

Skills development central to continued success of Ireland's International Financial Services

Ireland offers a favourable business environment for international financial services activities and remains a very attractive location for investment by multinational firms in the industry. There are, however, a number of skills initiatives required to ensure the continued growth and success of the industry in Ireland according to a report launched today by the Expert Group on Future Skills Needs (EGFSN).

The report, *Future Skills and Research Needs of the International Financial Services Industry*, identifies the skills requirements of the international financial services industry in Ireland and sets out a blueprint for future skills development.

Launching the report at an international financial services industry event at Dublin Castle, the Taoiseach, Bertie Ahern TD commented, "When I launched *Building on Success* in September last year, I said that maintaining our world-class reputation and growth momentum can only be achieved if we continue to innovate and to be competitive. I also said that innovation and education is crucial to the development and growth of the international financial services industry. I am, accordingly, delighted to be able to launch today the Expert Group on Future Skills Needs Report on the 'Future Skills and Research Needs of the International Financial Services Industry'.

This study is the result of extensive research and consultation and clearly identifies the skills required to support the continued development of the industry. The time is right for Government Departments, State Agencies and the industry, to work together to deliver upon the recommendations set out by the Expert Group. In doing so, we can put in place a skills framework that will enhance our international competitiveness and contribute to the future development of the industry in this country.", he concluded.

Anne Heraty, Chairperson, EGFSN said, "This report has confirmed Ireland's continued attractiveness as a location for investment for international financial services companies. We must ensure that the environment in which these companies operate remains attractive and that it stimulates the further development of indigenous companies. By taking action now Ireland can ensure a continued flow of skilled people for the future international financial services companies, both multinational and indigenous, and enhance its reputation as a centre for high-value international financial services."

"The recommendations outlined in this report will require responses from and partnerships between many players. We will need to look at the development of new courses and modules focused on the needs of enterprise and these will need to be delivered in flexible and innovative ways," she continued.

Priority Areas

1. Skills Needs

There is evidence of future skills needs at a number of levels which will require additional education and training initiatives. The Irish education system produces good quality graduates. We need to ensure that undergraduate courses are relevant and contain the most up-to-date modules which will lead to well-rounded, well-prepared graduates for enterprise. Greater specialisation will be required at postgraduate level. Specialised training can also be delivered through industry professional bodies.

The report outlines a requirement for certain high skills - quantitative and mathematics skills,

knowledge of compliance and risk management and actuarial skills. These requirements are likely to persist and the report indicates that there will also be a need for employees with expertise in derivative structuring, credit analysis and languages, and pan European legal and taxation experts.

2. Staff Retention

Some sub-sectors have experienced high turnover rates which adds to costs and reduces efficiency. This high turnover has created greater competition for skilled resources.

3. Research Agenda

The report highlights the importance of developing increased international financial services research capacity in Ireland. This would make highly skilled people available to the industry as well as offering new market opportunities to companies and entrepreneurs in Ireland.

4. Delivery of Education and Training

The manner in which education and training programmes are developed, coordinated and implemented needs to be addressed.

Providers must ensure that their offerings meet industry needs and are responsive to the rapidly changing marketplace.

Ireland needs to align its education priorities to focus on specialising in a number of niche areas which could deliver internationally distinctive competences in the mid to high cost base.

Recommendations

There is not single solution to meet all the challenges facing the IFS industry from a skills perspective. The EGFSN has identified recommendations and actions under a number of headings designed to maximise the flow of skills to the international financial services industry.

- **Increase the supply of graduates** emerging from formal education with appropriate skill sets to meet the needs of the industry. This will require the introduction of new education and training modules and/or courses at graduate, post-graduate and professional level. Specifically this requires the development and delivery of courses / modules covering areas such as derivatives structuring, risk management, financial modelling and mathematical and technological skills.

The HEA and Financial Services Ireland should work together through the Clearing House Group to agree an action plan to deliver on prioritised skills sets. The Clearing House Group has established a subgroup to facilitate this process.

- **Expand the pool of labour** available to international financial services firms. This will require innovative approaches to human resource management.

Alternative labour pools should be identified which, with intensive training, are capable of performing foundation level roles. New entrants to the industry might include returning parents, school leavers and migrants.

Professional bodies, FÁS and VECs and other training providers need to expand their offerings in this regard.

- In order to boost the numbers of people available to the industry, both firms and education providers should attract **world-class talent**, regardless of where talent is to be found. This requires a flexible and attractive immigration system that minimises the burden on both individuals and their employers.

- The industry, coordinated by Financial Services Ireland, and supported by IDA Ireland and FÁS should **develop a strategy for careers information and promotion**. These bodies should ensure that all those involved with the provision of career guidance and information are fully aware of the positive career opportunities within the industry.
- IDA Ireland, Enterprise Ireland, the HEA and Science Foundation Ireland should facilitate a forum for industry and academia to jointly agree a mutually beneficial **research agenda**. The forum should be tasked with developing leading edge thinking and solutions which can be shared through structured workshops. This process will provide the opportunity for academia and industry to develop partnerships which will facilitate the timely identification of key research themes and ensure relevant research output.
- Due to the speed of change in the industry there is an increased requirement for **improved and more frequent course reviews and flexibility in course delivery**. An ongoing mechanism is required to facilitate academic - industry collaboration. In the short term the HEA and FSI should facilitate industry and academia to discuss the skills requirements as outlined in the report. To ensure the relevance of curricula, courses should be reviewed with increased frequency, the time required to revise course content should be reduced and use of industry placements and internships as part of course delivery should be increased.

The report can be downloaded in full at <http://www.skillsireland.ie>