launched a **5-years Competences and Skills Investment Plan (PIC)** funded with 56 billion €. It is a huge investment aimed to build a "society of competences". Specific objective is twofold: 1/ train one million of low qualified youngsters and one million of long-term job-seekers; 2/ to speed-up the transformation of the national VET system, starting from the analysis of competences needs and new pedagogical design and methods.



The governance model of PIC is based on a negotiating process between the State and the Regions resulting in bilateral cooperation agreements for the use of PIC resources. These agreements will support measures for the reinforcement of VET for job seekers (French regions are fully competent on this topic), training guidance, and local economic development. National and regional call for proposals are also issued for encouraging all labour market stakeholders (trade organisations, sector skill councils, Public Employment services, National Education System) to implement social experimentations and develop new instruments.

WELL DEVELOPED PRACTICES OF MUTUAL COOPERATION AND COMPLEMENTARITY AMONG LOCAL STAKEHOLDERS

What clearly emerged from the discussion with local actors is a willingness to develop synergies and cooperation among different stakeholders. Different experience of mutual sharing of resources and ideas were developed at PACA level. All parties feel to share the responsibility to support citizenship through employment and they work for reaching social goals. This is particularly true for public actors like PES or Education and training providers but also private actors (i.e. trade and industry organisations) contribute actively in creating synergies aimed to develop workers competences and boost the economy of the territory. Many examples have been put forward during the discussion: contributions to shared analyses on territorial competences and skills needs (Territorial Management of jobs and competences – **GPECT instrument**); Joint local platforms for the support of management of human resources and secure careers paths (**Plateforme 2MP** in PACA region – *Etang de Berre* sector oriented to chemical and metallurgy industry); **Henri Fabre Project**, public-private initiative on industrial development involving research centres and

2

training institutions about the issue of digitalization and industry 4.0; **Campus de Metiers** in the aerospace and metallurgy sector, it is a National Education initiative directly relying with the industries of the territory aiming at restructuring the training offer in line with the economy needs.

Mutual cooperation is also completed and facilitated by a quite clear complementarity among different actors which is summarized in scheme below.



Summary

The status of low skilled workers on the labour market is menaced by the current technological changes, the automation of tasks leads to renew competences and skills and increase of the level of qualification. Skills for (digital) machinery control and maintenance are deemed to replace labor intensive, repetitive and low added value tasks. Nevertheless, this clear outcome is not enough to infer a global reduction of available jobs, nor a dramatic fall low skills jobs. New low-skilled professions can appear and some old professions based on traditional skills will be preserved.

In addition, the industry, which lacks of attractiveness in particular toward the young generations, could not simply renounce to a part of its potential workforce because not enough qualified. For this reason is important to develop strategies for support low-skilled labor forces (youngest newcomers but also adult workers) to be trained or



retrained to an higher level. Apprenticeship and adult educations are the two main instruments developed at national, regional and industry level. A second point clearly emerged by the discussion with the stakeholders is that companies are more and more interested to “*savoir-être*” and personal features. The way to behave, the level of commitment and liability of the person are the most evaluated aspects. The necessary technical skills especially for the new entrants will be transmitted on the workplace. The context for the logistics sector is slightly different. This industry will stay one of the main providers of low-skilled jobs. Warehousing work is evolving more slowly it is only partially automatized. The challenge of the full automation had been seized by very big companies in priority but In many medium and small enterprises the transition will be longer and probably never completely accomplished. Some important logistics groups told us that there a net difference between big logistics hubs and local warehouses conceived for retail distribution or product delivery to consumer. In the last case the human component will never fade out. The high demand of labour force encourages low skilled workers to go towards this sector but training is not a priority for the employers that are in need of instant operative workforce often provided by interim agencies on a flexible basis and in capacity to absorb seasonal peaks.

In conclusion the discussion with the local stakeholders confirmed some initial assumption: is quite clear that we are not really mourning the fade of low-qualified work, it is just changing like also society is changing. In the next future these workers will have to deal less with repetitive and standardised tasks and more with creative tasks developing “problem-solving” skills exactly as happens in the day-by-day life using digital supports like smartphones or tablets.

The discussion had with the stakeholders provided new insights about the orientations and the strategies undertaken by industry in order to tackle the transformation of the labour market and identify new competence needs. Many innovative technologies and production processes are not yet a reality in the majority of companies so the challenge is to prepare the workforce for the competences of tomorrow which are not yet a need today. Education and training is working on the anticipation of future needs and for so a certain level of uncertainty still persists. The training system has to guarantee an adequate flow of workforce and it’s hard to find the perfect mix between “old” and “new” competences.

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.