



**Limerick
CHAMBER**
IN BUSINESS FOR BUSINESS

Submission: The Development of a New National Skills Strategy

Limerick Chamber
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Limerick

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PREFACE

This submission is made by Limerick Chamber, the largest business member's representative body in the West of Ireland. Limerick Chamber is focused on creating and enhancing the business environment for our 450 members; who directly support in excess of 10,000 jobs across the greater Mid-West region. Limerick Chamber are focused on supporting and promoting enterprise growth, upskilling and employment creation across the region.

Limerick Chamber welcomes this consultation by the Department of Education and Skills. As the economy returns to growth it is paramount that the match between talent demand and skills supply is accurate, timely and effective in facilitating job creation. Additionally, as skills shortages become more acute in certain sectors, a solution that facilitates industry needs with a flexible and adaptable education system is necessary if Ireland is to continue to compete internationally as a location of choice for indigenous and foreign owned firms.

DEVELOPING RELEVANT SKILLS

There is a **need for state intervention** in the adult education sector, particularly work based learning supports, to avoid what the EGFSN (2007) term market failure. Market failure is caused when no actor (learner, company, government) has the resources to invest in education and upskilling. Such failure causes the skills base to stagnate, reducing SME competitiveness, leading to job losses.

- Notably, 91% of employment in the Mid-West region (Action Plan for Jobs 2015) is supported by companies with less than 10 staff, making it heavily reliant on this cohort.
- This industry profile is extremely vulnerable to market conditions and despite an economic uplift would not have the monetary capacity to invest heavily in upskilling its staff.

Government supported initiatives – particularly the Skillnet network – play a pivotal role in providing such supports. However, the 20% subsidisation that Skillnet can offer does little to off-set the loss of productivity for an SME in releasing a staff member for training; regularly the opportunity for a staff member in an SME to upskill is denied for this reason. As the economy returns to growth, a re-assessment of the levels of support for Skillnet networks to subsidise training should be revised upward.

External economic factors resulted in training supports in most recent years to focus on the unemployed, placing the emphasis on getting people back into employment. Close partnerships between industry and HEI's in Limerick have resulted in very successful Springboard initiatives which continue to deliver talent in a timely manner and remove people from the live register. This approach is necessary in times of economic crisis; however an annual review of these initiatives is necessary to ensure that they continue to provide a return on investment for government, particularly as we move toward economic growth and employment creation.

The homogenised approach overly focused on the unemployed risks '**low skills equilibrium**' – bringing those from a low NFQ base up, but does little to support those at higher levels of qualification. As a result, businesses which require specialist, high-quality skills in order to

remain competitive are offered little support, limiting job creation opportunities. Government need to ensure that adequate resources are in place to support initiatives such as Skillnet networks, which provide invaluable subsidised training to industry.

Primary research carried out by Limerick Chamber indicates that employees are motivated to upskill; however releasing staff on courses in addition to lack of funding is a significant barrier to employers; this is particularly acute in the SME sector.

Accordingly it is proposed that:

- A comprehensive commercial Training Needs Analysis (TNA) is undertaken for the Mid-West region which adequately represents all stakeholders: learners, all employers and all learning organisations. Only then can a holistic industry led skills landscape be determined at all commercial/service levels. Chambers and other business representative bodies are suited to this role.

Based on the outcomes of this TNA, Learning organisations would be equipped to do a gap analysis; potentially identifying work based learning initiatives, lessening the commercial impact on productivity etc.

- To stimulate cross fertilisation and interaction – the €5K Innovation Voucher supported by the Department of Jobs Enterprise and Innovation (for knowledge acquisition) should be offered by the Department of Education and Skills (for skills acquisition). This would stimulate all stakeholders and enable calculable activation metrics.
- That the employer is given a contribution towards staffing requirements while they release personnel to upskill.
- An holistic campaign to inform those seeking to upskill or re-skill should be run to encourage greater uptake of lifelong learning programmes – this would dispel myths and re-educate people on the flexibility and career opportunities available to return to full-time, part-time, online or blended learning.
- There is a shortage of level 9 (Masters) and 10 (PhD) graduates. Incentives need to be put in place for those in employment to continue their education. Innovation happens at the forefront and interaction of different domains, therefore businesses need people at the forefront who can think innovatively, creatively and imaginatively. Work-based Masters and PhD research programmes need to be delivered in partnership between industry and HEIs.
- Government need to put incentives in place for companies to support work placements. SMEs can often be resource and time constrained and simply don't have capacity to take someone on short term – however they may need additional staff for longer periods.

ACTIVATING SKILLS SUPPLY

The motivations of an adult learner often centre round the ability to:

- Increase the opportunity for promotion
- Reduce the probability of unemployment
- Avoid disjuncture and re-establish a lost routine / work ethic
- Network

However as evidenced in The White Paper on Adult Education¹ these motivations need to be accompanied by a financial incentive to participate, clear evidence of improved job prospects and the availability of suitable courses.

Thus, a multi-dimensional activation model must be adopted which incorporates all stakeholders – the learner, industry, learning organisation and government.

Presently there is an array of organisations catering to learners at multiple skills levels who may/may not have been long term unemployed. This landscape is dense.

Limerick Chamber research finds that employees are often reliant on the employer for information and that they do not feel adequately informed. Potentially this limits career mobility from low skilled roles and progression opportunities.

- A pilot centre, focused on skills development and mobility (versus labour activation) should be established. The centre would be tasked with communicating formal and non-formal training opportunities, (inclusive of non-government initiatives), identifying reciprocal relationships and directing people towards skills progression opportunities irrespective of their employment status.
- There is very little monetary support to upskill staff irrespective of the size of the company and this must change. In terms of communication – a localised enterprise engagement system is needed.
- The **Limerick for IT** initiative proves that industry-led skills agenda, working in collaboration with flexible and adaptable education providers can deliver talent in a timely manner resulting in job creation. The Department needs to provide resources to support the success of this framework; piloting the initiative in Limerick with vigorous ex-ante and ex-post evaluation of investment. If evidence finds tangible benefits, the framework should be rolled out nationally.
- A transparent inter-departmental skills hub needs to be established. It would act as the connector communicating existing initiatives to stakeholders, identifying opportunities and cater specifically to skills progression and development opportunities versus labour market activation.
- The education system needs to design and deliver programmes in a format suitable to the knowledge worker (e.g. pick and mix masters – provide variety of 30ECTS coherent and cohesive programmes, that are recognised across institutions so that students can build their own masters/structured PhD). One quick way to do this is to repackage existing masters programmes into 30ECTS components.

¹ The White Paper on Adult Education: Learning for Life (2000)

EFFECTIVE USE OF SKILLS

Recognition of Prior Learning (RPL)

- There is an over emphasis on the ability to achieve good grades and excel within the educational system; this is a traditionalist approach to intelligence, particularly in terms of the greater business landscape. It does not recognise that companies also benefit from contextualist² and multiple intelligences³ which align to a person's ability to solve problems, previous life experience and ability to adapt.
- Consequently if a person wants to upskill or re-skill, there should not always be a requirement to start at foundation level (given past real world experience).
- It is proposed that a formal RPL policy is adopted by academic institutions acknowledging tacit knowledge (technical & transferrable skills). This will fast track the up-skilling and re-skilling of individuals and also allow for transparency in terms of the model.

Impact Measurement

- There is a disparity amongst learning organisations whereby they are measured on disparate systems with variant metrics. This does little to highlight deadweight, facilitate feeder relationships or develop opportunities. State supported Learning organisations should adopt a streamlined impact measurement tool - this should have a 3 tiered approach micro, meso and macro level with proportionate targets and Key performance indicators at each level – proportionate to the amount of state aid.

² Sternberg (1984) "If one, views intelligence in terms of adaptive behaviour in the real world environment then it is impossible, fully to understand the nature of intelligence without understanding how this environment shapes what constitutes intelligent behaviour. People have developed such aptitudes over time and these cannot be readily quantified. "

³ Howard Gardner (1983) Multiple Intelligences (MI) which 'puts forth a broad definition of intelligence; [as] the ability to solve problems or fashion products that are of consequence in a particular cultural setting or community'

RECOMMENDATIONS

- A comprehensive industry-led commercial Training Needs Analysis is required for the Mid-West region which adequately represents all stakeholders: learners, employers and disparate learning organisations. Only then can an industry led skills landscape be determined at various commercial levels. This could be facilitated by the Chambers of Commerce.
- The Department needs to provide financial support to pilot an adequately resourced Limerick for IT initiative. Allow this model to be piloted in Limerick, with rigorous ex-ante and ex-post evaluation will test the potential to increase the positive outcomes this initiative is having on a national basis.
- Annual reviews of Springboard funding should be undertaken as the country returns to employment growth.
- Skillnet network funding should be reviewed to ensure that it provides enough subsidisation to facilitate upskilling, particularly for SMEs.
- There are limited monetary supports for employers who wish to upskill their staff – this needs to be addressed as a matter of urgency, acknowledging the competitive pressures of a globalised economy.
- The Innovation Voucher model should be used by the Department of Education and skills to stimulate skills acquisition.
- There is a need to move away from a homogenised approach to skills development targeting the unemployed and focusing solely on labour activation.
- State supported Learning organisations should adopt a streamlined impact measurement tool - this should have a 3 tiered approach micro, meso and macro level with proportionate targets and Key performance indicators at each level – proportionate to the amount of state aid.
- The transience of knowledge and the importance of emerging technologies necessitates that high skilled individuals require continued upskilling to ensure commercial viability, competitiveness and career mobility. Thus a reallocation of funding supporting those in employment is necessary.
- A transparent inter-departmental skills hub needs to be established. It would act as the connector communicating existing initiatives to stakeholders, identifying opportunities and cater specifically to skills progression and development opportunities versus labour activation.
- The establishment of a Recognition of Prior Learning policy across academic institutes is essential.