



PROPOSED EXCHEQUER – EMPLOYER INVESTMENT MECHANISM FOR HIGHER EDUCATION AND FURTHER EDUCATION & TRAINING

The Irish Institute of Training & Development is the Professional Body in Ireland representing those involved in Learning & Development in industry. Our membership of 2000 individuals and organisations includes those charged with the skills agenda in industry, providers, and other stakeholders including those involved in Further and Higher Education.

The IITD welcomes the proposal to increase the Employer levy to the National Training Fund, subject to a complete reconfiguration of the current model.

In discussing this proposal with our members, the overwhelming response from employers is the complete lack of awareness of the existence of the National Training Fund and by association, that they were paying the existing levy.

This has given rise to a significant number of enquiries about how employers can access the fund now and in the future to address their current and emerging skills.

There is concern about the accumulating surplus in the National Training Fund at a time when it is becoming increasingly difficult for industry to access a talent pool who are equipped with the necessary skill and knowledge base to fill existing and emerging requirements and skill gaps.

There is a perceived lack of transparency around the activities the fund is supporting in the development of people 'for employment' and the specific initiatives being funded in this area.

There is considerable disquiet at the configuration of 70:30 spend in favour of funding development opportunities for job seekers at a time when unemployment figures are declining. The current configuration is outdated and reflects the landscape of 5 years ago.

We need to continuously invest in the development of those in employment to ensure the ongoing development of the talent pipeline. Unless we are proactive about including a strategy for upskilling and reskilling a percentage of the workforce who are now vulnerable as a result of the risks from Brexit and other global turbulence, we will find ourselves permanently in reactive mode with rising unemployment figures and lack of competitiveness in industry due to a key skill and knowledge gap.

There are significant concerns about the lack of structured engagement with industry on curriculum development in Higher Education and the about the mechanism by which industry will have a voice in determining how it can get the return on additional investment in Higher Education and inform the debate on emerging and future skill needs. Clearly, employers need to work with education providers so that students learn the skills they need to succeed at work, and the Government has a crucial role to play in supporting this. But there is little clarity on which practices and interventions work and which can be scaled up.

There are concerns about the potential lack of transparency on how the money will be spent by Higher Education Institutions and it is imperative that clear terms will be laid down to ensure that these Institutions can demonstrate the appropriate investment of additional resources at a time when Higher Education Institutions are struggling with rising operational costs.

In the context that organisations now operate in, learning and development is widely regarded as the critical success factor for future growth and competitiveness for many organisations. We need learners who identify what knowledge, skills and learning they require at that point in time and who seek out these knowledge requirements rather than waiting for it to be pushed to them.

Competencies that stretch beyond the technical and managerial are required to facilitate learning in an agile, flexible and adaptable way. Development initiatives need to stretch beyond the provision and sharing of knowledge. It needs to react to circumstances, enabling learning environments, learning cultures and learning competencies within the workforce.

Irish organisations place enormous value on learning and development. The strongest can demonstrate a clear link between their *raison d'être* and the strategic intent of the wider remit. Employees are taking increasing ownership of their development and organisations are creating systems that facilitate them in doing so. There is a significant shift from the emphasis of traditional developmental interventions to more sophisticated responses and approaches such as crowd learning, reverse mentoring and a continued emphasis on learning as part of the DNA of the organisation are emerging as concepts that can be delivered in a tangible manner to the benefit of strong organisations.

There is a significant emphasis on integrating talent development activities with organisational performance. From the creation of customised programmes to comprehensive onboarding initiatives, there is a common focus on fostering employee development in conjunction with the achievement of specific strategic goals and objectives. Organisations with a strategic focus on talent development are offering more options for innovative, on-demand, and interactive training that makes a bigger impact on learners.

It is essential that any proposal to increase the levy or a reconfiguration of the National Training Fund be considered in this context.

The most fundamental question to be addressed needs to be 'who is the beneficiary of the National Training Fund expenditure?' It is not only the job seeker as is currently prioritised, but the people supporting the economy; be it clients, providers, the employed or unemployed citizens. It is clear that Higher Education has a role in championing a greater emphasis on generic, transferable skills including people-related skills, thinking and problem-solving skills and digital literacy skills. However, the provision of training should be economy driven and tailored to the needs of the identified cohorts (*both those in and out of employment*) with a financial framework that supports the level of development required.

While there is an acknowledgement of the findings of the Expert Group on Future Funding in HE and the need to increase investment in Higher Education, a broader discussion needs to take place in the interest of the ongoing generation of workforce skill sets, and in turn the national economy. With the current global turbulence, there needs to be a balanced governmental response which places a significant priority on keeping those in employment employable while equipping job seekers with the necessary skill sets for re-entry into the workforce. This necessitates a complete reconfiguration of the disbursement of the National Training Fund where the current ratios of approximately 70:30 for employment vs in employment would reflect the current rates of unemployment and the requirement of new skills for new jobs plus the pipeline of graduates for the future.

The definition of 'job seeker' needs further consideration as given the current employment market, this category of citizen has evolved to at least three different cohorts who require different strategic interventions and different levels of support and service. The main identifiable cohorts within the 'job seeker' category are the long term unemployed, the low skilled job seeker, and the professional job seeker. An acknowledgement at a strategic level of the differentiation between these three cohorts is essential. There needs to be a proportionate response which could allow a targeted approach provision.

In order to optimise the mission as set out by the Department of Education and Skills in relation to the qualitative benefits back to industry from such a partnership, and the broader ongoing economic regeneration and sustainability agenda, there needs to be an integrated approach which includes a balance between investment in Higher Education and the investment in the development of skills and knowledge in the workplace. It is evident in the consultation paper that a lot of initial thought has gone into the needs of the Higher Education provider mechanisms. There now needs to be a mapping of the relationship between this Higher Education provider mechanism and private providers, employer and relevant bodies. To meet the wide range of skills and approaches in the interventions required, the strengths of both public and private sectors need to be engaged within a partnership approach. The success of this partnership proposal will depend largely on the level of its relationship with industry and learners which is in turn dependant on its providers who deliver that relationship. It is imperative that there is a proportionate allocation

of the funding from the National Training Fund to the providers of the required skills at the required levels to ensure that the provision aligns to demand.

It will be a requirement for the DES to get the right stakeholders around the table for detailed discussion to ensure as broad and representative a perspective is taken as possible. It is only through such a lens that a significantly impactful service to the economy and its people can be made. This requires the widest possible ongoing consultation both at a local and national level as there are stakeholders outside of the Higher Education Institutions that have an interest and contribution to make in meeting the ongoing and emerging needs of industry.

The journey from education to employment is a complicated one, and it is natural that there will be different routes. The complimentary nature of formal learning, either in Higher Education or Further Education with on the job training and hands on learning as the most effective instructional blend is acknowledged.

Organisations and educational intuitions are partnering to align education and training with the jobs of today and tomorrow. But, how common is this practice? What works? And what are the plans for the future? How well are companies recruiting and partnering with universities to secure their talent pipelines?

There must be a greater synergy between the two and the success of that synergy is based on the quality of the dialogue between employers, learners and providers to ensure the proportionate blend is achieved as determined by the role. Higher Education providers need to work collaboratively with businesses to understand their strategies and related skill requirements. They need to understand the skill gaps and why they exist. Private providers have a key advantage in this as they are embedded in organisations in the course of providing solutions and this immersion ensures they have a greater understanding of the evolving needs of industry and are positioned to respond in a more tailored way.

Public – private education partnerships are essential for college and career readiness. Employers provide much needed industry context and help students prepare to enter the workforce. Educational institutions need industry to communicate future workforce needs, and invest resources to empower educators to deliver a skilled workforce. Only such a symbiotic relationship can help foster innovation and agility that is needed by industries.

It is not only the hard, technical skills that are most important but the soft skills of critical thinking, collaboration, communication, technical skills, and adaptability are now essential and in high demand. Currently many college and university graduates have been trained to be productive in one field, but employers are placing increasing importance on skills that reach beyond a single discipline or focus. Upon graduation, students should be able to handle information from multiple sources, advance professional relationships across different organisations, contribute innovatively to organisational practices, and communicate with understanding across social, cultural, economic and scientific disciplines. Tomorrow's workers will build their

careers in a globally interconnected and constantly changing world with smarter technologies in an effort to effect positive global change.

An expansion of the Skillnets model warrants consideration in this consultation phase as it forces providers to be measured and responsive to the needs of industry. Critically, it is a model which supports the preferred strategy of individuals and organisations in the development of talent; that of a contemporary 'push' model where learning paths are embedded into career frameworks which enables a strategic and planned response to the organic nature of roles.

Value for money and the measurement of value needs to be central to the financial model employed. There would also be a need to review and monitor at intervals to ensure that the structure and its related systems and approach delivers relevant outcomes. There is an urgent requirement to revise the metrics of success to qualitative measures which are concerned with impact and training effectiveness rather than quantitative measures concerned with numbers of participants or graduates, development days, etc.

In summary, there needs to be a reconfiguration of the National Training Fund expenditure to equally reflect the priorities of job seekers, needs of industry to access ongoing workbased development and the needs of Higher Education Institutions as per the recommendations in the Expert Group on Future Funding in Higher Education. These are equal priorities and this must be reflected in any future configuration of expenditure.

The commitment to ensuring those in employment remain in employment must be reflected through the resourcing of continuous development opportunities in the workplace. This can be achieved through the expansion of the Skillnets model or other such initiative.

There is a requirement for the establishment of a collaborative forum where industry has a voice and makes an ongoing contribution to curriculum development in Higher Education. This will strengthen the relationship between education and employment and ensure the appropriate development of national skill levels to compete for positions leading to recruitment trends in all sectors.

There must be full transparency on the initiatives funded from the National Training Fund so that industry and learners have clarity on how they can access the fund to meet their ongoing and emerging skill needs.

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