EMPLOYER VOICE PROJECT
NORTHERN IRELAND REPORT

A REPORT BY:

SAINT CONSULTANCY SERVICES

JANUARY 2010

CONTENTS

LIST OF FIGURES

1. INTRODUCTION

The UK Commission for Employment and Skills (UKCES) is undertaking a one year project which aims to maximise the impact of the employer voice[1] on the employment and skills system. To achieve this, UKCES has conducted research to understand, within the current system, where the employer voice is effective, what can prevent the employer voice from having impact and ultimately how employer leadership of the employment and skills system can be improved. The project will result in recommendations to governments across the UK in April 2010.

Phase 1 of the project involved stakeholder interviews (over 80), the development of place-based case studies in 3 spatial areas (Yorkshire and the Humber, Greater Manchester and Wales), mapping of existing employer voice structures across the 4 nations, desk research on the policy affecting this area to date and a synthesis of key sources of data from a literature review. In addition, research into the views of employers currently involved in employer voice structures in England was conducted.

Phase 2 involves a consultation exercise, an impact review of mechanisms in England and further research into how the employers influence the employment and skills systems in Northern Ireland, Scotland and Wales. **This document is a report on the research conducted in Northern Ireland, containing the findings from desk research and a series of interviews. It also presents a review of the Northern Ireland position in comparison with the other UK nations.**

This report is structured as follows:

Section 2 provides an overview of the methodology that was adopted for the research;

Section 3 provides a the key findings of the research outlining the employer voice mechanisms that are influencing the employment and skill system in Northern Ireland at either strategic or operational level, the strengths and weaknesses of this landscape, key areas where impact has been achieved and any areas where there is a case for change.

Section 4 maps the Northern Ireland employment and skills system against the 3 guiding principles developed as a result of the phase 1 research of the employer voice project and compares and contrasts the Northern Ireland context with the other UK nations

Section 5 identifies key lessons learned during the Northern Ireland research. The lessons are outlined for the overarching project, for government and stakeholders in Northern Ireland and for the employer voice mechanisms themselves.

---

[1] Employer voice refers to the process whereby employers are invited to, or proactively choose to, influence the employment and skills system at a range of spatial levels (UK, national, sub-national) through partnerships with other employers or public sector employment and skills partners. Employer voice does not refer to employers influencing as customers through purchase of employment and skills products and services.

2. METHODOLOGY

This section of the report outlines the methodology that was adopted for the research in Northern Ireland. Both desk research and primary research were undertaken to inform the findings and lessons learned.

Desk research was undertaken on the current mechanisms, structures and channels in Northern Ireland that capture the employer voice in order to influence the skills and employment agenda. A review of policy in relation to the employer voice was also undertaken.

Further desk research also involved reviewing Future Skills Action Group (FSAG) action plans, newsletters and progress reports, Workforce Development Fora (WDF) terms of reference and minutes and the PA Consulting review of WDFs. An analysis of the relevant websites and associated documentation was also undertaken.

Primary research involved a series of in depth stakeholder and employer interviews. The full list of interviewees can be found at annex A.

In summary, 10 stakeholders have been interviewed from the Department for Employment and Learning (DEL), Invest NI and the further education and higher education sectors. 11 employer and employer representative organisation interviews have been undertaken. Interviewees were drawn from WDFs, FSAGs, Sector Skills Councils (SSCs) and lobby organisations. The Northern Ireland Adviser for Employment and Skills (NIAES) was also interviewed.

Standard interview guides were developed to conduct the interviews. The guide for stakeholders aimed to collect information on the structures within the Northern Ireland system, and how they relate to each other. Views on strengths and weaknesses of the current landscape were sought, as were examples of impact, i.e., where an employer voice mechanism had identified an issue and agreed upon a course of action that had resulted in a change being made within the employment and skills system. Views were also sought on whether any changes needed to be made to the current employment and skills system to enable employers to have greater influence over the system.

The guide for the employer and employer representative organisations' interviews aimed to collect information on the key successes that had been achieved as a result of collaborative employer influence. Respondents were asked to identify reasons driving the success. Respondents were also asked for examples where their influence had not been successful and the barriers that had contributed to this lack of success.

Finally, the findings from the Northern Ireland research were mapped across to the 3 guiding principles developed as a result of the phase 1 research of the employer voice project and compared and contrasted with the results from the other UK nations. The models developed for the 3 guiding principles have been completed for Northern Ireland as a desk based exercise on the basis of the knowledge gained from the research conducted for this report. These models and the report were reviewed and validated with a small group of Northern Ireland stakeholders at a meeting in January 2010.

3. KEY FINDINGS

3.1 The Current Landscape

This section of the report outlines the employer voice mechanisms that are influencing the employment and skill system in Northern Ireland at either strategic or operational level. The structures outlined are, in the main, regional and sub-regional. Local mechanisms have not been reviewed for the purposes of this report.

Regional Partnership Board

The Northern Ireland Assembly maintains a Regional Partnership Board which is an alliance of the 26 Local Strategic Partnerships developed under measures 1 & 2 of the Peace II Programme. The Partnerships administer grants through the EU Programme for Peace and Reconciliation and other area-based regeneration programmes plus non-European programmes.

Membership of the Regional Board includes business sector members and local partnership membership. This includes business sector and employer representative organisations with a remit for social economic development and area-based development and regeneration.

Economic Development Forum

The Department of Enterprise, Trade and investment (DETI) have an Economic Development Forum which advises Ministers on the main economic priorities for the short to medium term. The forum membership includes employers, employer representative organisations and other key stakeholders. The recent Review of Economic Policy, however, has questioned the role of this group and recommended that it is abolished.[2]

Northern Ireland Employment and Skills Advisory Structure

A new advisory structure for employment and skills in Northern Ireland has been developed. This involves the appointment of an Adviser (NIAES) and an Advisory Group (ESAG) to support the Adviser in his role. This role is held by Bill McGuinness who is also the Northern Ireland Commissioner on the UKCES. The new advisory structure is independent and replaces the Northern Ireland Expert Group.   The Northern Ireland Adviser's role is to:

- Provide sound advice to the Minister for Employment and Learning on employment and skills issues;

- Identify actions that need to be progressed to address employment and skills issues more effectively;

- Assure and challenge government strategies and policies on employment and skills in Northern Ireland;

- Achieve greater engagement of business, particularly SMEs in the skills debate;

- Promote the benefits of investment in skills and identify and champion international best practice;

---

[2] DETI & Invest NI (2009), Independent Review of Economic Policy, Chairman Professor Richard Barnett.

- Publish an annual assessment of the existing employment and skills levels in Northern Ireland.

Membership of ESAG includes employer chairs of the WDFs, the Alliance of SSCs, further and higher education, trade unions, as well as international representatives and the Chair of Matrix[3]. ESAG's initial priorities are:

- Increasing high performance working practices through the leadership and management of Northern Ireland businesses, with a particular focus on SMEs;

- Developing innovative solutions to engaging SMEs in the employment and skills arena;

- Developing partnership approaches and joined up funding to match skills delivery to demand, spanning government, employers and individuals.

2 inquiries were commissioned to inform the first 2 priorities during the latter part of 2009.

Sector Skills Councils

The 25 SSCs operate across Northern Ireland, articulating the voice of employers in their sectors. SSCs have a direct relationship with DEL through a team that manages their performance. SSCs feed in their Northern Ireland LMI directly to DEL via Sector Skills Agreements and Sector Skills Assessments and also directly influence qualifications through their Sector Qualification Strategies. The SSCs have links with Sector Training Councils that operate in Northern Ireland including the Construction Industry Training Board, Electrical Training Trust, Engineering Training Council, Food and Drink Training Council, Momentum, Northern Ireland Screen and Northern Ireland Polymers Association.

The Alliance of SSCs is the collective voice of the 25 SSCs. In Northern Ireland, there is an Alliance Manager who co-ordinates a Northern Ireland group of SSC representatives chaired by an SSC Chief Executive. The Chair sits on the ESAG.

Workforce Development Forums

There are 6 WDFs in Northern Ireland. These are spatial mechanisms aligned with one of the geographic areas covered by Northern Ireland's 6 regional further education colleges. The areas are Belfast, North, North West, South, South West and South East.

The WDFs are chaired by a prominent local business person and work to common terms of reference. WDF membership varies across the 6 and is a mix of employers, DEL and providers. The chairs of the WDFs sit on the ESAG. Each WDF aims to have SSC membership or liaison.

The role of the WDF is to bring together the supply and demand sides of the employment and skills system at a sub-regional level to identify local employers' skills needs and to develop solutions to these needs, from within existing resources where possible. In the majority of cases, the identified solution will be delivered by the local college but the WDF also maintains relationships with private sector training providers.

---

[3] MATRIX Northern Ireland (2008), Volume 1: First report of MATRIX: The Northern Ireland science industry panel.

A review of WDFs was conducted in 2009[4]. The review identified lack of resource to drive action as a key constraint for the WDFs. DEL has now agreed to provide 2 days support for each WDF to help take forward the actions identified by each forum.

Future Skills Action Groups

FSAGs are sector-based partnerships between SSCs, trade bodies, employers and further and higher education. There are currently 3 FSAGs focusing on ICT, hospitality and tourism and financial services.

These groups are time bound and work to articulate the current and future skills needs of a critical sector to government and are chaired by a prominent employer. The 3 are at various stages of development. The ICT FSAG has produced its first year progress report. The ICT and Hospitality and Tourism FSAGs report both have action plans in place and report against these action plans. The Financial Services FSAG has just appointed a new chair and is establishing a coherent governance structure and priorities for action during 2010.

Higher Education Strategy Steering Group

DEL is currently developing a higher education strategy and has set up a steering group to guide its development. The steering group reflects the key players in the economy including employer representative bodies and the NIAES.

There are 5 expert groups feeding into the steering group. Each has industry experts as members. One of the expert groups focuses on the economy and is chaired by a leading business person. It will explore the current relationship business has with higher education and vice versa and outline the potential role for higher education in a modern, post-recession economy.

Non-Sector Specific Employer Representative Organisations

There are a number of non-sector specific membership organisations that also have a role not only in offering business advice to employers, but also lobbying government and representing the 'voice' of their businesses. This includes the Confederation of British Industry (CBI), the Federation of Small Businesses (FSB), Chambers of Commerce and the Institute of Directors (IoD). All of these groups meet informally in Northern Ireland as part of the Northern Ireland Business Alliance and are in regular contact with government for formal and informal input into policy development.

Review Groups

Government also engages with employers through regular 12 week consultation exercises on policy development. On occasions, review groups are established, led by a leading academic or employer, for specific issues that are time bound. Examples of this are the review of economic policy where the review group was chaired by Professor Richard Barnett, Vice-Chancellor of the University of Ulster and the recent review of STEM skills where the review group was chaired by Dr Hugh Cormican, Managing Director of Andor Technology.

---

[4] PA Consulting Group (2009), Development of Workforce Development Forum Strategies Final Report.

Local Employer Voice Mechanisms

At a sub-regional and local level, there are a number of partnerships that employers may be involved in. They include: Economic Development Partnerships, Employment Partnerships and Neighbourhood Partnerships. These mechanisms have not been explored for the purposes of this research.

3.2 Connectivity Across the Groups

This section of the report outlines how the employer voice mechanisms work together to formally input into policy development. It also identifies the strengths and weaknesses of the current landscape.

The following diagram demonstrates how the new advisory structure, SSCs, WDFs and FSAGs work together to formally input into policy development. It is based on a diagram produced for the review of WDFs in 2009.
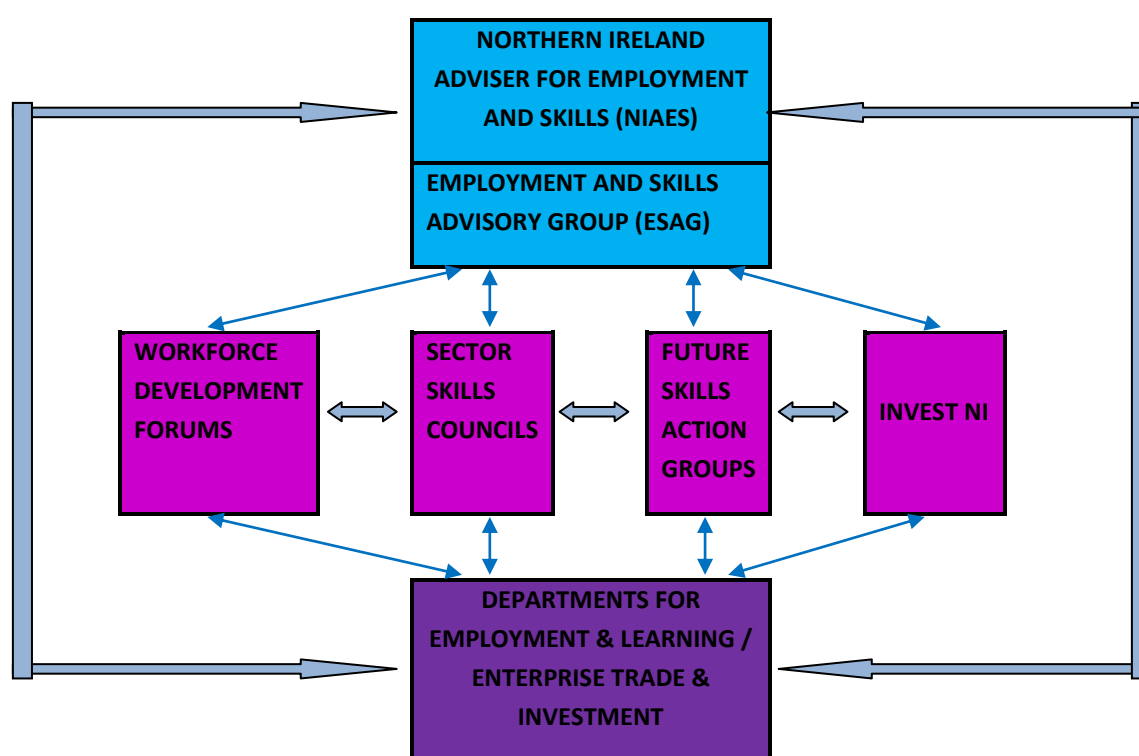
FIGURE 1 – EMPLOYER VOICE STRUCTURE IN NORTHERN IRELAND

The overall structure shows that employers can feed in via both spatial and sectoral routes to DEL and the ESAG. This enables Northern Ireland's distinct geographical differences to be accounted for (in terms of population density and also the conglomeration of certain business types in certain geographical areas) alongside needs specific to each sector.

The structures are interlinked, allowing for collaboration and cross-fertilisation of information and activity. At a headline level, the landscape appears to be less complex that in England

and slightly less complex than Wales. It should be noted, however, that local level structures may impact on this conclusion.

The strengths of the approach in Northern Ireland are:

- There are many routes for employers to feed into and government values and takes action on both the spatial and sectoral perspective that these routes provide;
- There is a well-defined structure for employers to influence. The structure provides a clear distinction between strategic influence (the advisory structure provided by the NIAES and ESAG) and operational influence (WDFs and FSAGs). It is too early to evaluate the effectiveness of the advisory structure although it is driving a determined campaign to engage all parts of the economy and DEL has provided significant resource to support its efforts;
- The ESAG has the potential to join up views from across a range of employer voice mechanisms so that "one" employer voice can be agreed and fed in to government;
- There is evidence of spatial and sectoral partnership approaches between SSCs, WDFs and FSAGs to drive effective operational action. Strong partnership between SSCs and FSAGs has led to a sharing of resources and delivery of collaborative programmes that impact greatly on the sector's growth potential and its employers;
- There is evidence of a swift response to issues and significant impact, mainly due to the direct links that employer voice mechanisms have with Ministers, civil servants and parts of the employment and skills system that are required to deliver (e.g., senior college staff members sit on the WDFs along with DEL budget holders, DEL sit on the FSAGs and so are involved in the detailed planning and costing of action);
- There are some strong mechanisms driven by high profile, well connected and knowledgeable employer chairs who are viewed as key to their success. Many of the chairs are driven by a real desire to make a difference for their sector or local area, as well as the broader economy;
- Where the chair is able to devote time to developing effective governance and clear ways of working, there is evidence of a strong, trusting partnership that drives focused activity on common goals;
- The mechanisms provide employers with a networking opportunity to learn about the system, engage with public sector partners and share experiences with other employers
- The solutions have been delivered through joint funding packages of mainstream, discretionary and employer funds.

The weaknesses of this approach are that:

- Although the diagram above shows connectivity between the various employer voice mechanisms, the servicing of these groups by employers and employer representative organisations is resource intensive to maintain the flow of information and drive action;
- The is some overlap in roles and responsibilities across the overarching structure;
- For employers that are involved, the structure appears coherent, however, to the unengaged or newly engaged employer (particularly SME and micro), the many routes provide a confusing array of options. This could lead to dissatisfaction and disengagement;

- In addition, having separate departments, DEL and DETI, dealing with employers is a barrier to supporting businesses effectively with many of the respondents proposing the need to "join up" government. This would mean that one route was available to employers to either access services and products and / or influence the system and one strategy was developed for a sector or group of employers as opposed to one being produced by each department and agency;

- The localised focus of the WDFs requires labour market information at this level of disaggregation. This again is not always possible with the resource available so often anecdotal information is used to drive action;

- Employer engagement in some of the mechanisms is variable. In the case of the WDFs, some are very effective, others are struggling to engage and retain employer members and are reliant on their respective colleges to steer them. The additional resource being provided by DEL should make a significant difference to their ability to deliver;

- The WDFs that are delivering are generally focusing on the sectors that their chairs' companies relate to. This is not necessarily a weakness although it may mean that other parts of the economy with skills needs in that particular geographical area are being overlooked;

- There are concerns that SSCs are under-resourced or lack Northern Ireland specific capability, particularly in relation to production of local level labour market intelligence;

- There is limited opportunity for formal collaborative employer influence of higher education although this may change with the higher education membership of the Employment and Skills Advisory Group and the structures set up to drive the development of the new higher education strategy in Northern Ireland;

- The key issue for most respondents was the lack of engagement, and ongoing difficulty to engage SMEs (in influencing the system or as customers of the services provided by DEL and Invest NI);

- There is a concern that action taken to address employers' needs is focused on the immediate, more operational needs and that the lack of foresight information results in less strategic action being taken;

- Bridge to Employment provides an opportunity for employers to become involved in influencing employment opportunities. It may be worth further investigation as to whether this provides sufficient employer influence over employment services;

- The groups would benefit from common policy principles on funding of solutions through a mix of public and employer investment.

3.3 Impact

This section of the report identifies examples of impact that have been delivered by the key employer voice mechanisms. It also identifies the key reasons for this success and some of the areas of concern and barriers to impact.

At an operational level, there are significant examples of impact across the range of mechanisms. This is particularly effective when spatial and sectoral mechanisms share their specific areas of expertise and develop a collaborative solution for employers. The ICT and Hospitality and Tourism FSAGs are very effective models in driving forward action in this way. The key elements of success being:

- A driven employer chair;

- A small and focused implementation group consisting of key experts, deliverers and funders;

- Stringent governance and reporting arrangements;

- Clear accountabilities on who is responsible for delivering what;

- Task and finish approach within a fixed timeframe.

The FSAGs are able to be responsive to employers needs because of the above factors. A singularly important factor is that the group has a direct line to DEL as DEL is a member of the group from the outset. This means clarity in relation to funding of initiatives and what is and is not affordable is inherent to the workings of the group.

The FSAGs have also worked effectively in partnership, particularly in engaging and making the most of the relevant SSC. For example, the Financial Services FSAG has recently agreed that the Northern Ireland Partnership Manager for the Financial Services SSC (FSSSC) will project manage the FSAG's strategy. Aligning strategies and sharing resources to deliver priorities in this way will undoubtedly benefit the sector by delivering timely outcomes.

Examples of impact from the FSAGs are:

- The ICT FSAG drove an intensive marketing programme to increase the awareness of the Software Professional Course. This resulted in a130% increase in enrolments to the course;

- The ICT FSAG launched a new "Bring-IT-On" brand, aimed at improving the image of the ICT industry. The brand was specifically targeted at 16+ year olds and included the development of an interactive website (www.bringitonni.info) which features inspirational stories from successful ICT companies, video clips of ICT professionals at work and information for parents and guardians. A total of 11,000 unique visits to the Bring-IT-On website were recorded in its first year;

- The Hospitality and Tourism FSAG has introduced a new pilot programme "Industry into Education" to the sector. It is funded by the DEL and offers industry specialists the opportunity to work with local regional colleges to support and assure the quality of training for their sector;

- The Hospitality and Tourism FSAG are facilitating a Northern Ireland cross college project to develop a standardised approach to the delivery of the Professional Cookery Diploma. The project aims to create standard delivery across the province that is accepted and supported by the sector. The scheme has already been piloted by 2 colleges resulting in positive feedback.

There are also examples of impact from the WDFs. In the cases quoted below, it is clear that the WDF is a key driver in the resultant solution. As with the FSAG examples of impact, the key success criteria were collaboration with other partners, specifically the area college and the SSC.

As with the FSAGs, a key factor in the ability of the WDFs to respond quickly to employers' needs is the close working relationship with DEL. When an issue is identified, the membership of DEL on the WDF to guide on potential solutions and funding of that solution is critical.

The WDFs are most effective when they are responding to an issue that is relevant to their chairs, as can be seen in the first 2 examples below, where the chair's own company was part of the sector where there was an issue to be addressed. It is less clear how effective the WDFs are at addressing issues outside of the chairs' respective sectors. It is also not clear how much of the activity of the WDF would have happened as a matter of course through the work of the college and / or SSC as part of their regular activity.

As reported earlier, this piece of research concurs with the review of WDFs undertaken in 2009, in that the WDFs are variable in their impact to date. They are also very different in terms of membership and approach to addressing their remit. Some of them, also, have limited employer engagement although the challenge of engaging SMEs and micros is not to be underestimated and there are clear examples of impact to date across the 6.

Examples of impact from WDFs are:

- Northern manufacturing companies, led by Michelin, identified an issue in recruiting maintenance engineers. The companies were unable to fill positions using external recruitment. The Northern WDF worked with SEMTA and the college to develop and accredit a level 3 fast-track bespoke programme to address this need and upskill employees. (Their roles were backfilled through the Bridge to Employment programme.) The programme was then mainstreamed as part of the apprenticeship offer.

- The Belfast WDF, working with the local ICT software sector, identified the need for software programmers to develop a wider range of software language skills. A .NET upskilling programme was developed and delivered as a pilot by Belfast Metropolitan College. Funding was secured from DEL's Innovation Fund with 16 participants selected from a range of local companies. The programme is now being offered on a commercial basis to meet the additional demand that DEL funding was unable to support.

- The SW WDF has identified a range of priority sectors and organised seminars on each priority sector. Stakeholders and employers were invited to each seminar where the skills needs and issues faced by each sector were presented and discussed and a range of actions agreed. The seminars were supported by the respective SSCs and DEL. It is anticipated that actions will be taken forward as a result of the seminars during 2010.

SSCs have established themselves as a key link between employers across the economy and the employment and skills system. This can be seen in the examples above. Through their research on employers' needs, they provide intelligence to help ensure that action and solutions meet the evolving needs of their sectors and the dynamic labour market.

In addition to contributing to the delivery of the FSAGs and WDFs, SSCs have each developed a Sector Skills Agreement (SSA) specific to Northern Ireland. Most SSCs also have Northern Ireland specific industry panels and advisory committees that ensure engagement of employers at a local level.

Concerns reflected in the research related to the variable capacity and capability of the SSCs in Northern Ireland and that there should be a rationalisation of the 25. There were also concerns at their lack of ability to disaggregate information about their sectors to a local level.

Some key examples of delivery include:

- Creative and Cultural Skills have developed an industry-led, year-long Leadership Programme to develop existing creative and cultural leaders and prepare emerging leaders for the future. It is supported by the Arts Council of Northern Ireland, DEL and Arts & Business;

- Skills for Justice have established an action learning initiative, Forward Together, to increase management and leadership capability of chief executives and senior managers. The programme addresses specific strategic issues that leaders face and enables them to implement a programme of change to resolve those issues;

- Energy and Utility Skills, ConstructionSkills and SummitSkills have collaborated on 2 programmes to support the development of employers in the environmental technology industries. Content of further education based training has been revised to better meet the needs of operatives using solar water, heat pumps and biomass technologies. A further project will expand the development of training courses for environmental technologies, so they include the specialist skills required by architects, renewable designers and engineers.

Across all of the examples identified, the partnership approach to addressing employers' skills needs has resulted in a fit-for purpose solution. The partnership approach has also enabled appropriate decisions on funding to be made. In most cases the funding approach has been jointly taken forward through a combination of relevant mainstream or discretionary public funds and employer contributions. There are no guiding rules as to how the financing of solutions should operate, however, and it may be that some policy principles are required.

At a strategic level, the advisory structure provides an opportunity for employers to influence the system. As noted earlier, it is too early to evaluate its effectiveness. However, there are some points worth noting. The general feeling from contributors to this research is one of optimism for the role and approach of the NIAES and the ESAG.

There is also a sense that the structure is right in that it brings together the key parts of the employer voice operational structures (WDFs and SSCs), alongside other key stakeholders, in a balanced way. One of the things that might be considered is whether the FSAG chairs should also have a role on the ESAG.

The ESAG is also viewed as "getting straight down to business" and tackling one of the key issues facing Northern Ireland as an economy made up largely of SME and micro

businesses. Its first 2 inquiries have targeted employer views, firstly, on how SMEs and micro businesses might be better engaged in order to benefit from the public sector offer and, secondly, on how to engender a greater leadership and management culture to support business development and growth to take the economy out of recession and develop an international business outlook.

The first report of the NIAES is due in March 2010. Progress on the first 3 priorities will be reported at that stage.

3.4 Case for Change

This section of the report outlines the suggested areas for potential change to enable employers to have stronger influence on the employment and skills system in Northern Ireland. The suggestions have been themed into 4 main areas below.

An SME and Micro Economy

The above factor was a common theme from respondents to this research. The fact that Northern Ireland is a small economy made up almost entirely of SMEs and micro businesses raises a number of specific issues to support a strong employer voice within government.

An SME and micro dominated economy lacks leadership and management skills and vision as to how to transform, grow, innovate and export. This results in a lack of demand for skills and unwillingness or unawareness of the need to engage with the employment and skills system, either to access products and services, or to influence government. This requires a cultural shift to raise employer ambition and encourage employers to strive for increased productivity and competitiveness.

The SME and micro economy also presents issues for government. 99.7% businesses in Northern Ireland have less than 250 people, 89% have less than 10 and 68% of businesses do not know what government support exists at the moment. Engagement with these businesses requires more effective and innovative communication from government. Government needs a nervous system that captures employers' views rather than asks employers to attend meetings and feed into bureaucratic processes.

The proposed cross-departmental brokerage team may go some way to resolving this issue. However, the required cultural shift from government to engage and respond effectively to an economy of SME and micro businesses is significant and should not be underestimated.

Joined Up Government

The independent review of economic policy recommended that economic policy and skills policy needs to be brought together in Northern Ireland. Most of the respondents to this research argued that a single strategy was required for each sector and that having separate departments, DEL, DETI, the Department for Education and Invest NI, acts as a barrier to achieving this. Respondents to this research recognised, however, that this was a challenge and there was no easy solution.

There is, however, a need to look at strengthening the collaboration and links between these departments and agencies to enable coherent communication to employers and their businesses. Again, the cross-departmental brokerage team may go some way to

addressing this issue by simplifying the lines of communication to employers. However, for employers to strengthen their influence on the system further thought needs to be given to how a streamlined system can add value. The new advisory structure has potential to achieve this but needs to be a voice into all departments. Additionally, the FSAG model has potential to work across all departments and develop a coherent approach to delivering a sector strategy that is broader than skills.

Foresight Planning

There is a general acceptance that a demand-led approach is appropriate in Northern Ireland. However, there are concerns that this might result in short-termism with the current needs of employers being met very effectively at the expense of the future needs of the economy and sectors.

This means there is a case for employers to be involved in planning mechanisms to determine what future skills and employment needs are likely to be, as opposed to a pure demand-led approach. There is a role for SSCs in interpreting these future needs and translating them into information for the advisory structure and also to ensure the work of the FSAGs is set within a strategic framework.

Resource Intensive Model

Although the overall landscape is less complex than elsewhere in the UK, the combined sectoral and spatial model in Northern Ireland is resource intensive for both employers and the partners involved in supporting delivery. Thorough evaluation of the models is required to identify how they can share resource more effectively and be clear on accountability and roles and responsibilities.

The FSAG model appears to operate and manage this very well, particularly where the Financial Services FSAG is working with the FSSSC to create synergies. This model is worth exploring for other sectors.

4. MAPPING THE FINDINGS AGAINST THE EMPLOYER VOICE GUIDING PRINCIPLES

This section of the report compares the Northern Ireland system against the employer voice guiding principles and contrasts with the other UK nations. 3 guiding principles have been developed as recommendations to governments across the UK on how to ensure employer influence on the employment and skills system is maximised. The guiding principles are:

- A policy framework is established that is clear about **the deal between employers and government /s and articulates the respective accountabilities**. This can result in a mixed model (sectoral plus spatial area employer leadership mechanisms) but this must be a conscious choice reflecting what specific parts of the UK economy needs rather than a series of random approaches that have arisen out of a lack of clear policy direction;

- A coherent system is established that **explicitly determines the elements of the system that employer leadership mechanisms can take action on** and is directive about who does what and who works with whom to ensure that the system operates effectively as a whole system;

- Ensure that, once this policy framework is established, **it provides a long-term, stable platform to maintain coherence. Any new policy aiming to involve employers in any way must fit within the set of guiding principles** so that the approach is consolidated and employer leadership mechanisms are allowed time to add value and deliver impact.

The matrix below has been developed to test the employer voice mechanisms within a particular system against the 3 guiding principles. The matrix plots each of the employer voice mechanisms outlined in section 3.1 of this report against their roles and responsibilities in influencing the system. This establishes whether there is a coherent system in place that explicitly determines roles and responsibilities of employer voice mechanisms as part of the overarching system or whether there are areas of ambiguity and overlap (principle 2).

	NATIONAL SKILLS ACADEMY (UK WIDE)	SECTOR SKILLS COUNCIL	NIAES & ADVISORY GROUP	ECONOMIC DEV. FORUM	FUTURE SKILLS ACTION GROUPS	WORKFORCE DEVELOPMENT FORA	REVIEW GROUPS (e.g. HE STRATGEY STEERING GROUP)	TRADE ASSOCIATIONS	IoD / FSB / CBI / Chambers
Identifying skills / employment needs		red	blue	red	blue	blue	red	red	red
Policy development (including consultations)		red	red	red	red	red	red	red	red
Influence government spend and priorities on training/ employment	red	red	red	red	blue	red	red	red	red
Standards setting		yellow							
Developing qualifications / learning frameworks / employment programmes	blue	blue			blue	blue			
Ensuring quality delivery / developing routes to market	blue		blue	red	blue	blue	red	red	red
Providing feedback on system improvement (skills or employment)	red	red	blue	red	red	blue	red	red	red
Increasing investment in training / addressing worklessness	blue	red	red	red	red	red	red	red	red

FIGURE 2 – AREAS OF INFLUENCE AGAINST EMPLOYER VOICE MECHANISMS IN NORTHERN IRELAND

employer involved	red
shared responsibility	blue
employer-led	yellow

The matrix is also colour coded to determine what the deal between government and the employer voice mechanism looks like against the employer leadership continuum (principle 1 - see annex A). This determines the extent of influence that the mechanism has in its interaction with government and sets out a clear match of expectations between both parties becoming an agreed deal, as opposed to a deal imposed on employers by government.

There are 3 levels of employer leadership: employer involved, shared responsibility and employer-led. These terms are defined in the employer leadership continuum model as:

- Employer involved – where employers have an advisory role and government is responsible for decisions on how the system operates and is funded;

- Shared responsibility – where employers and government are jointly responsible for decisions;

- Employer-led – where employers are responsible for decisions and government sets the policy framework to enable leadership.

In plotting roles and responsibilities on the matrix, it should be noted that a number of variables will exist. Some of the mechanisms have different legal statuses which will impact their ability to prioritise and take action on skills issues. There will also be different timeframes for action and different resource levels across the mechanisms that will impact on their ability to influence. Some of the mechanisms will have formal roles in relation to the employment and skills system, most likely articulated through their terms of reference, others will have more of an informal lobbying role. The matrix plots mechanisms across this range.

If the matrix is used to analyse the current system, as above, by allocating roles and responsibilities according to the matrix descriptors, there are clear overlapping roles across most of the descriptors, other than standards setting and qualifications / learning frameworks / employment programmes. Government may want to review terms of reference to establish less ambiguity in roles and responsibilities and also to achieve more effective use of the resource available.

However, an interesting aspect of the matrix for Northern Ireland, that is not a feature of the matrices for England and Wales, is the extent of "shared responsibility" areas, particular for the ESAG and the FSAGs. This seems to indicate that more responsibility is handed to employers in the right circumstances in Northern Ireland for both strategic (ESAG) and operational (WDFs, FSAGs) influence of the system.

From a Northern Ireland perspective, it is clear that the new advisory structure (the ESAG) potentially provides a route for employers to influence at a strategic level and the deal here is clear. Although recommendations on the first set of issues that are being explored by the group are not due until March 2010, the view is very positive about the impact of its findings for government.

The shared responsibility approach is also apparent in that DEL is very hands on as a member of both FSAGs and WDFs and is able to respond, subject to funding, in a very responsive manner to identified needs. The examples of impact, where this happens effectively, are significant. The partnership and collaboration that drives success in these examples can be clearly traced to a common vision and purpose between government and employers. Government may want to capitalise on this and clarify the deal in a more formal way to ensure that all employers have clear expectations of their role on respective employer voice mechanisms.

The third principle is less of an issue in Northern Ireland than in England, Scotland or Wales. The skills strategy implementation plan, launched in 2006, still remains valid (although a

review is due imminently). The policy platform is therefore more stable and policy flux by was not touched upon by any of the respondents to this research.

5. LESSONS LEARNED

This section of the report identifies key lessons learned during the Northern Ireland research. The lessons are outlined for the overarching project, for government and stakeholders in Northern Ireland and for the employer voice mechanisms themselves.

5.1 Lessons for the Employer Voice Project

- Explore how the connectivity of the Northern Ireland landscape can be applied to other systems, particularly focusing on the advisory structure and FSAG models;

- Further examine how the shared responsibility aspect of the employer voice mechanisms in Northern Ireland can provide lessons for mechanisms across the UK;

- Apply the operational and strategic role distinction to models across the UK to understand what benefits this might achieve or otherwise;

- Use Northern Ireland as an example of where the policy framework has achieved stability enabling a clearer set of expectations between government and employers and also time to achieve significant impact before being remodelled, revised or abolished;

- Use Northern Ireland as an example, alongside the Wales Employment and Skills Board model, of where closeness to Ministers and civil servants who are decision makers and budget holders enables action to be taken swiftly to meet employers' needs;

- Revise guiding principles to reflect Northern Ireland findings.

5.2 Lessons for Government.

- Clarify the employer deal across each mechanism. What role do you require employers to play across the range of mechanisms in Northern Ireland – "employer involved", "shared responsibility" or "employer-led";

- Clarify the roles and responsibilities of employer voice mechanisms in Northern Ireland, particularly at an operational level and address some of the resource issues and resulting tensions between WDFs and SSCs. Use the FSAG model to understand how resources can be shared to create synergies;

- Roll out the FSAG model to other priority sectors where action is required to achieve greater growth and competitiveness;

- Once the deal and roles and responsibilities are clarified, boost the profile of FSAGS, WDFs and SSCs with employers across Northern Ireland and encourage them to engage;

- Build on the momentum achieved so far with the development of the advisory structure. Ensure that there is a formal and swift response to its first set of finding s and recommendations and that the deal between the advisory structure and government has teeth, i.e., the deal is "shared responsibility";

- Link the economic agenda to the skills agenda by broadening the role of the advisory structure and mechanisms such as the FSAGs to feed across government departments. Focus on developing a cross-government strategy for key sectors that can be monitored and reported on through one mechanism (such as the FSAGs);

- Support the development of strategic partnerships between SSCs and spatial areas whereby sectors of key importance to a labour market are given more capacity to engage at that spatial level (i.e., not all SSCs will need to interact with all WDFs and vice versa);

- Develop clear roles and responsibilities and protocols on how research is to be gathered and shared, providing more resource where greater levels of disaggregation is required to ensure action is supported by a robust evidence base;

- Understand how SSC industry panels and advisory groups can be more effectively used to influence policy and the developments of the FSAGs and WDFs;

- Establish a frame of reference or key criteria for employer voice mechanisms to meet to drive action and support from government, i.e., percentage membership of employers etc.;

- Provide support to existing mechanisms to develop on-line support networks for SMEs and micro businesses that do not have time to attend meetings. Understand how employer representative organisations such as FSB and also SSCs represent SMEs and use them as a means of formal dissemination to SMEs and micro businesses.

5.3 Lessons for Employer Voice Mechanisms

- Be clear on the deal and matched expectations between yourselves and government – "employer involved", "shared responsibility" or "employer-led";

- Ensure there is a business case for employers to become involved. Establish why it is in their interest to become involved and what the benefits are;

- Ensure you have a clear role and responsibilities in relation to other mechanisms. Establish links with other spatial and sectoral groups to identify common areas of activity, share good practice and reduce duplication;

- Establish clear and transparent working practice in terms of governance;

- Establish a shared vision and common purpose that is detailed in a strategy or action planning document. Ensure all employer members of the group are involved in the development of the strategy and they are clear of their respective role in delivering it;

- Set out responsibility for financial resources and project delivery so that there is a sense of ownership in doing a "real" job;

- Recruit a range of employers to ensure every relevant employer interest group is involved. For the group to have a strong employer voice, a majority of employer members is recommended;

- Keep it simple – focus on practical delivery and impact. Drive the business of the group through project activity where the purpose is clearly defined and outcomes measurable and avoid getting tangled up in the complexity of the policy and funding frameworks;

- Ensure the group has a designated resource to act as secretariat, coordinator or facilitator for the group and to drive and maintain momentum;

- Ensure there is an explicit understanding of what funds are available to support the group and what funds / initiatives can be influenced as a result of action;

- Establish a clear visible line between employer input and changes in policy, funding and / or delivery on the ground. Change must be clearly auditable and seen operationally as well as at a strategic and policy level;

- Establish a formal feedback mechanism to the relevant part of government to and from the group to ensure their views and concerns are responded to and action is taken at the highest level. If action is not taken or is not felt to be appropriate then ensure that the group receives clear communication on the rationale.

ANNEX A – LIST OF INTERVIEWEES

NAME	ROLE ON EMPLOYER VOICE MECHANISM	COMPANY
EMPLOYERS / EMPLOYER REPRESENTATIVE ORGANISATIONS		
Laurence Downey	NI Manager, Alliance of Sector Skills Councils	
Graham Whitehurst	Chair, Northern WDF	Plant Manager, Michelin Tyre plc.
Donald Hackett	Chair, South Western WDF	Managing Director, Classic Marble Ltd.
John Toner	Chair, South East WDF	General Manager, Hastings Slieve Donard Resort & Spa
Wilfred Mitchell	Regional Vice Chair, Federation of Small Business	
Linda Brown	Divisional Director, Institute of Directors	
Bill McGinnis	NI Adviser on Employment & Skills	
Dominic McGeown	Member, Belfast Education Partnership	Head Of Human Resources, Botanic Inns Ltd.
David Mawhinney	Chair, ICT Future Skills Action Group	Managing Director, Equiniti ICS
Stephen Magorrian	Chair, Hospitality & Tourism FSAG	Managing Director, Botanic Inns
Bernadette Brown	Chair, Financial Services Future Skills Action Group	HR Business Partner, Abbey National / Santander
STAKEHOLDERS		
Nuala Kerr		Director of Skills & Industry, DEL
Michael Gould		Assistant Director, S & I, DEL
Patricia McVeigh		Head of Higher Education Policy Branch, DEL
Yvonne Croskery		Head of Further Education Policy Branch, DEL
Jim Russell		Head of Pathways for Work, DEL
Niall Casey		Invest NI
Richard Barnett	Member NIAES Advisory Group, Chair, Review of Economic Policy review group, Member Economic Development Forum	Vice-Chancellor, University of Ulster
Ellen Douglas Cowie	Member NIAES Advisory Group	Pro Vice Chancellor, Queen's University
Brian Doran	Member, South WDF	Principal, Southern Regional College
Paul White	Member, Belfast WDF	Belfast Metropolitan College

ANNEX B - EMPLOYER LEADERSHIP CONTINUUM

LOW		EMPLOYER LEADERSHIP		HIGH
EMPLOYER INVOLVED		**SHARED RESPONSIBILITY**		**EMPLOYER-LED**
Employers have an advisory role Government/s are responsible for decisions		Employers and government/s (through public sector partners) are jointly responsible for decisions		Employers are responsible for decisions Government/s set the policy framework to enable leadership
Low or enforced employer investment (in the mechanism and to support training)		Potential high employer investment (in the mechanism and to support training)		Potential high employer investment (in the mechanism and to support training)
High government subsidy for the mechanism and to support training to meet the needs of the economy		Potential high government subsidy for the mechanism and to support training to meet the needs of the economy		Targeted government subsidy for different parts of the economy / more government focus on training for social inclusion
Examples include: SSC intelligence role, ESBs without powers, RSPs, employer representative organisations such as CBI, FSB etc. Australia / Canada system.		Examples include: NSA model, employer coalitions, employer modelled approach in Singapore, South African levy system		Examples include: SSC NOS role, ESBs with powers, some large employers or training associations that fund their own training, Hong Kong Training Associations, compulsory / voluntary levy.