

Joint proposal for a recovery strategy to deliver and implement a sectorial up/reskilling framework for the automotive value chain maximising industry competitiveness, job retention and new job opportunities paving the way to a dedicated partnership for the automotive ecosystem within the Pact for Skills

Supported by:



Supporting regions:



*Brussels, 15 October 2020*

### **Executive summary:**

The joint call for the dedicated partnership for skills agenda in the automotive ecosystem contributes to the process of establishing Pact for Skills in Europe. It presents clear roadmap towards skills transformation as well as contributes to post-COVID recovery in the sector. The proposal further broadens the outcomes of the DRIVES project funded by Erasmus+ which provides key inputs to the future work of the partnership, such as initial ecosystem intelligence, skills mapping, basic principles of the EU skills Framework in the automotive or dedicated database of industrial stakeholders, education providers and other relevant stakeholders. The proposal builds on inclusivity and openness for all other existing or future stakeholders, initiatives or projects (e.g. ALBATTs project partnership) to jointly cooperate under one European umbrella.

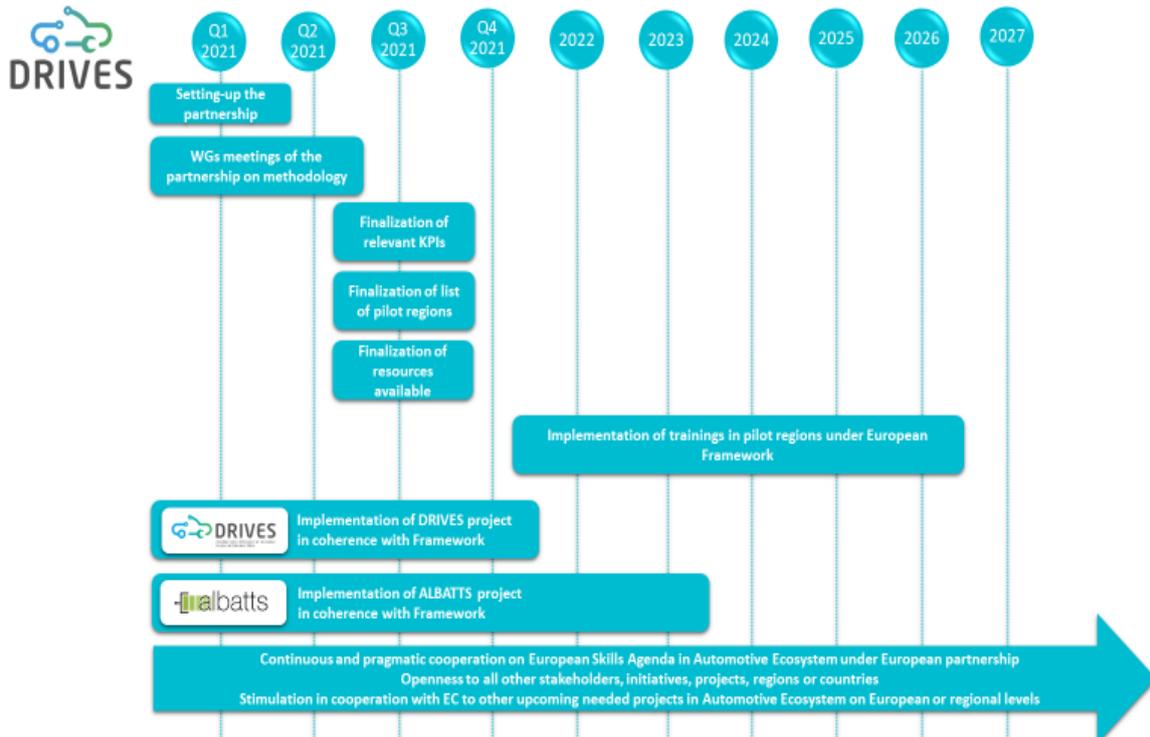
The joint ambition of the partnership is to support and enable up-/re-skilling of 5% of workforce every year to tackle the rapid industrial transition in the automotive ecosystem.

In order to reach that overall target, the partners jointly commit to:

- Jointly establish the Skills Alliance and actively contribute to the work of the Skills Alliance through participating in dedicated working groups and joint events
- Actively support and update intelligence about the ecosystem and its development that leads to continuous skills needs updates and provides guidance to the education providers
- Set-up the EU-wide Framework for skills and job roles build on the DRIVES project outcome
- Share experience and best practices
- Provide financial or non-financial contribution (depending on the nature of the entities) to the trainings realised under the Framework, depending on the financial schemes valid for individual projects in respective regions or member states
- Implement the trainings in-line with principles indicated in the joint proposal, with a focus on:
  - Analysing and defining the skills needs, where industry is committed to share its perspective and strategy (e.g. through regular exchange between regional stakeholders as well as on EU level on the skills and job roles needs based on reference definitions)
  - Streamlining the workforce planning, including skills employee assessment, where industry and regional/national authorities will cooperate together (e.g. through assessment of employee's skills in order to identify the skills gap and offer the training path)
  - Providing relevant trainings and education courses for all kinds of trainings and levels of education (e.g. through DRIVES training courses in form of MOOCs or any other training courses that could be used in pilot regions directly for training of the individuals or providing train-the-trainers and train-the-teachers activities; cooperation between industry and training providers to create new, update or amend courses to serve the latest skills needs and to support modular approach)

- Assessing the outcomes of the trainings to better stimulate and target new ones and improve quality of the system as a joint exercise of all stakeholders involved (e.g. through well-defined KPIs such as number of up-skilled employees in the sector or employability of the individual up-/re-skilled to new job roles in the current company or within the ecosystem).

In a more concrete terms, following key steps and milestones to be met by the partnership:



## Recalling the:

- 25 actions for a successful restart of the EU's automotive sector<sup>1</sup> which defines overall recovery strategy of the automotive industry. This proposal further elaborates this 25-action plan with respect to the skills agenda in the sector
- Conclusions of GEAR 2030 initiative with respect to the competitiveness and skills needed in the automotive sector
- Recommendations of Skills for Smart Industrial Specialisation and Digital Transformation report<sup>2</sup> and especially the need for a particular focus on SMEs
- Reflecting the discussion during the high-level roundtable organised by the Commissioners Schmit and Breton on 23 September
- and work carried out by the DRIVES<sup>3</sup> Partnership for a Sector Skills Alliance and particularly its Strategy and Roadmap for skilling and up-/re- skilling of the European automotive workforce<sup>4</sup>:

All supporting partners would like to propose a clear action plan for the automotive ecosystem to maximise the impact of the EU Communication on Skills. The paper sets out the vision to implement and accelerate the up- and reskilling of the workforce in the European automotive ecosystem **as part of the overarching transformation of the sector** in view of achieving a carbon-neutral and digitalised society, **as well as contributing to a smart recovery strategy coming out of the COVID-19 crisis** .

The aim is to propose a strategy that delivers on the need for rapid action as well as sets the right framework for a lasting and future-oriented path in line with the foreseen sectorial Pacts for Skills to be established by the Commission in November 2020.

## Background

The COVID-19 crisis, as in many sectors of the economy, led to a major shutdown of the automotive sector from manufacturing to sales and maintenance putting several millions out of the 14 million jobs of the automotive sector on short term unemployment for Q2 2020 with low predictability for their situation for the rest of the year. This occurring in addition to the major structural changes of the industry.

The whole European automotive sector and whole surrounding ecosystem, covering corporates from small SMEs to big OEMs and from suppliers, dealers, up to very last maintenance and repair workshops, is facing significant disruption and changes due to the emergence of innovative technologies, alternative powertrains, mobility as a service solutions and digital sales. The transition

---

<sup>1</sup> <https://www.acea.be/press-releases/article/covid-19-automotive-sector-calls-for-vehicle-renewal-incentives-to-kickstar>

<sup>2</sup> <https://skills4industry.eu/sites/default/files/2019-11/EA0419517ENN%20-Skills%20for%20Smart%20Industrial%20Specialisation%20and%20Digital%20Transformation%20-%20Brochure.pdf>

<sup>3</sup> The Development and Research on Innovative Vocational Educational Skills project (DRIVES, [www.project-drives.eu](http://www.project-drives.eu)) - The Blueprint project for Sectoral Cooperation on Skills in Automotive sector. DRIVES project started the beginning of 2018 with 24 entities coming from 11 European countries. The partnership is composed from research, education and training, business, sector associations and public entities.

<sup>4</sup> DRIVES Automotive Skills Agenda Strategy & Roadmap  
[https://www.project-drives.eu/Media/Publications/24/Publications\\_24\\_20200526\\_81553.pdf](https://www.project-drives.eu/Media/Publications/24/Publications_24_20200526_81553.pdf)

and foreseen structural change crucially impact the workforce with significant numbers of jobs being endangered in the short to medium-term, whereas on the other hand the entire automotive chain struggles to attract and recruit qualified people for new and emerging jobs coming. Some OEMs and suppliers already announced labour force reductions whilst others are seeking refuge outside of the EU in the search for talent. To remain competitive and to meet their economic and social responsibilities, the automotive sector needs to invest significantly in the re/upskilling of its workforce. Just as the workforce needs to be given the opportunity to strengthen its skillset and its employability, the different actors should put effort in increasing quality inflow of new workforce in the sector as well.

### **Vision of the strategy**

This comprehensive strategy will set the recovery action plan for a sectorial up/reskilling framework for the automotive value chain to which the industry and stakeholders can rely and commit to in order to maximise industry competitiveness, job retention and new job opportunities. Having in mind the recently announced intention of the Commission to launch sectorial Pacts for Skills, **this strategy represents a comprehensive proposal for a dedicated Automotive Pact for Skills**, aiming at grouping key public and private stakeholders to continue delivering the work started by the Erasmus+ DRIVES Partnership through deploying regional pilot projects. These could be launched immediately under dedicated public-private partnership for education and training in automotive.

From that perspective, the implementation of the strategy fully supports key ideas of the Pacts for Skills as indicated in the new Communication from the Commission on the updated Skills Agenda as from 1 July 2020:

- **It provides reaction to the COVID-19 crisis** and creates a platform to mobilise support for the automotive industry, by ramping-up the scale of trainings provided in the EU in a short period of time and mitigate negative implications of the COVID-19 and through that also accelerate restructuring of the system
- **It contributes to the Green Deal agenda**, by speeding up the transition towards green and digital mobility and follows the **New Industrial Strategy**
- **Mobilises and supports the positive trends in the sector** and new emerging technologies, environmental standards and job opportunities in the sector to contribute to the green and digital mobility of the future
- **It builds upon the Blueprint DRIVES partnership collaboration** and outcomes to setup EU-wide system for trainings and education in the automotive sector to reflect whole public-private partnership around the automotive ecosystem, including current or new players to reflect the overall variety of future trends and skills needs in the system
- **It inspires private and public responsible cooperation** to bring coherence into skills identification, description and recognition by establishing a EU-wide umbrella framework based on commonly agreed definitions of skills, job roles and accredited system of e-badges (mirroring the “micro-credentials” in the Communication).

These ideas will need to be reflected in a dedicated Automotive Pact for Skills, which will be characterised by the following elements:

- It will be enabled by open public and private partnership with multipliers effect given by combining public and private funding.
- It should be developed in coherence with the Skills Communication, the new industrial policy for the EU and the EU Recovery Plan, whilst strictly respecting the subsidiarity principle in the skills and education agenda.

- It will target any EU member state or region for which the automotive value chain represents a major economic activity, impacting on the GDP<sup>5</sup> and labour force.
- It will provide assistance for any corporate - large or SME – that is confronted with a workforce transformation issue in terms of number of workers and strategic skills.

### Key principles of the proposal

- i) **Legitimacy** – the strategy must reflect real needs of the industry and be industry-led. It will target any EU member state or region for which the automotive value chain represents a major economic activity, impacting on the GDP<sup>6</sup> and labour force. To this end, DRIVES Strategy and Roadmap provides clear indication to mitigate the gap between the industry defined needs for new skills and trainings offered/provided;
- ii) **Coherence** – it should be developed in coherence with the Skills Agenda Communication, the New Industrial Policy for the EU and the EU Recovery Plan, whilst strictly respecting the subsidiarity principle in the skills and education agenda;
- iii) **Openness** – the strategic approach goes hand by hand with the changing value-chain of the automotive sector. It reflects the technological, environmental and business changes in the automotive ecosystem, such as new powertrains, new business structures, mobility as a service, digitalisation of production as well as sales etc. This brings new players into the ecosystem or changing roles and values of the current players as well as changing weight of values within the chain.
- iv) **Game changer** - the proposed approach capitalises on the achievements and best praxis from different initiatives, avoiding inconsistencies and seeking after delivering required skills and education. Hence, projects/education programmes that are funded and implemented on national/regional/private level (e.g. ALBATTTS project<sup>7</sup> on e-mobility or COSME project with dedicated focus on SME needs). This allows scaling-up massively trainings in Europe under one EU-wide framework without additional administrative financial needs.
- v) **Solidarity** – the openness of the system will enable the creation of an EU-wide system accessible to all kinds of enterprises and will be beneficial also for those enterprises with limited financial resources (lower costs). It will provide assistance for any corporate - large or SME – that is confronted with a workforce transformation issue in terms of number of workers and strategic skills. To make this possible, it is key that dedicated public funding will be available, including EU financial instruments (e.g. structural funds, Just Transition Fund, EIB bonds etc.)
- vi) **Inclusivity** – the openness of the system allows also participation of all kind of new enterprises in the value chain, irrespective of their size, position in the market or value chain (new entrants in new emerging technologies/markets). It would also allow to reflect specific needs of SMEs.

---

<sup>6</sup> <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/10086.pdf>

<sup>7</sup> The Alliance for Batteries Technology, Training and Skills (ALBATTTS, [www.project-albatts.eu](http://www.project-albatts.eu)) - The Blueprint project for Sectoral Cooperation on Skills in Batteries for electro-mobility sector. ALBATTTS is strategic project focused on skills intelligence and offer in the important emerging sector, highly relevant for the Automotive ecosystem. ALBATTTS together with its “brother” project DRIVES, with involvement together of 38 individual organisations as full partners and number of associated partners, provides a basis for the Skills Agenda in the Automotive Ecosystem.

- vii) **Cost-efficiency** – The system shall bring the cost-efficiency benefit to all its related parties in the ecosystem. The system should group under one umbrella foreseen or on-going education and training projects funded through different private and public schemes. The Strategy would require only limited financial resources to ensure minimum administrative operation of the Alliance and possible to be extended to the technical assistance to the participating regions or clusters.

#### **Key objectives of the foreseen public-private partnership:**

- i) **Ensure sustainable and systematic sectoral cooperation** based on clear commitment of all stakeholders involved. That is, acceptance of the above-mentioned principles by key stakeholders, namely regions, industry, VET providers and the Commission, and ensuring engagement in the implementation. The partnership will be based on the core of DRIVES, as a first Blueprint project for Sectoral Cooperation on Skills in Automotive and ALBATTIS partnerships and scaled-up to cover European as well as regional perspectives.
- ii) **Ensure systematic EU-wide recognition of skills and knowledge** – in order to continuously tackle the challenges of changing needs in the ecosystem. It encompasses insufficient transparency of skills and qualifications, insufficient understanding of how to integrate different skills and qualifications into the labour market or lack of coherent and up-to-date overview of information on skills needs in the automotive ecosystem. The EU reference recognition of job roles and related skills is key to understand skills and job role needs, which enables more efficient upskilling and reskilling of the workforce. Continuous update of such framework is fundamental to reflect the latest trends in the sector, accelerate the process of trainings delivered and enhance mobility of workers across the EU within the automotive ecosystem.
- iii) **Ensure EU-wide mutually accepted definitions of skills and job-roles.** This will help to bridge different systems on regional/national levels both for VET providers and tertiary/secondary education by bringing them under one umbrella. This approach will also help to guarantee the quality of trainings, including reinforcing training-the-trainer or train-the-teacher programmes, and providing a database of training providers in the automotive ecosystem, whilst fully respecting the subsidiarity principles and competences of the member states and regions.
- iv) **Continuous, systematic and pragmatic way to gather industrial skills needs in the automotive ecosystem and minimising the gaps.** This will be enabled by a pragmatic dialogue and close cooperation between industry, education and training providers on all levels. It will include traditional as well as modern approaches for skills intelligence gathering, such as working groups at regional and EU level, ecosystem for continuous updates of the skills needs via online system, big data analysis – in cooperation with existing EU tools such as CEDEFOP Skills Panorama, Europass, and so on.
- v) **Improve attractiveness of the automotive ecosystem** for current and upcoming workforce with clear career paths, new technologies, green and digital approaches. Skills Agenda is closely linked to recruitment, which is influenced also by the attractiveness of the automotive sector. The sector must be attractive for young talented workforce as well as for all possible workers.

- vi) **Stimulate massive acceleration of investment in human capital through pilot regional projects** in order to:
  - a. Facilitate workers back to work in the current company (irrespective size, from large enterprise to SMEs) or if not possible in the automotive ecosystem or, alternatively, in an adjacent sector with requalification. The objective is to reach a maximum retention rate of the current workforce.
  - b. Increase the amount and employability of new workforce in the sector by providing clear frameworks of future strategic skills in the sector

**Tools and methods to achieve key objectives of the Pact for Skills for the Automotive ecosystem:**

- i) **Ensure high-level political endorsement** through open dialogue and commitments of engagement from the side of the Commission, industry, education providers and regional and national authorities, framed by a dedicated Automotive Skills Pact.
- ii) **Agree on clear benchmarks, such as:**
  - a. Launch implementation in at least 5 pilot regions in 2021 (open to other pilot projects to enforce the strategy)
  - b. Upskill 5% of the workforce every year resulting in 700.000 employees to be upskilled along the automotive ecosystem. This effort will allow for a higher mobility through the value chain/ecosystem and growth of a sustainable talent pipeline.
  - c. Establish the governance procedure to swiftly operationalise the system.
- iii) **Launch pilot implementation projects** in few regions across Europe – the implementation of the strategy to be launched in few regions in Europe with strong automotive industry clusters. The pilot regions will demonstrate that different structures and different funding options are comparable and mutually supportive under one EU-wide framework.
  - a. Each selected region will express clear commitment from regional authorities, regional industry irrespective size, regional VET providers and other affected regional stakeholders.
  - b. The pilot project in the region will reflect the local features of the value chain and its changing structure. This will be reflected in the portfolio of skills/competences trained to tackle the regional transition and to support the recovery.
  - c. The regional stakeholders involved in pilot projects will be committed with the overall European approach and share experiences with other regional projects to ensure coherent approach and collaboration across European automotive ecosystem.
- iv) **Agree on an implementation structure to backup this EU-wide framework and process** (see draft proposal in Annex I), with independent governance body to ensure:
  - a. Represent the Pact for Skills in the automotive sector ecosystem based on large scale public-private partnership.
  - b. Ensure continuous skills intelligence update (e.g. building on DRIVES and ALBATTs projects outcomes) as well as education and training offer in the automotive sector through dedicated working groups, peer learning activities, big data analysis, examining sectorial transition and impact on skills and monitoring skills needs and training offers, including pilot projects' inputs.
  - c. Provide recommendations to the policy makers and the Commission

- d. Cooperate with other stakeholders relevant for the skills agenda in the Automotive ecosystem, such as CEDEFOP, ESCO, EAfA, etc.
  - e. Provide overall skills definitions applicable across the EU, including possible extension to the new job roles demanded requalification and continuous update of reference skills and job roles.
  - f. Provide assessment and ensure high quality level for the training provided in the EU based on best practices, including digital badge introduction
  - g. Provide quality rules for the training providers allowing entry into the EU-wide level database of VET and training providers and stimulating modular training courses and train-the-trainer activities.
  - h. Provide sharing best practices framework to enhance the quantity and employability of influx of new workforce.
  - i. Ensure update of the benchmarks based on the actual situation in the sector and needs of its stakeholders.
- v) **Provide EU-wide methodology and implementation tools** to the individual regional projects (see draft methodology in Annex 2) to ensure consistency and harmonised approach on EU level, whilst ensuring openness of the system and plug-in other, already implemented systems/methodologies.

## Annex 1: Role and mission of “Automotive Skills Alliance” (ASA) an independent governance entity of the skills partnership for the automotive ecosystem

Composed of key public and private stakeholders and co-led by key representatives of the automotive sector, education providers and the Commission, **ASA should govern the strategy, resources and action plan and provide an umbrella for the activities geared towards up-/re-skilling of workers.** It should be seen as a key administrative tool to operate and manage the Automotive Pact for Skills for automotive and dedicated skills agenda for automotive.

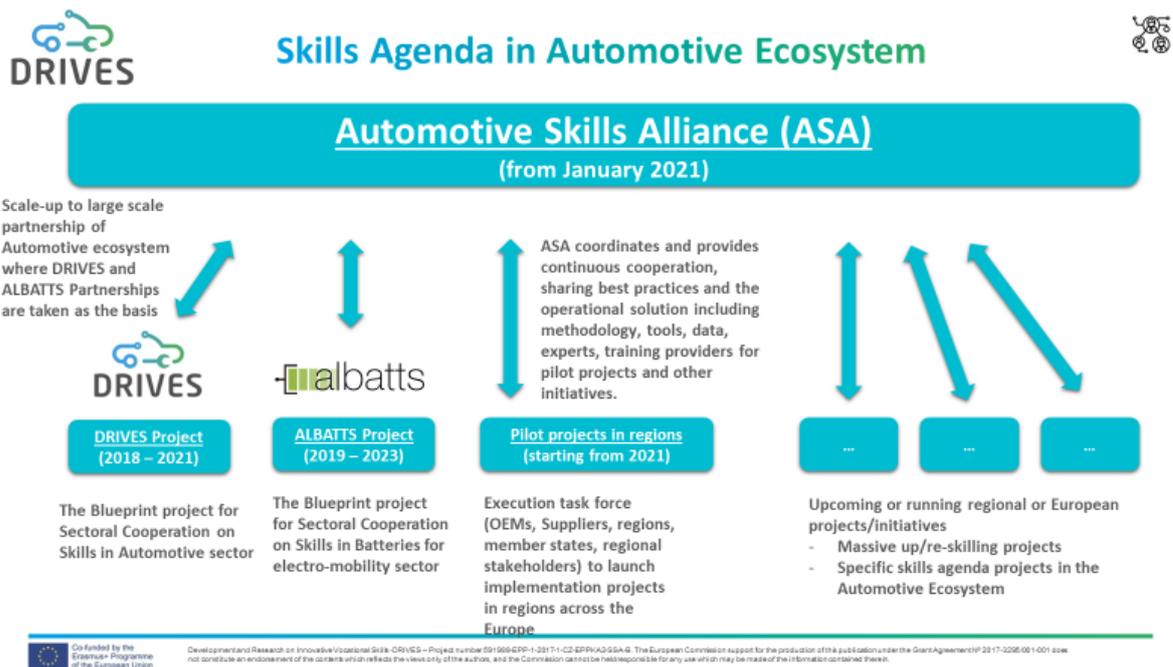


Fig 1 – The Automotive Skills Alliance foreseen by DRIVES as the sustainable future framework for Skills Agenda in Automotive Ecosystem

With a technical and financial assistance envelope from the Commission (depending namely on the number of regions/projects involved) for the next programming period, the ASA will ensure the fulfilment of the defined objectives, specifically it will ensure:

- **Represent the Pact for Skills in the automotive sector ecosystem** based on large scale partnership. The large-scale partnership will consist of enterprises ranging from large international OEMs to regional SME clusters, from VET providers, universities to independent training providers on regional level, from representatives on EU level to country/regional level representatives, and other relevant stakeholders on international or regional level. ASA will operate on European level, as well as on regional level with its regional stakeholders’ groups/office/centre to ensure continuous work on European Automotive Skills Agenda.
- Ensure **continuous skills intelligence update**, strategy and roadmap update (follow-up after DRIVES project duration), and education and training in the automotive sector through dedicated working groups, peer learning activities, big data analysis, analysing sectorial transition and impact on skills and monitoring skills needs and training offers, also based on pilot projects inputs.

- Be one **single entry point for discussion and assurance of specific automotive needs in skills agenda** and provide recommendations to the policy makers and the Commission
- **Cooperate with other stakeholders** relevant for the skills agenda in the Automotive ecosystem, such as CEDEFOP, ESCO, EAfA, SKILLMAN, etc.
- Provide **overall skills definitions applicable across the EU**, including possible extension to the new job roles demanded requalification and continuous update of reference skills and job roles.
- Provide assessment and **ensure high quality level for the training provided in the EU, including digital badge** assurance and prove of achieved competence/skill – covering all types of training courses in the Automotive ecosystem
- Provide **quality rules for the training providers** allowing entry into the EU-wide level database of VET and training providers and stimulating modular training courses and train-the-trainer activities.
- Provide **sharing best practices framework** to enhance the quantity and employability of influx of new workforce.
- Ensure **update of the benchmarks** based on the actual situation in the sector and needs of its stakeholders.



## Automotive Skills Alliance (ASA)



Brings together different kind of stakeholders involved in Automotive ecosystem and ensures continuous, pragmatic and sustainable cooperation on skills agenda in the ecosystem

Assures Europe-wide collaboration on European level as well as on national/regional level between involved stakeholders in the Automotive ecosystem



Co-funded by the Erasmus+ Programme of the European Union

Development and Research on Innovative Vocational Skills - DRIVES - Project number 591988-EPP-1-2017-1-CZ-EPPKA2-SSAB. The European Commission support for the production of this publication under the Grant Agreement N° 2017-3295/001-001 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.

Fig 2 –Automotive Skills Alliance – European cooperation on skills agenda in the automotive ecosystem

**Soft implementing structure for ASA** provides flexibility and openness to all stakeholders or projects in the automotive ecosystem and is similar to other public-private partnerships supported by the Commission. The partnership is supported by simple administrative backup to ensure key tasks of the Alliance in line with the objectives of the Commission’s strategy for skills to ensure continuous skills agenda in ecosystems and supportive technical assistance to the individual regional projects.

In order to ensure the smooth implementation, **the key stakeholders in the ecosystem must be involved in ASA**. The stakeholders' group will be updated based on the latest developments in the ecosystem and involvement of new technologies and new players.

Key stakeholder involved:

- Industry: Large Enterprise and Small and Medium Enterprise whether or not organised in sectoral/industrial or other associations at regional and/or European level.
- Education and Training Providers: Accreditation, Certification or Qualification bodies, Colleges / Universities, Private companies and involved into EQF3 to EQF8 "activities", Research institutes and centres, VET schools and sectoral VET associations
- National Authorities: Education and Labour Ministries, Labour Market Intelligence Entities, National Statistics Labour Offices and Public Authority (Labour) Public Authority (Employment), Chambers of Commerce, etc.
- Trade Unions
- European Commission

On that basis, **ASA should deploy the key actions ensuring sustainable development of the skills agenda in the automotive ecosystem**. The foreseen set-up of the administrative secretariat infrastructure and large-scale trainings provided by the private sector represent the key economic benefits of such cooperation. In this sense, it should be seen as an enabler to scale-up the investment in education in the sector by pilot regional project through:

- Individual corporation funding (irrespective size)
- Using private external funding opportunities (e.g. EIB loans on skills)
- Using structural funds through national/regional implementation schemes
- Using other public interventions (national or regional systems for trainings)
- Using temporary or permanent dedicated funds (e.g. Recovery and Resilient Facility, REACT-EU, Just Transition)

As indicated funding will come from EU, national and regional sources and private funding. The rapid mobilization of new public schemes post-COVID and existing schemes on VET are essential as well as the training budget of corporates.

Considering the target of around 5% employees trained annually (cca 700.000 employees) and provided that the upskilling investment per employee on average € 10.000 is expected (depending on the initial level of qualification, the overall skills gap compared to the most required skills by the company, the level of qualification required by the future job, duration of the training and the worker salary during the period), this represents an overall commitment from the private and public authorities around € 7bn to be invested.

The successful placement in a new job in 70% of the targeted population, the **return on investment** is calculated at corporate level by savings on lay off costs, recruitments cost and accelerated revenues. State level by savings on unemployment benefits and accelerated social and tax revenues. Based in our different estimations, at minimum on large scale programs, one euro invested in upskilling generates at least 2-euro savings and can go up to 5-euro savings<sup>8</sup>.

---

<sup>8</sup> <https://skills4industry.eu/sites/default/files/2019-06/Skills%20for%20Industry%20Strategy%202030%20-%20Laurent%20Probst%20-%20PwC%20-%20Economic%20and%20Financial%20impact%20of%20the%20skills%20gap.pdf>

**ASA will have a set of defined KPIs** in order to continuously measure the defined objectives. The KPIs will be defined and planned by the ASA partnership, such as:

- a. Structural perspective
  - i. Number of involved sectoral stakeholders
  - ii. Stakeholders coverage of the ecosystem
  - iii. Stakeholders coverage of European countries and regions with strong Automotive industry
  - iv. Stakeholders coverage of involvement in sectoral drivers of change, such as carbon-neutral mobility, electrification, new power trains, green mobility, batteries, power cells, IT applications etc.
- b. Content perspective
  - i. Skills and training coverage to match the needs of the ecosystem
  - ii. Training courses available in the framework and planned for needed skills
  - iii. Amount of workforce trained in particular skills and particular regions
  - iv. Emerging skills identified
  - v. Emerging job roles identified
  - vi. Training and education offer
  - vii. Gap between needs and offer
  - viii. Group cooperation and efficiency

#### **Engagement of the European Commission**

European Commission has a key role in certain objectives and actions, as it is also defined in the section Roadmap of DRIVES Automotive Skills Agenda Strategy and Roadmap. The main role is to stimulate the proposed strategy within the defined specific single ecosystem for Automotive Sector. The financial contribution of the Commission to back the fulfilment of defined objectives would facilitate and speed-up the implementation process supported by stakeholders representing the Automotive ecosystem.

**Annex 2: A proposed methodological approach to one of ASA objectives - upskill 5% of the workforce every year resulting in 700.000 employees – available for those companies/regions/projects that DO NOT have their own methodology<sup>9</sup>**

As indicated, ASA provides overall umbrella framework. The below mentioned tool can (but does not necessarily need to be applied) for those national/regional projects that are at initial phase and do not have their own structure and methodology. This enables inclusion of those projects that will be implemented (or are implemented already) with their own training providers and methodology.

**How does it work?**

**In terms of reaching 5% up/reskilling of the workforce every year in the Automotive sector, ASA will play a key initial role in defining the precise end to end operational program, ensure high quality communication, engage with stakeholders, contract with pilot projects and technical assistance providers and facilitate funding.**

The streamlined approach has to be defined to maximize the return on investment of the training for the corporate meaning increasing the skills portfolio of the employee in relation to current and future jobs available.



a) Setting the goals of the Upskilling initiative at regional or corporate level

By corporate or region application, the goals of the upskilling program will be defined with the applicant meaning number of workers potentially at risk, available jobs on the local labor market, companies hiring, skills demand as well as local high-quality training provider. A financial estimation of the program will also be determined with potential sources of funding from public

<sup>9</sup> The approach described below is based on best practices and has been described in the book *Upskill : 6 steps to unlock economic opportunity for all* by Laurent Probst and Christian Scharff and is currently implemented in large case sectorial upskilling programs across the world to increase industry competitiveness, increase employee employability and mitigate social risks.

and private sources. A target rate of workers to be upskilled and kept in employment will be defined given the local context.

The objectives and the budget required will defer widely according to the level of preparation of the applicant including the strategy, the alignment of local stakeholders, the quality of VET providers.

b) A streamlined workforce planning

More than ever, leaders will need to analyse the future workforce needs and align them with their digital strategies, structural changes and their visions for the upcoming years. Currently companies are “rightsizing” their workforce for the next 24 months in terms of number of FTEs but also skills. It is highly critical for these leaders of regions, large companies and SMEs to get access to the most relevant information and tools to perform this very complex exercise and secure continuous upskilling process and platform for the future.

Key benefits for companies and regions

1. Considering **business hypotheses** for future investments in technology and strategic decisions and generate **predictive data** around their impact on workforce
2. Identify **target jobs and re-skilling pathways** to transition automatable or jobs at risk
3. Get past and future workforce **data visualizations** such as FTE, gender repartition and ages among units and ensure an **optimal workforce planning and strategic decision making**.
4. Get quick **visualizations on predictive flows**: internal mobilities, international mobilities and inflows from external recruitments.
5. Implement Industry Upskilling Programs’ adoption and optimization plan

c) Skills employee assessment

Thanks to a proven assessment toolbox for all types of qualifications profiles in local languages, the current transversal, professional and digital skills of each employee will be assessed and documented. This step is fundamental to understand employee talents to be matched in the next step with job opportunities and industry curriculum.

d) Assessment of the skills gap & matching with existing, new jobs and reference definitions

Then, the toolbox provides job matching opportunities for **real-time vacant positions** (either internal or external at sector/regional market or to the wider job market). The tool is fed with vacancies either from job boards, career websites or data from the unemployment agency. The job matching shows the employee’s profile and improvement potential, the potential real-time **job opportunities and the skills gap**.

On the other hand, the approach will provide possibility to set up for employee the desired reference job role with its defined competences/skills and knowledge. This will allow definition of the skills gap between actual employees' profile and desired reference job role.

e) Identification of relevant trainings to complete the skills job to enter in a job

Moreover, the tool shows up the best fitting trainings to cover the skills gap and to enter a job. This gives to the company and the employee a clear view on the relevance of the investment into a training. Relevant industry training catalogues are pre-loaded into the tool by plugin approach. This functionality is a key asset to motivate the person and the company to invest into a training providing the qualifications for a sustained job.

f) Audit, mobilization and continuous monitoring of Industry Upskilling Programs

This will allow to fully utilize and influence the future capacity of Industry Upskilling Programs from automotive and other related industries and enable talent mobility between industries, increase automotive industry attractiveness and foster digitalization and innovation.

Key benefits:

1. Get a **full assessment** of population: **digital skills, hard skills** and up to 33 **soft skills family** evaluated
2. **Understand** your workforce's skills and abilities
3. Get individualized **job matching** (internal or external) and promote internal and/or external **mobilities**.
4. Identify **skills gaps** and close them with appropriate and AI-enabled **training matching** (internal or external)
5. Identify the most relevant curriculum and Industry Upskilling Programs to fix the skills gap, to improve employability and motivate employee
6. Speed and scale of execution generating a higher employee engagement, return on training investment and more robust CSR approach
7. Implementation of upskilling process and digital platform enables predictability of future upskilling requirements and opportunities, regions', sectors' and corporations' attractiveness and competitiveness.

g) Training deployment and entering a new job

The selection, registration payment and monitoring of the training of the employee will be totally under control of the company and the HR managers will have access to real time information through their own HR IS system. The success of the training will be the trigger to enter the new defined position in the company or outside. A consolidated reporting of all employee and corporates training at regional level will provide to the region a consolidated view about the investments, the skills gap reduction and the impact of such a program.

#### h) KPIs, monitoring and assessment

All along the process, KPIs are defined to monitor the engagement and progress of companies and workers towards the entry in a new position

KPIs are:

- Number of regions and companies which intend to participate to the program
- Number of workers in the scope of the workforce planning
- Number of workers to be re-orientated and upskilled meaning at risk
- Number of jobs available and measurement of skills required for these jobs
- Types of jobs and competencies which are mostly impacted by structural changes
- Number and skills profiles of new jobs created
- Measurement of the skills gap at individual level, corporate level and regional level.
- Measurement of the impact of selected training on the reduction of the skills gap
- Number of agreed personal development plans
- Number of successful trainings certification
- Number of workers entering a new or revised job position
- Number and quality of Industry Upskilling Programs used in the program
- Number and percentage of workers in the program in job position 6 months after their entry into a new or revised job.

#### **The SMEs specific solution**

While large companies remain under-equipped to manage alone large upskilling programs, they can mobilise additional internal and external human resources to manage such an initiative. This is not the case for SMEs. For SMEs, the full methodology could be streamlined and accelerated as they have a better knowledge of their people skills and the changes occurred in their current activities. However, a higher project management support must be deployed to ensure the success of the program.

SMEs could also be provided with higher level of funding and specific access to newly designed training facilities and curriculums provided by sectorial industry leaders.

XXX