



# **NATIONAL TRAINING ADVISORY COMMITTEE**

**Report 2002**

July 2003

## **REPORT for 2002**

### **National Training Advisory Committee**

#### **FOREWORD BY CHAIR**

This report is submitted by the National Training Advisory Committee (NTAC) to Ms Mary Harney, TD, Tanaiste and Minister for Enterprise, Trade & Employment and to Mr Frank Fahey TD, Minister for Labour Affairs. It was prepared to provide an overview of the activities of the NTAC during 2002.

In the course of 2002 employment continued to grow, albeit more slowly than in recent years, and there was also a modest increase in the unemployment rate. The continued success of the Irish economy and the low rate of unemployment generally have changed Ireland as a location to do business. Ireland can no longer compete as a low cost economy with a labour surplus. In order to succeed in the knowledge economy of the 21<sup>st</sup> century, Ireland must have a highly skilled, well-educated and adaptable workforce. Therefore there still remains a strong underlying need for greater investment in training and upskilling of the workforce. Successful participation in the workforce now demands a constant upgrading of skills. This was highlighted with the publication towards the end of last year of the Report of the Taskforce on Lifelong Learning. Many of its' recommendations relating to enterprise training in general and upskilling those currently in employment the NTAC fully supports.

In response to the mandate given to the NTAC by the Tanaiste, its work has necessarily concentrated on enterprise training and in establishing the priority needs of the sector. In the priority training needs paper presented to the Minister, the NTAC advocated further investment in training for those in employment, with a particular emphasis on addressing basic skills deficits in the workforce.

In order to create sustainable employment, increase our productivity and economic competitiveness, we must invest in the current workforce. If we fail to make the investment in skills, we risk losing jobs to low cost economies in the Far East and Eastern Europe. The stronger than anticipated revenues to the National Training Fund (NTF) in 2002 and the accumulated surplus appears to offer the means to increase the investment in training activities, particularly in-company training.

Anne Heraty  
Chairperson  
National Training Advisory Committee

## **INTRODUCTION**

The National Training Advisory Committee (NTAC) was established by the Tanaiste and Minister for Enterprise, Trade and Employment in 2001 to provide independent, strategic advice to ensure that national policies in relation to training people in employment and for employment are forward looking, and relevant, to the needs of the economy.

The establishment of the committee complied with a statutory requirement under the National Training Act, 2000. *Section 7* of the NTF provides for payments to be made from the Fund for schemes, the purposes of which are:

- (a) to raise the skills of those in employment,
- (b) to provide training to those who wish to acquire skills for the purposes of taking up employment, or
- (c) to provide information in relation to existing, or likely future, requirements for skills in the economy.

Section 7 also requires the Minister from time to time to consult with employee and employer representatives with respect to his/her functions under this Section of the Act. As well as carrying out an advisory role relating to issues of national training strategy generally, the National Training Advisory Committee provides a forum for the fulfillment of this provision.

The NTAC held its inaugural meeting in December 2001.

The Terms of Reference of the NTAC are as follows;

1. To advise the Minister for Enterprise, Trade and Employment on the ***overall strategy*** for enterprise training in Ireland.
2. To ***identify best practise*** on enterprise training and its application to public policy.
3. To advise the Minister for Enterprise, Trade and Employment on ***the priority training needs of the enterprise sector*** with a view to raising the skills of people in employment.
4. To advise the Minister for Enterprise, Trade and Employment on ***relevant aspects of the National Training Fund***, as set out in Section 7 of the National Training Fund Act, 2000.

## **NTAC ACTIVITIES IN 2002**

At its inaugural meeting in December 2001, the National Training and Advisory Committee agreed a work plan for 2002 which involved acquiring a detailed overview and understanding of the existing level of training provision for people in, and for, employment, through conducting research, and direct engagement with relevant state agencies involved in training provision. The Committee attached particular priority to the need to maximise the range of in-company training activity being supported under the Employment and Human Resources Development Operational Programme 2000-2006 (EHRD OP) in the context of Ireland's position as an open and an internationally based economy, and the need to maintain and increase competitiveness in all sectors of the economy.

The Committee felt that it would be useful to invite the main service providers to appraise it of their programmes and future strategies in the area of training and human resource development. In this context the Committee met initially with representatives of FAS, and Enterprise Ireland, as the main training service providers. The Committee received detailed presentations from representatives of these agencies on their role and strategies relating to human resources development in companies, and for persons who wish to take up employment.

### **Enterprise Ireland**

- EI provides HRD funding, advice and strategic support to individual companies. In looking at the overall business needs of client companies, EI provides practical support, which includes mentoring, recruitment of key personnel and training of trainers. EI also engages with companies in sectoral and cross-sectoral network programmes. The agency's sectoral programmes are driven by the agenda of growth and competitiveness.
- Of a total budget of €10.9m in 2002 for HRD activity, the Committee noted that € m would be allocated to individual companies, with €1.9 million for group/networking activities.

### **FAS**

- The focus is on skills development and in providing services to business that include advising companies on training, promoting the Excellence Through People standard, and administering the Training Support Scheme and programmes focusing on small firms not company development.
- The Committee noted that FAS is developing new strategies for training of people in employment, recognising that employees of small companies and those with low qualifications are less likely to have previously been trained.

The Committee found these discussions to be both positive and informative, and in particular noted the shared objective of both agencies to work in both a consultative and collaborative framework to avoid any possible duplication in training provision. The Committee emphasised that there should be a clear delineation in client focus

between in training provision by the two primary training providers, and considers that this approach should at all times form an essential element of the employment training strategy for these agencies.

### **THE NATIONAL QUALIFICATIONS FRAMEWORK and FETAC**

In line with the focus of the Committee on the skills of the labour force, the National Qualifications Authority of Ireland and the Further Education Training Award Council were invited to give a presentation to the Committee on their activities. A presentation on the new National Qualifications Framework was made by representatives from the NQAI, and FETAC. The key points which arose in the presentation and in subsequent discussion with the Committee were as follows:

- Employers, trade unions, the business sector and community organisations are all key stakeholders in the process.
- There appeared to be a gap between industry and providers which needed to be filled to link it to the framework being developed by the NQAI
- Public and private training providers should be able to approach the Councils for award recognition.
- Transition arrangements are currently in place to allow awards made by FAS, CERT, etc., to be recognised by FETAC.
- The recognition of achievement, independent of the context in which it takes place, is a central objective of the framework.
- Industry will be a key player in the new process. FETAC has already worked with Skillnets in developing recognition for new modules developed within the Training Networks Programme.
- Recognition of the key role which FETAC can play in facilitating people in employment with low level skills to upgrade those skills

### **THE EXPERT GROUP ON FUTURE SKILLS NEEDS**

A presentation on the work of the Expert Group on Future Skills Needs (EGFSN) was made by a representative from Forfas. Key points noted by the Committee included:

- The EGFSN group comprises representatives of the private sector, the social partners and the education sector. Its mandate is to look at the likely skills shortages/needs of the economy.
- The Group has produced three main reports and a number of sectoral reports, including one on In-Company Training. The Group's Third Report, published in Autumn 2001, considered skills needs in research, life sciences and construction.

- Demographic changes are resulting in fewer school leavers becoming available to meet the skills/labour needs of the economy. In addition, many young people are leaving the education system to take up work at an earlier stage than is desirable for the economy.
- It is also becoming more difficult to get people into the high skills area. They are not choosing to study in the areas which match the economy's needs.
- Biotechnology is an area where there is a need to look at specific skills requirements. There is also a huge skills gap in the construction sector if the NDP is to be delivered on time.
- Mechanisms need to be put in place to encourage retired people over 55 years of age to return to the workforce.
- Critical issues to success are:
  - Continued skills planning, monitoring and advice in relation to key industries.
  - Lifelong Learning and up-skilling

### **SKILLNETS TRAINING NETWORK PROGRAMME**

The Training Networks Programme (Skillnets) commenced as a pilot enterprise-led programme, with a three-year duration covering the period 1999-2001. At the end of 2001 the DETE commissioned an independent evaluation of Skillnets by the CIRCA Group, the results of which were seen as very positive.

Following a request from the Tanaiste and Minister for Enterprise, Trade and Employment the NTAC provided a report and recommendations from the Committee on the future of Skillnets. The Committee took the view that the Training Networks Programme should be continued to the end of 2005 (to include a period for dissemination of experience and best practise), with an indicative budget of €15 million from 2002 to 2005. The Committee also provided views on the content of a future programme, the eligibility criteria that should apply, and reporting and dissemination issues which Skillnets needed to address.

The programme was subsequently extended for a further three year cycle 2002-2005 and the Tanaiste acknowledged the importance of the advice provided by the NTAC in the decision making process and in framing the new mandate for Skillnets.

## **RESEARCH WORK BY THE NTAC**

One of the limitations which the Committee has to contend with is the lack of dedicated research staff and also the absence of any funding to enable it to commission specific research from external consultants. In the latter half of 2002 the Committee had already agreed that three pieces of work should be commissioned, to:

1. synthesise reports and recommendations on enterprise training which had been produced in recent years by bodies such as the EGFSN, ESRI, etc.;
2. identify examples of best practise in Ireland and internationally relating to the training of people in employment which offer the potential for mainstreaming;
3. identify best practise in relation to training or re-training redundant workers and those threatened with redundancy.

It did not prove possible to secure an allocation of funding to cover the costs of this research work. It was agreed in the circumstances that these issues would be highlighted to the Minister in the priorities paper.

## **PRIORITIES PAPER FOR PEOPLE IN EMPLOYMENT 2003-2006**

Following a period of reflection and discussion on the presentations which had been made to it by FÁS, EI, NQAI and the EGFSN the Committee felt that it was in a position to prepare a priorities paper for the new Minister for Labour Affairs. The general consensus was that while these agencies/bodies do good work, in light of the current economic climate, more needed to be done to bridge the gap between training services provided, and the ever changing needs of industry. Issues that needed further consideration in the view of the NTAC included:

- Apprenticeship
- Research to determine the current skills status of employees in different categories
- Upskilling of employees at all levels, including Management
- A promotional campaign to highlight the value of training (Philips Model) and the need to upskill constantly to enable career progression
- Language Training
- Human Resources skills
- Training incentives for employers and employees
- Awareness of NTF support

The policy paper which was submitted to the Minister for Labour Affairs set out the priority issues that the Committee, in common with policy objectives of other advisory groups such as the Expert Group on Future Skills Needs (EGFSN) and the Task Force on Life Long Learning, considered that need addressing over the next three years in relation to in company training. Amongst the key recommendations from the Committee (full text of the paper attached at Annex 2) were the following:

1. An overarching forum, to be chaired by the Secretary General of the Department of Enterprise, Trade and Employment, should be established to provide a co-ordinated, strategic and coherent approach to the work of the various organisations providing support for the up-skilling of workers under the Department of Enterprise, Trade and Employment.
2. Additional resources should be targeted at addressing basic skills deficits in the workplace and a Certificate in Workplace Competence should be developed as a priority, especially for workers who have no formal educational qualifications.
3. Additional resources should be targeted at addressing basic skills deficits in the labour force, focusing on literacy, numeracy, communications, problem solving, and basic IT skills.
4. The social partners should be encouraged, with adequate resources, to expand the pilot approaches tested under *Skillnets*' Training Networks Programme.
5. Three separate pieces of research work should be commissioned as soon as possible, on:
  - identifying best policy and practise in Ireland and Internationally relating to the training of people in employment, which offer potential for mainstreaming;
  - identifying best practise in relation to training or re-training redundant workers and those threatened with redundancy;
  - synthesising reports and recommendations on enterprise training which have been produced in recent years by bodies such as the EGFSN, ESRI, etc..
6. The surplus in the National Training Fund should be used to maintain the current level of expenditure in training programmes in real terms.
7. A Training Awareness campaign, sponsored and led by the Department of Enterprise, Trade and Employment, should be developed.
8. A common standard for trainers should be developed, within the national qualifications framework.



The Committee's Priority Paper was welcomed by the Minister for Labour Affairs as an important and constructive contribution to the Government's training strategy in the discussions that took place with the Minister at end November 2002. Following these discussions and with the full backing of the Minister the Committee is engaging further with FAS and EI with a view to maximising the input from these agencies in order to capture and mainstream best practise in enterprise training in both an Irish and an international context. The Committee is also hoping to draw on the expertise and experience of these agencies in advancing the research projects which the NTAC considered were important for their future work.

### **NTF INCOME AND EXPENDITURE**

In line with its role of advising the Minister for Enterprise, Trade and Employment on *relevant aspects of the National Training Fund*, as required under Section 7 of the National Training Fund Act, 2000, the Committee, on the basis of reports prepared by the NTAC Secretariat, engaged in close monitoring of income and agency expenditure under the NTF Fund throughout 2002. Discussions at meetings during the year focussed on two areas:

- 1) Consideration of the balance between the different schemes being supported by the Fund; and
- 2) Consideration whether there were other desirable schemes which should be funded.

**While noting that the predominance of the funding was being spent on “for employment” schemes the Committee wished to accord priority to ensuring that NTF funding is provided to schemes, which meet the training needs of those “in employment” and in ensuring as far as possible that an adequate portion of the Fund surplus should be ring fenced to support new proposals in this area.**

The Committee provided policy advice to the Department of Enterprise, Trade and Employment on issues relating to Fund drawdowns, and made recommendations on appropriate Fund allocations, including indicating a clear preference for NTF to be spent on direct, rather than indirect, costs of training programmes.

Annex 1.

**Members of the National Training Advisory Committee**

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Senan Cooke	Waterford Crystal Ltd. Kilbarry Waterford.



# **NATIONAL TRAINING ADVISORY COMMITTEE**

## **Priorities for training of people in employment 2003-2005**

**November 2002**

# **The National Training Advisory Committee**

## **Members**

Anne Heraty (Chair)

Senan Cooke

Caroline McQuaid

Aileen O'Donoghue

Peter Rigney

Rachael Stewart

Linda Tanham

# NATIONAL TRAINING ADVISORY COMMITTEE

## Priorities for training of people in employment 2003-2005

### **1. INTRODUCTION**

- 1.1 The National Training Advisory Committee was established in December 2001 to advise the Minister for Enterprise, Trade and Employment on the overall strategy for enterprise training<sup>1</sup> in Ireland and to identify the priority training needs of the enterprise sector.
- 1.2 Since its establishment, the Committee has apprised itself of the extent of State support for training of people in employment through meetings with key agencies and through desk research.
- 1.3 This paper, which has been prepared for the Minister for Labour Affairs at the Department of Enterprise, Trade and Employment, sets out the priority issues which the Committee considers need to be addressed over the next three years in relation to the up-skilling of people in employment.

### **2. TRAINING – AN ESSENTIAL INGREDIENT FOR THE IRISH ECONOMY**

- 2.1 The Irish economy has been positioned as an important European hub for firms engaged in delivering high value-added, knowledge-based products and services. Up to the 1990s, there was a steady stream of well-educated students leaving the formal education system to meet the requirements of this high skills economy.
- 2.2 However, Ireland's demographic profile is changing and over the next decade, there will be a significant decline in the number of school and college leavers joining the labour force. Increasingly, therefore, the existing labour force will be required to meet the new skills needs which emerge for the economy.
- 2.3 For Ireland to maintain its position as a strong knowledge-based economy, there are urgent and far-reaching implications for the training and up-skilling of workers. Investment by companies in training their employees, with the encouragement and, where appropriate, the support of the State, is critical to maintaining a strong economy. Failure to make this investment will lead to Ireland falling behind its competitors in terms of attracting foreign investment, particularly as new lower-wage economies join the single European market. With its changing demographic profile, Ireland needs to put in place a structured framework of workplace learning to provide confidence to potential inward investors of the on-going availability of skills in the labour market.

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<sup>1</sup> Enterprise Training is defined as training for people who are in employment. Training, while related to the workplace, need not necessarily take place within a workplace setting.

- 2.4 The productivity and competitiveness of indigenous firms will also suffer if workers in native enterprises do not update their skills to keep pace with changes in technology and work practises.

### **3. CONVERGENCE OF STRATEGIC VIEWS**

- 3.1 A range of reports in recent years by bodies such as the Expert Group on Future Skills Needs, the National Competitiveness Council, the Taskforce on Lifelong Learning and FORFAS, have emphasised the need to improve the skills base of the workforce if the Irish economy is to remain competitive.

- 3.2 The priority needs that have been identified in these reports are:

- Improving the knowledge, skills and competence of those at work
- The need to move skills up the value chain
- Retraining of workers in vulnerable industries or occupations
- The need for increased investment by SMEs in training
- The need for training to be relevant, flexible and adaptable to the needs of enterprises
- Ensuring an adequate training infrastructure for the delivery of in-company training
- The need for engagement between industry groups and the national qualifications framework to develop accreditation for in-company training, including recognition of prior learning in the workplace.

- 3.3 Significantly, the European Employment Guidelines also highlight the need for Lifelong Learning strategies in order to meet the needs of workers and employers in the increasingly knowledge-based developed economies. In response to Ireland's national Employment Action Plan, the European Council has recommended, over the last two years, that special attention should be paid to in-company training in Ireland.

- 3.4 The National Training Advisory Committee endorses the views expressed by the European Council and other advisory bodies at national level and, in this paper, offers practical advice on specific issues which can be addressed quite swiftly to meet the high level priorities outlined above. Failure to quickly bring about a greater commitment from companies to invest in up-skilling their workforce will result in loss of competitiveness for firms, redundancy for individuals, and the subsequent economic and social consequences for the State.

### **4. STATE ROLE IN ENTERPRISE TRAINING**

- 4.1 At present, a range of publicly funded bodies provide grants and other forms of support to companies to assist in the up-skilling of workers. These bodies include FAS, Enterprise Ireland, Skillnets, County Enterprise Boards, IDA Ireland, and Shannon Development, all of which are under the remit of the Department of

Enterprise, Trade and Employment. Outside of the Department's area of responsibility, training supports to industry are also provided by Údarás na Gaeltachta and CERT. With the exception of Skillnets, each organisation provides support to a discrete client group, often delimited by operating sector or company size (Skillnets facilitates training networks which can include a mix of company sizes and sectors).

- 4.2 **In 2002, a total of €124 million will be invested in training people in employment, through organisations under the remit of the Department of Enterprise, Trade and Employment<sup>2</sup>. The Committee notes that this figure includes approximately €2 million for apprenticeship training within FAS. While the Apprenticeship system is fundamental for meeting many of the skills needs of the economy, it is, effectively, a programme to train people for entry into employment. The State has, up to now, invested far fewer resources on re-skilling and up-skilling those who are already in employment. Only €32 million of the allocation to train people in employment is available for schemes providing discretionary support to companies. By comparison, €182.7 million is allocated to FAS in 2002 for Training the Unemployed.**
- 4.3 **The bias of funding towards training new labour market entrants stems from the time when Ireland had high unemployment and a growing cohort of school leavers. However, circumstances have changed in recent years. Unemployment has fallen from over 15% in the early 1990s to 4.8% in 2002. The number of people at work has increased from 1.3 million in 1995 to 1.8 million at present. The Committee believes that funding priorities should follow developments in the labour market and should now reflect the need to up-skill those in employment.**

## **5. RECENT DEVELOPMENTS**

- 5.1 The Committee notes a number of recent developments which highlight the need to up-skill those in employment and which should help bring about increased investment in this area.
- 5.2 The Committee welcomes the recent publication of the Report of the Taskforce on Lifelong Learning and, in particular, its emphasis on learning for adults. The identification of the need to address literacy, numeracy and other basic skills, as well as the emphasis on increasing lifelong learning in the workplace and formally recognising workplace learning, is consistent with the recommendations made by the European Commission's High Level Skills and Mobility Task Force. It is also consistent with a number of the recommendations made in this paper.
- 5.3 The extended mandate given to Skillnets to the end of 2005, with a budget of €15 million, is also welcomed by the Committee. Skillnets has developed an approach which encourages enterprises to identify and address their own training needs. This approach appears to have encouraged greater buy-in by companies to up-skilling their employees. The Committee recommends that other State funded agencies should examine the Skillnets Programme (but not necessarily the Networks model) to

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<sup>2</sup> Includes NTF and Exchequer/ESF support for schemes operated by FAS, Enterprise Ireland, Skillnets, IDA Ireland and Shannon Development (source: Dept. of Enterprise, Trade and Employment).

determine how the enterprise-led approach promoted by Skillnets can be captured in their own programmes and schemes.

- 5.4 The Committee also welcomes the recent announcement by the Department of Enterprise, Trade and Employment of a new scheme to provide ESF funding to projects for In-Company Training.
- 5.5 The Committee believes that the expansion of provision and funding available to industry through the extended Skillnets programme and the In-Company Training scheme will offer more choice to industry and will help to alleviate the gaps in current provision to some sectors and enterprises. The Committee notes the commitment in FAS's Statement of Strategy 2002-2005 to promote investment in training by employers and hopes that this will further enhance the availability of training support to the widest range of companies.

## ***6. WEAKNESSES IN CURRENT STRUCTURES***

- 6.1 At organisational level, the basic objective of each of the publicly funded bodies providing training support to companies is the same, i.e. to promote and facilitate the up-skilling of the workforce. While there is a degree of interaction between many of the organisations at operational level, there is no demonstrable strategic collaboration between them on the issue of up-skilling. In the absence of such collaboration, the potential is high for unnecessary duplication of effort, if not provision.
- 6.2 At the same time, there is increasing anecdotal evidence of gaps in provision for certain companies who do not fit the client profile of FAS, Enterprise Ireland or the County Enterprise Boards. In spite of the objective that any company should only have to deal with one agency in relation to all of its business development needs, there is a lack of clarity for many businesses on the respective roles of each of these agencies and the criteria which apply to the training grants they operate.
- 6.3 In the Committee's view, the training needs of companies are paramount and there is a need to ensure that all firms can potentially avail of training supports. It is also crucial that State support should not just be directed at the stronger companies in the economy – 90% of companies in the Irish economy are Small and Medium Sized Enterprises<sup>3</sup>, many of whom are serving the needs of the local community and providing local employment opportunities. They, too, need to up-skill their workforce to safeguard jobs.

## ***7. OVERARCHING FORUM***

- 7.1 From an effectiveness and value for money perspective, it is important that there is sufficient interaction and co-ordination between the Department of Enterprise, Trade and Employment and its agencies. In addition, it is essential that agencies are aware of what each other is doing, particularly to avoid duplication and to encourage a more collaborative approach.

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<sup>3</sup> Using the EU definition, Small and Medium sized Enterprises (SMEs) are enterprises which have fewer than 250 employees and have an annual turnover not exceeding €40 million per annum or an annual balance sheet total not exceeding €27 million.



- 7.2 To proactively respond to and advance the recommendations of the Taskforce on Lifelong Learning relating to enterprise training, the Committee recommends that the Department of Enterprise, Trade and Employment establish an overarching forum to provide a co-ordinated, strategic and coherent approach to the work of the various organisations under its remit providing support for the up-skilling of workers. This forum could operate independently of the proposed structures for overseeing, monitoring and implementing the broader Lifelong Learning agenda referred to in the Report of the Taskforce on Lifelong Learning; it should, however, feed into and inform those structures.
- 7.3 This forum should:
- establish clearly how much money is being spent under various schemes for training people in and for employment
  - identify the extent to which unnecessary duplication co-exists with gaps in provision in the area of training supports
  - ensure that all companies and sectors have an opportunity to avail of supports to up-skill their workers
  - encourage and facilitate the on-going exchange of experience between the organisations
  - develop a campaign to promote the up-skilling of workers, to clearly inform industry of the role which each agency plays in this area, and to outline their criteria for training support
  - agree the establishment of common indicators to measure the outcomes of the investment of public funds in training.
- 7.4 The Committee recommends that this forum should be established immediately by the Minister and should be chaired by the Secretary General of the Department of Enterprise, Trade and Employment. The agencies involved in the forum should be represented at the highest level.

## **8. *EMPLOYEE FOCUS***

- 8.1 The Committee, as a general principle, agrees with the rationale for the provision of State support to industry for training, viz.:
- HRD investment should be clearly linked to the articulated strategic plans of enterprises and the economy as a whole.
  - Support should be designed to achieve a step change in the HRD performance of the company.
  - Particular attention should be given to the attainment of recognised quality standards or certification.

- Support should be directed to building self-sustaining capability within the firm and should therefore decline over time.
- 8.2 However, these principles place a primary focus on the needs of enterprises, rather than workers. There is an increasing recognition that employee development and business competitiveness are two sides of the same coin. In this context, business strategy needs to incorporate the training needs of employees. Unions have a key role to play in this process, some having developed their capacity in this area under programmes such as ADAPT.
- 8.3 The needs of those with lower skills require particular attention. In spite of the relatively high percentage of the Irish labour force with Third Level qualifications (generally attained prior to entry into employment), 35% of Ireland's Labour Force in 1999 had only Primary Level education. Moreover, a recent OECD survey showed that a quarter of Ireland's adult population has severe difficulties with functional literacy.
- 8.4 The tight labour market of recent years resulted in many people securing employment without the educational qualifications which would have previously been sought by employers. The fact that so many people were able to access employment as a result of Ireland's economic success is welcome. However, those without formal educational qualifications are the most vulnerable in times of economic down turn. Their employability can be enhanced by formally recognising the skills they have learned in the workplace and offering them the opportunity to further improve their skills.
- 8.5 In this context, the Committee recommends the following:
- Additional resources should be targeted at addressing basic skills deficits in the workforce, focusing on literacy, numeracy, communications, problem solving, and basic IT skills.
  - Additional resources should be provided to the Further Education and Training Awards Council (FETAC) and the Higher Education and Training Awards Council (HETAC) for the development of accreditation of prior learning in the workplace.
  - A Certificate in Workplace Competence should be developed as a priority, especially for workers who have no formal educational qualifications. FETAC should be fundamentally involved in this development.
  - In light of the increasingly multi-cultural and diverse make up of the labour force, training also needs to be increasingly provided to managing diversity in the workplace.
  - Workplace learning benefits both employers and employees. It lends itself to practical development on a co-operative basis between employers and employees. The concept of partnership in the workplace should, therefore, extend to joint approaches to the training and up-skilling of employees. In this regard, the social partners should be encouraged and resourced to expand the pilot approaches tested under *Skillnets*' Training Networks Programme.
- 8.6 The Committee recognises that the new In Company Training scheme referred to in Section 5 above offers scope for furthering these proposals. However, the scheme is largely dependent on initiatives emerging from industry. If sufficiently strong

proposals do not emerge from the public call for proposals, the State must take the lead in developing initiatives in these areas.

## **9. *QUALITY TRAINING PROVISION***

- 9.1 Quality of training provision is an important issue which must be addressed. If companies are to invest more in training, they must be assured that the training they are purchasing is of a high standard which meets their needs and the needs of their employees. At present, there are various accredited training courses which trainers can undertake; however, there is no common recognised quality standard for trainers. The Committee recommends that a common standard for trainers be developed, within the NQAI framework, to address the current gap.
- 9.2 At company level, the assignment of responsibility for the training function, on at least a part-time basis, should be encouraged to plan, identify, purchase, or deliver in-house, the training needs of employees. In business, all issues of importance have resources allocated to them. As the strategic importance of human resources development is highlighted to businesses through the Report of the Taskforce on Lifelong Learning and through recommendations made in this paper, the need for companies to dedicate some degree of resources to managing the up-skilling and training of workers needs to be promoted.
- 9.3 Certification of all training undertaken by employees is an important part of raising the quality of training provision, and, in this regard, the Committee welcomes the development by the NQAI of an employment perspective in the emerging new national framework of qualifications. The Committee supports the proposal that the national framework will support employers and unions as providers of training by enabling them to link their own education/training and certification needs to awards in the national framework. The Committee also supports the putting in place of mechanisms to recognise and accredit prior learning in the workplace. The allocation of additional resources to FETAC/HETAC for the development of accreditation of prior learning in the workplace, as recommended in Section 8, is essential for success in this area.

## **10. *BEST PRACTISE***

- 10.1 The Committee considers that there is a need to capture and mainstream best practise in enterprise training, both in an Irish context and an international context. Many positive and innovative approaches to training of workers were piloted under various EU initiatives in the 1990s. The lessons from these pilots need to be captured and disseminated on a wide scale. Equally, best policy and practise from developed economies outside the EU need to be identified and adopted into an Irish context.
- 10.2 The various Task Forces which have been established throughout the country to assist in cases of large scale redundancies have proven effective in retraining redundant workers. The experiences and approach of these Task Forces should be recorded and shared to allow early intervention in the case of those threatened with redundancy.
- 10.3 Recommendations which have emerged in recent years from bodies such as the ESRI, the Expert Group on Future Skills Needs and FORFAS should also be synthesised to

consolidate a view of best practise in the area of training people in, and for, employment.

10.4 The Committee recommends that three separate pieces of research work should be commissioned, on:

1. identifying best policy and practise in Ireland and internationally, which offer potential for mainstreaming;
2. identifying best practise in relation to training or re-training redundant workers and those threatened with redundancy;
3. synthesising reports and recommendations on enterprise training which have been produced in recent years by bodies such as the EGFSN, ESRI, etc..

In light of the current economic climate, the Committee considers the research into re-training redundant workers and those threatened with redundancy to be a priority.

10.5 The three pieces of research should be carried out early in 2003 and an adequate allocation should be made from the National Training Fund to cover the cost of the work. The Committee is willing to commission and oversee the research.

## **11. AWARENESS BUILDING**

11.1 The Committee is strongly of the view that there is a need for a national Awareness Campaign to raise the profile of training and lifelong learning and to highlight the benefits of training to both the employer and employee. Ideally, such a campaign should promote specific training courses, such as the Certificate in Workplace Competence suggested in this paper. The campaign would compliment and supplement the National Adult Literacy Association's (NALA) campaign to address literacy and numeracy deficits in Irish society.

11.2 The Committee recognises the success of NALA's Read Write Now television programme in providing a medium and content which is attractive to the target audience. It recommends that the Training Awareness campaign should, similarly, take the form of a short series of TV programmes, aimed at both the general public and companies, and featuring personalities well known to the public.

11.3 The TV series should be supported by billboard posters and radio advertisements. The campaign should be sponsored and led by the Department of Enterprise, Trade and Employment.

## **12. NATIONAL TRAINING FUND**

12.1 The National Training Fund was established at the end of 2000 as a dedicated fund to train people in, and for, employment. It is financed by a levy on employers.

12.2 The Committee has noted that the Fund is carrying an on-going surplus of up to €70 million per month. The Committee recognises that, in the current economic climate, there are likely to be restrictions on public expenditure. However, in view of the importance of up-skilling the labour force, as outlined in this paper, the Committee

believes that it there should be no restriction in the current level of expenditure on training people in, and for, employment.

- 12.3 Where necessary, the surplus in the National Training Fund should be used to maintain the current level of expenditure in training programmes in real terms. The Committee recommends that, for transparency, the NTF moneys should be used against the direct cost of training (e.g. training materials, trainees' costs) rather than indirect costs (e.g. agencies' overheads).
- 12.4 The allocation of any additional NTF monies in this way should be used as an opportunity to strengthen and re-focus schemes to ensure that they best meet the needs of the labour market. Training schemes which do not show strong labour market outcomes should receive digressing levels of support from the NTF.
- 12.5 The surplus in the NTF also presents a source of funding for the implementation of many of the recommendations made in this paper and recommendations in the Report of the Taskforce on Lifelong Learning which relate to the up-skilling of those in employment. An adequate portion of the surplus in the Fund should be ringfenced to support these proposals.

## Summary of recommendations

1. An overarching forum, to be chaired by the Secretary General of the Department of Enterprise, Trade and Employment, should be established to provide a co-ordinated, strategic and coherent approach to the work of the various organisations providing support for the up-skilling of workers under the Department of Enterprise, Trade and Employment.
2. Additional resources should be target at addressing basic skills deficits in the workplace and a Certificate in Workplace Competence should be developed as a priority, especially for workers who have no formal educational qualifications. The Further Education and Training Awards Council (FETAC) should be fundamentally involved in this development and should be adequately resourced - along with HETAC - for the broader development of accreditation of prior learning in the workplace.
3. Additional resources should be targeted at addressing basic skills deficits in the labour force, focusing on literacy, numeracy, communications, problem solving, and basic IT skills. Training also needs to be provided in managing diversity in the workplace. If necessary, the State must take the lead in developing initiatives in these areas.
4. The social partners should be encouraged, with adequate resources, to expand the pilot approaches tested under *Skillnets*' Training Networks Programme.
5. Three separate pieces of research work should be commissioned as soon as possible, on:
  - identifying best policy and practise in Ireland and Internationally relating to the training of people in employment, which offer potential for mainstreaming;
  - identifying best practise in relation to training or re-training redundant workers and those threatened with redundancy;
  - synthesising reports and recommendations on enterprise training which have been produced in recent years by bodies such as the EGFSN, ESRI, etc.

6. The surplus in the National Training Fund should be used to maintain the current level of expenditure in training programmes in real terms. The allocation of NTF monies should be used as an opportunity to strengthen and re-focus schemes to ensure that they best meet the needs of the labour market. Within this framework, priority should be accorded to schemes which meet the training needs of those in work and an adequate portion of the surplus in the Fund should be ringfenced to support new proposals in this area. Schemes which do not show strong labour market outcomes should receive diminishing levels of support from the NTF.
  
7. A Training Awareness campaign, sponsored and led by the Department of Enterprise, Trade and Employment, should be developed, in the form of a short series of TV programmes, supported by billboard posters and radio advertisements.
  
8. A common standard for trainers should be developed, within the national qualifications framework. At company level, the assignment of responsibility for the training function to a member of staff should be encouraged, to plan, identify, purchase or deliver in-house the training needs of the company and its employees.

Annex 3—NTF Statement of outgoings for 2002

**Estimate of NTF Income & Expenditure for 2002**

<b>Income</b>	
Opening Balance 1.1.2002	31,171,169
Receipts to 31.12.2002	239,000,000
<b>Total</b>	<b>270,171,169</b>
<b>Expenditure</b>	
Expenditure to 31.12.2002	204,578,000
<b>Surplus</b>	<b>65,593,169</b>

<b>Organisation</b>	<b>Scheme</b>	<b>Drawdowns to 31.12.2002</b>
FAS	Apprenticeship instructors	12.500
FAS	Training for the Employed	96.308
FAS	Training for the Unemployed	79.943
FAS	Skills Analysis Unit	0.255
Skillnets Ltd.	Training Networks Programme	4.382
Enterprise Ireland	Training Grants to Industry	6.000
IDA Ireland	Training Grants to Industry	4.406
SFADCO	Training Grants to Industry	0.229
IEI	CPD pilot project	0.254
FORFAS	Expert Group on Future Skills Needs	0.296
HEA	ICT Skills	0.000
NTAC	NTAC meetings	0.005
<b>TOTALS</b>		<b>204.578</b>



