Enterprise Ireland commentary on the DEVELOPMENT OF A NEW NATIONAL SKILLS STRATEGY

December 1, 2015
1. INTRODUCTION

Enterprise Ireland (EI) welcomes the Department of Education & Skills (DES) development of a National Skills Strategy. The provision and availability of skills is a central component in driving the global competitiveness of Irish industry both at a national and regional level. The availability of relevant skills to meet the needs of Irish Enterprise is critical to economic growth and job creation. In recent years EI clients have continually highlighted the fact that a shortage of relevant skills is an impediment to company growth. The challenge for companies is in recruiting appropriately skilled staff and accessing the relevant training to upskill their existing workforce.

The skills agenda (recruitment and training) is integral to EI’s client advocacy role. A Client Skills Department was established within Enterprise Ireland in 2013. The objective of the Department is to work in conjunction with key stakeholders to ensure:

- The skills for client company growth are available in the market place.
- Our SME clients can access talent.
- Our client companies have the in-house management capabilities to scale.
- Our client companies have the skills to support internationalisation.

The National Skills Strategy is important as we look to support Irish industrial or enterprise development. We welcome the opportunity to discuss this agenda further.
2. CONTEXT

2.1. Enterprise Ireland's Strategy

The strategic development of the National Skills Strategy is a very important context to the implementation of Enterprise Ireland’s Strategy 2014-16 and beyond. EI’s strategy is based on the following four pillars:

START – Entrepreneurship agenda.
Encouraging and prioritising a focus on enterprise skills within second and third level education is critical to supporting a vibrant entrepreneurial eco-system.

INNOVATE - Innovation in products, services and business processes is required for growth.
An adequate supply of STE(A)M\(^1\) graduates is required to support the application of innovation to achieve commercial and economic objectives.

SCALE, working with existing companies to drive competitiveness.
In the past few years our clients have highlighted that the shortage of certain skills is impeding company growth. EI sees that this challenge needs to be tackled on a Company and systems level to ensure that Irish enterprise remains internationally competitive. To meet this challenge, appropriate training and development needs to be available for companies at all stages of growth. Supporting the development and ambition of senior management is also critical to this agenda.

ANTICIPATE - Company success is dependent on anticipating future direction of technology, customers and markets.
The skills and talent within the HEIs and their outreach to industry are critical to this agenda. In particular, foreign language capability and cultural awareness are essential for enterprises to compete in an increasingly global market place, and in particular to access High Growth Markets.\(^2\)

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\(^1\) STE(A)M skills and capabilities – i.e., Science, Technology, Engineering, Arts and Manufacturing skills. The addition of Arts reflects the growing recognition globally that psychology, communications, content generation and decision-making are also vital to modern industry.

2.2. EI Activities

EI works with Irish Manufacturing and Internationally Traded Services companies to support internationalisation and job creation. Working with over 4,000 companies employing over 180,000 and contributing over €20 billion to the national economy. EI also has the co-ordination role for the Local Enterprise Offices (LEOs).

EI’s role provides supports across all stages of company development - entrepreneurs, start-up companies, SMEs, large companies and multinationals, as they grow their business in Ireland and internationally. EI also has responsibility for foreign direct investment in the food and beverage sector where the availability of appropriate skills is critical to winning mobile investment.

EI is represented on the Expert Group on Future Skills Needs (EGFSN), and actively works with the HEA, the Apprenticeship Council and SOLAS. Within the past year EI has worked with our engineering client base to drive a new program for Precision Engineering in the Mid-West. This was in response to the growing skills deficit in this sector. EI is working with Skillsnet and the IDA to look to working with others to look to the HEIs to provide an Engineering Process Technician course for our medical device industry base in the West of Ireland. EI also funded the Finance for Growth program (F4G) which was delivered via Skillsnet. A list of EI supports is provided in Appendix 1.

EI in this area has inputted to the development for Springboard and ICT conversion courses since they were established. Inputs were provided to the new apprenticeship models.

To meet the needs of our clients, EI supports companies by way of training grants and graduate support systems. EI has also designed, developed and delivered Client Management Development programmes to drive capability within the Irish Enterprise.
2.3. Enterprise Ireland’s Skills agenda

Ensuring the appropriate availability and mix of skills is critical to meeting the greater ambitions of Irish Enterprise and to support job creation. In developing a national strategy the following key aspects should be considered:

1. Constant and consistent, dialogue between the Higher Education and the Irish Sector Enterprise
   - Systematically involving employers and in particular SMEs in the development, design and delivery of educational programmes.
   - Involving industry practitioners in delivering education (as adjunct lecturers and professors etc.) and employing lecturers with industry experiences.

2. Industry placements integrated into all third level education
   - Significantly increasing the provision of structured work experience, so that it becomes a default feature of all courses.

3. Up-skilling for industry (individuals & organisations)
   - There is a role for further and higher education providers to proactively engage with industry to ensure that the appropriate skills and training required are available in the workplace.
   - Work based training is key for employers to minimise employee turnover, to build on existing skills and retain key personnel.

4. Provision of clear career pathways for training and education.
   - The recognition of work based training within a national framework for qualifications/skills.
   - Career progression options from apprenticeships to higher education.
   - Framework for personnel to transition careers between industry and academia.

5. Integrating business on training and education curriculum
   - Enterprise education and training should be integrated as a module to all students at all levels.
   - Distinctive graduate attributes and capabilities such as critical thinking, team-working, results-focused project management and communications should have a further explicit focus in the education system.
3. KEY STRATEGIC THEMES & FEEDBACK

3.1. Theme 1 Developing Relevant Skills (Page 62-67)

There is a specific and immediate demand within the Enterprise Ireland client base for the following skills:

- Software – e.g. additional undergraduate and conversion/upskilling programmes, especially in areas of mobiles, big data and user interface
- Manufacturing - e.g. Lean/automation, machinists and toolmakers, mech./elect engineers, quality assurance etc.
- International selling and marketing skills, customer service and support skills etc.
- Soft skills – team-working, leadership, communication, SME leaders’ development etc.
- Languages – applicable to the key markets that Irish companies are targeting, both in short and medium term

Considerable effort and investment needs to be made to specify and increase the supply of these skills.

There is a need to significantly increase the participation of part-time and flexible learning students. Such students, both those currently enrolled or potentially interested in skills development are likely to be working, especially in SMEs. The barriers to increasing the participation of such students in training and further education need to be better understood and addressed. The opportunities for on-line and blended learning in particular could be much more systematically explored and exploited.

Supporting the development of Further Education and assisting in the provision of apprenticeships, especially in the context of the new approach to apprenticeships, is also vital to the continuing upskilling and education of existing employees, and in particular needs to remain a goal of the Institutes of Technology and the emerging Technology Universities.

More generally the high tertiary attainment levels and the percentage of STEM graduates, relative to our global competitors is a major contributor to national competitiveness. EI shares the view that it is critical to at least maintain existing participation and completion rates, and to address the challenges that demographic growth and economic demand present over the next decade.

The need to further improve the alignment between the HE sector and enterprise is evident, and the benefits to our economy clear. EI would particularly emphasise the need to distinctly involve the SME sector and especially the exporting innovative SMEs on the skills agenda. While it is frequently challenging to engage with SMEs compared to the larger businesses and organisations, their significant collective employment and the rich nature and range of experiences that SMEs can provide make such involvement vital, both from an educational and national competitiveness perspective.
Relevant practices to support better labour market relevance and education/training outcomes should include building closer links with employers. Aspects that can help to strengthen such alignment can include:-

- Systematically involving employers and SMEs especially in the development, design and delivery of educational programmes.
- Significantly increasing the provision of structured work experience, so that it becomes a default feature of all courses.
- Involving practitioners with experience in delivering education (as adjunct lecturers and professors etc.) and employing lecturers with recent experience of the world of work.
- Building in enterprise education and training as a generally available module to all students at all levels, both undergraduates and graduates.
- Focusing centrally on a set of distinctive graduate attributes and capabilities such as critical thinking, team-working, results-focused project management and communications that the whole system is required to develop explicitly (and not just individual institutions).
- Targeting SMEs for graduate placement – our new Graduate Business Development Grant and Graduates for International Growth programme seek to assist in such placement.

The development of explicit linkages and the ‘out-reach’ by individual HE institutions is key. While much work has been done by many institutions, there is still much work to be done in developing a system and culture within the individual HE institutions of proactively reaching out to enterprises and especially SMEs. The development or re-development of roles such as the Industrial Liaison Officers, along the lines of the REAP report3, is important in this regard.

One of the recurring issues with regard to industry/academic linkages is the mis-match of skills to industry requirements. The recently developed Department of Education’s Regional Skills Fora process could be enhanced to facilitate an on-going and robust interaction at a regional level between industry and training/education providers to plan appropriate skills.

Consideration should be given to development of policies for:-

- Industry engagement in design and delivery of training & education
- HE & FE providers, working with industry in developing in-house training – supporting organisational development.
- Work placement as a standard process in any education/training course.

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3 Regional Employer Academic Partnership (REAP) - [http://arrow.dit.ie/](http://arrow.dit.ie/)  REAP
3.2. Theme 2 Activating Skills Supply (Page 68-71)

Employers and career guidance personnel, have a role to encourage students to consider employment in particular industries. A careers path-way for industries should be considered. Support processes for employers to work with second level students would increase the knowledge of career paths and awareness of the skills requirements.

Attracting people to work in the technology sector is critical to the growth of the software industry in Ireland. In response to the deficit of software and IT skills in our client group, the on-line portal IT’s HAPPENING HERE http://www.itshappeninghere.ie, was established in 2012. This initiative was targeted to promote career opportunities in indigenous software and IT skills industry. This promotional tool was also used along with Enterprise Ireland’s presence at skills fairs internationally.

More recently under the Action Plan for Jobs, a portal is being developed for promoting National Talent. The initiative is focussed on attracting international talent and skills into Ireland for the benefit of Irish and foreign owned enterprises.

With the onset of the (EU) 2015/983 on the procedure for issuance of the European Professional Card further migration of skills will be facilitated through Europe. The visa and work permit process has improved but needs constant review.

Two programs run by Enterprise Ireland over the past few years are the Graduate Business Growth initiative⁴ and Graduate for International Growth (G4iG)⁵ which facilitate Irish companies and recent graduates linking together on a company growth program in Ireland or overseas market development support, respectively.

Skills retention can be facilitated by providing work based training. Irish employees have a low participation rate in lifelong learning (6.2% versus 11/4% EU – Page 23). Further and Higher Education providers can assist industry in assessing the skills levels, monitoring the gaps in skills and developing courses provided by employers/training providers.

3.3 Theme 3 Effective Use of Skills (Page 72 – 75)

Training and executive education are key tools for companies to grow and develop their existing in-house teams. The provision of industry focussed executive education is vital for the development of the industrial workforce. With the skills shortage there also comes a challenge of in-house company skills retention, where in-house training capability frequently becomes an enabler. The role of management and their development especially in SMEs is critical in supporting Irish enterprises to scale.

In supporting company growth, EI work with client companies to develop their organisations. Over the past decade, EI has worked with institutions both nationally and internationally to develop and provide Irish exporting companies with state-of-the art capability development programmes. These programmes span strategic leadership, capability development and management development. A list of the courses developed and in many cases provided by HE & FE providers nationally & internationally is provided in Appendix 1.

In all EI’s designed training programmes the focus is on capability development within the organisation, i.e., companywide learning, rather than individual focus. This approach differs from a typical executive education approach, where the focus is on the individual, rather than organisational development. Ireland’s higher and further education institutes have a pivotal role in providing continuous professional development (CPD) for the industrial base.

In the past year EI, in piloting the Regional SME Innovation Networks, has worked closely with HEA & DES as well as Education Training Boards (ETBs) on the Regional Innovation agenda. These networks provide individual innovative SMEs with the skill and research consultancy linkages within their region and forge practical alliances between industry and academia in the region.
### APPENDIX 1  
**EI's CLIENT SKILLS RECRUITMENT SUPPORTS**

<table>
<thead>
<tr>
<th>Course</th>
<th>Focus</th>
<th>Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership for Growth (L4G)</td>
<td>Strategic Leadership for fast growth companies (CEOs)</td>
<td>Stanford, Duke University &amp; IMD</td>
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<tr>
<td>Strategic Leadership 4CFOs</td>
<td>Strategic Leadership for fast growth companies (CFOs)</td>
<td>Stanford</td>
</tr>
<tr>
<td>Innovation for Growth</td>
<td>Management and process capability (Company innovation teams)</td>
<td>IMI with input from IMD</td>
</tr>
<tr>
<td>Excel</td>
<td>Sales &amp; Marketing (S&amp;M) management development (S&amp;M teams)</td>
<td>Various Irish and UK providers</td>
</tr>
<tr>
<td>International Selling Programme</td>
<td>High intensity program for S&amp;M, developing company sales plan. (Sales Mgmt.)</td>
<td>DIT</td>
</tr>
<tr>
<td>Platform for Growth (P4G)</td>
<td>Development of company growth plan (CEO &amp; Snr Managers)</td>
<td>Various providers (mostly Irish) includes DCU</td>
</tr>
<tr>
<td>Accelerated Growth Engagement (AGE)</td>
<td>Development of company growth plan (CEO &amp; Snr Managers) for fast growth early stage companies.</td>
<td>Cambridge University</td>
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<tr>
<td>Pre-Investment Accelerator programme (SPRINT)</td>
<td>Preparing early stage companies to become investor ready (Founders)</td>
<td>Dublin Business Innovation Centre</td>
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<tr>
<td>Post-Investment Accelerator Programme</td>
<td>Post investment business plan implementation (CEO &amp; Management teams)</td>
<td>Tender in progress</td>
</tr>
<tr>
<td>Diploma in Manufacturing Management</td>
<td>Management development (Middle managers, for Food companies)</td>
<td>UCC</td>
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<tr>
<td>Access Silicon Valley</td>
<td>Preparing early stage companies for business in the US (Founders and US based teams)</td>
<td>US Market Access Centre</td>
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*Figure 1 Enterprise Ireland's developed Training programmes for Irish companies*