

Forward thinking employers: Why investing in people makes business sense, even in the crisis

An article by Alison Partridge, ESIMeC Lead Expert



Introduction

ESIMeC brings together eight medium sized cities from across Europe to find innovative approaches to sustainable economic recovery, growth and resilience. The partner cities have identified **people** as their main assets and the project will help them to explore how workforce development and demand led skills provision can be the drivers for a thriving local economy.

<http://urbact.eu/esimec>.

The economic crisis has prompted the introduction of a wide range of short and long term measures aimed at stimulating economic growth across the EU. The European Union's Flagship Initiative "New Skills for New Jobs" has as one of its key aims the development of a more **highly skilled workforce**. Many believe that better access to **lifelong learning and re-skilling / updating skills** are crucial to helping people access and retain jobs in high value economic sectors. However, many employers have reacted to the downturn by slashing professional development and training budgets at the time they are most needed.

Some have a different view and recognise that investing in their staff, even in the time of crisis, will reap long term rewards.

This article explores some of the work that three **forwarding thinking employers** from Basingstoke (UK) and Sabadell (Spain) are doing to bring out the best in their workforce in order to forge a long term competitive edge. It is based on a series of face to face and telephone interviews undertaken during the Autumn of 2011.

1. Vitacress Salads, UK

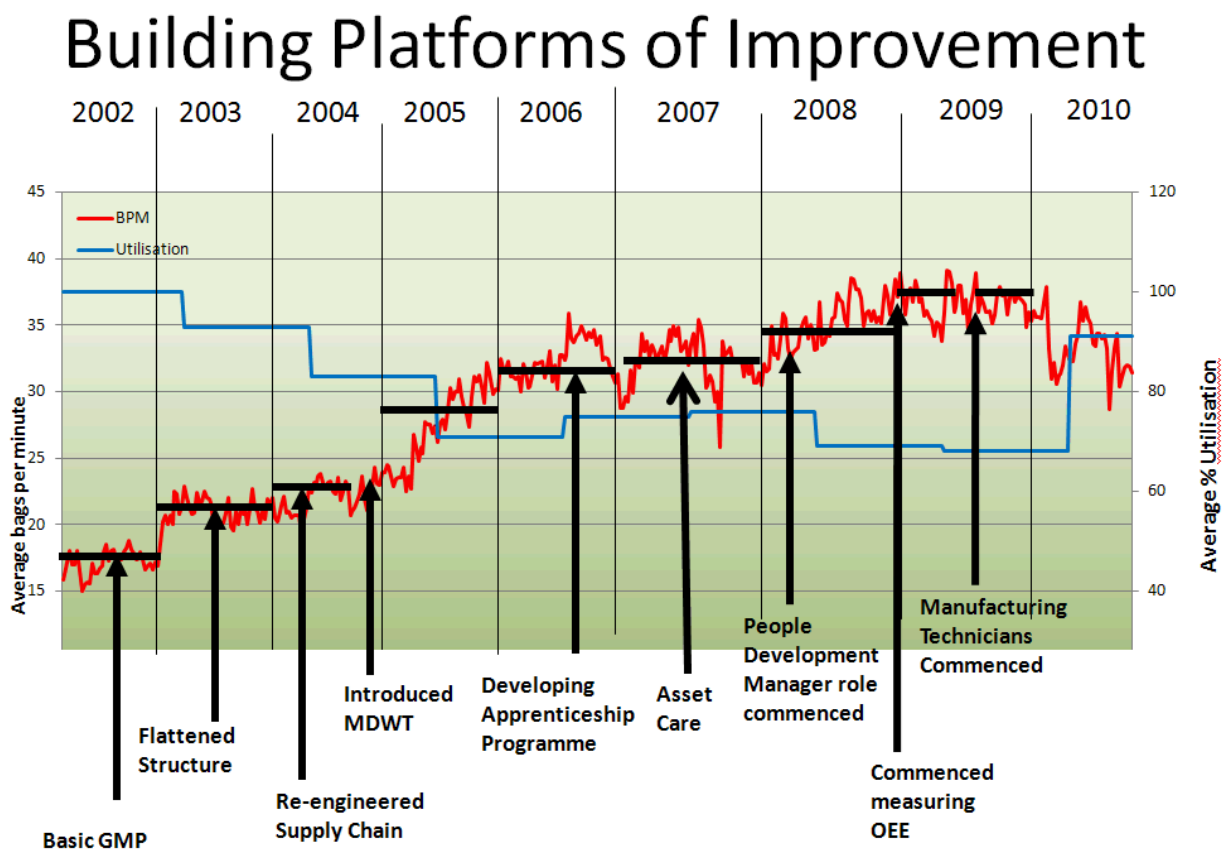
Vitacress, a RAR Group company, is one of Europe's leading growers and packers of watercress, leafy salads, spinach, fresh herbs and tomatoes. It has operations in UK, Portugal and Spain, cultivating 750 hectares and including 70 hectares of glasshouses. Vitacress has a turnover of over €178 million and employs around 1,650 people.

Vitacress Salads, UK is the part of Vitacress that supplies watercress, leafy salads and babyleaf spinach to the UK market, employing around 500 people; referred to as "Vitacress" in the rest of this paper.

Set up during the 1950's, Vitacress experienced double digit growth for several decades – its crops commanded a premium in an uncrowded market and its workers were predominantly agronomic and packing specialists. Broader business and leadership skills were not so fundamental to the business. Over the past decade however the market has changed radically; competition is huge and Vitacress has had to react to this to retain its market position. Its response was

to develop a programme which ultimately achieved a doubling of the efficiency and halving of the post-farm waste. This required a significant **investment in new skills** across the company's workforce, founded on new, leaner packing processes (Mission Directed Work Teams or MDWT) and backed up with a push for **long term behavioural change**. Spend on training increased from £50 per head to £300 and whilst this has fallen back slightly in recent years (due to the economic downturn) it remains close to that higher level.

Speaking to the company's Managing Director, Mike Rushworth, what is striking is his commitment to world class quality and his belief that this is only achievable by **investing in the workforce**. This belief is backed up by robust evidence which shows that investment in skills has returned a 10 fold benefit. One of the main efficiency metrics used in the company (Average bags packed per minute per line (BPM)) rose from 17 to 35 with no significant investment in new equipment for efficiency reasons. The graph below plots this metric against the various workforce development initiatives introduced.



The training offered is diverse and includes a whole array of courses from ESOL to Environmental Awareness and from Health and Safety to basic literacy and numeracy. Investment in leadership skills for the directors has also been important and helps middle managers move to leadership roles which require them to deal with new complex situations with multiple problem solving challenges. The company has recently started an apprenticeship scheme for 6-7 people and has an active schools engagement programme including a work experience offer. Finally it is well represented in the local community with Board

Members acting as Governors for local schools and sitting on the Board of the Local Enterprise Partnership and Education Business Partnership.

More recently the focus has moved to ensuring that the company has staff who can focus on **innovation and creativity** and have the skills required to do so. Margins are under increasing pressure and Vitacress sees **innovation as key to resilience and growth**.

Mike concludes:

Our "Grow your Own" programme is essential to us to secure the right attitude within our workforce. Recruitment is more risky – I'd rather gamble on people I know but it's important to recognise that this sort of improvement initiative take time to deliver results .

2. WSP, UK

WSP is a global design engineering and management consultancy in the built and natural environment. Worldwide it employs 9000 people of which around 2300 are based in its 20 permanent UK offices. 230 of these are based at the town centre business park, Basing View, which is the target of the ESIMeC Local Action Plan.

WSP has an organisation-wide approach to learning and development of staff. This includes their own WSP University, a graduate recruitment programme, a structured approach to career progression within the company using Talent Managers and a wide range of internal and external courses for staff.

In 1995, in recognition of the importance of improving business performance through knowledge-sharing, the WSP Group CEO, Chris Cole, introduced 'Taskforce' to develop a **multidisciplinary approach to learning and development** across the company. Members of staff from all areas of the business are appointed to be part of Taskforce for a two year tenure. Each year Taskforce looks at a different business related research topic to help the company position itself so that it can attract the best workers now and in the future, especially when engineering skills are in decline and a "talent war" is anticipated. Taskforce gives members a great platform for their own professional development.

One of the UK initiatives which has emerged from Taskforce in the UK is the WSP Schools Engagement Programme **Launchpad**, which is currently being piloted using their London and Basingstoke Offices. Launchpad aims to strengthen interaction with schools across local communities. Delivered through a network of WSP employees, the programme informs school children aged between 14 and 16 about real working life as well as encouraging them to explore **and understand the world of engineering through careers presentations, workshops, mentoring and modularised work experience placements**. Launchpad incorporates the following inter related stages:

Engage	Adopting a local school and building a relationship with it
Inspire	Starting to get students engaged by giving interactive and fun career presentations on WSP to pupils combined with workshop activities
Support	Support for WSP staff on how to present to young people Regulatory issues, policy and guidance e.g. Criminal Records Bureau checks for staff wishing to be engaged in Launchpad
Employ	Offering work experience placements supported by a suite of online training modules aimed at 14-19 year olds Apprenticeships Mentoring programme

Through Launchpad, WSP's Basingstoke office has linked with Perins, a local secondary school. This has been a mutually beneficial relationship and has led to several **unexpected spin offs** on both sides. For example it has enabled the school to develop a penpal scheme with Cameroon through a pre existing WSP link and given WSP's early career professionals the opportunity to learn and develop communication and presentation skills. It also spreads the WSP message to a wider community and gives staff who are involved belief, pride and passion in what they do.



Speaking to Laura Hudson, Principal Transport Planner at WSP and a key proponent of Launchpad, you are struck by her commitment to the initiative and her belief that it delivers a **win-win for all**. Everyone who gets involved does so on a voluntary basis but it is clear that the reward is enormous in terms of personal and professional development, staff morale and public relations.



3. Moventia, Spain

Established in 1923, Moventia offers a range of collective transport and automotive industry products and services. The two main business units are, Moventis, specialising in road passenger transport and Movento, which sells vehicles and related services.

The companies making up Moventia transport over 90 million passengers per year, and distribute about 15,000 vehicles annually (passenger cars and industrial vehicles), both new and second hand. Moventia employs more than 2100 staff and believes that "**without people, business success would not be possible**".

The business has been hard hit by the economic downturn in terms of reduced car sales and low passenger numbers on public transport. However, rather than laying off large numbers of people, it has decided to **invest in its workforce** so that it is prepared for the recovery. Some staff are on reduced working hours in

response to the reduced production needs but more most there is no doubt that this is better than no job at all.

The company carries out an annual evaluation of production and performance which includes training needs analyses for all staff. From this it maps employee training and skills requirements and **matches them with the emerging needs of the sector** over the coming 2 year period. Government subsidies, through the social insurance system, mean that high quality training can be provided at low or zero actual net to the company. A **strategic approach** makes this possible. A wide range of in-house and external training is offered each year ranging from customer care to leadership and sales techniques and road safety to communications skills.

Moventia has a low staff turnover. Recruitment for most jobs is reasonably straightforward although it does have some difficulties finding people to fill specialist positions such as computer analysis. It has close ties with the Local Authority in Sabadell and believes that there is a **clear business case for community engagement**, working in partnership for example on training provision to increase women in driving / engineering occupations.

Whilst other companies suffering from the crisis have closed their doors, Moventia believes that a proactive approach to workforce development delivers a clear message to its staff that **"we are in this together – we believe in you – we want to help you"**.

When talking to Cecilia Puyol Bosch, Human Resources Business Partner, what comes across is the company's commitment to its staff – *"An enterprise is nothing but the people and its knowledge – when these improve it adds to the value of the company – training and development helps move people from good to excellent – for us it is a small investment for a huge reward. Enterprises that don't invest time and money in workforce can't survive in this constantly changing environment – we have to reinvent ourselves everyday. It's not just about skills but about self belief and shared company values"*.

Conclusions

Few would argue that the **creation of high value jobs** is the key to economic recovery. However sustaining these jobs requires **employer ambition** and a shared recognition that investing in the workforce makes **business sense**. The public sector has a role to play here too. ESIMeC partner believe that education and training provision should be genuinely **responsive to employer needs** in both the short and the long term. Employers like those featured in this article are hungry for **innovation and creativity** and know that this is what is required in today's business world. How do cities respond to this and successfully engage them in their economic and employment strategies?

This is just one of many questions being tackled by ESIMeC partners through its transnational exchange programme. The tips for success are being written up in a series of **ESIMeC recipes** to be published in a cookbook at the end of the project. Alongside this the partners are working on a **skills forecasting tool** to help them predict the forthcoming skills and qualifications needs of local

employers. Their Local Action plans will include activities to ensure that cities, businesses, education and training providers and local people alike are equipped for the rapidly changing needs of the labour market.

For more information on ESIMeC and its partners please visit www.urbact.eu/esimec.

URBACT II

URBACT is a European exchange and learning programme promoting sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 181 cities, 29 countries, and 5,000 active participants

www.urbact.eu/project



EUROPEAN
PROGRAMME
FOR
SUSTAINABLE
URBAN
DEVELOPMENT

