



**CHAMBERS
IRELAND**
IN BUSINESS FOR BUSINESS

Submission to the Department of Education and Skill on the development of a National Skills Strategy Towards 2025

1st December 2015

Introduction:

Chambers Ireland represents the largest network of businesses in the State. With almost 50 Chambers located in every major town and city in the country, we are uniquely positioned to understand the needs of the business community and to represent their views. We welcome the opportunity to feed into this consultation. Our views set out in this submission have been structured in accordance with the areas we feel are most relevant to the needs and interests of the Irish business community.

A long term strategy that supports learning and development from early childhood education through to the ongoing professional development of those already in the workforce will ensure that Ireland can face the challenges posed by population trends and by the skills shortages which are developing as the economy recovers.

It is also important to recognise that having a suitably qualified and educated workforce is just one component in having an effectively functioning society and economy. Barriers to entrepreneurs and businesses creating jobs must also be removed, and the high costs of employment must be addressed in tandem with efforts to develop a skilled workforce.

Theme 1: Developing relevant skills

- **What do you consider to be the relevant skills for development in the period to 2025?**

A broad mix of skills will be necessary to ensure that Ireland's economy and society can thrive into 2025 and beyond. We must recognise the increasing relative importance of STEM focused education and skills for the future development of Ireland given our evolving economic profile. Nonetheless, it is important not to lose sight of the fact that a

strong fundamental education and a broad range of transferable skills is a necessity for any effectively functioning society and economy.

- **Do we have the right mix of initiatives to deliver the future needs of enterprise, the economy and society?**

There is certainly a demand for a wider variety of initiatives to support skills development in a rapidly changing economy. More and more employers are seeking skilled individuals with a background outside of the traditional models of education.

The establishment of the Apprenticeship Council was a welcome initiative that will go some way towards addressing these evolving needs, and much has been learned from worthwhile initiatives such as Springboard.

Education providers and institutions must become more responsive to changing industry expectations and standards. Programmes that are developed in close collaboration with industry, that are flexible and that prepare participants for the realities of the modern workplace must become the norm.

- **How can employers and education and training providers work more effectively to identify and address skills needs and ensure the “work readiness” of learners?**

There should be a workplace focused component in as many academic and training programmes as possible. This should be expanded beyond the traditional areas of workplace placement and apprenticeships and should ensure that all graduates, whether from third level or across all levels of the NQF should have workplace exposure as part of their training. Many academic courses do not provide any workplace training and graduates, while highly qualified, are not workplace ready.

- **How can we motivate more people to participate in life-long learning? What are the attitudinal and structural barriers to learning that need to be overcome?**

Cost is one of the biggest barriers for those who wish to participate in lifelong learning. Unless employer subsidised or state subsidised many in the workforce cannot afford to invest in lifelong learning or do not consider it value for money to do so.

Flexibility is key to encouraging participation in lifelong learning as for many it needs to take place around the working day. While we acknowledge that many programmes are now being developed to meet the needs of those in full time employment, there is still a significant gap in the provision of high quality courses that are suitable for those in employment.

Tax rebates that exist for full time education fees should also be considered for those investing in lifelong learning courses which often require studying at night or part time.

- **What actions can be taken by employers to support and encourage increased participation in lifelong learning?**
- **What barriers need to be addressed in order to stimulate investment in training by Irish enterprises?**

SMEs have limited resources to expend on training and skills development programmes for management and employees. Cost is a significant factor in determining whether an enterprise will invest in a training programme. Subsidised programmes for small and medium businesses should be offered with a pathway to allow for the ongoing progressive development of management and operatives.

In some instances, the main driver of high costs of training is certification fees. Certification can often be of secondary importance to the successful development of employee skills. State subsidies or grants should not automatically be tied to the achievement of a particular qualification.

Ensuring the relevance of training programmes to enterprise is also of paramount importance. Very often enterprises require a training programme to be tailored at least to some degree to their specific operations and processes. High performance companies are often eligible for very focused and tailored training schemes, but the domestically trading or small businesses should also be supported to access programmes that merge traditional training methods with consultancy type services to ensure the successful application of skills and process improvements.

It is also important that enterprises know that training programmes are conducted in as efficient a manner as possible. In a company with limited staff resources, time out of the office can be hugely disruptive. Providers and funding agencies should avoid extending training courses simply to meet 'training days' targets.

- **How can the range of work place experiences be expanded, particularly in SMEs, to increase opportunities for learners to gain practical experience as part of their education and training programme?**

State sponsored formal internship programmes should continue to develop and expand so as to provide new entrants to the labour market with an opportunity to develop their skills. Companies could become registered with DES or DJEI as having the capacity to support high quality professional internships and placements. Internships and on the job learning through job placement schemes should become a core element of our third level education system and not just for job seekers and graduates. There are several well known academic programmes that are highly sought after for their professional placement component rather than academic component. The merits of such internships/placements are widely recognised by employers and should have a great recognition within our education system. There is a benefit to those undertaking work placements as they are afforded an opportunity to develop their skills and test their aptitude for a particular role while maintaining links with their educational programme.

- **Is the structure and architecture for the education and training system fit for purpose?**

Ireland's education and training system has seen many positive changes over recent years, but further reform and innovation is necessary. Ongoing reform of the Junior and Senior Cycle will allow Ireland to develop an education and skills system that will provide future generations with the skills they need for a modern society and economy. Failure to implement necessary reforms will see graduates of the Irish system at a disadvantage when it comes to securing employment.

It is also acknowledged that a wide range of qualifications from the NFQ are sought by both employers and employees.

A well developed model of apprenticeship focused education must also form part of Ireland's education and skills future. In January 2012, the European Council agreed that member states should 'substantially increase the number of apprenticeships and traineeships'. This was supported by the fact that countries with strong apprenticeship systems or Vocational Education and training (VET) systems have lower levels of youth unemployment.

It is important that the Apprenticeships Council is expanded as quickly as possible to encompass a wide variety of roles and professions. The expansion of an apprenticeship based system will help to address a number of skills issues: skills mismatch, over qualification, graduates not being workplace ready, gaps between finishing third level and entering workforce and outdated skill sets emerging from certain institutions.

Theme 2: Activating skills supply

- **What changes can be made to the approach to training and skills development to improve the employment prospects of people who are long-term unemployed?**
- **How can the education and training system better engage with unemployed people with low levels of educational attainment?**

The long term unemployed are a cohort that requires extensive engagement and support in order to get them labour market ready.

Programmes such as Momentum have proven to have a double dividend for the economy, as it has reduced the numbers of long unemployed and has successfully matched participants with employers in expanding sectors of the economy. Statistics show that 40% of those who completed the Momentum programme had positive outcomes. It is important that this programme has a role in the future, as it addresses both social and economic problems associated with long term unemployment and Ireland's high rate of jobless households but if carefully monitored and with strong employer engagement can go some way towards addressing skills mismatches, particularly within localities and regions.

- **What can we do to facilitate and support the return of skilled Irish migrants in the coming years?**

Currently Ireland is experiencing an increase in inward migration of skilled workers and professionals. The technology (software), healthcare and pharma sectors are attracting the greatest numbers of inward migrants. At the same time many skilled workers continue to leave Ireland or have been living abroad for many years.

As companies increasingly need to look abroad to attract skilled workers it is appropriate that incentives are put in place to encourage the Irish diaspora to return to Ireland to live and work.

Specific programmes for returning migrants should be developed to reassure returning migrants that skills developed in other countries can be readily transferred to the Irish job market. This could involve short, intensive programmes that up skill returning migrants and prepare them to re-enter the Irish workforce. Also a placement service for migrants who would like to return should be developed and facilitated in a similar vein to the Springboard programme. This could involve placements in multinationals specific to returning migrants.

Migrants who have lived abroad for longer than 2 years should also not be dissuaded from returning to Ireland for further education or training through punitive third level fees. If migrants are to be encouraged to return to Ireland then they should be incentivised and not liable to higher international fees due to loss of habitual residency. If migrants decide to up skill or avail of education opportunities abroad they are less likely to bring those qualifications or skills back to Ireland. Migrants should be encouraged to return through qualifying for Irish citizens fees for period of 3 to 5 years after emigrating.

There is also terrific potential to develop an all-island approach to skills development and to coordinate the educational and human capital development with Northern Ireland's education system, particularly in border areas where close links can be harnessed to address local skills shortages.

Similarly, given that Irish Universities are increasingly targeting and attracting high numbers of international students who wish to study here, there is an opportunity to encourage these students to remain and enter the workforce. There could be incentives developed for those who have studied and trained in Ireland and have skillsets and qualifications that have been identified as necessary for future Irish economic growth.

- Offer a partial rebate on third level fees to those who stay on and work within the jurisdiction for a set number of years.
- Offer scholarships to high potential overseas students with to undertake specific programmes on condition that they work within Ireland for an agreed period of years upon completion of their studies.

This could have an added benefit of encouraging a new cohort of international entrepreneurs to establish their enterprises in Ireland.

- **How can we encourage older people to reskill & retrain and continue to participate in the labour market? What skills will they require?**

In order to motivate older people to invest their time and resources into training or retraining for the labour market, there must be a clearly defined pathway into suitable vacancies for older people. Close links should be developed with suitable industry sectors that will be happy to take on employees further along the career path than early graduates.

Programmes must be as sharp and focused as possible, as there is an imperative to get into the workplace as soon as possible. Mature students and those who have previous workplace experience have far less need for the life skills development or extended academic programmes. Semesters interspersed with lengthy holidays serve only to delay their return to the workforce and their capacity to earn.

Theme 3: Effective use of skills

- **How can the new network of Regional Skills Fora best contribute to the development of the skills base in each region?**

The effective use of regional skills fora is a positive initiative which should be developed to further complement the Regional Action Plans for Jobs. This should enable a greater level of regional specialisation among third level institutions and support effective clustering of industries. This will in turn support policy efforts to encourage FDI companies to build a bigger footprint in Ireland in terms of employment, integrations of Irish companies into supply chains and near-sourcing.

- **How can we promote a more effective use of skills at work? In particular, how can managers be supported to identify effective work and organisational practices that make the best use of skills available to them?**

The first step is to ensure that SME managers have received the training necessary to allow them to support skills development within their workforce. If SME owner/managers can be supported in their professional development and then see the tangible benefits in terms of productivity and profitability, they will see the merits in actively developing their workforce's skill sets.

- **How can this best be promoted among SMEs?**

A comprehensive programme of management development training for SMEs should be rolled out as soon as possible. There are excellent programmes being offered via Skillnets, and these could be further expanded and funded to ensure that those businesses that were unable to invest in training during the downturn can 'catch up' in terms of updated skills and work practices.

In SMEs, one of the primary sources of innovation will be the employees, and implementing training programmes will be a key method in unlocking innovation and productivity gains within the company. This potential to unlock innovative work practices should be a key message when promoting the best use of skills within their workforce, and training generally.

- **How can workplace learning be used more effectively to link training provision more closely to employer needs?**

Employer needs vary widely between sectors, therefore a sector by sector analysis of skills needs and how on the job training or workplace learning can address employer needs is necessary. Each sector should be analysed to assess how qualifications and training levels are addressing employer needs and how workplace learning can become part of all training provision across all levels of the NFQ.

- **What additional measures are required to support entrepreneurial education and entrepreneurship skills in Ireland?**

Ireland still lacks a culture of recognising and supporting entrepreneurs. Entrepreneurs create jobs, generate added value and wealth, and through their taxes provide funding for public services. The value of entrepreneurship to society must be brought to the fore in the educational system.

There should also be a focus on entrepreneurship and innovation rather than simply on the study of business organisation. Entrepreneurship and innovation can be transferable skills and used whether a student decides to pursue business as a career or move into the sciences, engineering, or liberal arts.

Supporting SMEs to engage in training:

- How can SMEs be better supported and encouraged to engage with training?

Employers and companies have a role to play in addressing skills mismatches and shortage through up skilling of existing employees and on the job training. In order for this to work, however, flexibility is of paramount importance for companies that wish to encourage training and education amongst employees. To take this into account programmes must be designed with flexibility in mind. Very often a series of full working days out of the office is not suitable.

The **National Training Fund** should be refocused to address skills shortages and mismatches in the economy. As the fund is generated through contributions from employers a greater percentage should be invested to prioritise training and up-skilling for those already in employment. While it was essential to invest a large portion of this fund into training job seekers and those unemployed during the economic crisis in Ireland, as the economy recovers this could be more focused on areas where skills shortages are emerging and focused on retention rates in certain sectors.