### SMEs NATIONAL FORUM 2022







#### Main collaborators







Ensuring the Skills for Future Competitiveness



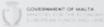


**REPORT** 

# Ensuring the Skills for Future Competitiveness

**REPORT** 





### **Contents**

The Malta Employers' Association	5		
Foreword			
Joseph Farrugia			
Joanne Bondin	8		
Preamble			
Focus Groups – Images			
Stakeholders' Seminar – Images	18		
The Malta Employers' Association			
The 13 Mission Statements			
Promote Careers not Jobs	26		
Invest in Training & Mentorship	28		
Connect Academia to Industry	30		
Encourage Work Beyond Retirement			
Enhance Guidance Structures	34		
Instil Soft Skills & Positive Attitudes in our Children	36		
Improve Malta's Attractiveness as a Place to Work			
Release Idle Resources in Public Sector to Business	40		
Commit to Work-based Learning	42		
Capitalise on Digital Skills	44		
Strengthen the Regulators' Resources	46		
Prioritise Risk Assessments for Future Competitiveness	48		
Ensure Business Stability Through Good Governance	50		
Capitalise on Digital Skills	44		
Main Speakers – Images	52		
Workshops			
Workshop 01 – Making our labour market work for the transport sector	54		
Workshop 02 – Supply & Skills – labour challenges facing hospitality, tourism & retail	56		
Workshop 03 – Nurturing skills & creativity in the digital era	58		
Workshop 04 – Skills for Impact – manufacturing, technical & ancillary services	60		
The 5 Discussion Panels – Images	62		
Main Sponsors	65		
Quotes from the SMEs National Forum 2022			
Media Coverage			

**17 November** 2022

# The Malta Employers' Association

The Malta Employers' Association is a constituted body which brings together employers from all sectors of industry and commerce in Malta.

It is, in effect, the "trade union" of employers, formally registered as such under the Employment and Industrial Relations Act (2002). The principal purpose for which the Association is created is the regulation of relations between employers, workers and trade unions.



Continuous economic and social developments in Malta have made the role of the MEA even more relevant than before. The labour market is more regulated, with the transposition of EU directives and other legislation being constantly introduced. The labour market is undergoing a transformation where it is becoming more multicultural, and where there is a scarcity of human resources due to emerging demographic trends and economic expansion. Work organisation is also becoming increasingly challenging due to changing attitudes and social pressures. Therefore. employers - irrespective of size of company or economic sector - stand to gain from access to constant professional advice from an Association that is focused in its mission of being the specialist in employment and social policy matters in Malta.

Whilst taking due regard of the wider interests of the whole community, the Association is bound to endeavour to decisively influence the formation of policies at national level which lead to:

- The development of a culture positively encouraging enterprise;
- The creation of economic and social conditions favourable to the profitable growth and competitiveness of Maltese business and also in the interests of employers in general;
- The development of productive employment.

In this scenario there is a new significance to the obvious benefit which the employer can expect to derive from being a member of the MEA. In the face of the challenges ahead, individual strength can only be achieved through unity and the Malta Employers' Association provides the platform for the unity of Malta's employers in furthering their common aims. Now, more than ever before, membership numbers are important. By becoming a member of the Malta Employers' Association, you will not only be positioning your business more firmly on the chessboard of employment and industrial relations, but you will also be contributing directly to the enhancement of the employer-worker-union relationship in Malta.





#### **Foreword**

### SMEs National Forum 2022

#### **Ensuring the Skills for Future Competitiveness**

#### Joseph Farrugia



As the title implies, the key for Malta's future competitiveness strongly depends on the quality of its human resource. As an employer body with a specialisation on the labour market. MEA kicked off a series of events during 2022 to look into the current state of affairs and the actions that are required to ascertain that Malta will have the necessary mix of skills to enable it to grow sustainably in the coming years. This conference is therefore a culmination of a series of activities - including research, workshops and focus groups - that will also serve as a basis for further engagement with the relevant stakeholders during 2023.

It is therefore pertinent, in this introduction, to start with a set of provocative questions that attempt to address the key issues and which have stimulated a heated discussion among various experts and led to a set of concrete recommendations to generate a labour force that is sufficiently skilled, flexible and motivated to face the social and economic challenges in the years ahead

Firstly, is there a skills mismatch in Malta? Is our educational system geared to provide the skills and competences that are actually required in the current and future labour market? Do we have a situation of underemployed graduates in some sectors and a shortage of employees qualified at MQF levels 4 and 5 in others? Do we have a tale of two universities in Malta which is placing selfinterest above the national requirements? Why are we still generating so many illiterate people in spite of the heavy investment in education in this country?

Like many other developed economies, Malta is experiencing what is coined as 'The Great Resignation'. Many people, especially after COVID, are leaving their jobs and companies are left with numerous positions which remain vacant. We need to analyse the causes behind this phenomenon, which can be a composite of many factors including limited opportunities for career advancement, search for more flexible working conditions, and better remuneration among others. We also need to look into the reasons why

### Ensuring the Skills For Future Competitiveness

**17 November** 2022

an increasing number of our young people are choosing to relocate abroad, which is, of course, a drain on our human resources and stock of skills.

Another area which requires particular attention is the fertility rate, which in Malta is amongst the lowest in the world. This has a direct impact on labour supply, besides repercussions on our national identity as we become increasingly dependent on imported labour. Many countries in a similar situation are looking into policies that can incentivise a higher birth rate. This is a complex issue which can only be properly addressed by taking into consideration the many social, environmental and economic factors that are causing a decline in births in Malta.

Our human resource requirements are intricately linked to economic transformation. An appropriate skills match has to run concurrent with a vision on how the economy is to be designed to maximise sustainable growth and well-being of our population. Clear examples are establishing a balance between quantity and quality of tourists in Malta, and determining the future and manpower requirements in the construction industry. How much additional manpower will be required to service half a million incoming tourists, if such numbers are being targeted to make our accommodation capacity financially feasible? How will the level of skills be calibrated between opting for selective tourism with lower numbers or else mass tourism with higher arrivals? What new skills will be required for the transformation towards a higher value added manufacturing industry? How can we develop the human resources requirements for new economic sectors that may be attracted to Malta?

There are also supply side considerations that have to be factored in. I have stated my opposition to the term 'work life' balance on the basis that 'work' and 'life' are intertwined as work is a good part of what defines us, and thus cannot be separated from 'life'. Nonetheless, there is strong support by employers for a more flexible working environment as a means to encourage

Our human resource requirements are intricately linked to economic transformation. An appropriate skills match has to run concurrent with a vision on how the economy is to be designed to maximise sustainable growth and well-being of our population.

a higher rate of participation in the labour force. However, there is the threat that labour will move out of occupations which offer less opportunity for measures such as remote working to others which may not be in high demand but offer more options for customised work organisation. This could be one reason why, in many countries, one characteristic of the Great Resignation referred to earlier is that employees are moving out of the health sector.

The same could be happening to us in tourism. In mentioning the supply side of labour, I cannot overlook the critical fact that the private sector is ending up competing for a scarce resource with the public sector. Which is why we frown on the squandering of underutilised human resources in many areas of the public sector, who continue to drain qualified people from more productive jobs in our industries, and resulting in a higher demand for foreign workers. We also look at schemes such as the Community Work Scheme as being anachronistic in the current circumstances.

It is essential to have solutions to the current and future skills gaps through the expertise and collaboration of all the relevant stakeholders. This is what has been being addressed in this conference, bearing in mind that, in spite of the criticism that we may have on the current labour market situation, there are many notable achievements as well, not least of which is that the economy has expanded and generated thousands of jobs in spite the COVID Pandemic and the current international turmoil. In a country with a highly diversified economy and no natural resources, sustained growth is dependent on skills, innovation and economic transformation. I thank all participants for such a fruitful conference.





#### **Foreword**

### SMEs National Forum 2022

#### **Ensuring the Skills for Future Competitiveness**

#### Joanne Bondin



Imagine Malta in 2040 and for a moment try to think of how different our lives will be. What will the country look like, how will the way we interact, work, and entertain ourselves evolve? What jobs will we perform and what will our daily lives be like? The changes we will experience in the coming years are expected to be transformational as there is a concerted effort for us to change the way we live to one that is more digital, sustainable, and resilient to shocks. We are expecting the increased integration of AI, automation, big data, and digitisation in our everyday lives and for this change to be successful we need to think... NOW about how we are going to manage this transformation and what skills we need to learn. or even unlearn, to plan well ahead, keep up the momentum and be agents of change.

The theme we have chosen for last year's conference was specifically selected due to part of our Mission at MEA, where we felt that it is important for us to instigate and lead discussions on a such an important topic as Skills - which is essentially the only natural resource we have in our country.

It is evident that we are currently experiencing a lack of human resources across the board. It is a constant challenge for employers to find employees with the right skills and qualifications to the extent that it is raising concerns about business continuity and competitiveness. To overcome this serious predicament, we still need to focus on becoming more efficient and innovative in our business models and operations whilst addressing the social and economic needs of our country.

### Ensuring the Skills for Future Competitiveness

**17 November** 2022

Apart from dealing with the current challenges, we still need to find answers to the questions I asked at the start of my article. We need to approach education as a life-long process and ensure that we offer our children the opportunity to learn the skills and acquire the competences they will eventually need to be successful further in life. But most importantly that they have the right attitude and drive to do so.

We must ensure that future generations have cognitive, digital, leadership and interpersonal skills that allow them to be of value to themselves and to others. That will allow them to solve problems, think critically and creatively, lead, and interact with others and mobilise systems in a digital world. This means that we need to plan and decide what we are going to concretely do to ensure that there is a match in the skills that our society will need in the future. We also need to address the changes in our demographics and address the mismatch that exists between the demands of society and the supply of employees in the labour market.

I firmly believe that the solutions lie within our control. We are in the driver seat. This is why the MEA felt that it should take the initiative and bring this matter to the forefront so it is discussed amongst all concerned stakeholders with the aim of generating actionable and tangible initiatives that can be implemented in the near future.

We must ensure that future generations have cognitive, digital, leadership and interpersonal skills that allow them to be of value to themselves and to others. That will allow them to solve problems, think critically and creatively, lead, and interact with others and mobilise systems in a digital world. This means that we need to plan and decide what we are going to concretely do to ensure that there is a match in the skills that our society will need in the future.

The aim of last November's conference was just this, which was the culmination of a series of events that have been organised throughout the year where we have heard the challenges, opinions and innovative ideas of employers, educators, policy makers, regulators, and leaders on the topic.

We have created the medium and the platform to facilitate the exchange of practical ideas to address the current lack of human resources and allows us to continue discussing the future needs of our country in order to ensure that we have the right skills for future business continuity and competitiveness.



































Click to see video: https://youtu.be/WGNaljoLGS4

### **Preamble**

The Malta Employers Association is proud to present this publication which is the result of several months of work, research and discussion spread over a number of initiatives taking place between June-November 2022 with a view to "Ensuring the Skills for Future Competitiveness".

The MEA responded to employers' plight in the face of prolonged and acute shortage of workers and skills in the local labour market, which situation was brought about by several contributing factors.

the continuity, competitiveness and future of Maltese businesses the MEA sought to embark on a string of initiatives to map out a way forward to ensure that the labour market is aligned to the present and future needs of industry as the latter as companies embrace innovation and technology and prepare to digitalise their business-plans as they strive to mitigate their

#### Ensuring the Skills for Future Competitiveness

**17 November** 2022

risks and render their businesses future-proof. The research started in June with a series of Focus groups held to facilitate the collection of direct, detailed and frank opinions of employers regarding the extent, causes and possible solutions to the challenges at hand. Around 50 employers from as many companies participated in the 4 focus groups which covered the following business sectors:

- Transport.
- Professional Services & ICT,
- Tourism, Hospitality & Retail, and
- Manufacturing, Technical and Ancillary services

The outcome of the focus groups then fed into a Stakeholders Seminar held on 21st July in the Plenary Hall of Parliament during a special event presided by the Speaker of the House of Representatives, Dr Anglu Farrugia. event brought together representatives from over 60 representatives of national entities and organisations with a remit in the areas of employment, training, education and other ancillary services within Malta's labour market.

These included Jobsplus, MCAST, Institute Malta Enemed, Communications Authority. Eskills Malta

Foundation and Foundation for Transport amonast others.

In all of this, the aim of the MEA was to create a structured and constructive dialogue between the private sector and all competent authorities to arrive at the necessary solutions together.

In the words of the MEA President Ms Joanne Bondin, "The country needs a clear strategy with practical solutions where key stakeholders work together towards a common objective".

The above initiatives led the MFA to make 13. key recommendations towards reversing the factors which were identified to contribute to the shortage of skills. These recommendations were presented and discussed at the MEA's 2022 SMEs National Forum which represented the apex of the Association's events series themed "Ensuring the Skills for Future Competitiveness". This flagship event which incorporated keynote speeches, workshops, videos and panel discussions served to outline the plans of public and private sector entities with a focus on bringing the 13 recommendations to fruition.

This publication elaborates on for Tourism Studies, Identity Malta Agency, recommendations and serves as documented Enterprise, evidence of the efforts expanded by the Malta Business First, Malta Business Registry, Malta Employers' Association towards "Ensuring the Skills for Future Competitiveness".

#### July 2022 - Parliament stakeholders' Session - introductory video

https://youtu.be/6Sr1xzfOhys

#### July 2022 - Parliament stakeholders' session

https://s3-eu-west-l.amazonaws.com/connectedviews-vod01/9803a2ce-28fb-4274-900f-b5a187731b18/qaa/9803a2ce-28fb-4274-900f-b5a187731b18\_1200.mp4

#### October 2022 - smeweek - promo video

https://www.youtube.com/watch?v=DMOfwIMd69k

#### November 2022 smeweek - Whole event - part 01

https://www.facebook.com/MaltaEmployersAssociation/videos/461830255973549

#### November 2022 smeweek – whole event – part 02

https://www.facebook.com/MaltaEmployersAssociation/videos/449457970467528

#### December 2022 – smeweek – 4 minute – post event video

https://www.youtube.com/watch?v=eirLPIAmmTI



## FOCUS GROUP Hospitality









## FOCUS GROUP Manufacturing











## Professional Services











## FOCUS GROUP Transport







### SMEs National Forum 2022

#### STAKEHOLDERS' SEMINAR

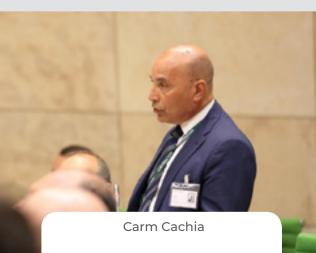




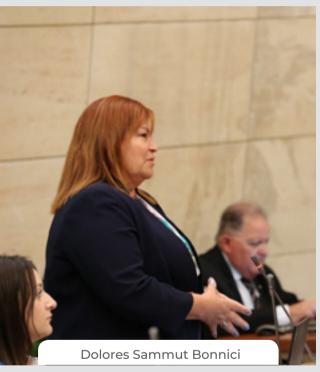




































































### The 13 Mission Statements

Promote careers not jobs

**Invest** in training and mentorship

Connect academia to industry

Encourage work beyond retirement

Enhance career guidance structures

Instil soft skills and positive attitudes in our children

Improve Malta's attractiveness as a place to work

Release idle resources in public sector to business

Commit more in work based learning

Capitalise on digital skills

Strengthen the regulators' resources

Prioritise risk assessments for future competitiveness

Ensure business stability through good governance



## PROMOTE CAREERS NOT JOBS

Employers are generally observing that certain competences in human resources are diminishing. These competences include communication, courtesy, responsibility, professionalism, flexibility, pride and a generally positive attitude towards work.

Such competences are not taught at school but are part of one's personality after they become inculcated in people from their childhood and upbringing and continue to strengthen with positive influences from peers, superiors and influencers. However, these attributes need fertile ground in order to truly embed themselves inside one's character. Their presence becomes immediately evident to the employer, colleague or client facing the worker. The service or product is of a far superior level when delivered with confidence, pride, courtesy and attention to detail. For this reason, most employers consider these attributes equally important as academic qualifications.

Most employers believe that such core competences can be improved if people feel they are in a career rather than simply a job. The main difference between a career and a job is, of course, that a job is just something someone does merely to earn a living, whereas a career is a long-term journey and something that one builds upon, step-by-step every day through hard work, mentoring and training.

The more people believe that they are fulfilling a specific purpose in pursuing their career, the more

they are able to take pride in what they do and the more they are willing to invest in themselves in attaining personal goals and satisfaction because they believe that their current job serves them as part of their long-term professional journey.

The MEA, therefore, believes that there should be a change in culture and in the narrative provided by key stakeholders in this regard by promoting careers as opposed to jobs or places of employment. The vision imparted on people seeking employment should be a longer-term one as opposed to a short-term opportunity.

A similar approach also brings with it macroeconomic benefits. Clearly, as people become more engaged with what they do and their job satisfaction increases, they are more likely to continue to invest in their career and their capabilities to the extent that they become better able to evolve with changing circumstances and technologies such that they render themselves and their positions more resilient.

Besides, when people invest in themselves (and allow their employers to do likewise), they are able to be more productive and reach new heights in terms of income.



## INVEST IN TRAINING & MENTORSHIP

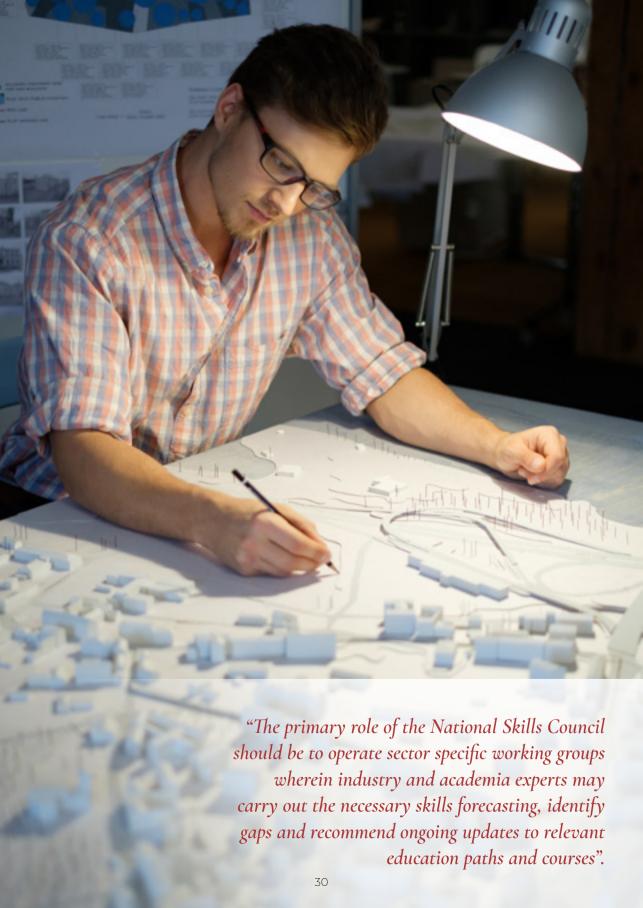
The MEA has a long track record in promoting on-the-job training and mentoring due to the concrete benefits this brings about all around – ie to the employer, the mentee and the mentor.

Training and mentoring are needed because no human resource can ever be the finished product. New entrants require training and mentoring for the purposes of induction as well as to align their skills to the specific needs of the employer. Existing employees require training and mentoring for upskilling and updating themselves with new technologies and trends. The provision of training and mentoring has a direct positive impact on employer branding or the Employee Value Proposition (EPV) because workers have increasingly grown to appreciate that training and mentoring at the workplace level can help them grow in their self-confidence, self-awareness, job satisfaction, aspirations, their likelihood of promotion and fulfilment at work. Studies show that almost nine out of every ten employees who have been mentored will also go on to mentor others, and so contribute to the cycle of learning and development within an organisation.

Similar to the mentee, mentors also benefit from an enhancement in their self-confidence, communication skills, job satisfaction, fulfilment at work and loyalty to their employer. A study published in the Harvard Business Review outlined such positive effects and found that people who served as mentors experienced lower levels of anxiety and described their job as more meaningful than those who did not mentor.

The positive outcomes of mentoring stretch far beyond personal development for the people involved in the mentorships, however. Mentoring in the workplace has huge benefits for the organisations themselves in that it plays a key role in developing future leaders. Besides, as already mentioned, it increases employee engagement, satisfaction and loyalty, all of which contribute to employee retention which is what employers yearn for in these particular labour market conditions and as they seek to ensure the skills for future competitiveness.





## CONNECT ACADEMIA TO INDUSTRY

Ensuring alignment between academia and industry is crucial in ensuring that education institutions are not only preparing skills to satisfy contemporary market needs but also in ensuring the skills for future competitiveness. Any disconnect between business and academia will result in irrelevant skills for the labour market, unemployment, the costly need of re-skilling and lost opportunities.

It is commonly knowledge that higher education institutions are the main talent pipeline for employers when there is proper alignment in terms of needs and capacity. Skills mismatches and youth unemployment may occur, however, in cases where disparity arises between the quality and typology of skills required by the industry and those supplied by academia. Ineffective communication lines and poor practical exposure could result in adverse macroeconomic repercussions.

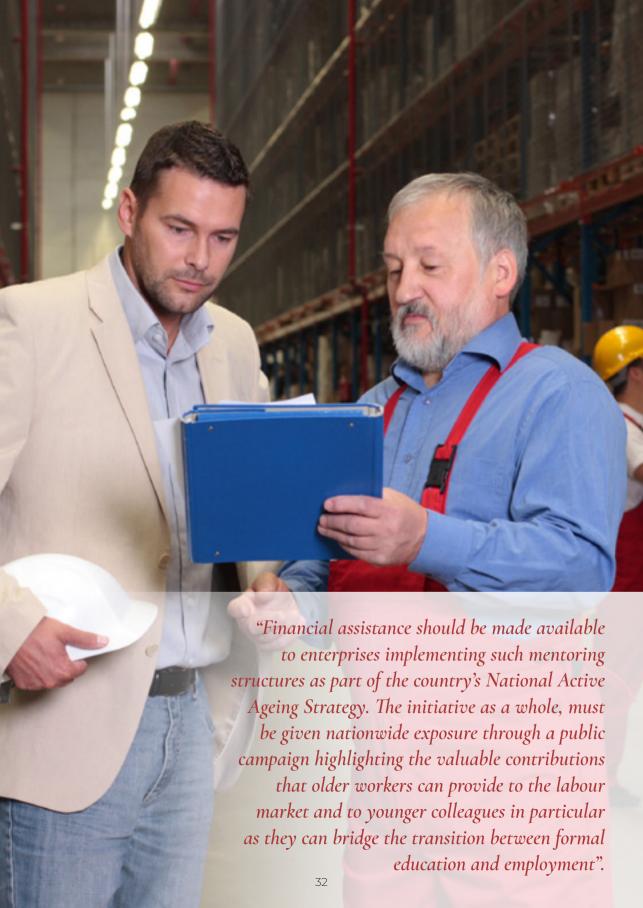
To this end, the 'skills-auditing' role of the National Skills Council is perceived to be crucial to continued social and economic progress of the country. Through this function, the country's education system is guided to produce people with the right skills, in the right quantities and at the right time. The MEA firmly believes that the primary role of the National Skills Council should be to operate sector specific working groups wherein industry and academia experts may carry out the necessary skills forecasting, identify gaps and recommend ongoing updates to relevant education paths and courses. Successful sectoral working group in other countries provide integrated industry intelligence and advice

to policy makers, government agencies and enterprises/institutions engaged in workforce development. They also actively support the development, implementation and continuous improvement of high quality and relevant education and training.

Another area where linkages between industry and academia are crucial is in the promotion of Knowledge Transfer Partnerships (KTPs).

Knowledge Transfer Partnerships (KTPs) support businesses to grow through innovation. Entrepreneurs typically dream of new innovative products and services but lack the technical capacity to implement them. KTPs help such business to connect with an academic partner (known as the knowledge base) which will work with the business to develop the project, provide academic input and support in the recruitment of a suitable graduate, known as an associate.

Such forms of industry-university linkages generate win-win scenarios because companies tap into new academic and technical know-how that is crucial to their commercial plans besides gaining introductions to a flow of trained and qualified students.



## ENCOURAGE WORK BEYOND RETIREMENT

The labour market can retain experienced human resources by encouraging employees to remain in the labour force beyond pensionable age. The MEA, in fact, has consistently made this proposal to give employees who choose to remain in employment between the pensionable and retirement age half the pension. This incentive can retain hundreds of persons in the labour force in the private sector as a short-term measure whilst encouraging many to remain in employment voluntarily also beyond retirement age. Besides fiscal assistance for workers through the pension reform, financial assistance should be made available to enterprises implementing such mentoring structures as part of the country's National Active Ageing Strategy.

Complementary to the above, the MEA believes that the country would benefit from a further strengthening of information campaign aimed at bolstering financial literacy with special focus on saving for their future needs through various instruments including pension schemes. In light of the current scenario where people are living longer placing increasing pressure on the sustainability and affordability of social security funds, the encouragement of people to work more and save more could generate benefits all around especially given the introduction of voluntary occupational pension schemes over the past decade or so. initiatives could be further bolstered through enhanced fiscal incentives for both employer and employee to encourage stronger take-up and in the process strengthening loyalties and benefits between both parties.

All in all, the MEA recommends that the initiative as a whole, be given nationwide exposure through a public campaign highlighting the valuable contributions that older workers can provide to

the labour market and to younger colleagues in particular as they can bridge the transition between formal education and employment.

The measure may provide long-term benefits because workers of pensionable age especially valuable for the purposes or training and mentoring new-entrants to the workforce. Through such initiatives, in fact, workers can pass down their experience, know-how and "tricks-of-the-trade" which are otherwise not easily accessible to pick up through formal education structures. Clearly, encouraging work beyond retirement is an optimal solution in that it benefits the employer, the younger employee and the experienced worker if he/she can be encouraged to contribute longer to the labour market. Besides serving to ensure the skills for future competitiveness, this recommendation is compatible with Malta's National Strategic Policy for Active Ageing, through which government committed itself to achieve a society for all ages by adopting measures that are aimed at rendering the country an age-friendly nation.



"The relevant stakeholders from the public and private sectors should come together and though their joint efforts contribute towards eliminating as far as possible, labour market frictions that hamper employers from the necessary talent and skills that sustain their business models".

## ENHANCE GUIDANCE STRUCTURES

The MEA believes that at present the country is not adequately equipped in terms of robust career guidance structures. This fact may restrict young people once they reach the stage when they must decide on their lives at work in future.

Clearly, therefore, the authorities need to ensure they are preparing the skills that the labour market will require in the near future. The Country is responsible to ensure that young people are placed in a safe and secure position where they can decide to embrace skills that would be relevant and competitive for them in the labour market domestically and beyond.

The MEA believes that the relevant stakeholders from the public and private sectors should come together and though their joint efforts contribute towards eliminating as far as possible, labour market frictions that hamper employers from the necessary talent and skills that sustain their business models. Collaboration between stakeholders can lead to enhanced and updated information which will provide more meaningful information about the opportunities available and skills demanded presently and in the immediate future. To this end, the MEA has previously proposed a closer link between quidance teachers and industry with mandatory involvement of career guidance personnel, through work periods, in the private sector.

Our young people need to be made aware of the rewarding career opportunities that various facets of the economy has to offer including innovative and emerging sectors. The Education authorities need to invest in the latest technologies to provide updated teaching, and qualifications, a learning environment that makes the effort of the student worthwhile indeed. Employers need to provide apprenticeship schemes, industrial placements and on-the-job training to our young people, support them to live up to the challenges of working world. A clear direction towards the future will encourage young people to follow that path, safe in the knowledge that stable and rewarding opportunities await them after their student days.

The MEA is of the firm belief that more robust career guidance structures may empower young people to take better informed decisions about their futures for their own benefit and for the benefit of Malta's labour market and economic prospects.





# INSTIL SOFT SKILLS AND POSITIVE ATTITUDES IN OUR CHILDREN

Employers nowadays often complain that younger workers often suffer from a general lack of "soft skills" (or employability skills, core competencies) such as integrity, communication, courtesy, responsibility, professionalism, flexibility, emotional intelligence, attention to detail, problem-solving, and teamwork.

In view of the fact that 77 per cent of employers (according to CareerBuilder) perceive soft skills to be equally important as hard skills, the MEA has often called on the education authorities to ensure that Maltese schools better prepare students for life after school. This to complement the process of socialization and family upbringing which are also key in children acquiring their attitudes and values for life.

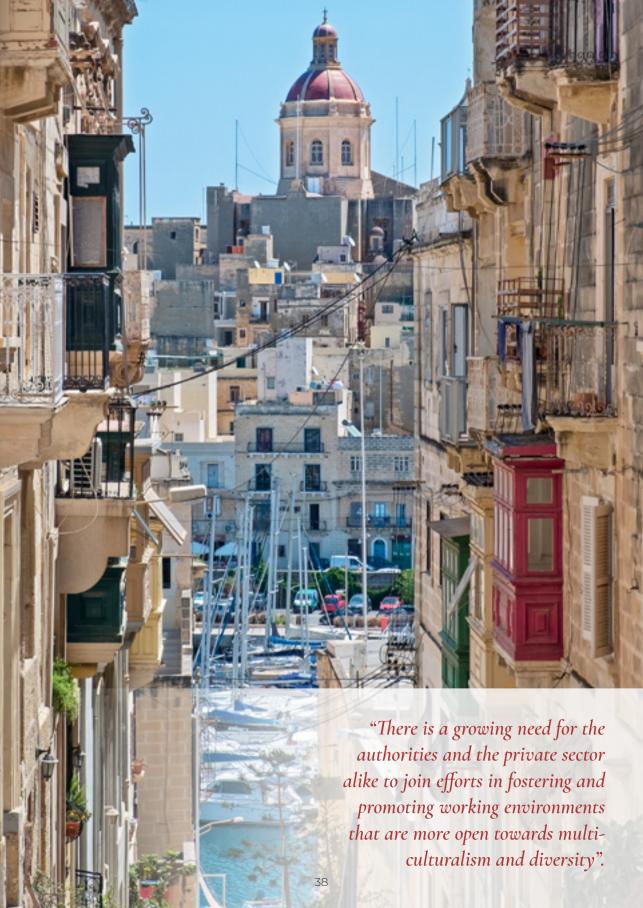
The MEA believes that an effective way to develop students' soft skills is to incorporate development into various aspects of the curriculum. For instance, the values of Integrity, Accountability and Responsibility may be fostered by incorporating group work into classroom activities where definite roles and responsibilities are assigned to each member of the group and where students are asked to reflect on their contribution to the team. Professionalism is brought to the fore by comparing the final outcome to the

group's expectations defined a priori. Courtesy, communication skills and productive speech can be similarly developed through encouraging participation in group discussions and presenting to the group.

Teamwork and flexibility may be similarly developed through teamwork and collaboration exercises where communication, trust, integrity, responsibility, and collaboration are underlined.

Outside the classroom, teachers can promote soft skills development by providing opportunities for students to visit job sites or participate in job shadowing activities. However, the most effective way to instill soft skills is to model them. When students regularly see adults who demonstrate these skills—by teaming, being respectful to others, communicating clearly, and being on time and prepared, they not only understand the value of such competencies but they learn to apply them to real-life situations.





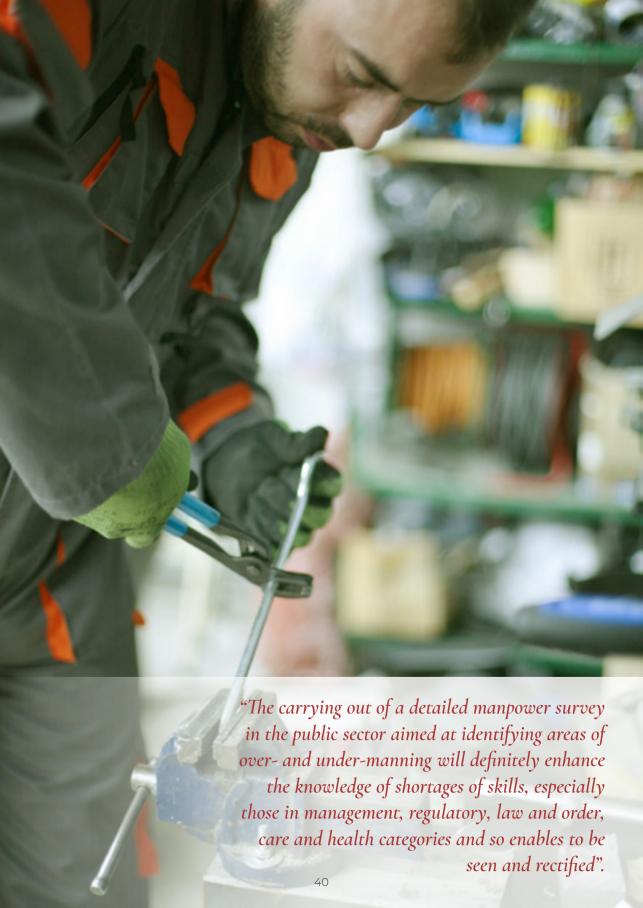
# IMPROVE MALTA'S ATTRACTIVENESS AS A PLACE TO WORK

Employers who have very little alternatives to resorting to foreign workers are noting that it is becoming increasingly hard to attract and retain such workers due to the fact that Malta is fast losing its attractiveness as a place to work and settle. In fact, in the most recent Expats Insider Survey that explores the opinions of People who live and work in a foreign country, Malta placed 43rd amongst a list of 52 countries.

The main reason for Malta's loss of attractiveness is the rising cost of rent and cost of living. Other reasons include general cleanliness, shabby environment, overcrowding and xenophobia. There is, therefore, a growing need for the authorities and the private sector alike to join efforts in fostering and promoting working environments that are more open towards multiculturalism and diversity.

It is also being suggested that Malta offers similar attractive Relocation Packages as those afforded in other EU member states like Ireland. Such packages would certainly serve to offset the above mentioned drawbacks identified by foreign workers about living in Malta. These incentives allow foreign workers to bring family members to live with them subject to certain eligibility criteria and conditions which includes earning a sufficient level of employment income to support them.





# RELEASE IDLE RESOURCES IN PUBLIC SECTOR TO BUSINESS

In the past years, a number of private sector workers across all levels shifted towards employment opportunities offered by the public sector because of more flexible working arrangements, benefits and stability.

In the past years, private sector employers complained about losing skilled employees who choose to take up less skilled jobs in the public sector based on the promise of a less strenuous workload. This is a tragic waste of human resources that will become scarcer as the population ages, and as other developed countries with a similar problem compete to draw employees to contribute their productive capacities to other economies. There are productive jobs available in public transport, tourism, construction, care working, enforcement structures and many other areas which could be taken up by people who are currently underemployed and with a relatively low standard of education, if they undergo some training.

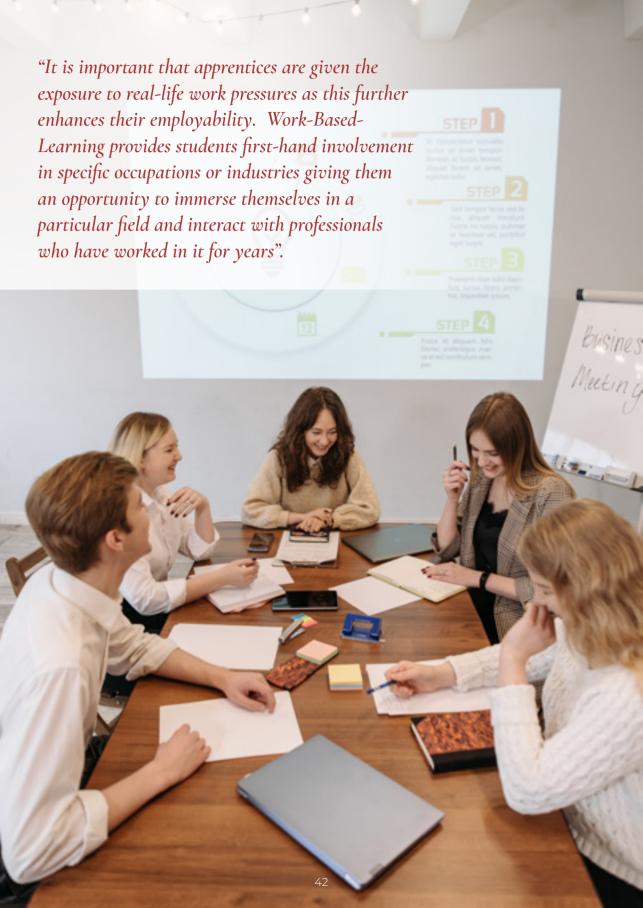
The public sector needs to be reformed to reflect economic and labour market realities. For this reason, the MEA recommends the carrying out of a detailed manpower survey in the public sector aimed at identifying areas of over- and undermanning. Shortages of skills, especially those in management, regulatory, law and order, care and health categories are to be seen to and rectified.

Similarly, situations of over-manning are to be resolved by allowing a redistribution of resources to the private sector with the support of fiscal incentives to encourage people to shift to private employment where their skills may be utilised more productively and more efficiently from a macroeconomic point of view. The benefits of such a strategy are double-edged in that workers shifting to the private sector will generate higher value added whilst affording savings on the government's wage bill.

In the view of the MEA, the taking up of this measure will soon become a necessity, rather than an option. The strain of a ballooning public sector wage bill, comprising of employees, persons of trust, and thousands of outsourced employees will become too expensive to sustain.

Any increase in foreign workers in the private sector to compensate for the inefficiencies of the public sector will contribute to a further deterioration of social and environmental factors which are proving detrimental to the quality of life of the Maltese people.





# COMMIT TO WORK-BASED LEARNING

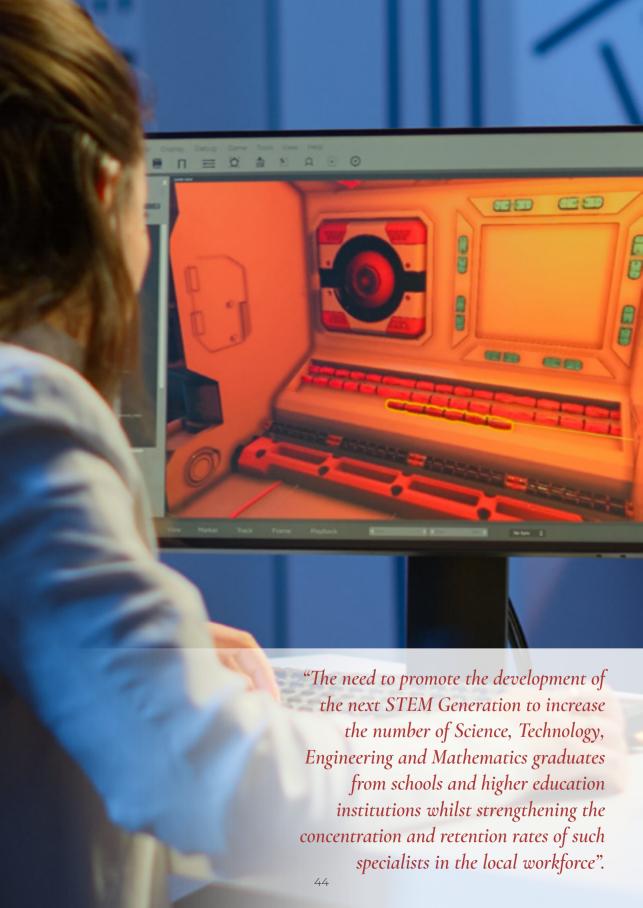
The MEA is totally committed to Work Based Learning for the mutual benefit of the student and the employer. If Malta is to ensure the skills for future competitiveness, it is obvious that apprenticeships must serve as one of the key solutions to increase the supply of skills whilst building strong employee value propositions for our companies.

Work Based Learning (WBL) gives students exposure to the world of work. It helps them to develop skills that employers value but may be difficult to acquire in classroom settings. These include not only technical skills but also professional skills, such as the ability to work as a member of a team, an awareness of the need to be proactive, and an understanding of workplace expectations. To this end, it is important that apprentices are given the exposure to real-life work pressures as this further enhances their employability. WBL provides students first-hand involvement in specific occupations or industries giving them an opportunity to immerse themselves in a particular field and interact with professionals who have worked in it for years. This type of experience can help people make decisions about their long-term career goals. WBL therefore provides experience that reinforces academic instruction. At the same time, (in most cases) in work-based learning programs, provide a platform for students to work in paid jobs for the duration of their study course which may lead to full-time positions with the host employer.

Through WBL, the host employer, in turn may benefit from exposure to a new talent pool. Participating companies can use WBL programmes to devise "grow your own" talent

development strategies. As partners in these initiatives, businesses can ensure that the skills and qualifications trainees acquire are aligned with their specific workforce needs. Programmes such as internships, in which students and other trainees receive temporary job assignments with participating employers, can give businesses an opportunity to train and observe potential employees before committing to employing them. Studies have shown that staff turnover reduces in companies that engage in work-based learning programmes because employees see these opportunities as investments in their future and are more likely to stay loyal to businesses that offer them. Jobseekers also rate WBL participation initiatives positively when evaluating potential employers. Besides employer branding, WBL participation also boosts corporate branding as providing students with opportunities to earn valuable credentials and develop new skills is also appreciated by the community and consumers at large.

In light of the above, the MEA welcomes the fact that by 2027, every MCAST course will include work-based-learning thereby rendering the qualification (and corresponding skills) more relevant to the labour market.



# CAPITALISE ON DIGITAL SKILLS

Digital transformation is perceived as a means towards neutralizing risk of capacity deficiencies due to lack of manpower and skills – doing more with less by embracing business operations with a stronger orientation towards capital as opposed to human resources. Clearly however, such transformation must be complemented by business process re-engineering whereby work-flows and business processes within an organization are analysed and re-designed prior to introducing automation and digitalization.

Innovative business models and new processes, however, will invariably require new skill-sets which may or may not be acquired through training and re-training. This requires a strategy and concerted effort of key stakeholders, perhaps through a broader role of the eSkills Malta Foundation. The Foundation could, in fact venture beyond its current remit of strengthening digital skills across the board to become the main driver for a Digital Skills Strategy that serves as a road map for both employers and education, creating clear objectives, and laying the foundations for a successful local digital-tech workforce to support the Island's transition into the Digital Economy rendering Malta truly futureproof.

Such a broadened role would need to aim at supporting the digitalisation of local businesses by providing upskilling, tools, support and guidance empowering them to exploit opportunities from digital transformation whilst becoming more competitive, resilient and profitable through the delivery of higher quality products and services.

A similar way forward invariably requires the conduct of labour market insights which would need to:

- a) map out the workforce skills profile and pipeline of skills from compulsory education
- b) continuous monitoring and understanding of

industry's evolving skills needs

c) observing on and off-Island graduate retention performance.

Delivering such a strategy therefore requires increased collaboration between academia and industry to close the gap between skills supplied by educational institutions to that needed by industry. Such collaboration would promote the development of the next STEM Generation to increase the number of Science, Technology, Engineering and Mathematics graduates from schools and higher education institutions whilst strengthening the concentration and retention rates of such specialists in the local workforce. At the same time it would serve go jointly design reskilling and upskilling interventions aimed at the private sector workforce but also aimed at unemployed persons - so as to increase their competitive edge in the labour market. At a higher level it could provide guidance to new and existing ICT professionals on developing trends to assist them in staying relevant to the market, both at national and international level

Given the scarce resources available locally, the Maltese authorities may need to facilitate agreements with countries to provide ICT professionals to match the demand needed by the labour market.



# STRENGTHEN THE REGULATORS' RESOURCES

In view of Malta's demographic realities and structural frictions in the labour market, one of the only viable short-term options for employers to ensure they have the necessary skills to safeguard their competitiveness is to source workers from abroad. Often, due to considerations described above, the only alternative for employers are Third Country Nationals.

For this reason, the MEA has been suggesting the beefing up of resources at Identity Malta for the latter to be in a position to efficiently process the flow of over 60,000 applications for TCN workers per year. The MEA has made this call on a consistent basis because it fully understands the crucial gate-keeping role required from Identity Malta and the resultant checks and balances needed to ensure national security considerations. On the other hand, delays in the processing of payments are costly and may result in bringing an entire place of work at a standstill if the position to be filled is mission-critical. Once a candidate has been identified by an employer, his/ her application needs to procssed as efficiently as possible to avoid any eventuality of the employer losing the employee to another company overseas where processes are more possibly leaner and swifter

At the same time, whilst the necessary HR and digital resources at Identity Malta are ascertained, it is proposed that a "continuous improvement" approach is adopted through, amongst others, a KPI measurement system, enhancing dialogue with stakeholders to obtain user-feedback and by holding regular communication with recruitment agencies with a view to avoid duplicate applications and other possible bottlenecks.

Above all, the MEA is resolute in its belief that any new measures introduced to hasten the processing time of applications must apply equally to all business sectors with no discrimination.





# PRIORITISE RISK ASSESSMENTS FOR FUTURE COMPETITIVENESS

Business and business conditions are ever evolving and companies must identify and monitor their risks continuously in order to ascertain their competitiveness and resilience position.

Proper risk mitigation also involves adequate advance planning of the skills and competences required to perform the functions contemplated in the companies' business plans. The latter cannot, of course, be implemented successfully if the company is deprived of the necessary human resources. It is vital, therefore, that companies think ahead and plan the exact quality and quantities of skills and competences required to drive the company across its future journey and deliver its aspirations to provide its goods and/or services according to its declared mission and strategy.

Planning becomes even more determining when companies engage in innovation. The delivery of innovative products and services requires new skillsets which the employer must plan for well ahead and seek through re-training and/or by engaging with higher education

institutions to ensure that their plans in terms of resources, curricula and teaching methods are aligned.

Skill shortages pose an inherent risk to companies. The acute situation in recent years has placed employers under even more pressure to set clear targets and to reduce risks, measure their progress effectively, and manage them in a decisive and open manner.

Employers need to be encouraged to think more seriously about embracing technology and innovation in their business models and implementing digital transformation. Not only does technology render companies more resilient and efficient but digital transformation has the power to neutralize the risk of skills shortages because it shifts the focus on labour productivity rather than "hands on deck."





# ENSURE BUSINESS STABILITY THROUGH GOOD GOVERNANCE

Instances of deficient Good Governance and misuse of governments' powers of incumbency have impacted the mechanics of the labour market and the availability of skills.

For instance, prior to general elections, private sector employers regularly experience a drain in their human resources as certain workers of dubious intent ask politicians for unproductive employment in the public sector even at lower wages under the promise of a "job for life" performing light work if any. There have also been documented cases of phantom jobs with government leading to a tragic waste of resources that are already very scarce.

Clearly, in highlighting this matter, the MEA of course accepts that this cohort of people make up a minority of public sector workers which, in their majority, are motivated and perform their duties in a diligent and professional way. Nevertheless, the actions of this minority of persons manages to create undesired distortions in the labour market leaving, in the process, a lasting effect on public finances. This drain is leading companies to resort to foreign labour, resulting in inefficiencies together with an unnecessary increase in population.

In the interest of the proper functioning of the labour market, responsible use of public funds and democracy, the MEA appeals for such practices to be outlawed by enacting the necessary regulation to stop any recruitment in the public sector six months prior to an election except in critical professions like teaching and care and health professionals.

A similarly Good Governance issue is the practice of engaging persons of trust which the MEA believes needs to be rendered more restrictive, controlled and transparent. The MEA has made numerous proposals about this matter over the past years, including setting a limit in the number of persons that can hold such positions, full disclosure of remuneration packages, qualifications held, and periodical auditing to assess whether such persons are actually fulfilling assigned tasks and the time they have spent on them, many cases, employees have left productive employment in the private sector to take up lucrative positions in the public sector and being paid substantially more than what is allowed in the public sector salary structure, for doing practically nothing.

The MEA appeals for consensus between the political parties on such matters relating to Good Governance in allowing a better business stability and a smoother functioning of the labour market whilst ensuring the skills for future competitiveness.



### SMEs National Forum 2022

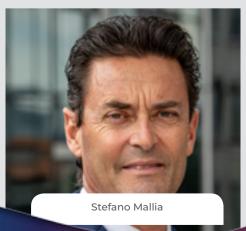
#### MAIN SPEAKERS











# Ensuring the Skills for Future Competitiveness

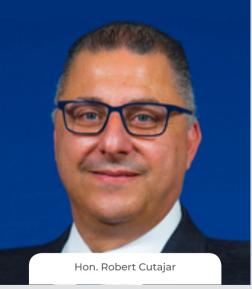
**17 November** 2022











#### **WORKSHOP 01**

#### Making our labour market work for the transport sector



Kirsten M. Cutajar Miller - Economist

Kirsten has read for a Master of Arts in Economics and Bachelor of Commerce (Honours), specialising in economics, both from the University of Malta, and holds more than fifteen years of experience in advisory and research roles within the public and private sector. Kirsten is especially passionate about the valorisation of human capital.



### "Making our labour market work for the transport sector"

KIRSTEN M. Cutajar Miller Economist

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The presentation outlined from the outset the difference between not having enough boots on the ground to fill jobs and not finding the right skills in people. We are currently facing a mix of both problems. It was acknowledged that significant untapped potential lies within our population, a potential which could only be brought to the fore with improved results being achieved from our existing education and training. It is about ensuring that our students achieve the highest attainment levels and that our education sector addresses all of our vocational skills needs. The presentations acknowledged the need for a workforce which shifts from ISCED 0-2 to ISCED 3-4 and the 3-4 to move further ahead. We need to ensure we are achieving value from money from our education expenditure.

Moving on to the skills required for the future, we also mentioned the foundational skills which cut horizontally across all occupations/sectors. These may be grouped into cognitive, interpersonal, self-leadership and digital skills. The transport sector also requires green skills.

Forecasting our skills demand remains critical and perhaps the first step forward yet solving today's issue is as important. Cedefop forecasts that the air and water transport sectors in Malta will experience amongst the top ten employment growth by 2030 and thereby unlocking all sources of labour, youth, women, foreigners, and elderly workers is more essential. The presentation puts forward 3 sets of recommendations:

#### THOSE RELATED TO THE LABOUR MARKET

- a holistic and clear economic vision to stir employment in the required direction.
- · tracer studies for early school leavers.
- improving the country's attractiveness for foreign workers and Maltese working abroad

- (Improve Malta's attractiveness as a place of work retention).
- strengthening of the labour market governance structure in a way that assists companies to directly employ third country nationals.

#### THOSE RELATED TO SKILLS

- A substantial investment in career guidance and a rethink of methods used hereby, in line with a holistic policy for national talent management
- The increased recognition of the years of onthe-job experience in the assessment of skills, at a firm and national level, as otherwise workers will still be considered at the skill levels of their entry levels. Very often only formal certification is taken into consideration for progression, which precludes a lot of employees from applying for promotions and alternative job opportunities.
- The further inclusion of transferable skills in curricula.
- Further investment in the quality of lecturing output.
- · The skills auditing of foreign workers.

#### AND THE PRIVATE SECTOR

- Incentives for employers to invest in their Human Resource departments so as to ensure that companies become competitive in attracting employees, local and foreign;
- Incentives for the continued upskilling of employees by employers are to be encouraged, across all sectors.
- The present apprenticeship and traineeship schemes should be evaluated, strengthened and marketed better amongst students.
- The recognition and accreditation of prior learning is to be facilitated further such that this is also pursued directly by companies, allowing their employees to be automatically qualified after years of experience. This might be enabled by a functioning Skills Council.

#### **WORKSHOP 02**

Supply and skills. Labour challenges facing hospitality, tourism and retail



JP Fabri – Partner Seed Consultancy

JP Fabri is a co-Founding Partner of Seed Consultancy, a purpose-driven boutique business advisory firm. An economist by profession, JP has amassed local and international experience both in the private and public sector. JP formed part of the private office of the former Prime Minister of Malta and Governor of the Central Bank of Malta. He also has international policy advisory experience after having advised nine governments on economic development.

JP followed post-graduate studies in economics and political economy at the University of Malta and the London School of Economics. Research interests include blockchain, governance and economic resilience and he has published internationally. He is a visiting lecturer at the University of Malta on the economics of blockchain. He also served as Director of Development of The Blockchain & Climate Institute, a global think-tank on the use of blockchain in climate change mitigation.



"Supply and skills — labour challenges facing hospitality, tourism and retail"

JP Fabri Partner, Seed Consultancy

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Tourism in Malta has long been one of the main pillars of the economy and in recent years experienced unprecedented levels of growth with all key players reporting strong performances which has ultimately been reflected in the country's overall economic development. The key underlying drivers behind this success include increased connectivity, diversification of tourist offering, significant investment in the sector and development of niche markets such as English language travel and diving. Following the setback of COVID-19, the sector is rebounding to pre-pandemic levels and the investment in the sector is not slowing down. To meet this increased demand, registered employment within the accommodation and restaurant sector also increased substantially by more than 5.000 employees. Most of these new jobs in the sector were however taken up by EU and non-EU nationals as the number of Maltese employed within this sector fell by around 2,500 during the period between 2010 and 2019. As a result, only half of the sector's workforce today is Maltese. Whilst tourism is estimated to directly account for around 4.9 per cent of the economy, the industry feeds into multiple other sectors. Retail trade, for example is a major recipient of tourism activity. So is transport and the entertainment sector. Considering these indirect effects results in an overall contribution towards the economy of around 12.0 per cent.

Like all other sectors, there are a number of key drivers of change that will impact the sector, and these include increased digitalisation & automation, the global competition for talent, sustainability & the green economy, the rise of the platform economy, the need for enhanced quality of employment by employees and also the actual future of work itself with employees wanting more flexibility around their working life. These will have an impact on the sector.

To future proof the sector, the sector needs to focus on building within its offering a number of key requirements by preparing workers with the skills for tomorrow, improving workforce retention, which is a key challenge of the sector, improving flexible work arrangements and finally ensuring the concept of equal work for equal value is practiced and implemented.

In line with Malta's National Employment Policy, the recommendations discussed focused on three main pillars:

- Equipping workers here the focus needs to be on constant training with a focus on future skills, digitalisation and preparing oneself for the future of tourism and hospitality. Educational institutions will play a key role and it is being recommended that a skills strategy for tourism is launched
- Enabling employers the Maltese businesses in the sector are the backbone of the industry and it is being recommended that targeted investment aid and support schemes are launched to support businesses train their employees.
- 3. Responsive institutions apart from having educational institutions that are future-proof and focused on developing skillsets required in the future, the focus was on reducing the administrative burden for employers especially when it comes to the hiring of foreign workers and fast-tracking arrangements through changes in the visa programmes.

The sector presents a number of structural challenges and given its strategic importance to Malta's economy, there needs to be a collective and concerted effort on ensuring that it remains an attractive sector for employment today and in the future.

#### **WORKSHOP 03**

#### Nurturing skills and creativity in the digital era



**Dr Anne Marie Thake**, Senior Lecturer Faculty of Economics, Management and Accountancy, University of Malta.

Dr Thake is a senior lecturer at the Faculty of Economics, Management and Accountancy, University of Malta. She is an expert specialist in human resource development and Public Policy specialising in employability, labour markets and Governance. Dr Thake graduated with a Ph.D. in Social and Policy Sciences from the University of Bath, U.K. with a thesis on Graduate Employability Skills. She has an M.Sc. in Human Resource Development from the Victoria University of Manchester, U.K. and a B.A.(Hons.). in Public Administration from the University of Malta. She drafted Malta's HR Policy and Strategy. Dr Thake was appointed on the Commission for Human Resource Policy and Strategy for Malta. Dr Thake authored a publication on Graduate Employability Skills in Malta and wrote peer-reviewed articles such as the Appointment of Women Directors on Boards. In 2021-2022, she was part of a Study of the U.S. Institutes for Scholars (SUSI) program at the University of Montana Missoula, U.S.A. on Workforce Development and closing of Skills Gaps.



#### Nurturing skills and creativity in the digital era Professional Services and ICT

Dr Anne Marie Thake
Senior Lecturer Faculty of Economics, Management and Accountancy,
University of Malta

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### Ensuring the Skills for Future Competitiveness

**17 November** 2022



The presentation gave a background of national skills studies that have been carried out in the labour market. It defined skills as firm-specific. industry-specific, and generic (Estevez-Abe et al. 2001). Firm-specific skills refer to the acquisition of firm skills but cannot be transferred to other organisations: industry-specific skills are cutting-edge skills which have a currency across an industry, and generic skills are needed for mass production of goods and services. The presentation also included a definition of creativity which refers to "generating ideas, alternatives or possibilities" (Franken, 2021, p.394). Emerging technologies in the digital era, such as distributed cloud, intelligent automation, internet of things and AI, were also mentioned.

The leading business sectors over the next 5 years were predicted to be "tourism and leisure (51%), artificial intelligence (43%), digital media and games (39%), iGaming (48%) and Aviation (40%)" (EY Attractiveness Survey Report 2022, p.48).

The challenges faced by industries today were discussed, including skills shortages and gaps, and suggestions were given to address these issues, such as promoting careers over jobs, connecting with academia, and using Al and automation. Some examples of hard-to-fill vacancies in Malta include cyber security specialists, compliance managers and paralegal officers. Some of the missing soft skills include self-management such as adapting and taking the initiative; social intelligence such as effectively communicating and problem-solving; and finally, innovation such as creativity and critical thinking.

Suggestions were given to address skills



shortages and gaps in the short-term (0-1 year), medium term (2-4 years) and long term (5+ years). For example, promote careers and not jobs, commit to work-based learning; assign a 'buddy' to new recruits. In the medium-term, companies can connect to academia giving feedback on the course curriculum; transform HR to using technology and data; offer in-house training and retain existing employees. Some long term possibilities include greater use of Al and automation to improve internal processes; sponsor staff on long-term educational courses to be able to fill specific vacancies.

The workshop concluded with a discussion of actionable measures to address skills shortages and gaps, such as taking stock of skills, offering unique experiences, visualizing career paths, and fostering collaborations between industries, government, unions, and associations.

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#### **WORKSHOP 04**

Skills for Impact - Manufacturing, Technical and Ancillary Services



**Dr Roberta Lepre**' – Managing Director, Weave Consulting

A warranted advocate, Roberta is the founder and managing director at Weave Consulting – the ESG Specialists. She is also a founding member and Project Director of SEAM (Social Entrepreneurs Associations Malta), member of the board of VSF Malta, and a member of the Advisory Board of the Institute of Directors (Malta), as well as forming part of EcoDA's Task Force on ESG matters. She also manages the newly set up Europe Direct Core Platform. In 2021, she was awarded the Sustainabilty Role Model Award during Malta's Businesswoman awards, held under the patronage of H.E. the President of Malta.





# "Skills for Impact — within the Manufacturing, Technical & Ancillary Services"

Dr. Roberta Lepre Managing Director, Weave Consulting: the ESG Specialists

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In the last few years, it has become increasingly visible that one of the main obstacles to further economic growth in Malta is the shortfall of skills available. The Covid-19 Pandemic has highlighted the serious risk companies are likely to face unless they ensure skills for future competitiveness. But how can they do so?

This was the topic discussed during a seminar held by the Malta Employers Association in November 2022. First of all, it is imperative to erase the negative perception associated with the manufacturing industry; and shift the current perception by instead presenting this sector as a key pillar of the Maltese economy. Indeed, the resilience of the manufacturing industry in Malta has shown that it is key to ensure the overall success and sustainabilty of the Maltese economy. Moreover, manufactuing is in fact a a space where innovation and creativity can be nurtured, and this should be highlighted.

Secondly, increased budgets and expenditure in research and development. If one looks at the Sustainable Development Index, we can quickly see that our efforts in this area are nowhere near sufficient or satisfactory, and much more needs to be done. There are some good and effective schemes available, however the relative budgets need to be inceased substantially if we are to obtain any significant impact from them. Morever, the existing schemes also need to be tweaked to enable broader and wider participation amongst micro and small businesses, which are indeed vital for the overall growth and sustainability of our economy.

Another point that we brough up related to the role fo the CEO. Given the strategic importance

of human resources management for the overall success and growth of business in any industry or sector, the CEO role should be broadened to incorporate the HR function.

Additionally, when it comes to policy coordination, sustainability should fall within the remit of senior leadership (at the governmental level, within the remit of the OPM): this will ensure better holistic coordination of the different policy areas. Moreover, considering that the country is facing the risk of a "new" skills gap in terms of digital skills and business re-engineering capabilities, companies need to capitalize on automation and digitalization. However, it is to be ensured that these domains do not absorb all the energy and resources available, and the human element should therefore preserved. When it comes to education, STEM (Science, Engineering, Technology and Maths) studies should be promoted further amongst students of different levels and abilities (not just the high achievers), since these provide students with the required "soft" skills, such as problem solving, critical thinking and creativity. Whilst the education system can play an important role in dealing with the shortfall of skills available on the marker, it was also suggested that in turn employers need to be more proactive in enabling their workers to develop the skills needed. Furthermore, companies should not limit themselves to just promoting diversity at the workplace, but take further steps to ensure effective inclusion.

In conclusion, if stakeholders really want to ensure business stability through good governance and innovation, it is definitely crucial to respond promptly to the urgent changes that the economic system demands.

### SMEs National Forum 2022

#### THE 5 DISCUSSION PANELS













#### **POWERING YOUR DRIVE**





17 November 2022



Whilst acknowledging the work that MEA does for its members, one has to recognise that certain studies and issues chosen to be addressed has been with us for a long time. It is unfortunate that such reports are put on a shelf only to refer to them when the anticipated problems arise. Hence we are reactive!

I feel that as a country there are multitude of problems that with some forward thinking could have easily been avoided. During my panel intervention, I highlighted the fact that the criticism directed to the younger generation, in that, everyone wants everything in the immediate, they want good salaries, career progression, etc..., can be easily directed at us as employers since very often we do the same.

When we want to recruit, we ask for people who are already trained, with experience and fully qualified but expecting to pay them on the lower end of the salary scale. If we manage to recruit, we expect that they start delivering 100% from day one!

Aren't we sending the same message to the generations that will be joining the workforce in a couple of years' time? Employees do not become loyal to the company overnight but takes time hence we need to be patient also.

In my opinion, it is all about attitude. Perhaps as employers we should start giving more importance to the attitude of the potential employee rather than the qualifications. An employee with the attitude to learn coupled with an employer patient enough to allow this employee to develop will be "ensuring the skills needed for future competitiveness"



## The Future for Sustainable Transport





**17 November** 2022



The mission of the Foundation for Transport is to assist the industry players of the transport sector in Malta and Gozo to adapt to new skills and competencies brought about by new technologies.

The Foundation for Transport firmly believes that together we can achieve sustainable transport for the future, and that adapting to innovation in transport can be a gamechanger within this industry. The Foundation participated in MEA's SMEs National Forum 2022 entitled Ensuring the Skills for Future Competitiveness. FfT believes:

Transport is attractive to Malta's workforce. Technology in transport is developing at a very fast rate and is continuously creating new opportunities and prospects. Skills gaps need to be quantified and projected over a 5-10 year period. Skills forecasting is key where connectivity and competitiveness are key pillars.

Untapped potential can be identified and nurtured towards various roles in transport. Students, parents teachers, guidance and businesses should form part of the solutions that bridge the gaps between demand for and supply of right skills in transport.

Role of traineeship schemes needs to be revisited to build a solid platform for a new generation of talents in transport.

Accelerating the adoption of green technologies in transport is natural and dynamic only if human resources are reskilled and upskilled. The Foundation is well placed from its core and its extensive co-founder base to disseminate information and best practices very easily and collaborate with policy makers to convey a realistic and holistic picture.



### **Apply Online for your Single Permit**

- > The application must be submitted online by the employer.
- E-ID authentication is necessary to apply online and application must be verified by the Non-EU National.
- A single permit application may only be submitted when the Non-EU National is either legally in Malta or in his country of origin.
- The submission date of an application is considered when all relevant documents are submitted along with a properly filled application form.
- > Documentation needed for an application to be fully compliant are:
  - Scanned application in PDF format
  - Entry stamp and Biography Page
  - > Language: English or Maltese
  - ► IDCU Health screening
  - Declaration of Posting
  - > Contracts & Leases
  - Fully Comprehensive Insurance including hospital coverage
  - Europass CV
  - MQRIC Qualifications
  - Adverts that are not older than 6 months
- Processing time of an application is within 4 months as stipulated by the EU Directive 2011/98/EU.
- > External stakeholders conduct due diligence on each application.
- For employment termination, the termination form must be submitted within 4 days of event on worktermination.ima@gov.mt
- Apply online at: singlepermit.gov.mt

## Ensuring the Skills for Future Competitiveness

17 November 2022





Identity Malta Agency recognizes the significance of its role in shaping Malta's social-economic and demographic realities. In light of its position as Malta's public entity in charge of the migration processes, it acknowledges the importance and influence of its operations in supporting Maltese employers to hire foreign workers to fill positions within their businesses when faced with a shortage of human resources or skills.

The agency's role is not to assess or address problems related to local skill gaps or a lack of human resources, but it is committed to facilitating as many of its services related to residence documents and permits as possible, while also protecting identity and national security.

In line with the Government of Malta's vision, of achieving a service of excellence through technology, amongst others, Identity Malta has initiated a major transformation in customer service delivery. As an agency that prides itself on being pro-technology, IMA has embarked on an extensive IT transformation initiative, strengthened its digital infrastructure, and shifted many of its services to digital and more efficient platforms, all while simplifying its operations.

In view of the outstanding response to the Single Permit digital platform, the agency launched new portals to provide online services:

- o Non-EU portal which enables eligible individuals who are not EU citizens to submit online applications for a new or renewal of a temporary residence permit to remain in Malta along with the necessary supporting documentation;
- o Premium Visa portal which allows applicants to submit applications for Premium Visa Applications;
- o D-Visa portal, allowing the user to apply online to be issued with a visa document thereby being allowed entrance to Malta to apply for a residence permit which is issued for several reasons (work, studies, training) and with a validity of a maximum of one year.

In view of the outstanding response to these new platforms, the agency is aiming to further digitize more of its services.

In terms of IT and the advantages of investing in cutting-edge technology, Identity Malta has deployed new biometric capture workstations. The capacity for biometric appointments was nearly doubled as a result of this investment, so even with a significantly higher influx of applications, the wait time for appointments was comparable to years with fewer applicants. To make things even easier, the agency plans to place more BCWs in the Expatriates Unit.

Recognizing and understanding the various challenges that business owners and employers encounter when using Identity Malta services, most notably those pertaining to the residence permit, the agency continues to reach out to its stakeholders and address their concerns through various seminars and webinars.

Identity Malta Agency emphasizes the importance of employers ensuring that when hiring foreign employees, the right people with the right and necessary skills are chosen. Employers can avoid needless searches and application processes by hiring the right candidates. Finally, compliments to the Malta Employers Association for organizing this event, which brought together a range of participants under one roof to discuss the challenges, while also shedding light on potential solutions. Thank you for allowing Identity Malta Agency to be part of this event, and giving us the opportunity to share our thoughts on the subject and provide more information to employers, who are considered to be one of the agency's most important external stakeholders.

### SMEs National Forum 2022

#### **QUOTES FROM THE SMEs NATIONAL FORUM 2022**



"If we want to address the current challenges, we need to look at a new way of doing things. The path we have to pursue is one where we give more importance to human capital. To achieve this, we have to invest further in our people".

**Hon Clyde Caruana**Minister for Finance and Employment

"I totally believe that teachers are the basic foundation of education. They need to keep on helping the young generation to acquire basic skills".







"Gen Z youngsters want to work smarter not harder. We need to push forward a better work ethic in order to enhance our competitiveness".

Hon Ivan Castillo

## Ensuring the Skills for Future Competitiveness

**17 November** 2022



"The policy of attracting third country nationals was misguided and failed to ease labour shortages. So, let's draw up a long-term bi-partisan plan agreed by all social partners, roping in university, industry and all relevant stakeholders".

Hon Robert Cutajar

"Malta is at the forefront of the fourth technological revolution. Continuous investment in education is vital. We shall strive to provide a myriad of opportunities to instigate growth for the ultimate benefit of all".







"While lack of skills is a global challenge, there are specific issues for Malta, including a low birth rate & a high percentage of young people opting or willing to leave the island for good. We need to design incentives to retain labour, while at the same time having a clear economic direction for the country. Sustained growth is dependent on skills, innovation and economic transformation".

Joseph Farrugia







"It is a constant challenge for employers to find employees with the right skills and qualifications to the extent that it is raising concerns about business continuity and competitiveness. To overcome this serious predicament, we need to focus on becoming more efficient and innovative in our business models and operations whilst addressing the social and economic needs of our country"

#### **Joanne Bondin**MFA

"To be able to get reliable statistics, enable skills profiling and allow depth analysis of skills gaps and skills mismatches while providing important information for policy development and research purposes, the National Statistics Office is actually conducting the Malta Skills Survey".

Matthew Zerafa NSO





"Bringing in more foreign workers is not a sustainable option for this country. We need to develop incentives to move away from human capital and invest more in robotisation and technology. Let's focus more on labour productivity rather than quantity of workers".

#### **Prof Godfrey Baldacchino**

# Ensuring the Skills for Future Competitiveness

**17 November** 2022



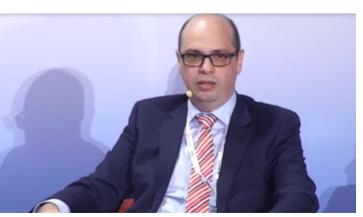
"Executive leaders in business need to start being the engines of change. They need to be powerful and influential communicators. They need to really elaborate on and create a vision for the future".

**Yashar Klipp** RSM

"We need to continue ensuring that technology is being accessed by everyone and not only by those behind an office computer. We must make sure that outdoorbased employees, such as drivers, waiters, construction workers and so on, also have easy access to all sort of technological communication, if we really want to feel the real pulse of our workforce community".







"E-commerce through internet can offer a lot of opportunities and has increased value for entrepreneurs, but it might be dangerous as well. Distance and automation play a very important role. That is why when trading, we always need to follow regulations to assure safe and secure communication".

**Bernard Agius** MCA





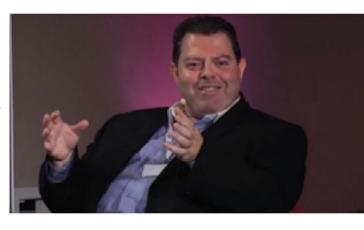


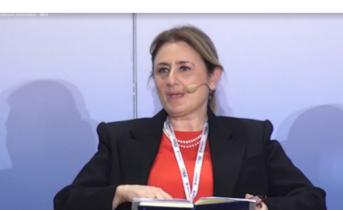
"Leadership creates the company culture. If we do not change the attitude and start including everybody, we will continue having digital transformation failures. On the other hand, if digitisation is applied well while offering induction training, by offering upskilling exercise in cybersecurity, and giving continuous support in advanced digital skills, this will definitely result in employee retention".

Carm Cachia
Eskills Malta Foundation

"Most companies have not absorbed basic knowledge in technology which been with us ten, 15 years and we are failing because we have not put enough thought in a proper digital business model and a unique preposition in the digital world. We need to work on this aspect if we really want to remain competitive".

Francois Grech Exigy





"As Foundation for Transport, together with the private stakeholders, we need to expose transport more to the digital world so that the skills will be enhanced. With schools we need to have careers exposure and build upon the traineeship-schemes".

**Dr Jeannette Axisa**Foundation for Transport

# Ensuring the Skills for Future Competitiveness

17 November 2022



"A lot of changes are set to happen, not only in technology but also in the academic curriculum. Students in their last three years of compulsory education are already experiencing new types of teaching in classes, not only new knowledge and technology but also new skills. Education is changing, the method how we assess skills should keep on changing and we should keep improving in the way how we as educators transmit our feedback".

**Gaetano Bugeja** Maria Regina College

"Within the transport sector we need to ensure that we have enough engineering support that can handle and maintain maintenance and repair of our land transport vehicles. Bigger challenges exist in the aviation and maritime sector. An important factor is retraining, which needs to be done. The introduction of specialised induction courses and specific schemes might attract the young generation to go for new skilled jobs".







"As an Institution, one of our main challenges, is that we find that people don't know anything about careers at sea. We need to promote not just the captain's role, but we need to start promoting more, all different jobs at sea. Another issue is the attitude. At sea one, do not earn good money for doing nothing. We need schools to ingrain an attitude of, you work hard and then you get rewarded".

Pauline Micallef
MaritimeMT







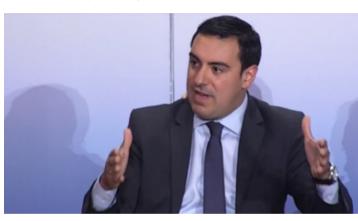
"Within the maritime industry we need to make sure that the infrastructure for superyachts is there. At the moment, do we have the needed infrastructure? We are entering a particular market where you either do it right or you lose it all. Economically, the superyachts industry is large. Right now, we need to invest more in innovative technological skills, and not get stuck to just the traditional engineer for the boat industry".

### Omar Debono Ministry for Transport, Infrastructure &

Capital Projects

"Regarding Visa application for foreigners, although there were huge improvements, we need to start making a distinction between temporary migration and seasonal migration, by introducing a model which may facilitate the admission and re-entry of foreigners".







"When we speak about lack of skills, this is across the board which is affecting both large companies and SMEs. ESG principles and the green criteria are nowadays critical and it seems that individuals want to feel part of this journey. When youngsters want to be more engaged, actually this tends to help SMEs".

Brian Camilleri Malta Enterprise

# Ensuring the Skills For Future Competitiveness

**17 November** 2022



"Competition keeps companies thinking about how they want to improve their product and how to keep the best people working within their company. One must make sure that they are a good employer, and work to remain the preferred employer. The law must be there as a minimum requirement".

Ing Kevin Chircop
Enemed

"There are financial gaps which we need to fill, not only in theory but in practice. I do not think that there is a skills gap but I think that there are not enough skilled people to fill the jobs"







"If we want to target certain sectors such as artificial intelligence, 3D Printing and compliance and due diligence services, obviously we need to ask the question whether we have those skills and whether we have the capacity to actually service these kind of sectors"

**Gilmour Camilleri** Malta Fiscal Advisory Council







"We need to keep on further enhancing the due diligence process. Our aim as Identity Malta Agency, is to facilitate the process as much as possible without jeopardising security. Our honest advice to employers is to keep looking for quality employees, and to be more aware of, and avoid inadvertently dealing with any potential employees' forged certification".

Col Mark Mallia Identity Malta Agency

"As Jobsplus we are continuously asked by employers to help them find the people to recruit and to simplify our processes, our templates and our forms; so we are listening to their needs and have embarked on a comprehensive business engineering process to review our processes and remove unnecessary non-value added ones, whilst adopting an aggressive digitisation strategy to digitise all our services".

Felix Borg Jobsplus





"The demand in the hospitality industry is by far bigger than the supply. As ITS we are looking to internationalise and to get students from foreign countries. We need to seriously see how we can keep the people that we have in the industry and stop the exodus of employees going to other industries, rather than focussing only on attracting new people".

Pierre Fenech

## Ensuring the Skills For Future Competitiveness

**17 November** 2022



"First of all, I believe that we cannot live without imported human capital.

The two issues which MCAST is facing at the moment are in retaining what we have and how to be more attractive".

**Prof Joachim James Calleja** MCAST

"I totally agree with the concept of workbased learning but on the other hand let us be very careful not to push schools, especially in compulsory education, for the very fine skills".

**Prof Collin Calleja** University of Malta





"Developments at EU level include the competitiveness check that the Commission will be introducing when coming up with new legislation. Social Partners need to consider a similar solution locally to make sure that 2023 is placed as the year of competitiveness"

Stefano Mallia EESC

## SMEs National Forum 2022

### **MEDIA COVERAGE**



L-MEA tappella għal ħidma koordinata fuq livell nazzjonali biex jissaħħu l-ħiliet u l- kompetittività Talk.mt | 21.07.22

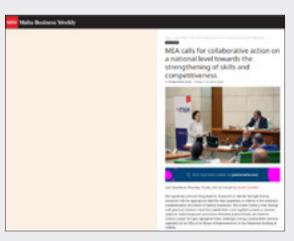
https://talk.mt/l-mea-tappella-ghal-hidma-koordinata-fuq-livell-nazzjonali-biex-jissahhu-l-hilliet-u-l-kompetittivita/



MEA Calls For Collaborative Action On A National Level Towards The Strengthening Of Skills And Competitiveness

CDE News | 21.07.22

https://cde.news/mea-calls-for-collaborative-action-on-a-national-level-towards-the-strengthening-of-skills-and-competitiveness/



MEA Calls For Collaborative Action On A National Level Towards The Strengthening Of Skills And Competitiveness

The Malta Business Weekly | 21.07.22

https://maltabusinessweekly.com/mea-calls-for-collaborative-action-on-a-national-level-towards-the-strengthening-of-skills-and-competitiveness/19750/





Newsbook | 22.07.22

https://newsbook.com.mt/en/mea-calls-for-collaborative-action-on-a-national-level-towards-the-strengthening-of-skills-and-competitiveness/

## Ensuring the Skills for Future Competitiveness

**17 November** 2022



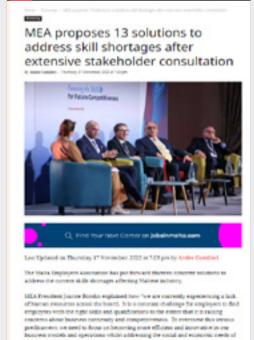


#### Closing our skills gap – Joseph Farrugia

Times of Malta | 06.11.22

https://timesofmalta.com/articles/view/closing-skills-gap-joe-farrugia.992288





Malta Business Weekly

SME National Forum to discuss need of ensuring employment skills for Malta's competitiveness
The Malta Independent | 14.71.22

MEA proposes 13 solutions to address skill shortages after extensive stakeholder consultation

Malta Business Weekly | 17.11.22

https://maltabusinessweekly.com/mea-proposes-13-solutions-to-address-skill-shortages-after-extensive-stakeholder-consultation/21014











"In-nuggas ta' riżorsi umani ged jolgot bi kbir bosta oqsma tax-xogħol f'Malta" - MEA

NET News | 17.11.22

https://netnews.com.mt/2022/11/17/nuqqas-risorzi-umani-qed-jimpatta-bi-kbir-bosta-oqsma-tax-xoghol-fmalta-mea/



MEA proposes 13 solutions to address skill shortages Newsbook | 17.11.22

https://newsbook.com.mt/en/mea-proposes-13-solutions-to-address-skill-shortages/





MEA Proposes 13 Solutions To Address Skill Shortages After Extensive Stakeholder Consultation

CDE News | 17.11.22

https://cde.news/mea-proposes-13-solutions-to-address-skill-shortages-after-extensive-stakeholder-consultation/





shortages after extensive stakeholder consultation

The Malta Independent | 18.11.22

https://www.independent.com.mt/articles/2022-11-18/local-news/MEA-proposes-13-solutions-to address-skill-shortages-after-extensive-stakeholder-consultation-6736247556



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