



Northern Ireland
Assembly

Research and Library Service Briefing Note

Paper 90/10

3rd September 2010

NIAR 286-2010

Review of NIAES Reports

1 Introduction

The following briefing note provides key points and a brief discussion of three reports by the Northern Ireland Adviser on Employment and Skills (NIAES). The reports are:

- Improved Engagement of SME's (Small to Medium Enterprises);
- Recovering the Unemployed and the Economically Inactive; and
- Improved Leadership and Management.

2 Improved Engagement of SME's¹

NIAES and the skills advisory group established three priority areas to examine in 2010. One of these was:

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

The report highlights that SMEs produce 81% of Northern Ireland's Gross Value Added (GVA) and suggests that a 1% shift in productivity amongst these companies would add approximately £110 million to GVA.

¹ Office of the Northern Ireland Adviser on Employment and Skills 2010 Improved Engagement of SMES in the Employment and Skills Arena

As such, the report focuses on examining existing government policy towards SMEs and examines barriers to businesses investing in training.

A survey was also conducted in which a short questionnaire was issued to businesses through key stakeholders (resulting in potential contact with approximately 5,000 businesses)².

Through these methods, the Advisory Task Group (ATG) responsible for producing the report developed a number of key recommendations:

- A targeted promotional campaign to raise awareness of the business benefits to be gained by SMEs by investing in training and development;
- Business with 10-249 employees should be offered an individual visit from a skilled business adviser and given tailored support to meet their individual needs;
- Businesses with less than 10 employees should receive direct mail contact from government to explain where they can get practical support and to signpost them to provision;
- Business advisers offering support need to be skilled at engaging, understanding and providing a tailored solution to meet the needs of SMEs;
- SMEs need ongoing one to one mentor support to help them grow their business. Highly skilled mentors from large successful companies should be used to support smaller businesses;
- The current system of advice to SMEs needs to be streamlined and companies offered one source of advice from across government which is easy to access and understand; and
- The number of government support products needs to be reduced and streamlined and focused on achieving a high quality offer.

SME's currently receive support from government through Invest NI (although this is limited as a result of INI's remit to promote foreign direct investment, which only a limited number of SME's in NI are able to access) and the Local Enterprise Agencies (LEA) which provide a variety of support programmes for businesses such as start up and business improvement programmes.

Much of the support available to SME's is provided through the LEA's, with over 2,000 businesses accessing their services³.

² Please note, the report does not state how many replies were received.

³ Enterprise Northern Ireland <http://www.enterpriseni.com/Home.aspx> (first accessed 27th August 2010)

3 Recovering the Unemployed and the Economically Inactive⁴

This report was developed as part of NIAES three priorities for 2009/10 and focused on developing recommendations for integrating employment and skills to create innovative solutions to recover unemployed and inactive individuals into the economy.

The report examined six areas in and around this topic:

- The importance of employment;
- The Northern Ireland Labour Market;
- Prospects for the economy and labour market;
- A literature review that examined barriers to an individual's employment and an employer's engagement;
- Best practice;
- Government policy; and
- Future welfare reforms.

From this discussion a number of recommendations were developed for government consideration:

A multi approach to assist individuals, in particular, our young people to obtain and sustain work.

The reports four main key recommendations are:

- 1. Government should as a priority develop and implant an economic strategy for Northern Ireland with the aim of stimulating job creation;**
- 2. Create employment opportunities on the demand side through strong state intervention;**
- 3. Put in place improved measures to tackle the barriers to employment; and**
- 4. Improve and enhance the linkages across departments, agencies, employers and local authorities who are responsible for welfare to work policies.**

Each key recommendation has a number of subsidiary points which provide suggestions regarding how the recommendation can be met⁵.

A number of these key recommendations are reflected in the Executive's "Priority Measures to Deal with the Economic Downturn" produced in March 2010, including measures, such as:

⁴ Office of the Northern Ireland Adviser on Employment and Skills 2010 Recovering the Unemployed and Economically Inactive into the Economy

⁵ For a detailed breakdown of the NIAES recommendations please see <http://www.niaes.co.uk/NIAESSite/files/86/866163a1-a1b0-4023-bc8e-4dc6ad99e6a9.pdf> Pages 14 - 17.

- Provide graduate opportunities for those qualifying during 2009/10 and 2010/11 through the Graduate Acceleration programme through job placement lasting 26 weeks (DEL);
- Introduce programme-led apprenticeships for those apprentices who cannot find employment at present (DEL);
- Introduce a pilot graduate internship scheme (6 months paid employment with a training element with the community and voluntary sector) (DEL);
- Launch a range of measures to ensure continued delivery of Employment Services to increasing number of clients (DEL);
- Introduce programme-led apprenticeship training provision for unemployed 16 and 17 year olds (DEL);
- Provide focused careers guidance services to met the needs of unemployed professionals (DEL);
- Continue with the Steps to Work programme (DEL);
- Provide work placements with the public sector for programme led apprenticeships (DEL);
- Identify and implement short term schemes to retain employment levels – Short Term Assistance Scheme up and running (Invest NI);
- Introduction of Skillsafe schemes;
- Continue to work with local government as part of the local government reform programme to further develop local government's role in relation to local economic development (Local Government Division, DOE / Department of Enterprise, Trade and Investment (DETI));

As can be seen from the recommendations of the NIASE report and the measures to be undertaken by the Executive there are a number of recommendations in the process of being implemented.

4 Improved Leadership and Management⁶

The report was developed to:

Advise on actions to improve leadership and management, including the adoption of high performance work practices in the small business sector and make recommendations through the Advisor to the Minister for Employment and Learning.

The NIASE report established the need for a three pronged approach to improving management practice and leadership in NI:

⁶ Office of the Northern Ireland Adviser on Employment and Skills 2010 Improved Leadership and Management within Northern Ireland Businesses

- Meet expectations and support successful high performing companies with the greatest potential to expand by:
 - Establishing a new network for top level companies and entrepreneurs to come together in a safe environment to network and share problems and solutions;
 - Invite each year the leaders and managers of 20 high performing SMEs with the greatest potential to expand to take part in intensive, high-calibre training; and
 - Developing and implementing an international placement programme for individuals to learn best practice leadership and management skills.
- Raise aspirations to encourage companies who have not yet adopted or fully utilised good management and leadership practices:
 - An awareness campaign to promote the business benefits of leadership and management skills;
 - Roadshows to inform, encourage and capture companies who are in the lower spectrum in the adoption of management and leadership skills;
 - One point of contact and one portal to access government support;
 - Use of highly skilled mentors from larger successful companies to support smaller businesses;
 - Use of skilled business advisors to provide a tailored solution for employers.
- Promote high performance working practice:
 - A new emphasis on making better use of skills available in the workplace;
 - Support for business leaders to implement and improve their performance in setting targets for their business;
 - Integrating the Investors in People standard with the broader leadership and management offer to build workforce engagement.

There are some management development programmes operating in Northern Ireland, including the INTRO and Plus programmes run by Parity Training in conjunction with NI Government Departments such as DEL, DETI and DARD.

The programmes provide intensive training in management techniques, from basic skills in finance and operations, to more specific training such as for the agri-food sector in the case of the Plus programme.

It must be noted that a previous programme, E2, (run in conjunction with Invest NI) targeted placing graduates with companies that focused on international trade. However, funding for the programme was discontinued 12-18 months ago.