



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Review of Leadership and Management:
DEL Officials

17 June 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Sydney Anderson
Mr Phil Flanagan
Mr William Irwin
Ms Anna Lo
Ms Bronwyn McGahan
Mr Pat Ramsey
Ms Claire Sugden

Witnesses:

Mr Michael Gould	Department for Employment and Learning
Ms June Ingram	Department for Employment and Learning
Mr Mervyn Langtry	Department for Employment and Learning

The Chairperson (Mr Swann): I welcome June Ingram, Michael Gould and Mervyn Langtry, who is the head of the skills delivery branch in DEL. June, are you taking the lead?

Ms June Ingram (Department for Employment and Learning): Yes. I will make a short presentation.

The Chairperson (Mr Swann): Over to you.

Ms Ingram: Thank you again for the opportunity to present on this initiative and this new development. The paper that we have presented focuses on our plans for a review of leadership and management for Northern Ireland. Over recent years, effective leadership and management has been identified as a key driver of success in businesses, globally and locally. How companies and organisations are led and managed can be directly linked to commercial aspects such as sales and productivity.

The recognition of the importance of leadership and management led to our 2007 leadership and management strategy, Leading to Success, which provided the basis for further developmental work in that skill area, including a range of new funded programmes for small to medium-sized enterprises (SMEs). Building on that strategy, further research and development has been conducted in the years since. Some of that has been commissioned by the Department while others, such as the 2009 'Management Matters in Northern Ireland and Republic of Ireland' research by McKinsey and Company, was undertaken jointly with DETI, Invest NI and a range of bodies.

Northern Ireland lags behind in the UK and the rest of the world in management competency in certain areas, but all the research that has been conducted to date shows the benefits to be gained even through modest improvements in the performance of leaders and managers. Research respondents indicated that the benefits to be achieved, as well as expected improvements in people-related skills, also include a high potential for commercial impact.

In scoping the potential impact of a lower rate of corporation tax, in 2012, the Department commissioned Oxford Economics to carry out necessary research. One of the research team's observations centred on an anticipated growth in demand for corporate managers in business. The review of leadership and management will take that need into account alongside other emerging areas for consideration.

While the importance of leadership and management continues to be underlined in various research documents since 2007, including in a report by the Northern Ireland advisory group on employment and skills, which is another important document in the process, there have been changes in how skills development has been delivered in Northern Ireland and how it will be delivered in the future. We want to take those changes into account in taking stock and deciding the best way forward. The changes include changes in the Department, the Department's long-term view on how skills support for businesses will be delivered in the future and, of course, budgetary constraints.

To date, the Department's management development branch has played a key role on leadership and management skills development in Northern Ireland, and we have 29 programmes available through the management and leadership development programme. We also have the dedicated graduate-level INTRO management programme and are working with Invest NI on an online diagnostic tool that will enable local managers to determine their leadership and management development needs. We have also introduced a sectoral approach to leadership that links to the Minister's working groups in priority sectors. We have taken on board findings, reviews and research over the years and developed and adapted programmes to meet those needs and respond to those findings.

While there has been considerable progress, there is a pressing need to look at it again and review our strategy for management and leadership in Northern Ireland. We want to create a new refreshed vision, strategy and policy direction that will improve management and leadership skills in support of the Northern Ireland economy and within that wider economic and skills context. We want to support the rebalancing and growth of the economy, meet the current and future needs of the business community, support the growth of employment, business growth and export capabilities, support and streamline relevant and world-class training, leading to recognised qualifications, and address gender imbalance in company management. In doing all that, we want to take account of best practice in other countries and regions and maximise the impact of our programmes and reduce any risk of dead weight.

That is an overview of what we would like to do over the next few months. We are at the beginning of the process, and we will be very grateful for your views and input as we take it forward.

The Chairperson (Mr Swann): June, you talked about a strategy, but what are the practical outworkings of that? Will another strategy be published?

Mr Michael Gould (Department for Employment and Learning): The intention is to review the current strategy. That was published in 2007, so it is old. We need to revamp it and produce a new strategy. The strategy will have an implementation and delivery element, and we think that there will be new programmes. We currently have 29 programmes under our management and leadership development programme. We will refine those programmes and look at how they fit in with the new strategy, and, if they do not fit in, we will remove them.

As June said, through the sectoral groups that the Minister chairs, we found that we had had a gap in leadership, so, last year, we designed three programmes to meet leadership issues in those three sectors: ICT, food and drink manufacturing, and advanced engineering. That sectoral approach has proved to be really popular and very successful. It is about refreshing the strategy to make sure that we are still on track, given all the changes since 2007, but with an eye on how we will deliver this when we get the new strategy developed and published.

Ms Ingram: At the same time, we will continue to deliver the programmes within our remit and work with Invest NI. The online diagnostic tool that was developed has proved to be very successful; it has had a lot of impact on business and participation from business. As well as that, in February, we had

a microbusiness event that was tailored specifically to leadership management in microbusinesses in Northern Ireland. We continue with our work and actions to improve management and leadership, but we just need to test that that is in the right context and that the strategy touches the right buttons.

Mr Mervyn Langtry (Department for Employment and Learning): It is important that we recognise the level of change in the economy since 2007. We had the significant downturn in 2008. We really need to take time, step back and assess whether the programmes that we are offering are still hitting the spot for modern business today.

The Chairperson (Mr Swann): You said that the research shows that we are lagging behind the Western World; I think that that was the phrase. Does that not show that the strategies are not working? Do you need to review strategies? If you already have the research stating —

Mr Gould: The McKinsey report in particular, which was conducted with us and colleagues from the Republic of Ireland, shows that half the productivity issues are structural. Owner-managers who set up companies get to a certain stage at which it becomes a lifestyle, and, rather than pushing their companies to develop and raising their management and leadership skills, they simply become owner-managers. That suits their lifestyle, and they get comfortable. There is nothing wrong with that, but it is very difficult to change.

Of the publicly owned companies in Northern Ireland, I can think of only Andor as being a local company that has gone into full public ownership. Others will want the company or the business, they have developed it themselves, and they are content to live a certain lifestyle. That is fine, but it is a structural issue; some 50% of the lack of productivity comes from companies like that, so it is about their willingness to grow. We and others around the world have not been able to crack that. What we can do is look at the other 50% and devise programmes and initiatives to address those issues.

Ms Ingram: The research that was undertaken was at a certain point in time. The report from the adviser on employment and skills was in 2010. Since then, we have had evaluations of our specific programmes, but we need to take stock overall at a Northern Ireland level to see how things have improved and whether we need to make changes to the overall direction of a strategy or individual interventions to take account of the sort of thing that Michael referred to, such as structural factors, the nature of Northern Ireland businesses, the different skill sets and the impact of other strategies. As you know, the skills strategy indicates that management and leadership skills are very important. It is also about preparing ourselves for, hopefully, economic upturn and, potentially, corporation tax and other factors to ensure that we are ready.

The Chairperson (Mr Swann): The review of leadership and management will concentrate on that 50%. Michael, you are talking mostly about SMEs that have the will. Of the 50% under structural failure that are not willing to move on, does the Department envisage any strategy or motivational way to work with those companies?

Mr Gould: We will have to work with everyone to try to win hearts and minds. The people who set up businesses and want to become entrepreneurs need to have in their mindset that it is not simply enough to get to a certain size and then take their foot off the pedal. There are alternative ways to bring in family and look at succession planning and even public ownership, which, as I said, is very rare. The strategy will have to work with a plethora of businesses in the private sector and social enterprise. I envisage that different strands and sub-strategies will come forward.

Ms McGahan: Will you clarify whether the Engineering Training Council has a role in the delivery of management and leadership skills training?

Mr Gould: I am struggling, because I think that the council is mainly involved in delivering apprenticeship programmes. It also has specific programmes that it delivers itself. I do not know enough —

Ms McGahan: It is funded by the Department.

Mr Gould: No. The Engineering Training Council has two sub-bodies, one of which is a training organisation, and one is an awarding organisation. It gets some funding from the Department on contracts relating to apprenticeship delivery, but I am not aware that it has done anything for us on management and leadership.

Ms Lo: It is certainly a good idea to upskill managers. How, for example, do you incentivise an employer to agree to upskill management? I know that, when I was offered a master's degree in management in a voluntary organisation, it was a hard struggle to convince my board that I should take one day a week to do that.

Mr Gould: We have had a number of financial incentives. Since the recession, there has been a financial incentive twice. We have had the ability to increase funding to 100%, which has proved very successful. Mervyn will talk about the figures and the increase. Since the recession really kicked in, we found that there is a difficulty with exactly what you say, Anna, in that companies are downsized so much now that they cannot release people for training, not even with an incentive. People cannot be released from their jobs because there is no one to backfill.

Mr Langtry: We have increasingly found that businesses like bite-sized and very specific learning that they can relate to their day-to-day business. As for incentivising them, one of the key things that we probably need to do more is to emphasise that this has an effect on the bottom line. It impacts on businesses' profitability and gives them a firm base for moving forward. Instead of saying that this is a cost, we need to reach the point at which we are showing businesses that this is an investment for the future. I hope that this research will help us to do that.

Ms Ingram: You were talking the other day about the online diagnostic tool and how that has enhanced access to our programmes and self-awareness of management and leadership, particularly for women.

Mr Langtry: It is significant. Over the past few years, we have been piloting a diagnostic tool with which an individual can go online and assess their leadership and management skills.

Ms Lo: It is 360 degree.

Mr Langtry: Essentially, it is what they see of their own skills. Around 900 people use it, and some 52% of those have been women, which we find encouraging. That kind of engagement is good. That is not coming directly from the company. People do not need their company to be behind them to do that; they can take the initiative themselves. They do not just get an assessment of where they are now, but, based on the information that they have put into the tool, they are given indicators or suggestions about things that they might like to do to take them forward, such as taking courses or attending specific events. It goes back to the little steps that individuals and businesses can take that will have an impact overall.

The Chairperson (Mr Swann): Mervyn, where are the courses and events that people are signposted to through this tool populated from?

Mr Langtry: They are populated largely from our own knowledge of what is going on. We try to keep our finger on the pulse of what is happening around Northern Ireland with business development opportunities. Invest NI also helps us to populate that. The material is constantly refreshed to ensure that it remains current and, hopefully, relevant to businesses.

The Chairperson (Mr Swann): Is there an input from further and higher education?

Mr Langtry: Yes. We have a direct engagement with further and higher education, so we are aware of all that is going on.

Mr Flanagan: Anna talked about her difficulty in trying to get her board to approve a course. I should declare an interest in that I am doing a master's degree.

Ms Lo: Is it the same one that I am doing?

Mr Flanagan: I think that it is. My problem was trying to convince the credit union to give me money to let me do it because there is no funding for students who want to do part-time or postgraduate courses. How big an opportunity is the Minister's proposal for a scheme to cover that deficit?

Ms Ingram: That is the part-time —

Mr Flanagan: — postgraduate. He launched a public consultation on funding.

Ms Ingram: Yes, I am aware of the consultation, but we should certainly look at that.

Mr Flanagan: I do not mean the specifics of the scheme. How big a barrier is the absence of the funding stream for people who want to participate in those courses?

Mr Gould: I take your point. If you are personally motivated to do a course, particularly part-time while you are in work, but cannot afford to do it, that is a barrier. Anything that can relieve that would be a benefit and encourage more people to take responsibility for their own learning, particularly if you are working and trying to study part-time. I know from personal experience that it is extremely difficult, time-consuming and expensive.

Ms Ingram: We want to look at the barriers that limit companies' participation. However, as you say, individuals in those companies want to upskill their management capabilities, so we need to look at those intrinsic barriers.

Mr Flanagan: Will you involve yourselves in the decision-making in the Department about the provision of those funding streams?

Ms Ingram: We can certainly feed in.

Ms Lo: Is it legal for a company to say, "We are letting you go one day a week, but you have to take a pay cut"?

Ms Ingram: I do not know the answer to that.

Ms Lo: I think that it is legal to do that, so people are being cut down to a four-day week. That did not happen to me, but I think that it has happened to others.

The Chairperson (Mr Swann): June, Michael and Mervyn, thank you very much.

Mr Gould: Thank you, Chair.