

# **Evaluation of Skillnet Ireland in 2017**

Submitted to

**Skillnet Ireland**

Prepared by

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Consultants**

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## Executive Summary

### Introduction and Background

This report is submitted to Skillnet Ireland by Indecon International Economic Consultants. The report concerns an independent evaluation of Skillnet Ireland's training programmes in 2017.

The background to this evaluation is that Skillnet Ireland is a national agency dedicated to the promotion and facilitation of workforce learning in Ireland. The organisation was established in 1999 and works with businesses and their employees to address their current and future skills needs by providing high quality, subsidised training through a series of enterprise-led training networks which operate across a range of sectors and regions.<sup>1</sup>

Skillnet Ireland receives public funding through the National Training Fund (NTF), which was established by the National Training Fund Act, 2000, as a dedicated fund to support the training of those in employment, and those seeking employment. In addition to NTF funding, Skillnet Ireland channels funding into its training programmes via matching funding provided by its network member enterprises.

### Scope of Evaluation

It is a requirement of the provision of annual funding under the NTF that Skillnet Ireland programmes are subjected to an annual evaluation that covers their activities, outputs, outcomes, and impacts. The overall objective of this evaluation is therefore to conduct an independent evaluation of Skillnet Ireland's training activities during 2017. This evaluation differs from the previous, programmatically focused evaluations, and follows a new direction in addressing a number of thematic areas, as follows:

- Consistency with Policy
- Alignment with Labour Market Needs
- Impact on Learners
- Effectiveness and Efficiency

A rigorous methodology was applied by Indecon in completing the evaluation, which was supported by extensive new primary research, stakeholder engagement and detailed analysis. Particular attention was given to examining the alignment of activities and outputs with the overarching central government policy objectives, and the importance of ensuring value-for-money in the utilisation of NTF funding. The evaluation also delivers recommendations on areas for enhancement of the future delivery of Skillnet Ireland programmes.

### Key Conclusions from Evaluation

#### Assessment of Consistency with Government Policy

A critical focus of this evaluation is a review of Skillnet Ireland's activities given wider national policy goals. This includes an evaluation of the consistency of Skillnet Ireland across several policy areas including regional policy, sectoral policy, and others. The key findings are summarised overleaf.

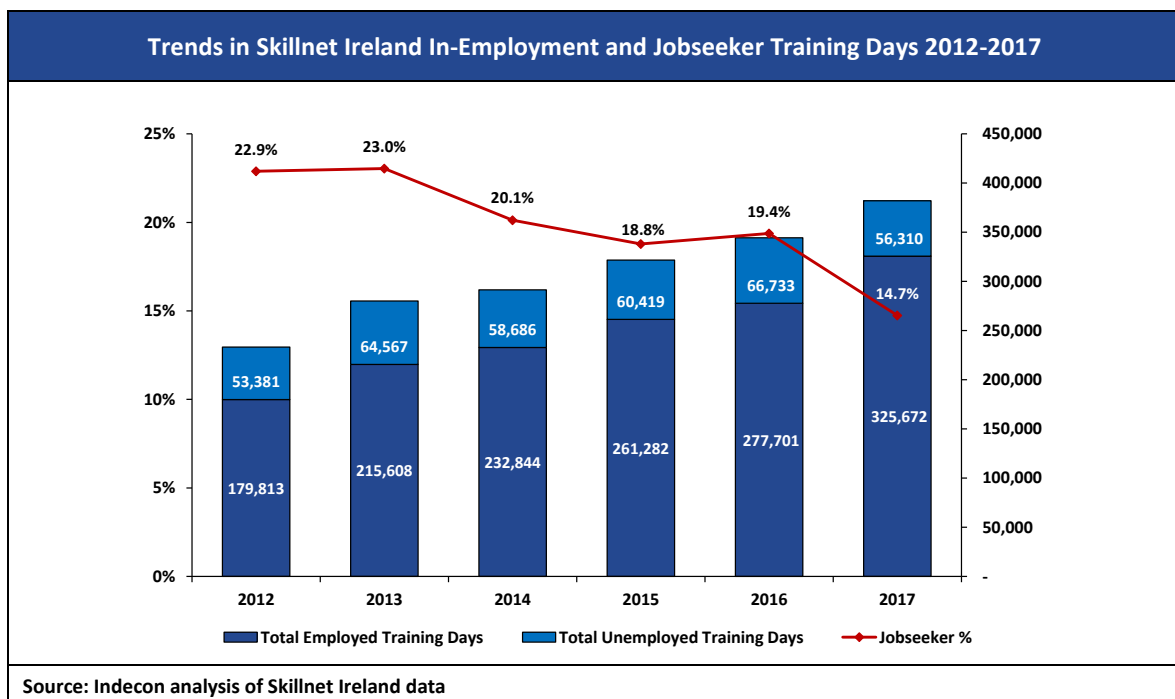
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<sup>1</sup> During 2017, Skillnet Ireland operated a total of 66 networks and delivered training through a suite of programmes, including the Training Networks Programme (TNP) and the Finuas programme ('Finuas'), in addition to a range of Management Development programmes. The organisation's programmes also have three separate funding strands covering core/main programme activity, namely the Job Seekers Support Programme (JSSP) (now the Employment Activation Programme (EAP)) and the Future Skills Programme (FSP), which is a programme aimed at addressing emerging skills gaps within growth sectors.

Alignment with National Training Fund and Overall Performance

Of particular importance in relation to consistency with policy concerns the alignments of Skillnet Ireland’s activities and outcomes with the requirements of the National Training Fund. Overall, the organisation remained aligned with the high-level objectives of the NTF in relation to its role on upskilling those who are in employment, and continuing to play a role in providing training to jobseekers. The key features and achievements of Skillnet Ireland’s activities and outcomes during 2017 were as follows:

- ❑ **Overall programme expenditure** in 2017 amounted to **€30.2 million** across **66 Networks**.
- ❑ **Enterprise membership continued to expand**, with a total of 15,012 member companies active within Skillnet Ireland’s networks in 2017. This was up 5.3% on the level of participation 2016.
- ❑ **Skillnet Ireland continued to exceed the key annual targets for training set by the Department and Education and Skills. Overall, training was delivered to 49,194 trainees over 381,982 training days in 2017** (versus the DES targets of 43,000 and 298,000 respectively). The quantum of training days delivered increased by 11.1% compared to 2016.
- ❑ **Matching funding rate continued to increase:** For every €1 of State funding, Member companies provided €1.25 of matching funds in 2017. This compared with €1.14 in 2016.
- ❑ **6 new networks were established during 2017**, in diverse areas including transport and logistics, design enterprises, application of the internet to health, hospitality, tourism, food, and beauty sectors.
- ❑ **76% of overall training days delivered were certified** (versus DES target of 75%), with 57% certified on NFQ (DES target = 45%). 19% of days were industry-certified (DES target = 30%).
- ❑ **Growth of 17% in in-employment training days versus 15.6% decline in jobseeker training days**, with the ratio of in-employment to jobseeker training increasing to 85%:15%. At its peak (2013), unemployed training days accounted for 23% of total training days delivered. By 2017 this fell to 14.7% of overall training days (see figure below). This evolution appropriately reflects the continued wider economic and labour market recovery.



In addition to its core role in relation to the NTF, Skillnet Ireland is referenced in several key government policy documents, including the National Skills Strategy and the Action Plan for Jobs. The organisation is included in key action points across these documents. The Future Skills Programme ran by Skillnet Ireland represents good practice in achieving these goals. One gap is the contribution in meeting the future language needs of the labour force, which was cited in Ireland's Strategy for Foreign Languages in Education 2017-2026. Indecon understands that Skillnet Ireland will develop a Bespoke Call in 2018 to address key policy priorities, including foreign languages, with two networks already approved as part of this Call.

A key aspect of the Skillnet Ireland model and its role in addressing wider government policy concerns the opportunity for enterprises to collaborate on identifying and responding to worker development needs. There has been a sustained increase in the number of member companies using Skillnet Ireland services with a growth of 48% since 2013. A majority (64.9%) of member companies surveyed agreed that they were given the opportunity to influence the design of the training.

Irish sectoral policy is elucidated across several key policy documents including the Action Plan for Jobs as well as specific sectoral policy documents such as the IFS2020 Action Plan and EGFSN sector-specific reports. 12.2% of Member Companies (1,824) were in the ICT/Technology or Medtech/Pharma sectors, which are key sectors identified in the Action Plan for Jobs. This represents an increase vis-à-vis 2016 levels where 10% of firms operated in these sectors.

In terms of regional policy, it is important that Skillnet Ireland provides training opportunities to firms based in the regions as well as in the major urban centres. An analysis of the location of member firms relative to the national spread of firms shows that Skillnet Ireland has a relatively high penetration in the South West and Mid-West, and a lower penetration in Dublin.

Management Development represents an increasingly important aspect of Skillnet Ireland's training, and the need for increased management development has been cited in several policy documents. The Action Plan for Education set as an action point regarding Skillnet Ireland which involved the establishment of the Management Development programme, which was achieved. However, the specific targeted number of manager trainees was not met. There is a significant proportion of management development training delivered through the core (TNP and Finuas) learning networks, which complements Skillnet Ireland's Management Development Programme.

### **Assessment of Alignment with Labour Market Needs**

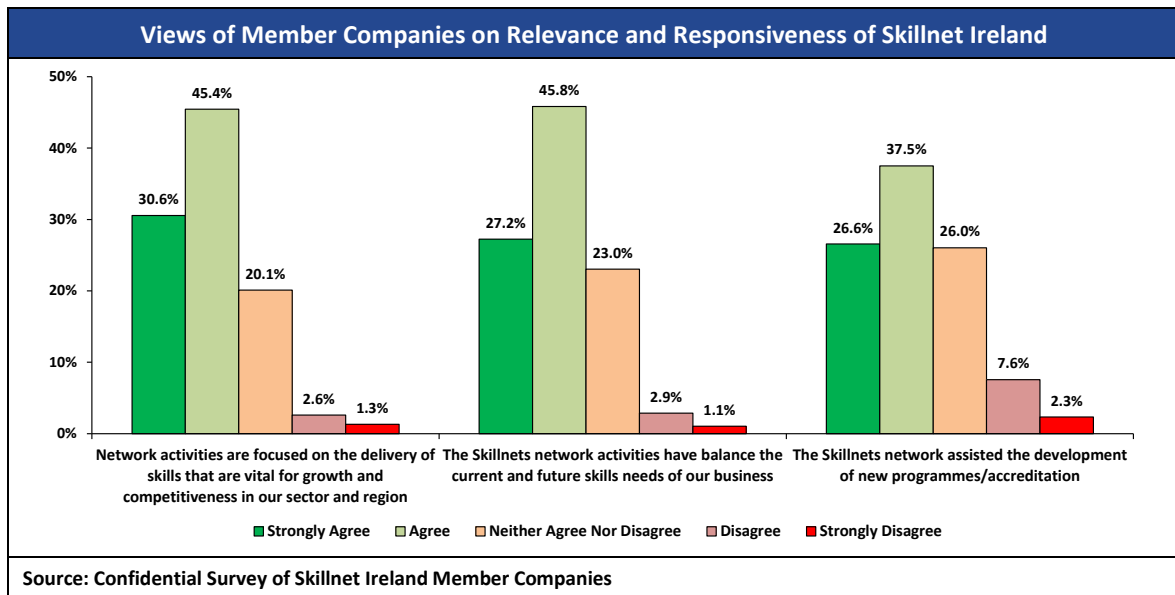
The primary objective of Skillnet Ireland is to promote upskilling of the workforce in Ireland. It is important that in meeting this objective the activities of Skillnet Ireland are aligned with the evolving and future needs of the labour market. This can help support employers in maintaining and expanding their enterprises, while also benefiting learners insofar as their upskilling/reskilling activities will be in areas demanded by employers in the future.

The Irish labour market has undergone dramatic change over the last decade. The level of unemployment in the labour market reached a peak of almost 16% in 2011. Since then, however, the labour market has seen a gradual and sustained improvement in terms of a rise in aggregate employment, while unemployment has fallen below 6% of the labour force.

Each of Skillnet Ireland's networks is required to conduct a Learning Needs Assessment to gather information on the skills development requirements of the members of the network. A majority (65.7%) of TNP/Finuas member companies surveyed by Indecon as part of this evaluation indicated that they strongly agreed or agreed that the Learning Needs Analysis fully reflected the needs of their company/business.

A large majority (87.5%) of TNP/Finuas Member Companies surveyed by Indecon reported that they were satisfied or very satisfied with the design and relevance of training to their business needs, while just under 11% were neither satisfied nor dissatisfied. Member Companies also saw a positive impact in terms of addressing skills gaps within their organisation and an increased ability to attract and retain staff.

A majority of TNP/Finuas member companies agreed that their network is focussed on skills needs appropriate to their business, sector and region, and also that their network has assisted with new programme development and accreditation (see figure below).



One of Skillnet Ireland’s primary goals is maintaining the supply of skills that impact the growth potential of enterprise. Member companies agreed or strongly agreed that training provided by Skillnet in 2017 focussed on skills vital for future growth (76%); balance current and future needs (73%); and assist in the development of new programmes (64%). Indecon’s survey of network managers also predicted an increase in training activity in 2018.

Labour market activation policies are policies that are designed to give jobseekers a better chance of finding employment. The balance between in-employment and for-employment training has changed as the level of unemployment nationally has changed. This has also been reflected in the funding provision laid out by the Department of Education and Skills, with the percentage of funding for in-employment training increasing from 78% in 2016 to 90% in 2017. The total number of unemployed trainees has fallen by 41% since 2015. There has been a more pronounced fall in the number of main programme jobseeker trainees (53%) compared to JSSP participants (24%) and the JSSP (now the Employment Activation Programme) is now the primary channel through which Skillnet Ireland addresses its role in relation to labour market activation.

### Assessment of Impact on Learners

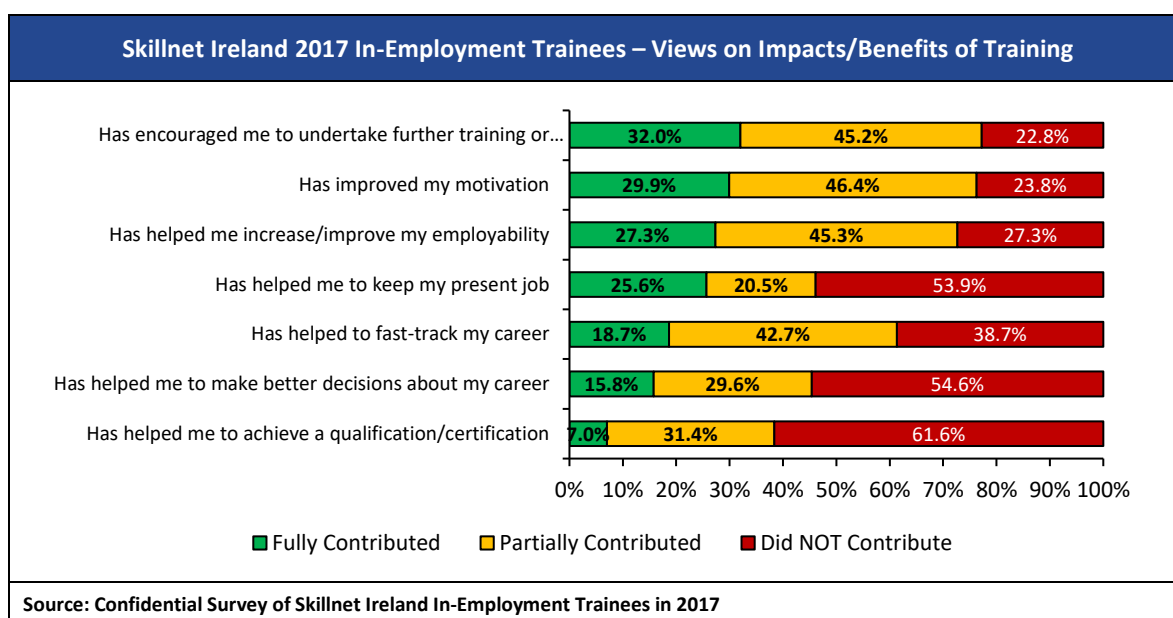
A key element of the evaluation was to examine the impacts on learners of Skillnet Ireland training, including for employed and unemployed learners. The main findings from Indecon’s evaluation are summarised below.

In 2017, 93% of trainees participated through the TNP, with Finuas comprising of 5% of learners supported by Skillnet Ireland. The remainder (representing 2% of all trainees) was accounted for by ManagementWorks training. There was a rise of 2.9% on the number of TNP trainees in 2017 over 2016. In all 45,489 participated in training, of which 58% were male.

Skillnet Ireland learners reported high levels of satisfaction with the quality, relevance and mode of delivery of the training provided during 2017. Further, trainees reported high levels of satisfaction with the manner in which courses were provided. 88% of employed trainees were very satisfied or satisfied with the flexibility of the training provided, while 71% were satisfied with the blend of pedagogic techniques employed in the training.

There was a high overall level of employment retention reported among 2017 in-employment learners, with 97% of respondents to Indecon's survey research indicating they were still in employment in May-June 2018. This is likely to largely reflect the strength of the economy and the labour market, but also indicates the importance of continued upskilling of the workforce.

Over three-quarters of 2017 Skillnet Ireland in-employment learners indicated that their training has encouraged them to undertake further education or training. The research also found high proportions of trainees indicating motivational, employability and other career benefits (see figure below).



Critically in relation to progression outcomes, Indecon's research among unemployed participants in 2017 found that almost 49% of ex-trainees were in employment, either on a full-time or part-time basis or via self-employment, in May-June 2018. 20% were engaged in further education and training.

A majority of jobseeker trainees were satisfied the training they received. 91% of unemployed trainees indicated that they were very satisfied or satisfied with the quality of the training and trainers. Three out of four JSSP participants reported that they were satisfied or very satisfied that the network helped them secure a course.

### Assessment of Effectiveness and Efficiency

In examining the effectiveness and efficiency of the Skillnet Ireland's programmes, the evaluation addressed the following dimensions:

- Financial Inputs and Performance;
- Profile of Enterprise Participation;
- Programme Outputs and Outcomes;
- Impacts of Skillnet Ireland Participation on Member Enterprises; and
- Assessment of Cost-Effectiveness and Value for Money.

*Financial Inputs and Performance*

Skillnet Ireland operated a total of 66 networks in 2017, across the Training Networks Programme (TNP), Finuas, and ManagementWorks streams. Total network funding and expenditure in 2017 – at €30.2 million – was broadly in line with budgeted levels for the year.

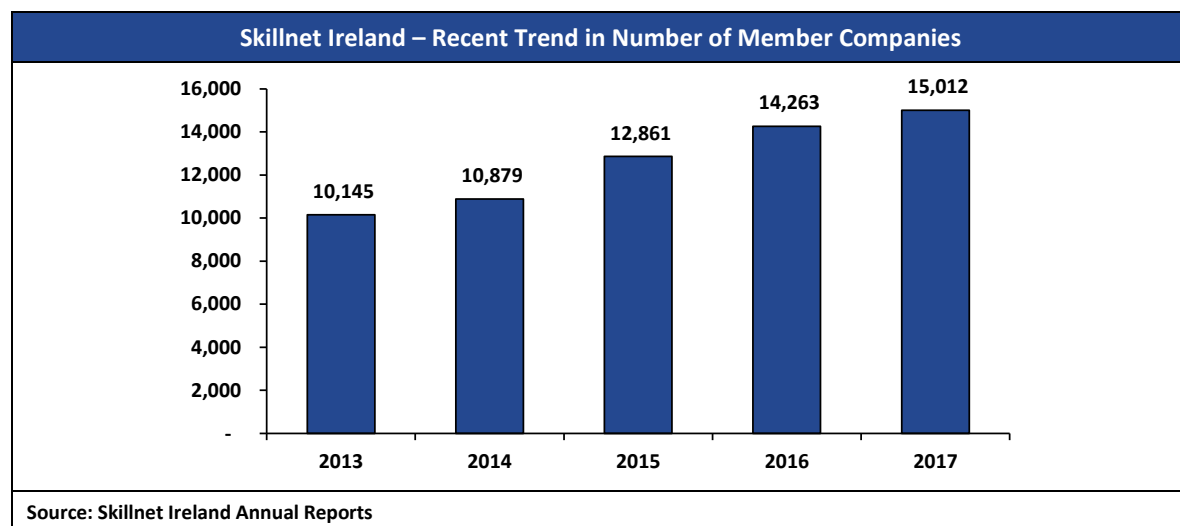
An important aspect of the financial performance of Skillnet Ireland, which also has direct implications for value for money in the deployment of public/NTF funding, concerns the degree of funding leverage achieved through the organisation’s dual, public/private funding model. For every €1 of public/NTF funding allocated during 2017, member companies provided €1.25 of matching funding, which indicates a very significant improvement in overall funding leverage over the last three years (see table below). Continuing to maximise the overall funding leverage rate will be important in demonstrating value-for-money in the deployment of public/NTF funding, but also in relation to mitigating the deadweight associated with publicly-funded training programmes.

Trend in Skillnet Ireland Funding Leverage –2015-2017			
	2015	2016	2017
Funding Leverage of Skillnet Ireland - Level of Company Matching for Every €1 of Exchequer Funding (excl. JSSP)	€1.04	€1.14	€1.25
Source: Indecon analysis of Skillnet Ireland data			

*Profile of Enterprise Participation*

Skillnet Ireland now has an increasingly diverse sectoral representation of member firms, including in internationally traded and knowledge-intensive activities. SME member companies represented 94% of the overall Skillnet Ireland membership base in 2017. Within this, it is noteworthy that micro enterprises employing fewer than 10 persons accounted for close to half the number of enterprises supported.

The following chart depicts the steady growth in enterprise participation in Skillnet Ireland networks, with the number of member companies having expanded by 48% since 2013. CSO data for 2016 indicates that there were almost 250,000 active SMEs in Ireland. This would suggest that Skillnet Ireland SME member companies represent approximately 5% of the overall number of active SMEs nationally in 2016, compared to 4% of active SMEs in 2013. This highlights both the success of Skillnet Ireland in increasing its reach and the scale of the challenge given the presence of over 250,000 SMEs within the national enterprise base.



43% of companies surveyed by Indecon were participating in a Skillnet Ireland programme for the first time in 2017, while 57% had been previously with the organisation. 26.7% had participated for the first time in 2013 or earlier. Continuing to expand overall reach by attracting new member companies, while also maximising retention through building strong and lasting relationships with existing member companies, represent important objectives for Skillnet Ireland.

#### *Programme Outputs and Outcomes*

Of the overall strong growth recorded in the number of training days provided in 2017 (10.9%), the continued expansion of TNP provision represented the primary contributor, with the number of training days on this core programme growing by over 21% compared to 2016. By contrast, the level of activity on Finuas training experienced a fall of almost 10% in terms of training days delivered in 2017. The decline in demand for jobseeker training is also evident in the 15.6% drop in training days provided in this area during 2017.

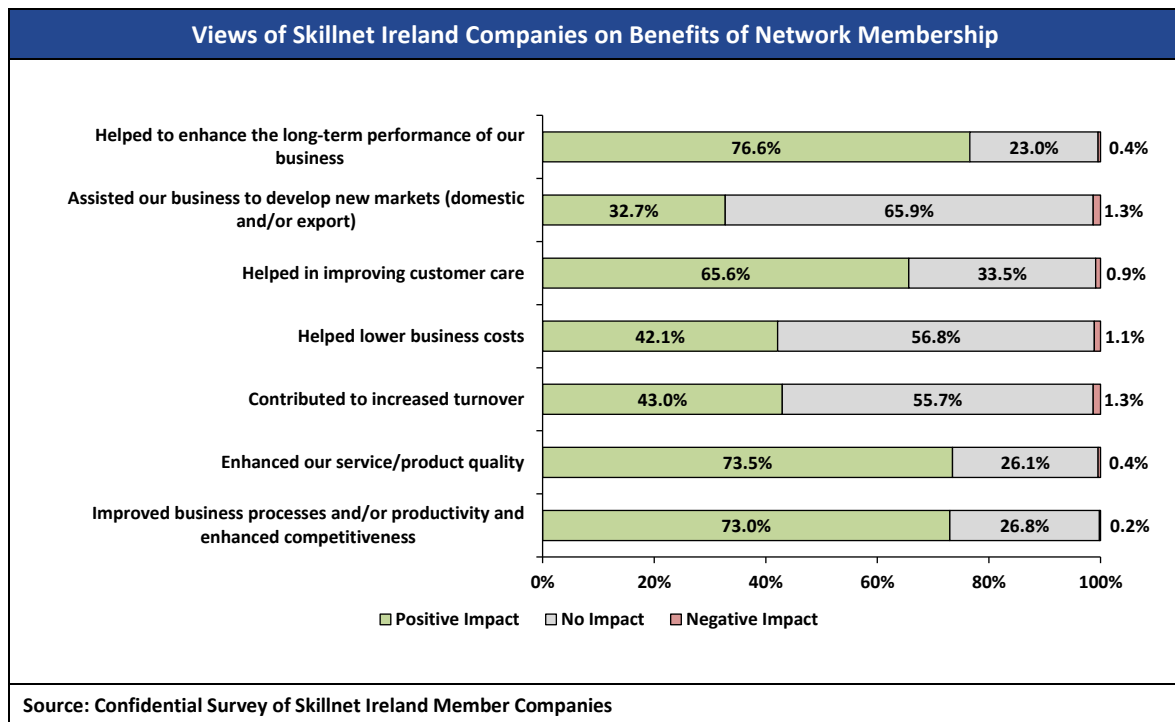
<b>Skillnet Ireland Training Days by Programme – 2015-2017</b>			
<b>Programme</b>	<b>2017</b>	<b>2016</b>	<b>% Change 2016-2017</b>
<b>Training Days (In-Employment Trainees)</b>			
TNP	290,011	238,792	21.4%
Finuas	21,801	24,209	-9.9%
ManagementWorks	13,860	14,700	-5.7%
<b>Total Employed</b>	<b>325,672</b>	<b>277,701</b>	<b>17.3%</b>
<b>Training Days (Jobseeker Trainees)</b>			
Main Programme (TNP and Finuas) and JSSP	56,310	66,733	-15.6%
<b>Training Days (All Trainees)</b>			
<b>Total Training Days – All Trainees</b>	<b>381,982</b>	<b>344,434</b>	<b>10.9%</b>
<i>Average No. of Training Days per Trainee</i>	<i>7.7 days</i>	<i>6.8 days</i>	<i>13.2%</i>
<b>Source: Indecon analysis of Skillnet Ireland data</b>			

#### *Future Skills Programme*

In addition to Skillnet Ireland's core TNP and Finuas programmes, the Future Skills Programme (FSP) facilitates innovation and collaboration in new programme design and industry-based research on the future of work and learning. The FSP was delivered through 23 networks, involving a total spend of €0.8 million during 2017.

#### *Impacts of Skillnet Ireland Participation on Member Enterprises*

The impact of Skillnet Ireland participation on Member Companies is an important measure of the success of the programme. Indecon's research found that 76.6% of Member Companies considered their participation in Skillnet Ireland training to have had a positive impact on their long-term business performance. Approximately 73% of member companies indicated that participation in Skillnet Ireland had contributed to improved business processes, as well as enhancing their service/product quality (see figure overleaf).



*Cost-Effectiveness and Value for Money*

Indecon has examined the cost-effectiveness of the four programmes within Skillnet Ireland in terms of the movements in annual unit costs of training over the period 2015-2017. Our analysis found that the overall unit costs of training delivery across all of Skillnet Ireland’s programmes have been stable in the range of €75-€80 per training day over the period 2015-2017. However, unit costs per training day for Finuas and Management Development training have both increased significantly. Maintaining a rigorous focus on minimising and stabilising unit costs will be important to ensuring ongoing cost-effective and competitive Skillnet Ireland training delivery.

Econometric analysis comparing outcomes to a counterfactual position would be required to fully evaluate deadweight. Due to data constraints, this is outside the scope of this evaluation. In this evaluation, Indecon has developed a number of survey-based indicators of deadweight. Overall, while the analysis indicates some evidence of deadweight in Skillnet Ireland’s programmes. However, it is Indecon’s experience that some deadweight will be present in all programmes. What is critical is that continued efforts are made so that this deadweight is as small as possible and its impacts are minimised. Measures to minimise the risk of deadweight and to mitigate its impacts include greater customisation of training and the application of differential matching funding requirements for member companies in sectors and programmes where the risk of deadweight is greater.

The overall net benefits and value-for-money to the Exchequer of the JSSP activation programme for jobseekers is a function of the estimated benefits (including social welfare savings and income tax gains) relative to the costs of programme’s operation. The benefits are themselves a function of how long JSSP learners stay employed once they secure a job. Our analysis suggests that under prudent assumptions, the 2017 JSSP would likely achieve a positive net benefit for the Exchequer if participants who secured employment remained employment for approximately five months. Previous Indecon evaluations have also found that JSSP to have delivered a positive net benefit to the Exchequer.



## Recommendations

Based on the detailed evaluation and conclusions, a number of recommendations designed to further enhance the effectiveness and impacts of Skillnet Ireland programmes have been identified by Indecon. These are set out in the table below.

Recommendations arising from Evaluation	
No.	Recommendation
1.	Immediate priority should be given by Skillnet Ireland in 2019 and beyond to ensuring that it delivers on its Government policy commitments in relation to addressing the challenges surrounding Brexit. This should involve a strategic focus on high-risk sectors such as agri-food, and include development of competitive, matched funding training solutions aligned with sectoral needs. This could also include a role for Skillnet Ireland in addressing language challenges facing enterprises seeking to break into export markets.
2.	From an overall cost-effectiveness perspective, maximising funding leverage from member enterprises should continue to be an objective.
3.	Ongoing focus is required in relation to Network Capacity Building, to ensure that NTF funding is deployed and utilised to focus on areas of greatest enterprise need. This should include consideration of measures such as application of lower company matching funding requirements to incentivise capacity building and expand the organisation's reach in sectors where enterprise participation is low.
4.	The feasibility of introducing a medium-term (5-year) planning horizon for training needs assessment within Skillnet Ireland networks should be examined. This should involve member enterprises, in addition to inputting to the Learning Needs Assessment framework, identifying the medium-term learning requirements within their workforce, informed by their organisation's strategic planning processes.
5.	Measures should be implemented to drive increased collaboration between networks, to achieve enhanced knowledge sharing, skills transfer and innovation, and to address common challenges within their region or sector. These measures could include dedicated funding calls (including FSP 'Innovation' and Research funding strands), the development of regional and sectoral network funding consortia, and inter-network medium-term skills planning.
6.	Inter-agency coordination and collaboration between Skillnet Ireland and the enterprise development agencies could be further enhanced. This could include the development of a strategy to explore the potential to provide a targeted/differentiated Skillnet Ireland offering to High-Potential Start-Ups and other higher growth indigenous SMEs.
7.	Skillnet Ireland to examine the potential to further expand its role in Higher Education and Further Education & Training provision to upskill SMEs, including in the context of the Government's 2018-2021 Further Education and Training Policy Framework for Skills Development of People in Employment.
8.	In the context of strategy on the future direction of the National Training Fund, Skillnet Ireland to examine the potential to adjust its role in relation to in-company training provision to drive increased productivity and innovation capacity within SMEs.
9.	Ongoing rigorous focus is required to ensure that Skillnet Ireland continues to demonstrate value for money in the deployment of NTF funds and that its corporate governance framework is fully consistent with Government guidance in this area. This should include continued development and implementation of measures to minimise programme deadweight and mitigate its impacts, including in relation to training design and application of differentiated matching funding requirements in sectors where the risk of deadweight is greater. Counterfactual econometric modelling should be considered for future evaluations.

Source: Indecon

## **Overall Conclusion**

Overall, this evaluation found that during 2017, Skillnet Ireland continued to meet its objectives, while its programme remained broadly consistent with government policy.

Driven by the ongoing strong economic and labour market backdrop, enterprise membership and training activity levels continued to expand, with Skillnet Ireland supporting over 15,000 firms and delivering a total of 381,982 training days to 49,194 trainees in 2017. Training activity levels as measured by training days exceeded the Department of Education and Skills target by 28%.

While the organisation continues to maintain a role in relation to labour market activation, jobseeker training activities have declined sharply, reflecting the fall in the Live Register and the increasing demand for in-employment training.

The evaluation has found continued positive feedback from member companies on the benefits from, and quality and value for money of, the training they received. Among learners, employment retention levels remain high, while there was also evidence of strong employment and other positive progression outcomes among jobseeker trainees.

The organisation continues to deliver overall value for money in the deployment of NTF funding, as evidenced by the continued increase in leverage of private company matching funding.

In relation to future development, key strategic issues for Skillnet Ireland will include the immediate need to ensure that it can deliver on its policy commitments in relation to addressing the challenges surrounding Brexit, maintaining an ongoing focus on expanding reach and capacity building to ensure responsiveness to demand, and continuing to demonstrate value for money in the deployment of NTF funds. There are also further growth opportunities for the organisation in relation to expanding its role in Higher Education and Further Education and Training provision to upskill SMEs.

# 1 Introduction, Background and Methodology

## 1.1 Introduction

This report is submitted to Skillnet Ireland by Indecon International Economic Consultants. The report provides an independent evaluation of Skillnet Ireland's training programmes during 2017.

## 1.2 Background and Overview of Skillnet Ireland

Skillnet Ireland is a national agency dedicated to the promotion and facilitation of workforce learning in Ireland. The organisation was established in 1999 and works with businesses and their employees to address their current and future skills needs by providing high quality, subsidised training through a series of enterprise-led training networks which operate across a range of sectors and regions. During 2017, Skillnet Ireland operated a total of 66 networks and delivered training through a suite of programmes, including the Training Networks Programme (TNP) and the Finuas programme ('Finuas'), in addition to a range of Management Development programmes. The organisation's programmes also have three separate funding strands covering core/main programme activity, namely the Job Seekers Support Programme (JSSP) (now the Employment Activation Programme (EAP)) and the Future Skills Programme (FSP), which is a programme aimed at addressing emerging skills gaps within growth sectors.

Skillnet Ireland receives public funding through the National Training Fund (NTF), which was established by the National Training Fund Act, 2000, as a dedicated fund to support the training of those in employment, and those seeking employment. In addition to NTF funding, Skillnet Ireland channels funding into its training programmes via matching funding provided by its network member enterprises.

## 1.3 Scope and Terms of Reference for Evaluation

It is a requirement of the provision of annual funding under the NTF that Skillnet Ireland programmes are subjected to an annual evaluation that covers their activities, outputs, outcomes, and impacts. The overall objective of this evaluation is therefore to conduct an independent evaluation of Skillnet Ireland's training activities during 2017. This evaluation differs from the previous, programmatically focused evaluations, and follows a new direction in addressing a number of thematic areas, as follows:

### 1. Consistency with Policy

- Consistency with Government policy in relation to workforce development, and sectoral and regional policy.
- Facilitation of enterprise involvement in workforce development.
- Role of Skillnet Ireland in promoting the future skills agenda.
- Role of Skillnet Ireland in promoting management development.
- Alignment of outcomes and activities with the requirements of the National Training Fund.

## 2. Alignment with Labour Market Needs

- Relevance and responsiveness to industry sectors, to enterprise in general and to the economy.
- Role in supplying both current and future skills that will impact the growth potential of Irish enterprise.
- Role in labour market activation.

## 3. Impact on Learners

- General profile of learners.
- Benefits and impact of learning.
- Benefits and impact of learning (unemployed learners).
- Facilitation of access to accredited training and education.
- Career progression outcomes from in-employment training.
- Career progression outcomes from for-employment training.

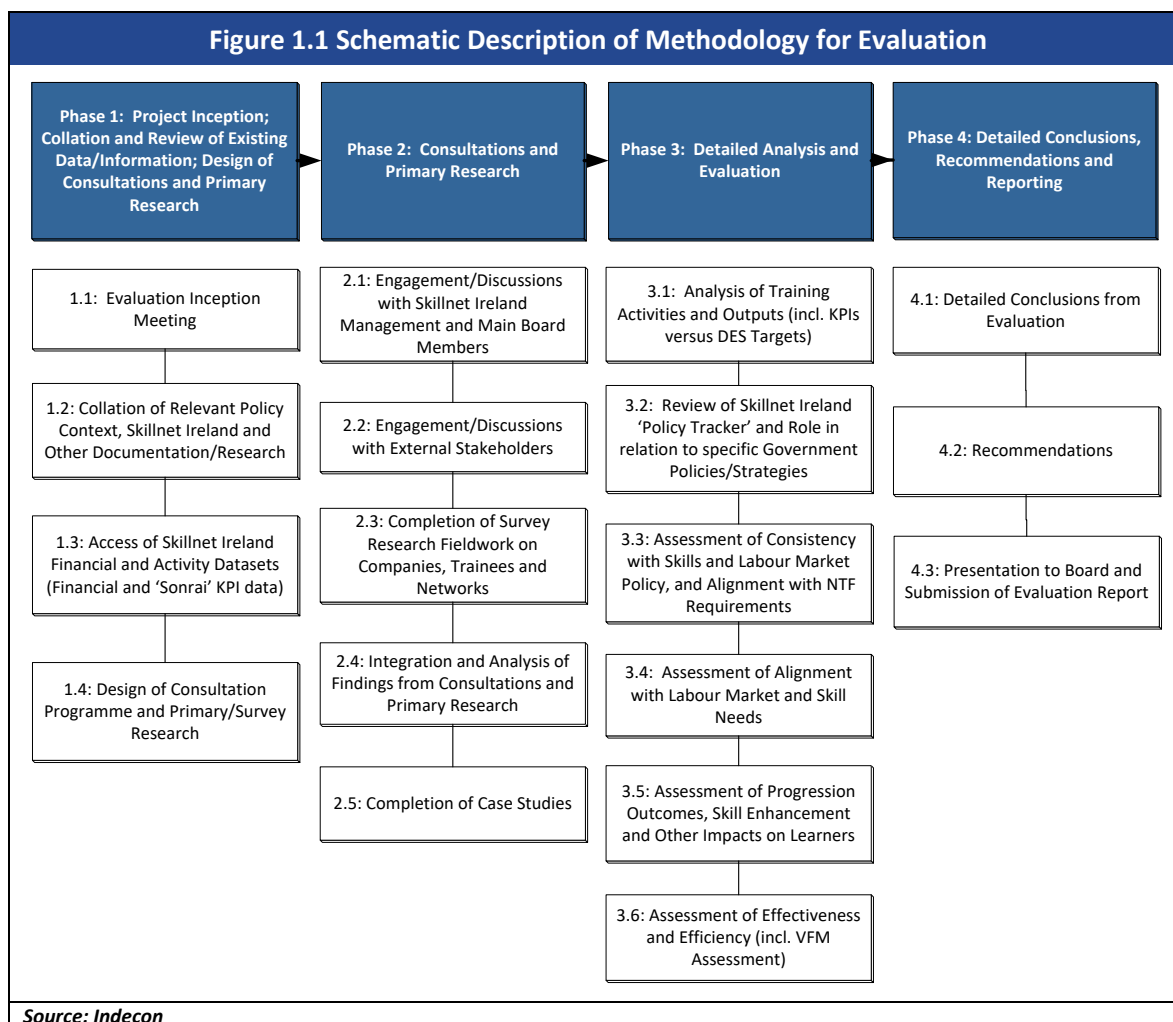
## 4. Effectiveness and Efficiency

- Analysis of financial inputs.
- Profile of enterprise participation.
- Assessment of Programme outputs and outcomes.
- Impact of participating in a Skillnet Network on enterprise.
- Training relevance, effectiveness and impact on enterprise.
- Assessment of operational cost-effectiveness and value-for-money.

The evaluation also delivers recommendations on areas for enhancement of the future delivery of Skillnet Ireland programmes.

## 1.4 Methodological Approach to Evaluation

A description of the methodological approach applied in undertaking this evaluation is presented in the next figure. The methodology and associated work programme were designed to ensure an independent and rigorous evaluation of Skillnet Ireland's activities in line with the above terms of reference. Particular attention is also given to examining the alignment of activities and outputs with the overarching central government policy objectives, and the importance of ensuring value-for-money in the utilisation of NTF funding.



In this report Indecon has also assessed the ability of Skillnet Ireland participants to access similar training elsewhere, and consider this an indicative rather than conclusive measure of programme deadweight. A comprehensive evaluation of programme deadweight would require a rigorous econometric methodological approach that accounts for the counterfactual, i.e., the likely outcomes that will occur in the absence of the scheme. This is achieved through statistical applications and is dependent on comprehensive dataset requirements, and is outside the remit of this review.

### 1.4.1 Primary Research

This evaluation has been supported by an extensive programme of consultations and primary research along a number of strands. These elements are described below.

#### **Consultation Programme**

To inform the evaluation, a series of discussions was undertaken with internal Skillnet Ireland and external stakeholders. These included the following:

- Detailed engagement with Skillnet Ireland management throughout the evaluation process. This included discussions with Skillnet Ireland's CEO and Executive Directors.

- ❑ Discussions with Skillnet Ireland main board members.
- ❑ Discussions with and inputs provided by external bodies, including:
  - Department of Education and Skills;
  - Department of Business, Enterprise and Innovation;
  - IDA Ireland;
  - European Commission; and
  - Ibec.

The objectives of the above consultations were to seek the views and inputs of these stakeholders in relation to the key issues in the terms of reference concerning the consistency of Skillnet Ireland’s programmes with government policy and alignment with labour market needs, the impacts of training on learners, and the effectiveness and efficiency of the organisation in delivering its training activities. The consultations also assisted in identifying challenges and opportunities/options for the future enhancement and development of Skillnet Ireland’s programmes.

### **Survey Research Programme**

This evaluation has also benefitted an extensive programme of new primary research, which Indecon conducted among member companies and learners, and network managers and promoters, with the assistance of Skillnet Ireland. Specifically, the research entailed the completion of the following survey streams on Skillnet Ireland’s activities in 2017:

- ❑ Survey of TNP, Finuas and ManagementWorks Companies
- ❑ Survey of In-Employment Learners/Trainees;
- ❑ Survey of TNP and Finuas main programme jobseeker learners/trainees;
- ❑ Survey of JSSP trainees; and
- ❑ Survey of Skillnet Ireland network promoters and managers.

The table below presents a summary of each of the above survey streams.

<b>Table 1.1: Evaluation Surveys – Breakdown of Response Numbers and Response Rates</b>			
	<b>Number of Surveys Issued</b>	<b>Number of Responses</b>	<b>Response Rate - %</b>
1. Survey of Member Companies	6,621	654	9.9%
2. Survey of In-Employment Trainees	7,081	745	10.5%
3. Survey of Main Programme Jobseeker Trainees	1,416	284	20.1%
4. Survey of JSSP Jobseeker Trainees	1,808	377	20.9%
5. Survey of Network Managers and Promoters*	122	113	92.6%
<b>Source: Indecon</b>			
Notes: * Comprises 67 network managers (98% of all managers) and 46 network promoters (75% of all promoters).			

### 1.4.2 Data Sources

A range of data sources were used in the completion of this report. Sources have been provided for each individual table and figure presented throughout. Sources used include data from Skillnet Ireland's Sonraí database as well as financial data. External data sources utilised included the Central Statistics Office (CSO).

## 1.5 Report Structure

The remainder of the report is structured as follows:

- ❑ Section 2 examines the role of Skillnet Ireland and the organisation's consistency with Government policy across a number of areas;
- ❑ Section 3 assesses the alignment of Skillnet Ireland's programmes with the needs of the Irish labour market in relation to upskilling of the workforce and also in terms of labour market activation;
- ❑ Section 4 presents an analysis of the impact of Skillnet Ireland's activities on learners, in terms of the impact and benefits of training for labour market and career progression;
- ❑ Section 5 examines the effectiveness and efficiency of the Skillnet Ireland's programmes, which is critical in the context of ensuring value for money in the utilisation of public/NTF funds; and
- ❑ Section 6 summarises the key conclusions from the evaluations and also presents a number of recommendations for the future development and operation of the Skillnet Ireland organisation.

## 1.6 Acknowledgements and Disclaimer

Indecon would like to acknowledge the assistance and inputs provided by a number of individuals and organisations during the course of this evaluation. We would particularly like to express our gratitude to management and staff at Skillnet Ireland for their assistance and inputs, including Paul Healy (CEO), Ian Quinn (COO and Company Secretary), Tracey Donnery (Executive Director), Dave Flynn (Executive Director), and Brian O'Shaughnessy (Programme Support Manager). We are also very grateful to Skillnet Ireland's chairman, Brendan McGinty, as well as to other board members, for their valuable contributions.

In addition, we would like to thank officials in the Department of Education and Skills (DES), the Department of Business, Enterprise and Innovation, IDA Ireland, Ibec, and the European Commission for their inputs to the evaluation.

Last but not least, we would also like to express our gratitude to Skillnet Ireland member companies, learners/trainees, and network promoters and managers throughout the country who responded to Indecon's survey research.

The usual disclaimer applies and the analysis and findings in this independent report are the sole responsibility of Indecon.

## 2 Assessment of Consistency with Policy

### 2.1 Introduction

Since its establishment in 1999, Skillnet Ireland has played an evolving remit in relation to government policy as economic circumstances have changed. This section examines the role of Skillnet Ireland and the organisation's consistency with government policy in relation to workforce development, sectoral policy and regional policy. It also covers the role of Skillnet Ireland in furthering the future skills agenda and in promoting management development. The Section concludes with a summary of findings.

### 2.2 Overview of Policy Context and Skillnet Ireland Mandate

Skillnet Ireland operates within the wider government skills and labour market policy framework. An important issue concerns the extent to which the organisation is aligned with, and contributes effectively towards, different government policy objectives.

#### **National Training Fund**

Skillnet Ireland receives public funding from the National Training Fund (NTF) via the Department of Education and Skills. The NTF was established under the National Training Fund Act 2000 as a dedicated fund designed to raise the skills of those in employment, to give jobseekers relevant skills, and to facilitate lifelong learning. The core objectives of NTF, as set out in the National Training Fund Act, are highlighted in the table below.

<b>Table 2.1: National Training Fund – Core Objectives</b>	
➤	To raise the skills of those in employment; or
➤	To provide training to those who wish to acquire skills for the purposes of taking up employment; or
➤	To provide information in relation to existing or likely future requirements for skills in the economy.
<b>Source: National Training Fund Act, 2000, Section 7</b>	

All education and training activity which is supported by the NTF must be consistent with existing Government policy in relation to workforce and enterprise development, supporting jobseekers and labour market activation, and in meeting associated sectoral and regional policy objectives. Skillnet Ireland's current 'Statement of Strategy', which was launched in 2016, outlines the objectives and aims of the organisation that will guide the organisation over the three years 2016-2019. The three overarching goals of the current strategy are presented in the next table.



**Table 2.2: Skillnet Ireland Statement of Strategy 2016-2019 – Overall Goals**

**Goal One:** “We will make training effectiveness, impact and relevance core to Skillnets activities. We will promote continuous improvement in the learning experiences provided to enterprise through our networks, and be a model for training excellence in an enterprise context.”

**Goal Two:** “We will play a pivotal role in maintaining a supply of the specific skills and future skills that impact the growth potential of Irish enterprise.”

**Goal Three:** “We will drive increased participation of employers in our proposition. In doing so, we will be a key enabler in sustaining national competitiveness through the up-skilling of those in employment.”

**Source: Skillnet Ireland**

Consistent with the above strategic goals is Skillnet Ireland’s mandate with its funding parent, the Department of Education and Skills. This mandate encompasses five dimensions/objectives, which are set out in the table below. Of importance, however, concerns how the organisation’s strategic goals and mandate are achieved in practice through the effective and efficient delivery of its programmes and their contribution to meeting specific government policy objectives. This is assessed in the remainder of this section.

**Table 2.3: Skillnet Ireland Mandate**

1. To act as an enterprise-led support body dedicated to the promotion and facilitation of enterprise training and workforce learning, as a key element in sustaining national competitiveness.

2. To increase participation in enterprise training by companies to improve competitiveness and provide improved access for workers to skills development.

3. To foster and support an enterprise-led, networked and partnership approach to the provision of enterprise training; and expand and develop that approach by supporting innovation, enhanced workplace training and workforce retention/activation-related training.

4. Using our broadly-based approach to encompass support for higher growth as well as vulnerable sectors ensuring, insofar as possible, that training is available to employees at all levels in participating private enterprises.

5. To clearly focus on the value for money, efficiency and effectiveness in the delivery of training and upskilling.

**Source: Skillnet Ireland mandate with Department of Education and Skills**

### **Government policies involving Skillnet Ireland**

The next table summarises the specific Government strategy/policy documents in which Skillnet Ireland is identified as having an explicit policy delivery role. These Government policies are wide ranging in scope, and include wider workforce and skills development, as well as regional and sectoral dimensions.

Table 2.4: Overview of Role of Skillnet Ireland in relation to Key Government Strategies/Policies			
Department /Agency	Government Strategy/Policy Name	Year Published	No. Actions for Skillnet Ireland
NSC/EGFSN	Addressing Skills Needs arising from Brexit	2018	3
DF	IFS2020 Action Plan	2018	7
DES	Strategy for Foreign Languages in Education 2017-2026	2017	2
DES	Action Plan for Education	2017	6
DBEI	Action Plan for Jobs	2017	1
DF	IFS 2020 - Action Plan	2017	5
EGFSN	Update on Future Skills Needs in the Food and Drink Sector	2017	3
DES	Action Plan for Education 2016-2019	2016	1
DBEI	Action Plan for Jobs	2016	4
DBEI	APJ Mid-East Region 2016-2017	2016	2
DBEI	APJ North-East North-West 2016-2017	2016	2
EGFSN	Future Skills Needs of the Biopharma Industry in Ireland	2016	3
DES	Ireland's National Skills Strategy 2025	2016	2
DEASP	Pathways to Work 2016-2020	2016	1
DBEI	APJ Midland Region 2015-2017	2015	1
DBEI	APJ Mid-West Region 2015-2017	2015	4
DBEI	APJ South-East Region 2015-2017	2015	1
DBEI	APJ West Region 2015-2017	2015	3
DBEI	Enterprise 2025 - National Enterprise Policy 2015-2025	2015	1
EGFSN	Future Skills Needs in Freight, Transport & Logistics Sector	2015	3
EGFSN	Future Skills requirements in the Hospitality Sector 2015-2020	2015	2
DF	IFS 2020 Strategy for International Financial Services sector	2015	7
DBEI	Innovation 2020	2015	1
NCC/DBEI	Ireland's Competitive Challenge	2015	3
DHPLG	Construction 2020 - Strategy for Renewed Construction Sector	2014	3
DES	ICT Skills Action Plan 2014-2016	2014	2
EGFSN	Assessing Demand for Big Data & Analytics Skills, 2013 - 2020	2013	1
EGFSN	Future Skills Requirements of Manufacturing Sector to 2020	2013	9

Source: Skillnet Ireland

The summary overview presented above indicates that while some policy actions have been delivered to-date by Skillnet Ireland, the majority of strategies/policies are live, with the implementation of specific actions an ongoing requirement for Skillnet Ireland as part of the organisations operations. This 2017 evaluation focuses on assessing Skillnet Ireland's role and consistency with policy by reference to the following key/overarching Government strategy/policy documents:

- National Skills Strategy 2025;
- Action Plan for Jobs (2012-2018) (including regional plans);

- ❑ Action Plan for Education (2016-2019);
- ❑ Sectoral strategies and skills assessments, including reports issued by the Expert Group on Future Skills Needs (EGFSN); and
- ❑ Policies targeted at addressing the potential implications of Brexit.

### 2.3 Consistency with Government Policy on Workforce Development

Given its role as the national agency responsible for the promotion of workforce learning in Ireland, and reflecting its obligations in relation to the deployment of NTF funding, of particular importance concerns the consistency between Skillnet Ireland's operations and Government policy in relation to workforce development.

#### ***National Skills Strategy 2025***

The overarching Government policy in relation to workforce and skills development is set out in the National Skills Strategy 2025 (NSS), which was published in January 2016. The NSS, which Skillnet Ireland contributed to during its formulation, represents the key policy framework in which the organisation operates. The strategy aims to support the development of a well-educated, well-skilled and adaptable labour force, and creating and sustaining a strong pool of talented people of all ages living in Ireland.<sup>2</sup> The overall aims of the National Skills Strategy are outlined in the programme's six objectives:

1. Education and training providers will place a stronger focus on providing skills development opportunities that are relevant to the needs of learners, society and the economy;
2. Employers will participate actively in the development of skills and make effective use of skills in their organisations to improve productivity and competitiveness;
3. The quality of teaching and learning at all stages of education will be continually enhanced and evaluated;
4. People across Ireland will engage more in lifelong learning;
5. There will be a specific focus on active inclusion to support participation in education and training and the labour market; and
6. To support an increase in the supply of skills to the labour market.

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<sup>2</sup> 'National Skills Strategy 2025', Department of Education and Skills, January 2016. See: [https://www.education.ie/en/Publications/Policy-Reports/pub\\_national\\_skills\\_strategy\\_2025.pdf](https://www.education.ie/en/Publications/Policy-Reports/pub_national_skills_strategy_2025.pdf).

Skillnet Ireland is referenced in the NSS as an important model that enables employers to come together to determine their common skills needs, as well as being a flexible and effective framework for supporting learning outside of traditional education structures:

“[T]he Skillnets model enables networks of employers in regions or sectors to come together to determine their common skill needs and procure training for their employees. Skillnets is co-funded by the National Training Fund and by employers directly and has proved to be a flexible and effective model for companies of various sizes to meet their short and medium-term skill needs.” (NSS, page 58.)

Skillnet Ireland has been assigned two specific actions under the NSS, which are identified in the next table.

Table 2.5: Role of Skillnet Ireland in Context of National Skills Strategy 2025	
<b>National Skills Strategy Action</b>	
1.	<b>Action 1.3 – Diversity of Provision beyond School – Measure:</b> “Support Skillnets to encourage companies to engage in their networks to assist them in meeting their skills needs.”
2.	<b>“Action 2:2 – Capability of SMEs will be Enhanced through Skills Development - Measure:</b> “Support the further development of skills assessment resources to help companies, especially SMEs, to accurately identify their skills needs.”
<b>Source: National Skills Strategy 2025</b>	

The policy of supporting enterprise involvement in workforce development and in the wider training and education areas has the potential to improve the alignment of skills provision and labour market requirements. The OECD has cited the decentralised engagement model that Skillnet Ireland has adopted as offering such advantages:<sup>3</sup>

“More decentralised schemes also have the advantage that they can generate highly specialised knowledge about employment- and training-related issues which, in turn, can result in higher quality training being undertaken and a better alignment between labour market need and the supply of skills. An interesting example of training funds that are organised on a sectoral basis is the Skillnets in Ireland.”

In addition, the International Labour Organisation’s 2017 assessment, ‘Upskilling SMEs’, included a detailed case study on Skillnet Ireland.<sup>4</sup> The assessment report notes the particular features of Skillnet Ireland as a model/approach in the international workforce development policy context. Among the lessons drawn from the review, the ILO, *inter alia*, highlighted the issue of the governance structure of SME training funding schemes and recommended strong representation of the private sector in the governing boards of advisory bodies, as well as representation for employees for schemes that support training of workers. Skillnet Ireland’s model is consistent with the ILO’s recommendations, in that networks are governed by steering groups comprised of member enterprises, while the organisation’s main board includes employee representation.

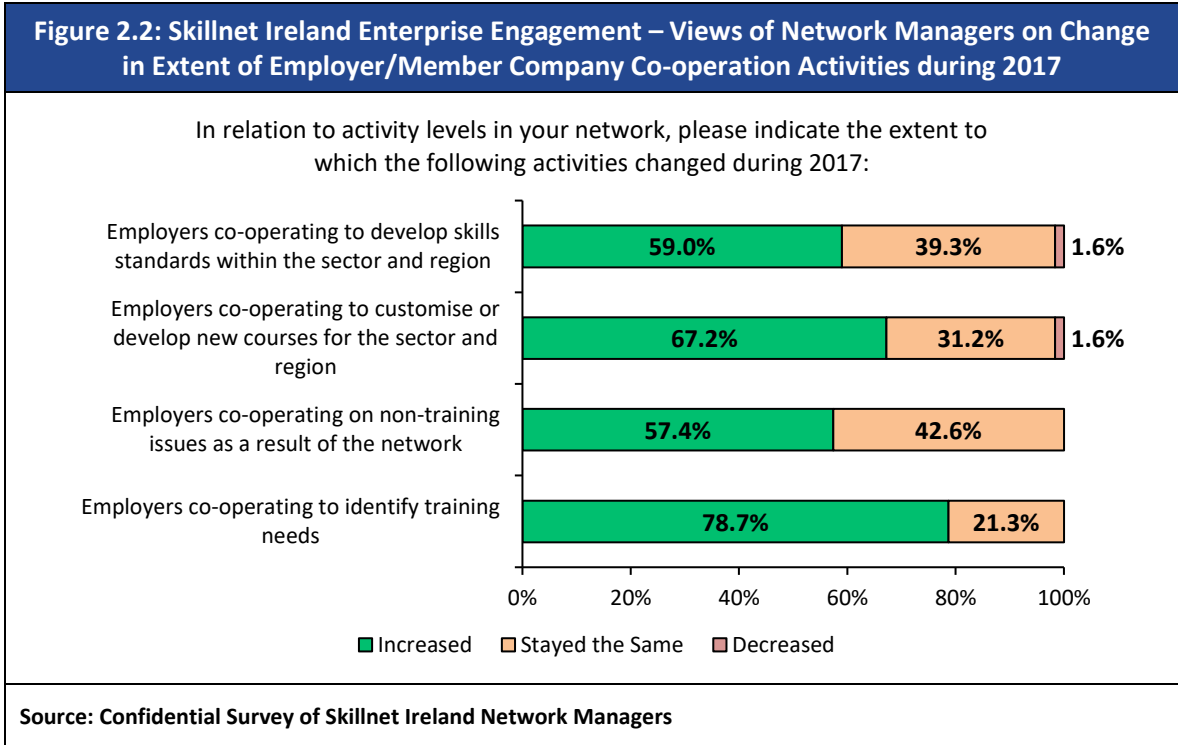
<sup>3</sup> ‘Financial Incentives for Steering Education and Training’, OECD, April 2017. See: <http://www.oecd.org/publications/financial-incentives-for-steering-education-and-training-acquisition-9789264272415-en.htm>.

<sup>4</sup> International Labour Organisation, ‘Upskilling SMEs - How governments fund training and consulting. Comparing experiences from Asia, Europe and North America, October 2017. See: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_609267.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_609267.pdf).

An indicator of Skillnet Ireland’s role in involving enterprise in workforce development is the number of member companies within Skillnet Ireland networks. As shown in the figure below, there has been a sustained increase in the membership base over the last five years, with the number of companies expanding by 48% since 2013 to reach 15,012 in 2017. CSO data for 2016 indicates that there were almost 250,000 active SMEs in Ireland. This would suggest that Skillnet Ireland SME member companies represent approximately 5% of the overall number of active SMEs nationally in 2016, compared to 4% of active SMEs in 2013. This highlights both the success of Skillnet Ireland in increasing its reach and the scale of the challenge given the presence of over 250,000 SMEs within the national enterprise base. Further details in relation to the profile of member companies are presented in Section 5.3 of this report.



In addition, an indication of how Skillnet Ireland facilitates and encourages companies to engage within their networks is seen in the findings from Indecon’s research among network managers, summarised in the figure overleaf. This found that a majority of network managers reported an increase during 2017 in the extent of member company co-operation activities within their Skillnet.



**Action Plan for Education**

The Action Plan for Education<sup>5</sup> represents the Department of Education and Skills’ Strategy Statement, and covers the period 2016-2019. It identifies education and training as being central to Ireland’s economic, cultural, scientific, and social ambitions. The overall strategic objectives and envisaged outcomes of the plan include reference to Skillnet Ireland in workforce upskilling and reskilling, as follows:

“Increasing upskilling and reskilling opportunities in education and training for those in work (places in Higher Education including mature students, as well as Further Education and Training and Skillnets places).” (Page 3)

In the context of delivering on the Action Plan for Education’s objective to “create a greater diversity of learning opportunities beyond school”, Action 102 identifies three key themes. These themes, which have since framed Skillnet Ireland’s organisational strategy for the period 2016-2019, are as follows:

- Increased enterprise participation of employers in the Skillnets training networks model to improve the productivity, capability and competitiveness of enterprise;
- Enhanced relevance, effectiveness and impact of training including an increased focus on the effective diagnosis and prioritisation of skills needs and measurement of impact of training on enterprise; and

<sup>5</sup> Action Plan for Education (2016-2019), Department of Education and Skills Strategy Statement. See: <https://www.education.ie/en/Publications/Corporate-Reports/Strategy-Statement/Action-Plan-for-Education-2017.pdf>.

- Increased supply of new and specific skills (skills that are vital to the competitiveness and growth potential enterprise) to the Irish labour market which address current, emerging and future skills needs of enterprise. (Page 49)

The 2017 Action Plan for Education sets out a number of specific actions for Skillnet Ireland, which are set out in the table below.

<b>Table 2.6: Action Plan for Education – 2017 Actions involving Skillnet Ireland</b>	
<b>Action</b>	<b>Response</b>
Action 99.1: Establish and resource the Skillnets Programme Management Office with responsibility for the implementation and governance of the Skillnets Statement of Strategy 2016-19.	Skillnet Ireland established a PMO in 2016 with responsibility for the implementation of enabling plans associated with the Skillnet Ireland Strategy. As the implementation of the Strategy reached a significant level of maturity, the PMO was dissolved and the responsibilities of the function were transferred to operations. This action has been delivered.
Action 99.2: Commence the operation of newly funded training Networks that have strong enterprise support and demonstrate compelling training requirements. Skillnets will undertake a significant promotional campaign to encourage enterprise engagement.	Skillnet Ireland engaged in a significant promotional campaign which resulted in the establishment of 5 new networks in January 2018. This action has been delivered.
Action 99.3: Establish a first-class talent programme for the Skillnets Network Manager community to assist in the growth of their Human Resource Development competence. Skillnets will establish a talent programme to develop the capacity of the existing 63 network managers. The Programme, which will include mentoring and project work, will be delivered centrally by Skillnets.	The Recently Appointed Managers Programmes was designed, developed and delivered by Skillnet Ireland in Q2 2017. 15 Networks participated in the Programme, which targeted Network Managers who had been in situ for 18 months or less. This action has been delivered.
Action 99.4: Review and publish a report on the new programmes approved for 2017 under the Future Skills Needs Programme.	The report was published and is available within the Publications section of the Skillnet Ireland website. This action has been delivered.
Action 99.5: Commence the roll-out of the revised Management Development offering to the owner managers of SMEs. 850 owner managers will receive structured management training in 2017 in areas such as strategy and business growth.	The revised MD offering was rolled out in 2017 and is based on an SME Management Competency Framework developed by Skillnet Ireland in consultation with SME owner managers and other key stakeholders. The revised suite included new programmes. This action has been delivered.
<b>Source: Action Plan for Education 2017</b>	

The next table provides an overview of the new networks established by Skillnet Ireland during 2017. A total of six new networks were launched during the year, exceeding the target of five set out in the Action Plan for Education for 2017. These new networks cover a diversity of sectors and skill needs, including the areas of transport and logistics, design enterprises, hair and beauty, application of the internet to health, and the hospitality, tourism and food sectors.

<b>Table 2.7: Profile of New Skillnet Ireland Networks Established during 2017</b>	
<b>Skillnet Name</b>	<b>Skills Focus of Skillnet</b>
CILT Skillnet	Provides courses to promote professionalism and enhance standards in the Transport, Logistics and Supply Chain Management sectors.
Design Enterprise Skillnet	Network works in partnership with Institute of Designers in Ireland and ICAD to addresses the demand for new skills in the design business sector.
Image Skillnet	Supports workforce development and life-long learning in-order to build a strong, highly skilled and sustainable workforce within the hair and beauty sector.
Connected Health/Internet of Medical Things Skillnet	Provides learning, development and networking opportunities to member companies in the emerging field of Connected Health
Restaurant and Hospitality Skillnet	Established by Restaurants Association of Ireland to provide training to those working in restaurants and the wider hospitality industry, from owners to managers, head chefs to commis chefs, and front of house service staff.
Tourism and Food Skillnet	Providing training for specific skills and future skills that impact the growth potential and competitiveness of tourism and food enterprises.
<b>Source: Indecon analysis of Skillnet Ireland data</b>	

### **Further Education and Training Policy Framework 2018-2021**

The Further Education and Training Policy Framework, published in September 2018, sets out a framework for employee development opportunities in Ireland, and includes goals and targets for the period 2018-2021. The Department of Education and Skills will oversee implementation of the framework along with the further education and training agency SOLAS and the Education and Training Boards (ETBs). The framework aims to enable targeted support for vulnerable groups in the workforce, particularly those who have lower skills levels, to advance their careers, sustain employment or to avail of emerging job opportunities. The policy also aims to support SMEs to invest in and develop their workforce. This policy is an action in the 2018 Annual Action Plan for Education.

The framework identifies a need for enterprise-driven programmes such as those facilitated by Skillnet Ireland and enterprise representative bodies. It also identifies as one of the three main target groups those Industry sectors with particular skills needs, arising from emerging opportunities or as a result of economic vulnerabilities. The framework commits to support employers in industry sectors which are experiencing particular changes in work practices, technology and markets. It further



states that new collaborative models including Skillnet Ireland and other bodies will be necessary to realise the potential for sectoral upskilling and reskilling.

## 2.4 Consistency with Sectoral Policy

Ireland's sectoral policy can be summarised through the Department of Business, Enterprise and Innovation's Action Plan for Jobs (APJ), as well as through specific, sectorally-focused enterprise and skills policies.

### ***Action Plan for Jobs***

The APJ was first introduced in 2012, with annual action plans published since its inception. These action plans have had the overriding goal of setting clear actions and targets to help create positive conditions for job creation. These actions are often targeted at specific sectors, and often reference the important role played by Skillnet Ireland. The APJ 2017 addressed the following objectives:

- Responding to Brexit
- Driving Enterprise Growth
- Delivering Skills for a Growing Economy
- Promoting Innovation
- Stimulating Regional Growth
- Enhancing Competitiveness
- Addressing New Labour Market Challenges
- Strengthening Clusters

The actions assigned to Skillnet Ireland within APJ 2016 and APJ 2017 were delivered.

### ***Addressing Skills Needs arising from Potential Impacts of Brexit***

Ensuring that the enterprise sector prepares for the potential impact of Brexit represents a key, and cross-cutting, aspect of government policy. Indecon's research among Skillnet Ireland's member company base as part of our previous evaluation of 2016 activities found that the risks around Brexit had a high degree of significance for businesses surveyed, with over 45% indicating uncertainty with regard to future trading arrangements with the UK as being a significant issue for their business.<sup>6</sup>

In June 2018, the Expert Group on Future Skills Needs and the National Skills Council published a joint report on 'Addressing the Skills Needs arising from Potential Trade Implications of Brexit'. This report focussed on the skillsets associated with the facilitation of trade across international borders, and its diversification into new markets. The report builds on previous EGFSN assessments on skills for enterprise to trade internationally, and skills required in the freight transport, distribution and

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<sup>6</sup> 'Evaluation of Skillnets TNP, Finuas and ManagementWorks in 2016', Indecon International Economic Consultants, August 2017. See: <https://www.skillnetireland.ie/publication/evaluation-of-skillnets-programmes-2016/>.

logistics sector.<sup>7</sup> Skillnet Ireland is highlighted as having a delivery role in relation to three of the overarching recommendations in the June 2018 report. These are set out in the table below. An evaluation of the responsiveness of Skillnet to these recommendations should be included as part of an evaluation of Skillnet Ireland activities in 2018/2019, but not for the 2017 period. These should also be treated as a priority by Skillnet Ireland given their importance in a national policy context.

Table 2.8: Addressing the Skills Needs arising from Potential Trade Implications of Brexit – Skillnet Ireland Role in Delivery of Response Measures
<p>Recommendation 2: “Introduce additional customs awareness and higher-level customs clearance training and advice for third country trading as the implications of Brexit become clearer.”</p> <ul style="list-style-type: none"> <li>- Measure 4: “Encourage the development of enterprise-led <b>Skillnet Ireland</b> networks for customs clearance training aligned with sectoral needs. Lead: Enterprise led networks with Skillnet Ireland.”</li> </ul>
<p>Recommendation 3: “Enhance the provision of financial management advice, training and mentoring for internationally trading enterprises, with a special focus on currency management, VAT for third country trading and contract management.”</p> <ul style="list-style-type: none"> <li>- Measure 2: “Ensure that financial management modules, particularly for currency management and handling third country VAT, are fully represented in leading company management development programmes. Also ensure these programmes are fully responsive to the international business environment and its requirements, and any changes in that environment. Lead: Enterprise Ireland/<b>Skillnet Ireland</b>/Executive Development programme providers.”</li> </ul>
<p>Recommendation 5: “Enhance provision of international trading and Logistics/Supply Chain content in education and training.”</p> <ul style="list-style-type: none"> <li>- Measure 3: “Building on skills related guidance from Government and its enterprise agencies, encourage the engagement of enterprise networks with <b>Skillnet Ireland</b> to access, on a competitive basis, matched funding training solutions for specific Brexit and trade diversification/facilitation related skills needs. Lead: Enterprise networks, Skillnet Ireland.”</li> </ul>
<p><b>Source: Expert Group on Future Skills Needs.</b></p>

### **IFS2020 – Action Plan 2017**

The government through the Department of Finance published a five-year sector-specific development strategy for the international financial services (IFS) sector. This overarching strategy is divided in five key strategic priorities, namely:

1. Promote Ireland as a location for international financial services and world class innovative products and services.
2. Drive continuous improvement in the operating environment and competitiveness of Ireland’s IFS sector.
3. Drive Research, Innovation and Entrepreneurship in the IFS sector, with a particular focus on financial technology and governance, risk and compliance.

<sup>7</sup> Expert Group on Future Skills Needs, ‘Skills for Enterprise to Trade Internationally’ (2012) (see: <https://dbej.gov.ie/en/Publications/Key-Skills-for-Enterprise-to-Trade-Internationally.html>), and ‘Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland 2015-2020’ (2015) (see: <https://www.dbej.gov.ie/en/Publications/Addressing-the-Demand-for-Skills-in-the-Freight-Transport-Distribution-and-Logistics-Sector-in-Ireland-2015-%E2%80%93-2020.html>).

4. Develop job creation opportunities from emerging IFS sub—sectors and new markets.
5. Implementation Framework for IFS2020.

The Department of Finance publishes annual action plans in relation to this strategy, in which Skillnet Ireland has featured extensively. The actions in which Skillnet Ireland requires inputs are provided below:

- Develop a Master’s Degree in International Financial Services Law;
- Deliver a Higher Diploma in FinTech and a Master’s Degree in FinTech;
- Deliver a specialist Postgraduate Diploma in Aviation Finance and Leasing and an MBA;
- Develop and deliver an Introduction to Aviation Finance and Leasing short course; and
- Sustainable Nation Ireland will continue to focus on the further promotion and positioning of Ireland as an international hub for green finance, while raising awareness of this responsible and sustainable investment area.

The Department of Finance in its Q4 Progress Report of IFS2020 Action Plans 2018 has indicated that all of these actions have been completed.

### **Expert Group on Future Skills Needs (EGFSN)**

The EGFSN produces sector-specific reports outlining actions to address potential future skills gaps in the Irish economy. Two of these reports include a report on the food and drink sector and the biopharma sector. The specific actions involving an explicit delivery role for Skillnet Ireland are set out below:

- Food and Drink:** “With a focus on numeracy, literacy and basic ICT skills, consider how best to make further on the-job training and off-site courses more accessible, for example integrating literacy into specific course content. Designing targeted programmes for continuous learning of existing operatives within specific companies would allow for access to training courses while reducing impact on productivity.”
- Food and Drink:** “Industry and Education and Training providers to consider developing a two-year mentorship programme for SMEs to enable the development of talent internally within agri-food companies.”
- Biopharma:** “Continue to provide adequate funding for competitive programmes such as Springboard+ and Skillnets to offer the opportunity for the Biopharma industry to build on the success of these programmes in addressing skills supply for the industry.”

Skillnet Ireland performance in these areas have been positive, with Member Companies operating in the Medtech/pharma sectors increasing from 3% in 2016 to 5.8% in 2017. However, the proportion of Member Companies operating in the food and drink/agri-business has fallen.

## 2.5 Consistency with Regional Policy

An important element to ensure consistency with regional policy is to ensure that Skillnet Ireland training has an appropriate regional spread. While 32% of businesses in Ireland are located in Dublin, only 22% of member companies are located there. This indicates that Skillnet Ireland has a higher penetration when measured by number of member companies outside of Dublin than it has in Dublin. The South West accounts for 19% of Skillnet firms, though only 14% of all firms nationally. Similarly, the Mid-West also accounts for 16% of Skillnet companies operating nationally, though only 9% of all firms, while the remainder of the country accounts for 43% of Skillnet members, in line with the total of 45% of all companies in Ireland. As such, Skillnet Ireland has a high penetration in the South West and Mid-West, and a lower penetration in Dublin.

In terms of regional policy, a key component of Irish regional development policy is the Regional Action Plans for Jobs (APJ). Two of these action plans relevant to Skillnet Ireland's 2017 activities are the Mid-East APJ and the North West APJ, which both reference the role of Skillnet Ireland in achieving the objectives of these plans.

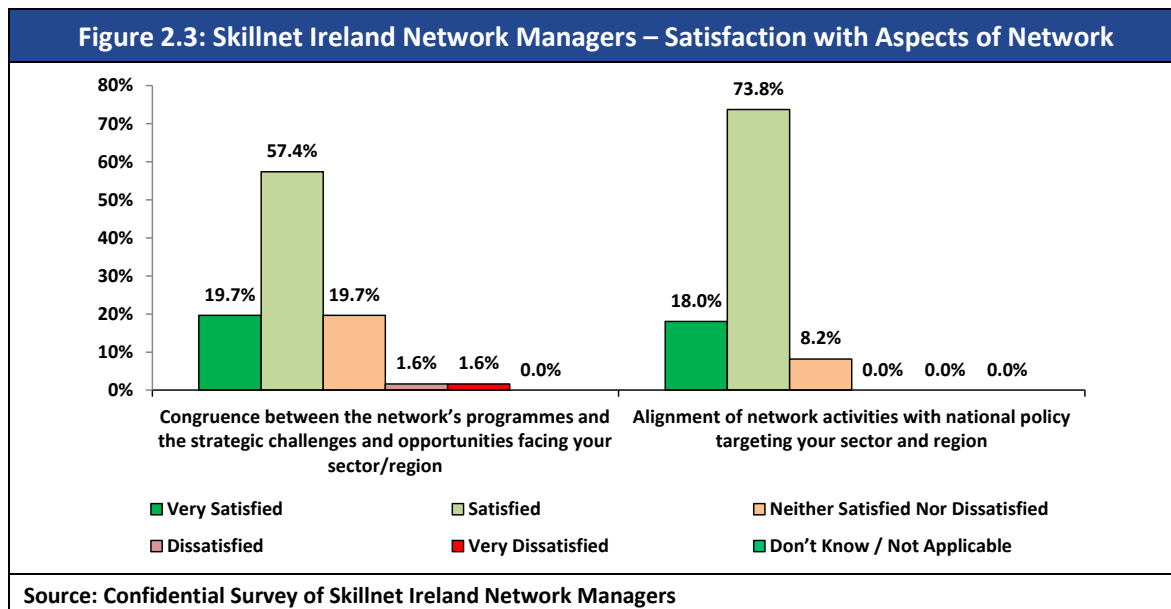
### **Action Plan for Jobs**

- ❑ Mid-East APJ Action: IMDA Skillnet and Ibec will provide training conversion programmes at Level 6 to meet the skills shortages in process technician roles in Medtech, Plastics and Engineering in the Mid-East.
- ❑ North West APJ Action: Establish the North West and North East Regional Skills Fora to foster better engagement between education providers, employers and other regional stakeholders, on an ongoing basis, to collaborate in building the skills of the region.

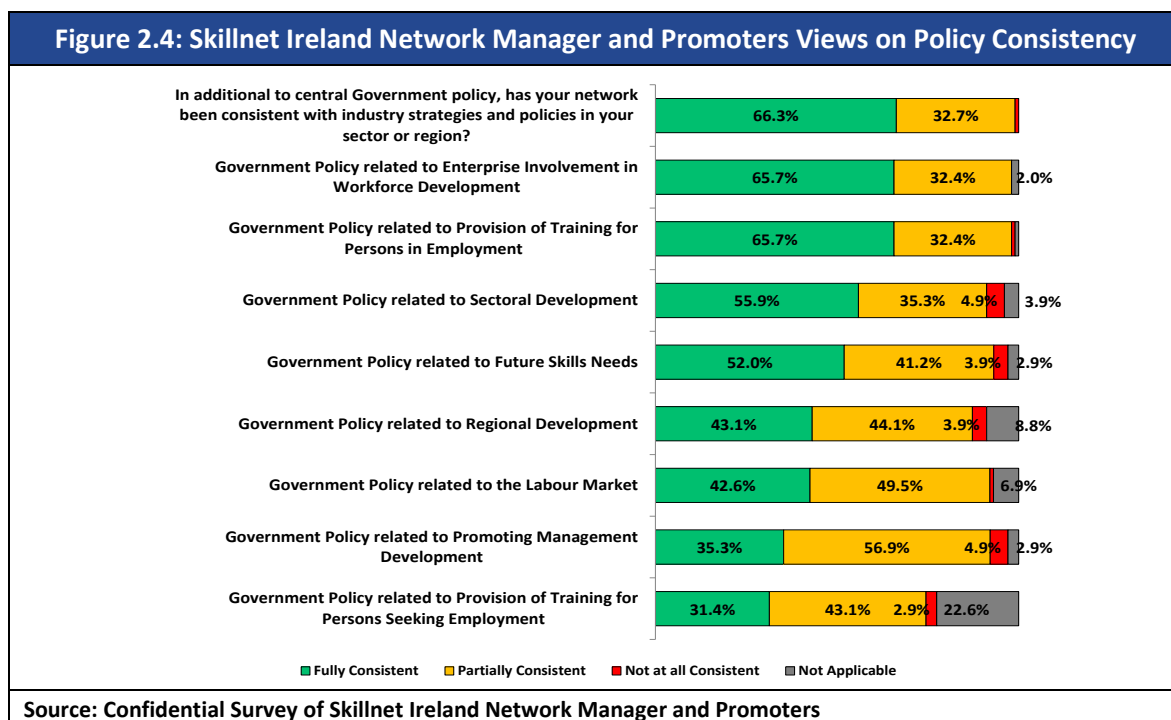
The two actions presented above have been confirmed to be achieved. Skillnet Ireland is a member of the Education and Training Provider Group for the North West and North East (and other) Regional Skills Fora. The establishment of Regional Skills Fora was a key action of the APJ 2016.

### **Other Policies**

Greater regional development is a continued policy objective of central government, and is expressed in long term development documents such as the National Planning Framework Project Ireland 2040 and the National Development Plan. It is therefore useful to consider Skillnet Ireland's activities in terms of its regional and geographic spread. A key aspect of Skillnet Ireland's role is in relation to how the organisation works with SMEs across sectors and regions through its enterprise network model. As can be seen in the next figure, a high proportion of Network Managers agreed that the activities of their Skillnet were aligned with national policy in terms of sectors and regions.



Indecon’s survey found that managers’ and promoters’ views on the consistency of Skillnet Ireland’s programmes with government policy varied depending on the policy area (see figure below). The majority of respondents deemed Skillnet Ireland’s programmes to be fully consistent in the areas of industry strategies and policies, enterprise involvement in workforce development, provision of training for persons in employment, sectoral development and future skills needs.



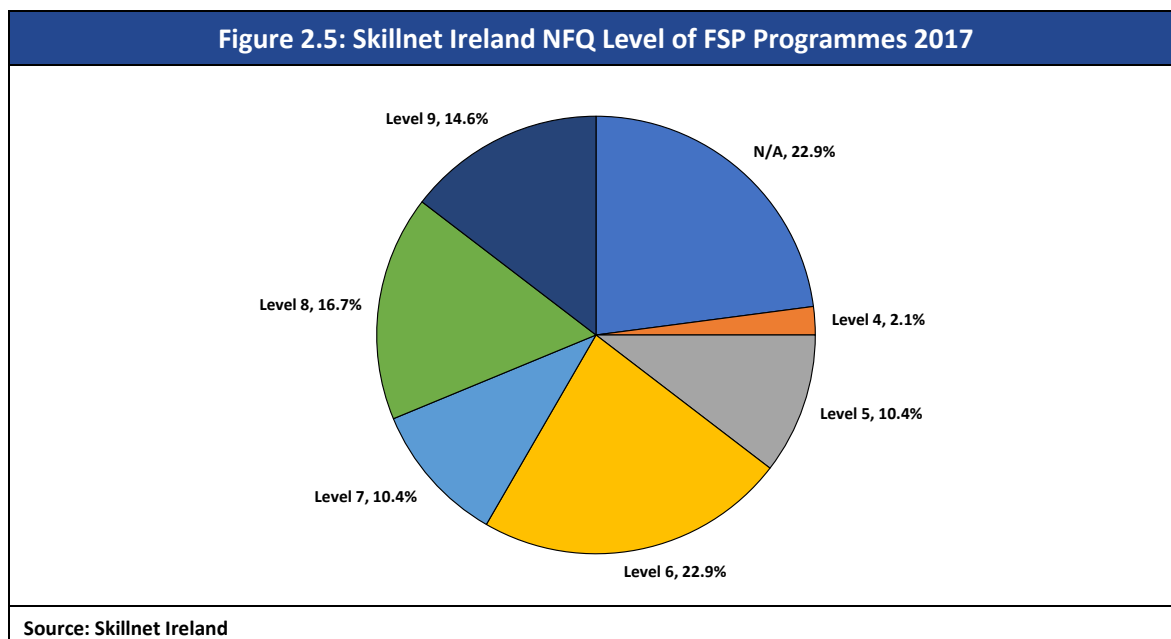
## 2.6 Role in Promoting Future Skills Agenda

As cited in the organisation's 2017 Annual Report, Skillnet Ireland plays an important role in maintaining a supply of new and future skills by facilitating a collaboration between enterprise, higher education institutes and industry training providers. Skillnet Ireland achieves this through the development of new training and education programmes as part of the Future Skills Programme (FSP) and through their support of training programmes in growth sectors such as aviation, FinTech, and others. Ireland's future skills agenda is outlined across several policy documents, including the National Skills Strategy and the Action Plan for Education 2017.

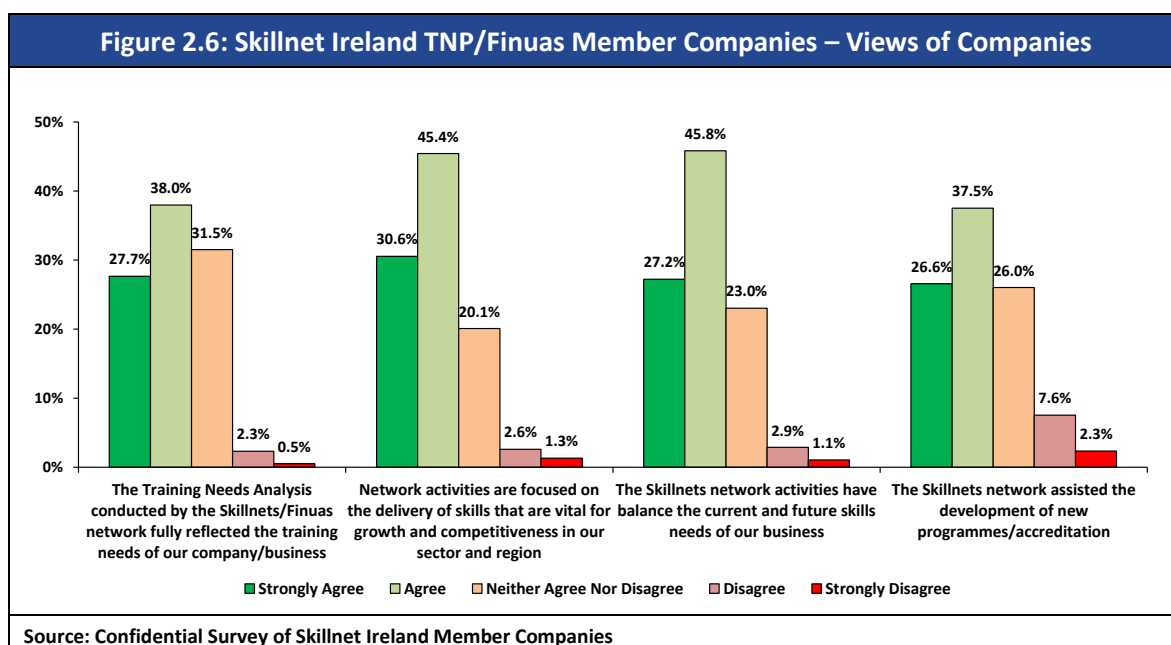
Evidence suggests that Skillnet Ireland has made significant positive contribution to the provision of necessary skills in the future, as reported in Section 3.4. One approach that Skillnet Ireland has adopted to achieve this is the Future Skills Programme (FSP). These new programmes are designed to be innovative and to address the future skills needs of businesses in Ireland. In April 2018, Skillnet Ireland published their Future Skills Report 2018 which is considered by Indecon to achieve the action point set by the Department of Education in their Action Plan for Education 2017. An overview of the Skillnet Ireland Future Skills Programmes in 2017 is shown below.

<b>Table 2.9: Overview of Number of Skillnet Ireland Future Skills Programmes 2017</b>	
<b>Network</b>	<b>Number of Future Skills Needs Programmes 2017</b>
National Organic Training Skillnet	1
Retail Ireland Skillnet	4
Trainers Learning Skillnet	1
Lean Water & Energy Skillnet	3
Sustainability Skillnet	1
Law Society Finuas Network	1
BiznetCork Skillnet	1
Business Excellence Skillnet	1
CPA Skillnet	4
Design Print & Packaging Skillnet	3
Learning Waves Skillnet	3
Limerick Chamber Skillnet	1
Farm Business Skillnet	1
ICT Ireland Skillnet	3
ISA Software Skillnet	1
Macra Na Feirme Skillnet	2
FDII Skillnet	1
ICOS Skillnet	1
Irish Medtech Skillnet	1
Innovation & Lean Sigma Skillnet	2
Taste 4 Success Skillnet	10
Aviation & Aerospace Skillnet	1
Aviation Finance Finuas	1
<b>Total</b>	<b>48</b>
<b>Source: Skillnet Ireland</b>	

The FSP programmes also provides courses with high levels of NFQ certification. As shown in the next figure, 31.3% of courses in 2017 were Level 8 or Level 9 certified. 22.9% of courses were Level 6 certified, and 10.4% were Level 7 certified.



The views of TNP/Finuas Member Companies are provided in the figure below. The findings indicate that a majority of TNP/Finuas companies agree or strongly agree that Skillnet Ireland training is reflective of the needs and aligned with skill requirements of their businesses.



### **Ireland's Strategy for Foreign Languages in Education 2017-2026**

'Languages Connect,' Ireland's strategy for foreign languages in education was launched by the Department of Education and Skills in 2017 in the context of the Action Plan for Education. It identified the need for greater foreign language adoption due in part to the increasingly globalised economy and Ireland's small, open economic structure. Skillnet Ireland is cited twice in this document in relation to language learning beyond school, particularly with respect to the FET and lifelong learning areas. The Department of Education cite the difficulty in achieving beneficial outcomes in terms of language learning for these cohorts, and acknowledge the attempts made by Skillnet Ireland in this area (e.g., through the Languages and International Trade Skillnet). Indecon understands that Skillnet Ireland developed a Bespoke Call in 2018 to address key policy priorities, including foreign languages, and that programmes are currently under development by Skillnet networks to specifically address recommendations made within the Languages Connect Strategy.

## **2.7 Role in Promoting Management Development**

Management development can be defined as any training aimed at enhancing the ability of an executive/manager to undertake general management practices, e.g., facilitate change, utilise resources, motivate staff, and achieve results. The importance of management capability is set out in the government's Action Plan for Education 2017, as well as in sector-specific reports such as the EGFSN Food and Drink industry report. Skillnet Ireland funds a bespoke management development programme to provide leadership skills training and mentoring for Irish managers.

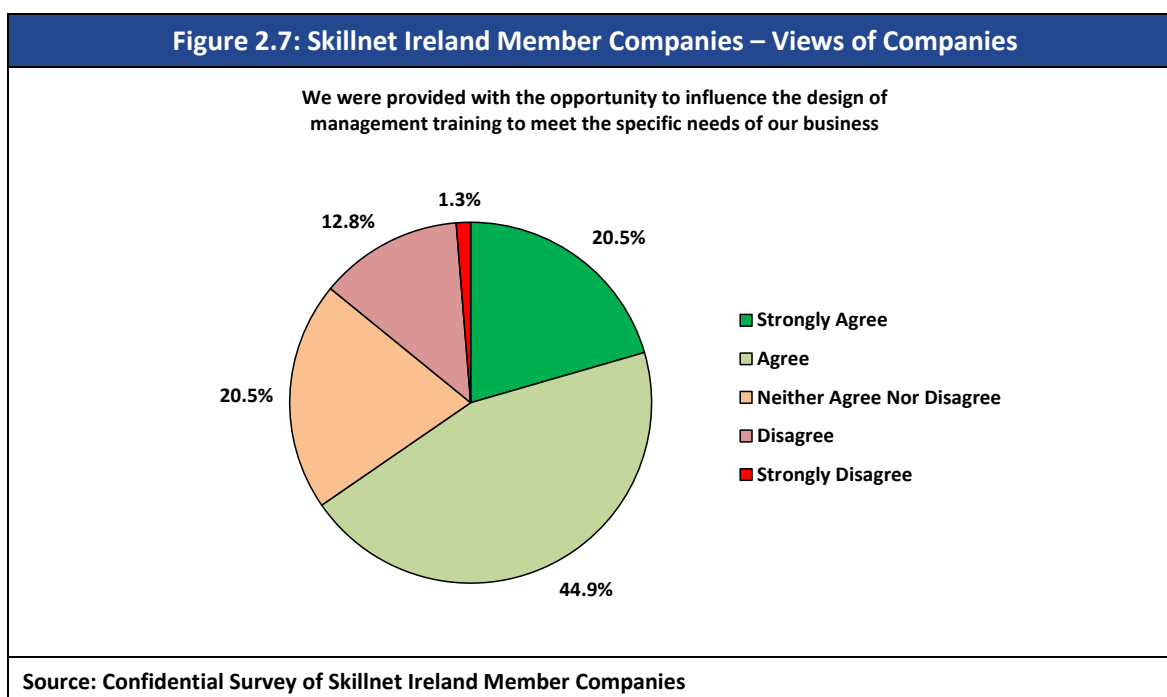
The Action Plan for Education's action with respect to promoting management development includes a quantitative target for output for Skillnet Ireland in 2017 (see next table). Skillnet Ireland did commence the roll-out of the revised Management Development programme in 2017, and 776 managers received training. This was 91.2% of targeted levels as set out in the Action Plan for Education 2017 (850 managers).

<b>Table 2.10: Overview of Policy Document Actions Related to Management Development</b>	
<b>Policy Document</b>	<b>Action</b>
Action Plan for Education 2017	Commence the roll-out of the revised Management Development offering to the owner managers of SMEs. 850 owner managers will receive structured management training in 2017 in areas such as strategy and business growth.
EGFSN – Food and Drink Sector	Providers and industry to examine how best to develop middle-management training and succession planning approaches for the sector.
<b>Source: Skillnet Ireland</b>	

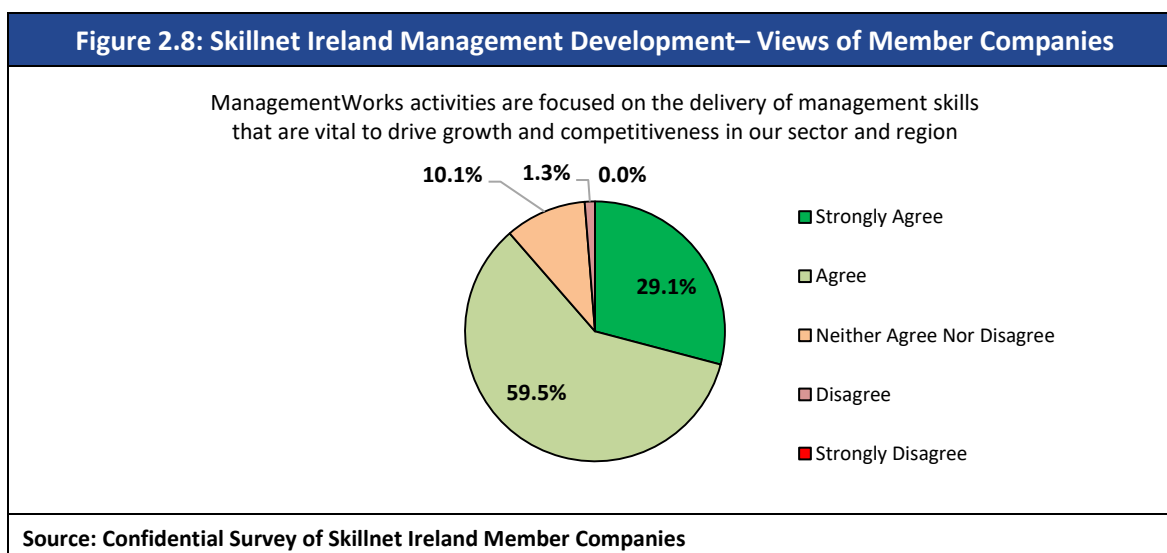
The EGFSN report on the food and drink sector represents an update on a 2009 report titled 'Future Skills Requirements of the Food and Beverage Sector'. The EGFSN produced an updated skill needs assessment in 2017. While the food and drink sector has expanded significantly since 2009, specific skills gaps remain. Two areas identified by the EGFSN relevant to management development are the skills shortages in middle management, and in senior management and leadership.



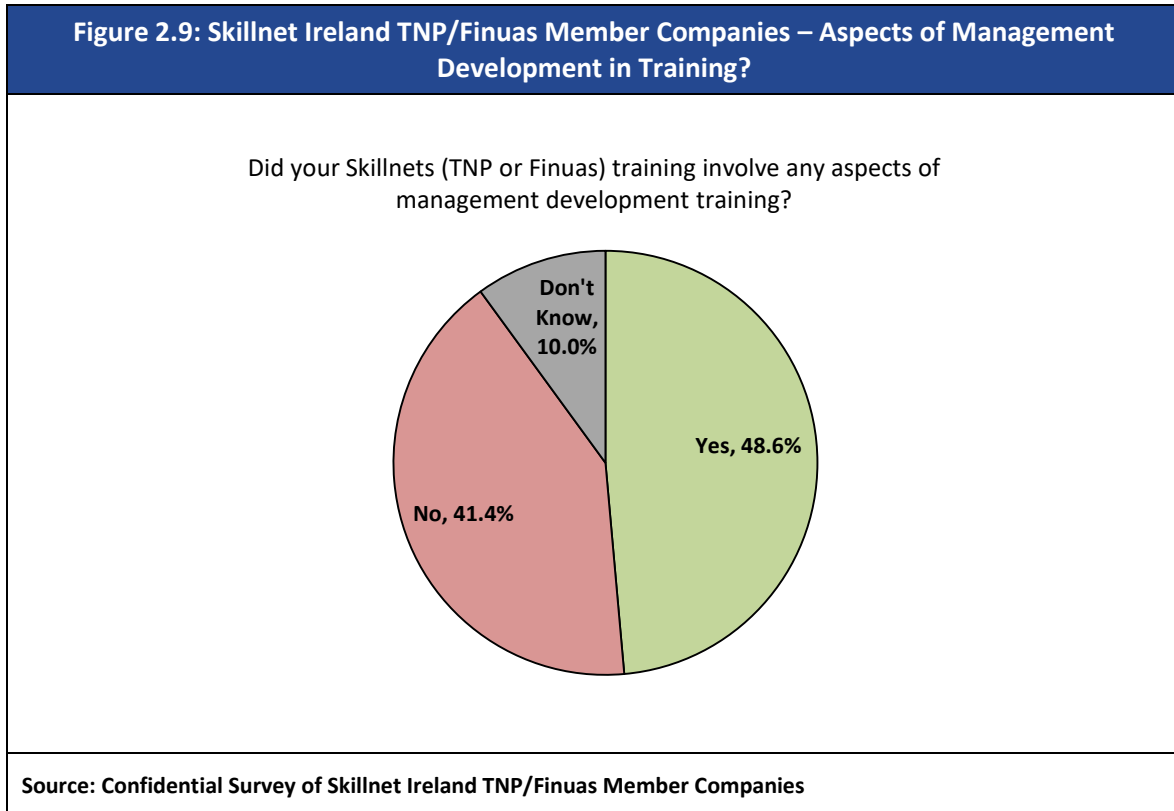
The EGFSN indicated that firms need to improve their managerial talent in-house, and be able to offer new graduates a clear career path to entice entrants. Skillnet Ireland has a wide range of Skillnet networks operating in the food & drink networks, including the Taste 4 Success Skillnet, Rural Food Skillnet, Food & Drinks Industry Ireland (FDII) Skillnet, National Organic Training Skillnet (NOTS), ICOS Skillnet and ISME Skillnet. A survey of member companies (below) found that 65% agreed that they were given the opportunity to influence the design of management training.



A majority (59.5%) of participating firms agreed that the management development activities were focused on the delivery of skills that are vital to drive growth and competitiveness. 10.1% of firms neither agreed nor disagreed with this statement.



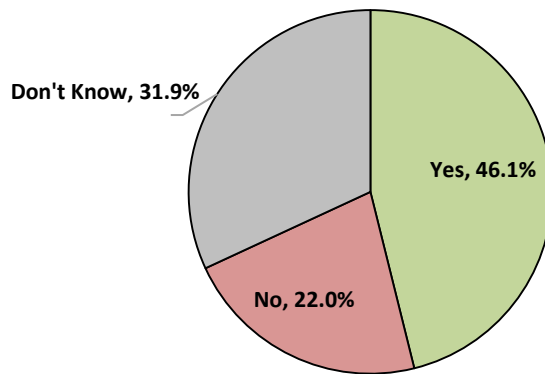
Some courses and programmes outside of the ManagementWorks programme also involve elements of management development. To capture this, we asked member companies as to whether their training includes some element of management development. The research found that 48.6% of Skillnet Ireland member companies that did not partake in ManagementWorks had some element of management development training within their TNP/Finuas programme.



While almost half (46.1%) of Member Companies indicated that they had plans to engage in some form of management development training in 2018/19, 22% did not have any plans to do so. 32% of firms did not know whether they would engage in management training in the following year (see figure overleaf).

**Figure 2.10: Skillnet Ireland TNP/Finuas Member Companies – Aspects of Management Development in Training?**

Does your company have any plans to engage in Management Development Training in 2018/19?

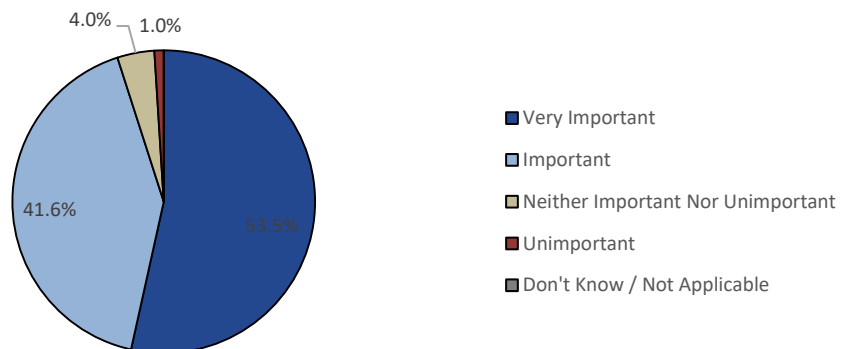


Source: Confidential Survey of Skillnet Ireland TNP/Finuas Member Companies

Network Managers and Promoters viewed management development as an important (42%) or very important (54%) aspect of developing management capacity within SMEs (see figure below).

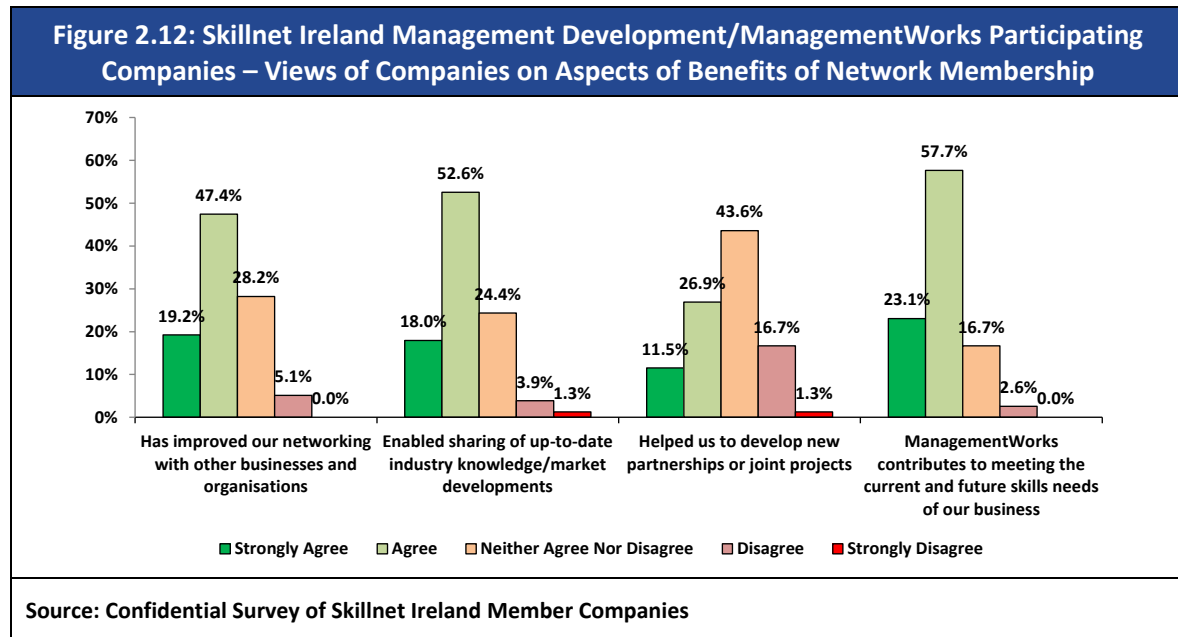
**Figure 2.11: Skillnet Ireland Network Managers and Promoters – Importance of Management Development in Sector/Region**

How important or otherwise is Management Development, and specifically the development of management capacity within SMEs, given the strategic challenges and opportunities facing your sector/region?

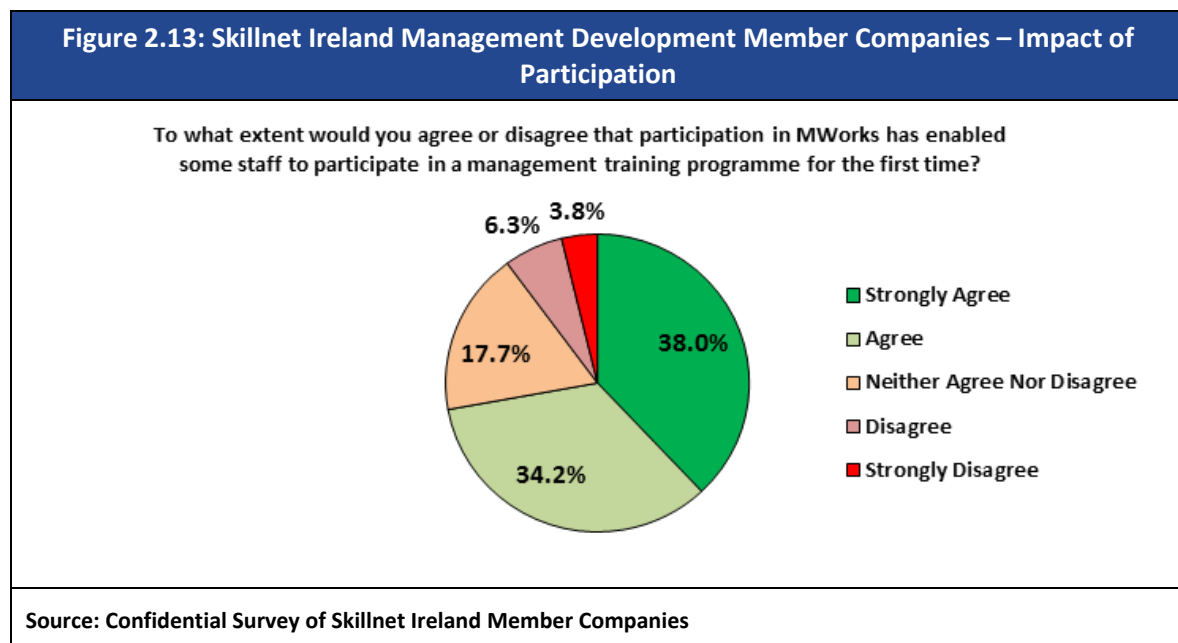


Source: Confidential Survey of Skillnet Ireland Network Managers and Promoters

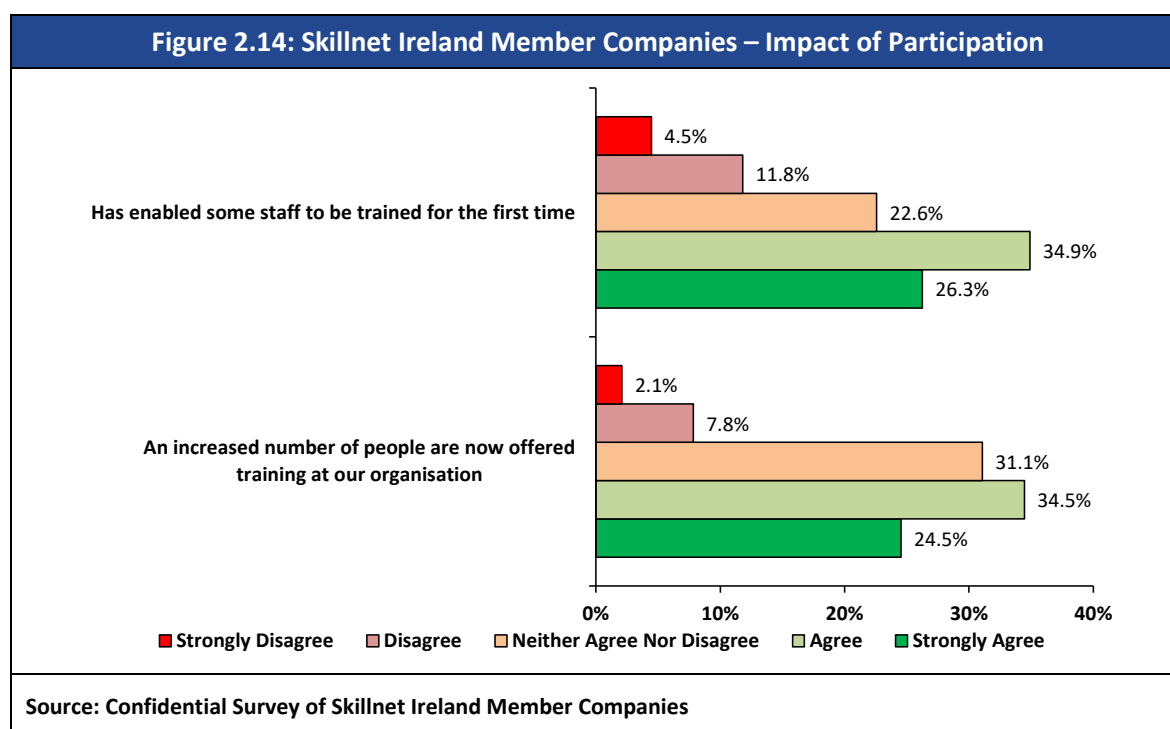
Among the ManagementWorks subset of member companies, a majority of companies strongly agree or agree on the positive impact on firms in terms of improved networking, knowledge sharing, and meeting current and future skills needs. A plurality of companies neither agreed nor disagreed with Skillnet Ireland’s impact on the development of new partnerships/joint projects.



It is also useful to consider the views of Member Companies in terms of the impact of the training on learners. 72.2% of ManagementWorks Member Companies indicated that they agreed or strongly agreed that the training has enabled some staff to train for the first time (see figure below).



61.2% of Member Companies (TNP/Finuas) agree or strongly agree that the training has enabled staff to train for the first time (see figure below).



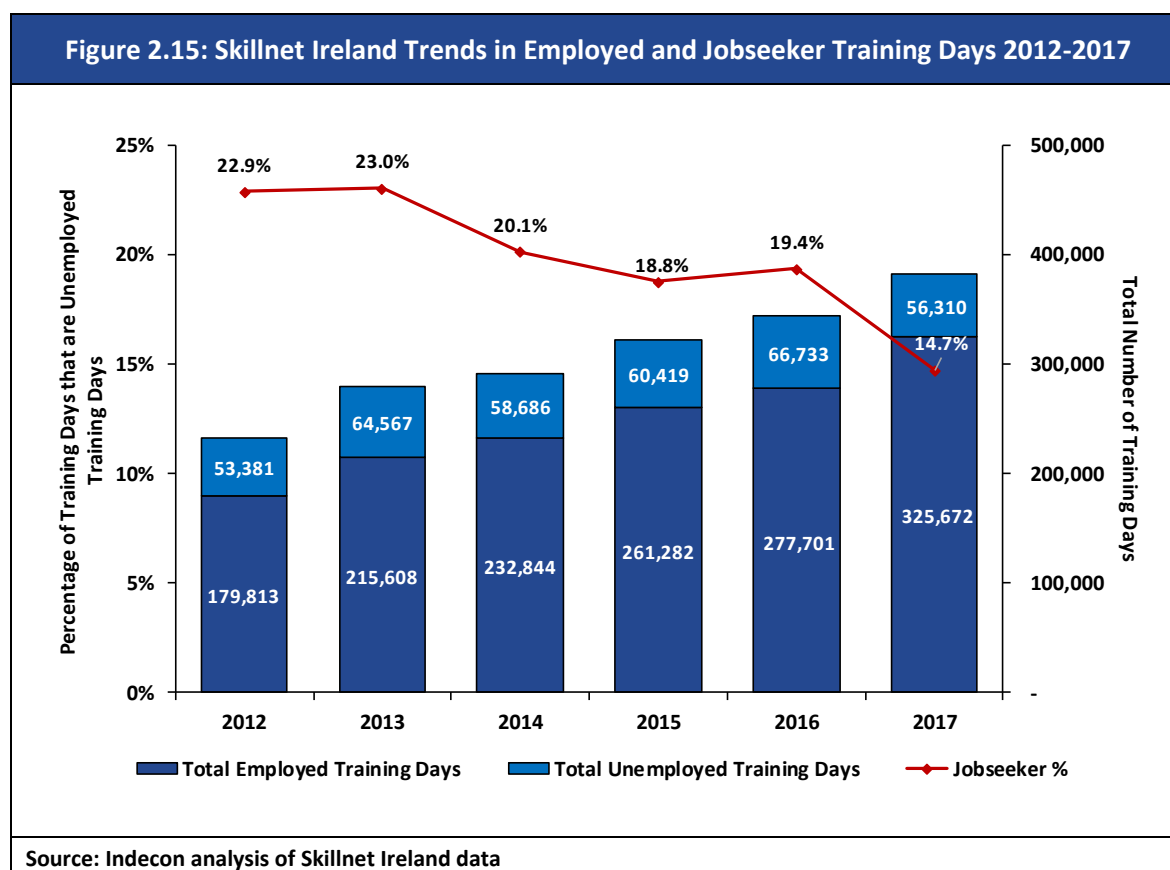
## 2.8 Alignment with National Training Fund Requirements

Given that Skillnet Ireland's programme are co-funded by the National Training Fund, a key issue for this evaluation concerns the alignment of the activities and outcomes of the organisation with the requirements of the NTF. Skillnet Ireland is one of the main recipients (along with SOLAS and the Higher Education Authority) of NTF funding. NTF funding is allocated to organisation on an annual basis by the Department of Education and Skills. An analysis of financial inputs, including NTF and member company funding, allocated to Skillnet Ireland's training programmes during 2017 is presented in Section 5.2. In this section, we assess the activities and outcomes of this funding.

Of importance concerns the extent to which the expenditures undertaken across Skillnet Ireland's training programmes deliver effective training outcomes, and benefits for member companies and trainees. A summary of Skillnet Ireland training activities is presented in the table overleaf, in terms of trainees and training days. The Department of Education and Skills set an overall trainee target of 43,000 for 2017. This was made up of 40,500 employed and 2,500 unemployed trainees. Skillnet Ireland surpassed both of these targets by 12% and 48% respectively. Equivalent targets were set by DES in relation to employed and unemployed training days. In terms of employed training days, Skillnet Ireland had a target of 270,000 days to be delivered in 2017, which was met and exceeded by 21%. DES set a target of 28,000 unemployed training days, which was significantly exceeded in terms of actual output (56,310 unemployed training days) in 2017. In order to contextualise performance and targets, we have also presented the targets and outcomes for 2016.

<b>Table 2.11: Skillnet Ireland Overall Training Activity Outturns versus Target 2017</b>						
<b>All Programmes</b>	<b>Dept. of Education &amp; Skills Target 2017*</b>	<b>Actual 2017</b>	<b>% of Target - 2017</b>	<b>Ref: Dept. of Education &amp; Skills Target 2016*</b>	<b>Ref: Actual 2016</b>	<b>Ref: Actual 2017 / Actual 2016</b>
<b>Trainees</b>						
Employed Trainees	40,500	45,489	<b>112%</b>	34,000	44,458	<b>102%</b>
Unemployed Trainees	2,500	3,705	<b>148%</b>	8,000	5,915	<b>63%</b>
<b>Total Trainees</b>	<b>43,000</b>	<b>49,194</b>	<b>114%</b>	<b>42,000</b>	<b>50,373</b>	<b>98%</b>
<b>Training Days</b>						
Employed Training Days	270,000	325,672	<b>121%</b>	195,000	277,701	<b>117%</b>
Unemployed Training Days	28,000	56,310	<b>201%</b>	55,000	66,733	<b>84%</b>
<b>Total Training Days</b>	<b>298,000</b>	<b>381,982</b>	<b>128%</b>	<b>250,000</b>	<b>344,434</b>	<b>111%</b>
<b>Source: Skillnet Ireland</b>						
*Relates to DES targets as set out in Annual Allocation Letter, March 2017						

The next figure provides a six-year historical presentation of employed and unemployed training days. At its peak (2013), unemployed training days accounted for 23% of total training days delivered. By 2017 this fell to 14.7% of overall training days. It is noted in the context of this analysis that under its new strategy Skillnet Ireland is changing its previously targeted ratio of 80:20 in relation to the division between in-employment training and jobseeker training to a new ratio of 90:10. This reflects the declining demand for jobseeker training and the impact of the expanding economy in terms of increased demand for in-employment training.



## 2.9 Summary of Findings

A critical focus of this evaluation is a review of Skillnet Ireland's activities given wider national policy goals. This includes an evaluation of the consistency of Skillnet Ireland across several policy areas including regional policy, sectoral policy, and others. The key findings are as follows:

- ❑ Skillnet Ireland receives public funding from the National Training Fund (NTF) via the Department of Education and Skills. Skillnet Ireland adheres to the high-level goals of the NTF as it is a programme specifically aimed at upskilling, and it also has a targeted element aimed at the unemployed.
- ❑ In terms of the Annual Allocation targets as set by the Department of Education and Skills, Skillnet Ireland surpassed the employed and unemployed trainee number targets substantially (148% and 12% respectively). However, while Skillnet Ireland surpassed the aggregate of the two targets for the percentage of certified training days (76% vs 75% target), the make-up of this achievement across NFQ and industry certified days did not match that set by DES.
- ❑ Skillnet Ireland is closely integrated within national workforce policy and is referenced in several key government policy documents, including the National Skills Strategy and the Action Plan for Jobs. The organisation is included in key action points across these documents. The Future Skills Programme run by Skillnet Ireland represents good practice in achieving these goals. One gap is the contribution in meeting the future language needs of the labour force, which was cited in Ireland's Strategy for Foreign Languages in Education 2017-2026.

- ❑ A key aspect of the Skillnet Ireland model and its role in addressing wider government policy concerns the opportunity for enterprises to collaborate on identifying and responding to worker development needs. There has been a sustained increase in the number of member companies using Skillnet Ireland services with a growth of 48% since 2013. A majority (64.9%) of member companies surveyed agreed that they were given the opportunity to influence the design of the training.
- ❑ Irish sectoral policy is elucidated across several key policy documents including the Action Plan for Jobs as well as specific sectoral policy documents such as the IFS2020 Action Plan and EGFSN sector-specific reports. During 2017, a total of 1,824 or 12.2% of Skillnet Ireland's member companies were in the ICT/Technology or Medtech/Pharma sectors, which are key sectors identified in the Action Plan for Jobs. This represents an increase vis-à-vis 2016 levels where 10% of firms operated in these sectors.
- ❑ In terms of regional policy, it is important that Skillnet provides training opportunities to firms based in the regions as well as in the major urban centres. An analysis of the location of member firms relative to the national spread of firms shows that Skillnet Ireland has a relatively high penetration in the South West and Mid-West, and a lower penetration in Dublin.
- ❑ Management Development represents an increasingly important aspect of Skillnet Ireland's training, and the need for increased management development has been cited in several policy documents. The Action Plan for Education set as an action point regarding Skillnet Ireland which involved the establishment of the Management Development programme, which was achieved. However, the specific targeted number of manager trainees was not met. While the targeted number of trainees within the Management Development programme was not fully met in 2017, Skillnet Ireland plays a key role in supporting the upskilling of SME managers. In this respect, Indecon's research found that approximately 50% of TNP/Finuas member companies indicated that their training included at least some element of management development training.



### 3 Assessment of Alignment with Labour Market Needs

#### 3.1 Introduction

The primary objective of Skillnet Ireland is to promote workforce training in Ireland. It is important that in meeting this objective the activities of Skillnet Ireland are aligned with the evolving and future needs of the labour market. This can help support employers in maintaining and expanding their enterprises, while also benefiting learners insofar as their upskilling/reskilling activities will be in areas demanded by employers in the future. In this section we commence with an overview of labour market context. We then examine the relevance and responsiveness of Skillnet Ireland to industry, the role played by the organisation in supplying growth-orientated skills, and the activities aimed at supporting labour market activation.

#### 3.2 Overview of Labour Market Context

The Irish labour market experienced a period of significant turmoil following the onset of the financial crisis in 2007/2008, which resulted in a sharp rise in unemployment. The level of unemployment reached a peak of almost 16% (seasonally adjusted) in 2011, representing over 354,000 persons. Since 2012, the labour market has seen a gradual and sustained improvement in terms of the number of persons unemployed. As of August 2018, 5.6% of the labour force was unemployed, representing a fall of over 60%. This is approaching levels of unemployment generally associated with full employment.

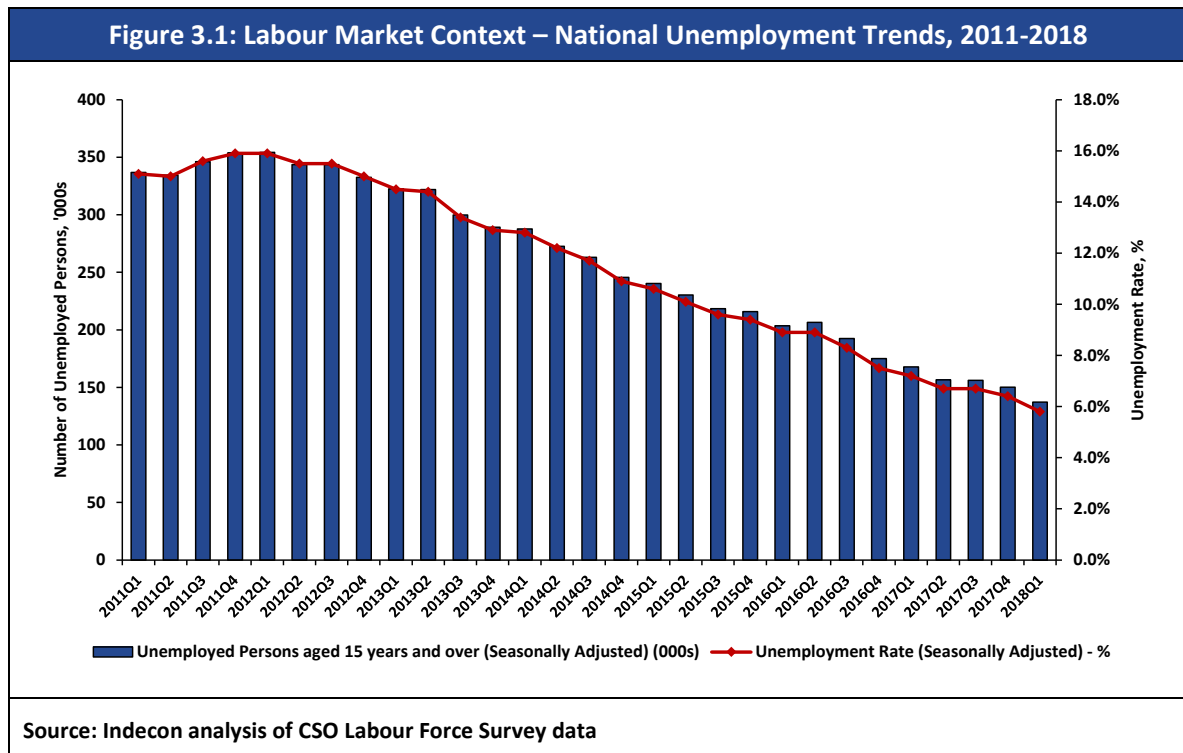
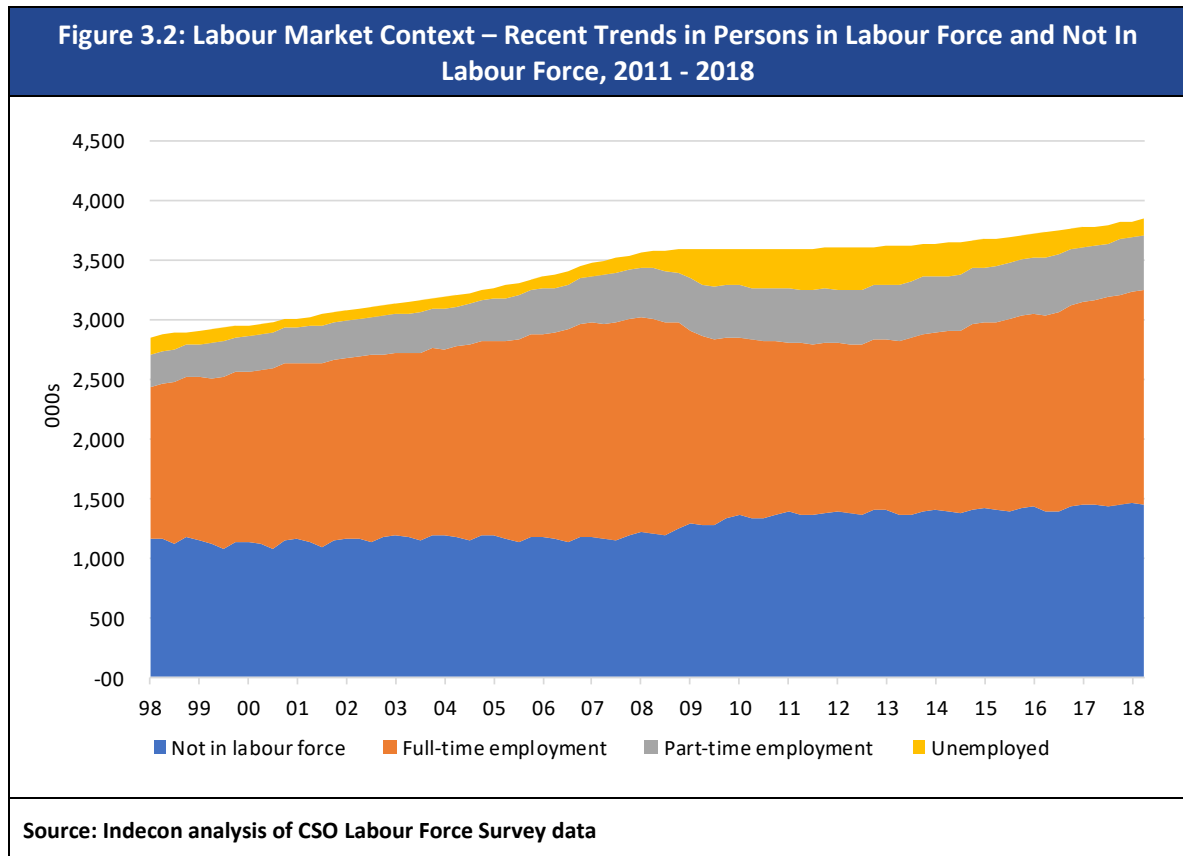


Figure 3.2 below provides a decomposition of the labour force based on status, namely in-employment (whether full-time or part-time), unemployed, and not in labour force. The changes from 2012-2018 in the labour market, most notably the sharp fall in unemployment, will have the effect of increasing the economy-wide demand for in-employment training, while reducing the demand for job-seeker training.



In order to understand the changing needs of industry, it is useful to identify those sectors that face occupational shortages currently. The SLMRU, operated by SOLAS, conducts research into areas of occupational shortage. The National Skills Bulletin 2017 identifies several sectors where shortages of labour exist in Ireland, which are outlined below:

- Science:** incl. chemists, quality control analysts
- Engineering:** incl. process and design, automation, electrical
- ICT:** incl. software developers, engineers, web design, big data analysts
- Business and financial:** accounting, business intelligence, FinTech
- Healthcare:** medical practitioners, nurses
- Construction Professionals:** project managers, quantity surveyors
- Construction Craft:** glaziers, pipelayers, shift managers
- Other Craft:** TIG/MIG welders

- ❑ **Arts, Sports, Tourism:** Chefs
- ❑ **Transport:** Senior planners, buyers, procurement, niche drivers
- ❑ **Social & Care:** Childcare workers
- ❑ **Sales & Customer Service:** Technical sales, vendor managers
- ❑ **Operatives:** Qualified CNC, production operatives

Skillnet Ireland offers training in many of the occupations presented above. For example, Skillnet Ireland's Chef Network is a professional network of chefs in Ireland that aims to bring together chefs from all sectors and career stages. However, it should also be noted that Skillnet Ireland is only one provider of enterprise-relevant skills in the economy, and accounts for a relatively small share of total economy-wide workforce training in Ireland. As such, Skillnet would not be expected to cover all areas of skills shortage in all geographical areas.

### 3.3 Relevance and Responsiveness to Industry

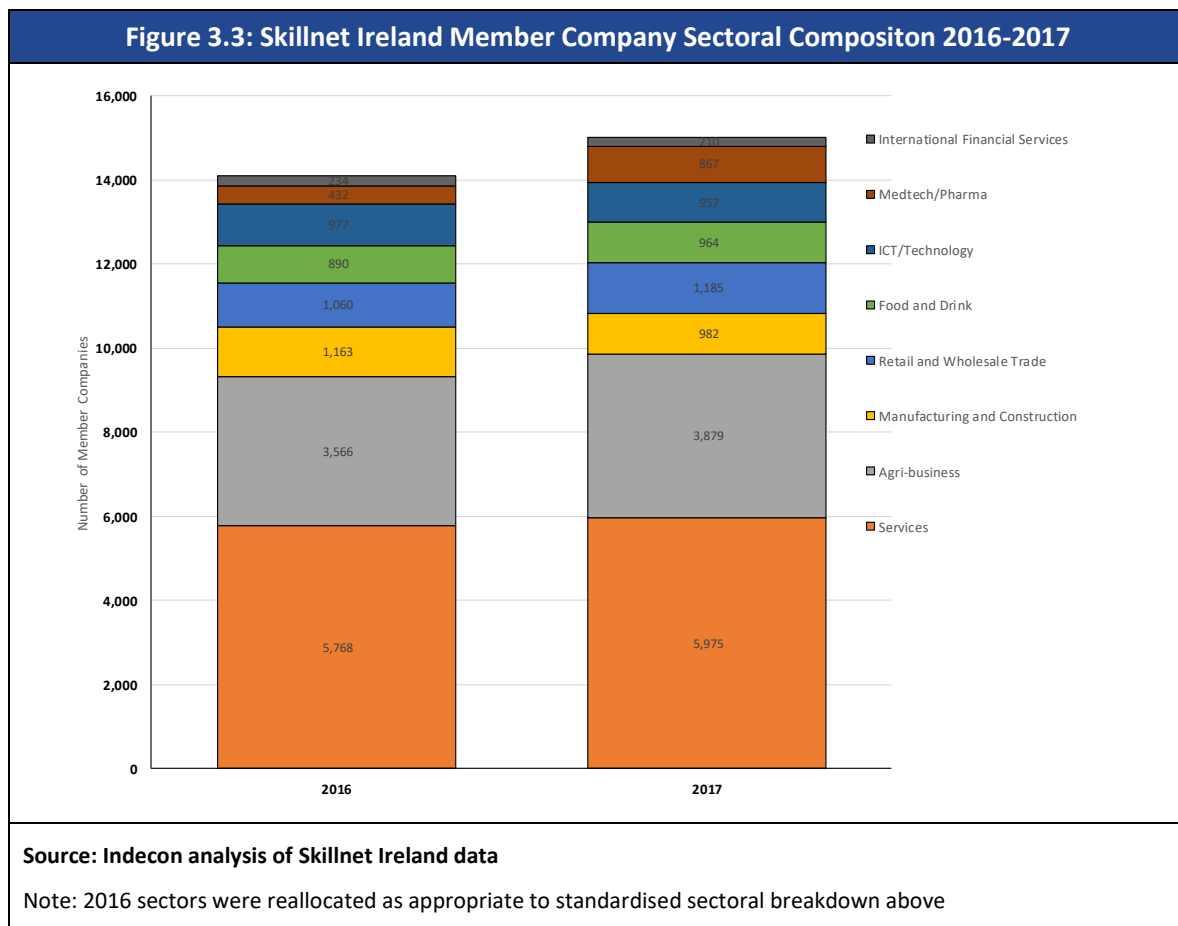
An important aspect of the alignment of Skillnet Ireland's activities concerns the relevance of training provided and the responsiveness of networks and programmes to the ongoing training needs of industry sectors, to enterprise in general and to the skills requirements of the wider economy.

The extent to which Skillnet Ireland's activities remain relevant and responsive to the needs of industry is influenced by two stages of decision making. The first stage is the decision by Skillnet Ireland centrally as to which networks it supports/funds, and the level of funding to be provided to each. The second stage is the extent to which a network, once established, provides training that is relevant and responsive to the needs of its members. To help ensure that at network level training remains relevant to industry needs, Skillnet Ireland requires networks to conduct a Training Needs Analysis (TNA), now known as the Learning Needs Analysis. A TNA provides information on the skills development requirements of the members of the network, and is completed as part of the application to Skillnet Ireland for annual funding.

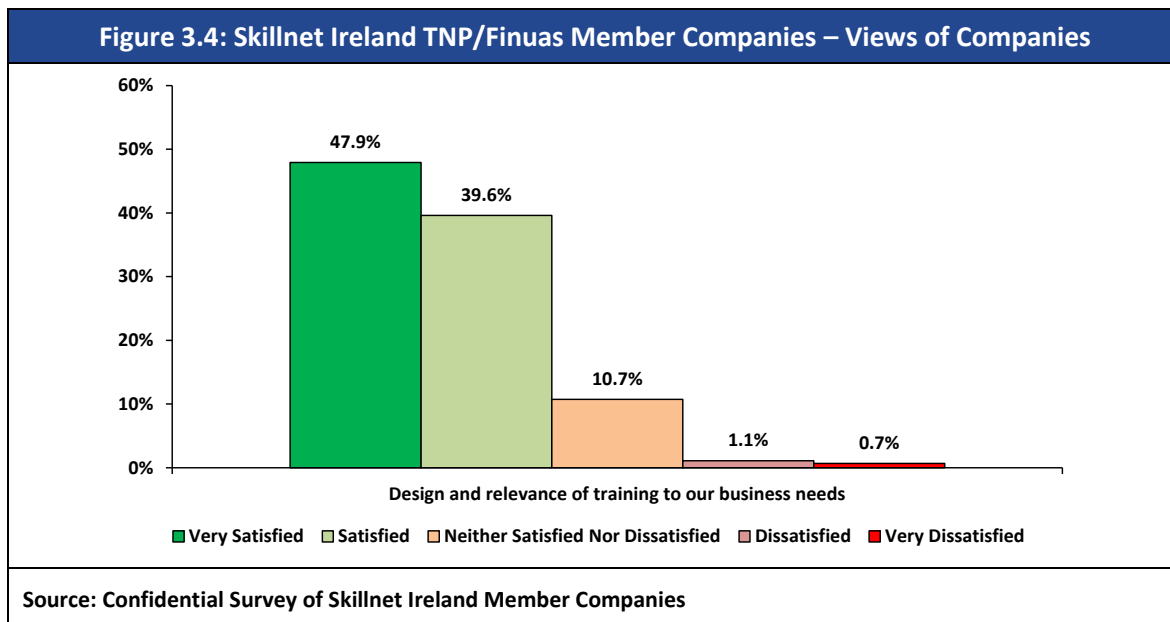
As part of Indecon's primary research programme, we surveyed member companies as to whether they agreed that the Training Needs Analysis fully reflected the needs of their company/business. A majority (65.7%) of TNP/Finuas member companies indicated that they strongly agreed or agreed with this, while 31.5% of firms neither agreed nor disagreed. See table below.

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither Agree Nor Disagree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Training Needs Analysis conducted by the Skillnet/Finuas fully reflected training needs of company/business	27.7%	38.0%	31.5%	2.3%	0.5%
<b>Source: Indecon analysis of Confidential Survey of Skillnet Ireland Member Companies</b>					

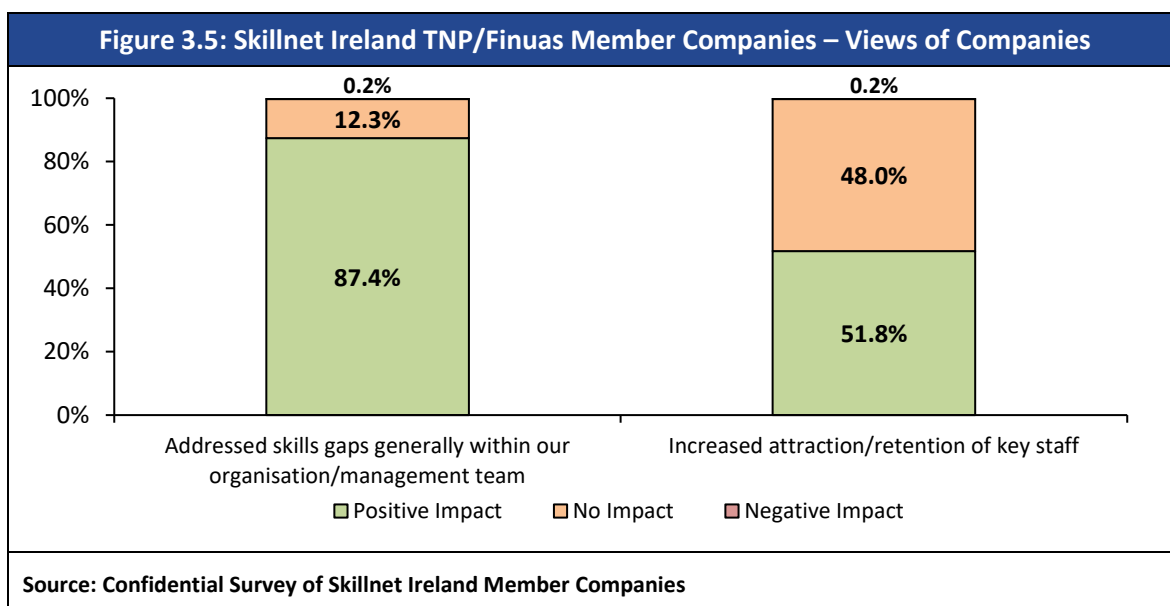
Skillnet Ireland training in 2017 was focussed on some of the largest and most important areas of the Irish economy, including sectors with emerging skills needs. A sectoral breakdown of member companies is shown in the figure below. An examination of the changes in sectoral composition of Skillnet Ireland member companies over the 2016 to 2017 period shows an increase in the number of Medtech/pharmaceutical companies in Skillnet Ireland programmes (+101%), as well as an increase in the broad services sector (+4%). In contrast, the manufacturing and construction sectors (-16%) as well as the international financial services sector (-10%) saw a reduction in the numbers of member companies who participated in Skillnet Ireland. The general shift towards services is in line with economy-wide changes in the composition of output and employment towards services.



It is also useful to consider the views of member companies as to whether Skillnet Ireland is relevant and responsive to industry sectors. We surveyed TNP/Finuas Member Companies as to their views on the design and relevance of the programmes in the context of their business needs. 87.5% of TNP/Finuas Member Companies were satisfied/very satisfied with the design/relevance of training to their business needs, while just under 11% were neither satisfied nor dissatisfied. See figure overleaf.



Indecon also surveyed member companies in relation to the perceived benefits of network membership. The research found that 87% of TNP/Finuas Member Companies saw a positive impact from Skillnet Ireland in terms of addressing skills gaps within their organisation (see figure below), while 52% reported the positive impact on increased attraction and retention of staff.

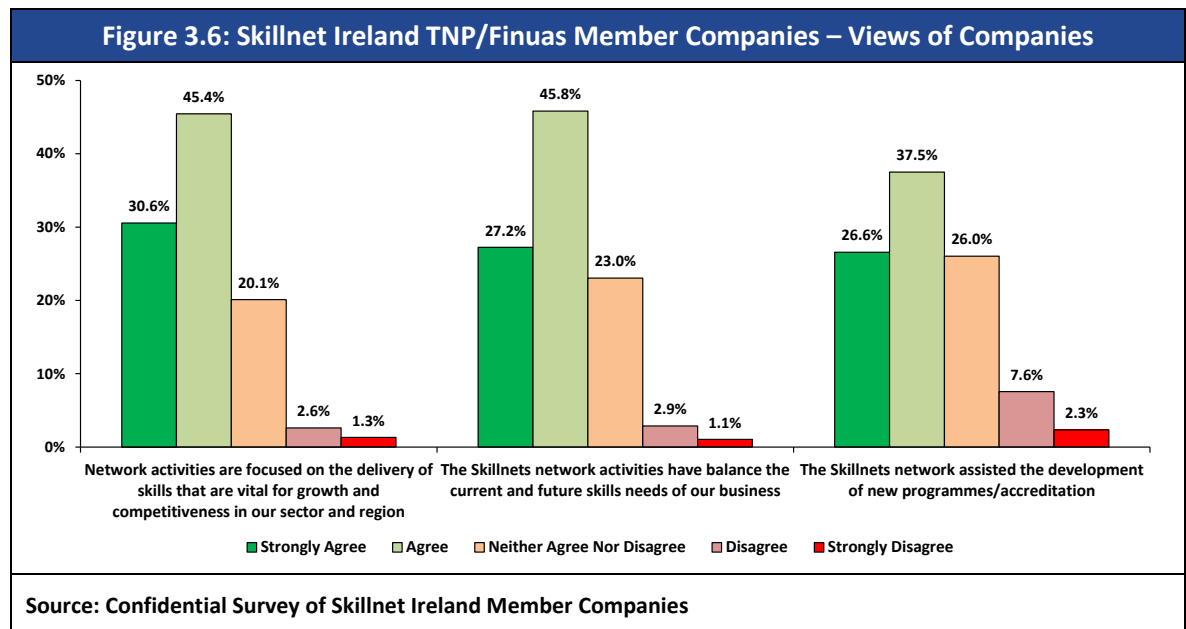


### 3.4 Role in Supplying Current and Future Skills

One of Skillnet Ireland’s primary goals, as set out in its Statement of Strategy 2016-2019, is maintaining the supply of skills that impact the growth potential of Irish enterprise. This is presented below:

Table 3.2: Skillnet Ireland Statement of Strategy – Goals
<p><b>Goal Two:</b></p> <p>We will play a pivotal role in maintaining a supply of the specific skills and future skills that <b>impact the growth potential of Irish enterprise.</b></p>
<p>Source: Skillnet Ireland</p>

In this context, it is useful to consider the impact of Skillnet Ireland on the growth of member companies. As part of our primary research programme, we surveyed member companies and other stakeholders as to the perceived impact of programme participation. The views of TNP/Finuas Member Companies are provided in the figure below. The findings indicate that a majority of member companies agreed or strongly agreed that training provided by Skillnet in 2017 focussed on future-driven skills needs..



Indecon also surveyed Skillnet managers regarding the change in the number of employers seeking accredited training in 2018. 59% responded that they expected an increase in cooperation by employers to develop new programmes, while 34% reported expecting an increase in the number of employers seeking accredited training. No network manager predicted a decrease in either. This reflects not only the increased budget allocated to Skillnet in 2018, but also the general increase in skills demand in the economy.

<b>Table 3.3: Skillnet Ireland Network Managers Views on Likely Change in Following Aspects of Network Activity</b>			
<b>Views on what you would anticipate is likely to happen in the following areas during 2018:</b>	<b>Increase</b>	<b>Stay the Same</b>	<b>Decrease</b>
Employers co-operating to develop new programmes/accreditation	59.0%	41.0%	0.0%
Employers seeking accredited training	34.4%	65.6%	0.0%

**Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers**

### 3.5 Role in Labour Market Activation

Labour market activation policies are policies that are designed to give jobseekers a better chance of finding employment. The Department of Employment Affairs and Social Protection describes activation as engagement with jobseekers to support them back into employment. Jobseekers are expected to engage with this process and use the supports offered during the activation process which might include education or training schemes, employment support schemes to help them back into the workplace, internships and other supports. While originally focused on in-employment training, the Jobseekers Support Programme (JSSP) was introduced by Skillnet Ireland in 2010 as a response to deteriorating labour market conditions nationally. Skillnet Ireland also offer training to the unemployed through the main TNP programme.

The balance between in-employment and for-employment training provided by Skillnet Ireland has changed as the level of unemployment nationally has fallen (see Section 3.2 for further context). This has also been reflected in the specification of funding provision laid out by the Department of Education and Skills in their Annual Allocation Letter. As shown below, the percentage of funding for in-employment training in terms of the overall financial allocation to Skillnet Ireland increased from 78% in 2016 to 90% in 2017.

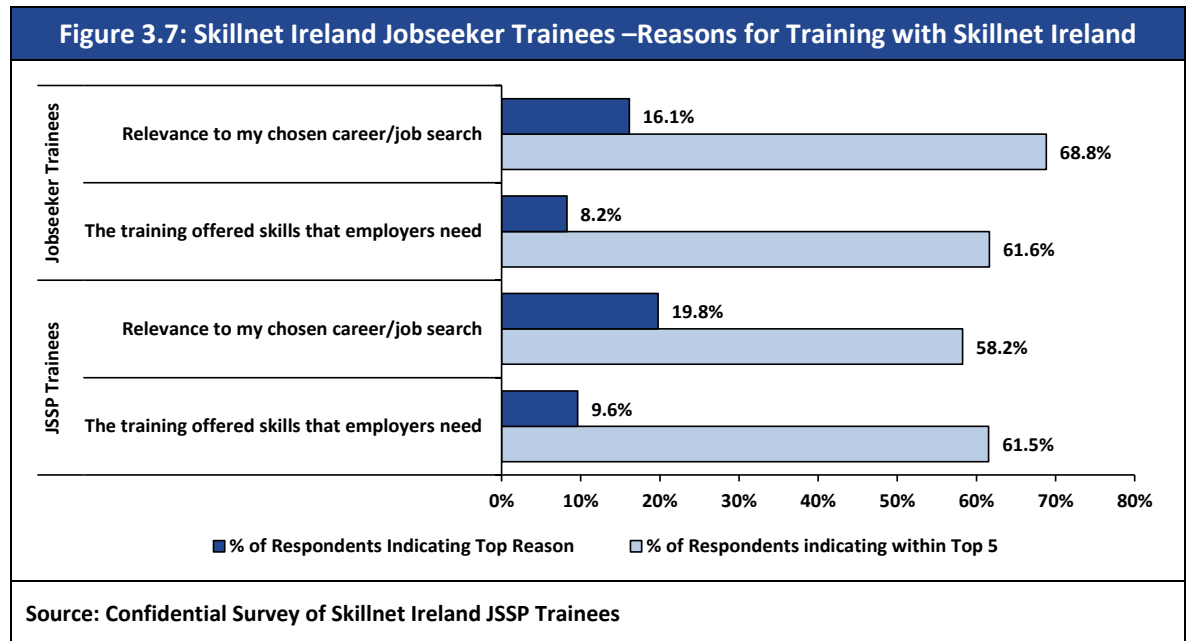
<b>Table 3.4: Funding Ratio for Employed and Unemployed Training, 2016-2017</b>			
	<b>Measure</b>	<b>2017</b>	<b>2016</b>
In-Employment Training	€	€16.4 million	€12.6 million
	%	90%	78%
Jobseeker Training	€	€1.8 million	€3.6 million
	%	10%	22%

**Source: DES Annual Allocation Letters to Skillnet Ireland, 2016 and 2017**

This implication of the ongoing evolution of Skillnet Ireland’s funding of in-employment and jobseeker training is evident in the training outcomes achieved in 2017, which are summarised in the table below. In the DES Annual Allocation letter for 2017, a target was set that Skillnet Ireland should provide training to 2,500 unemployed or part-time workers. As can be seen, this target was exceeded, with almost 4,000 jobseekers receiving training. A total of 56,310 training days were provided to these individuals, exceeding the Department’s target (45,000 days).

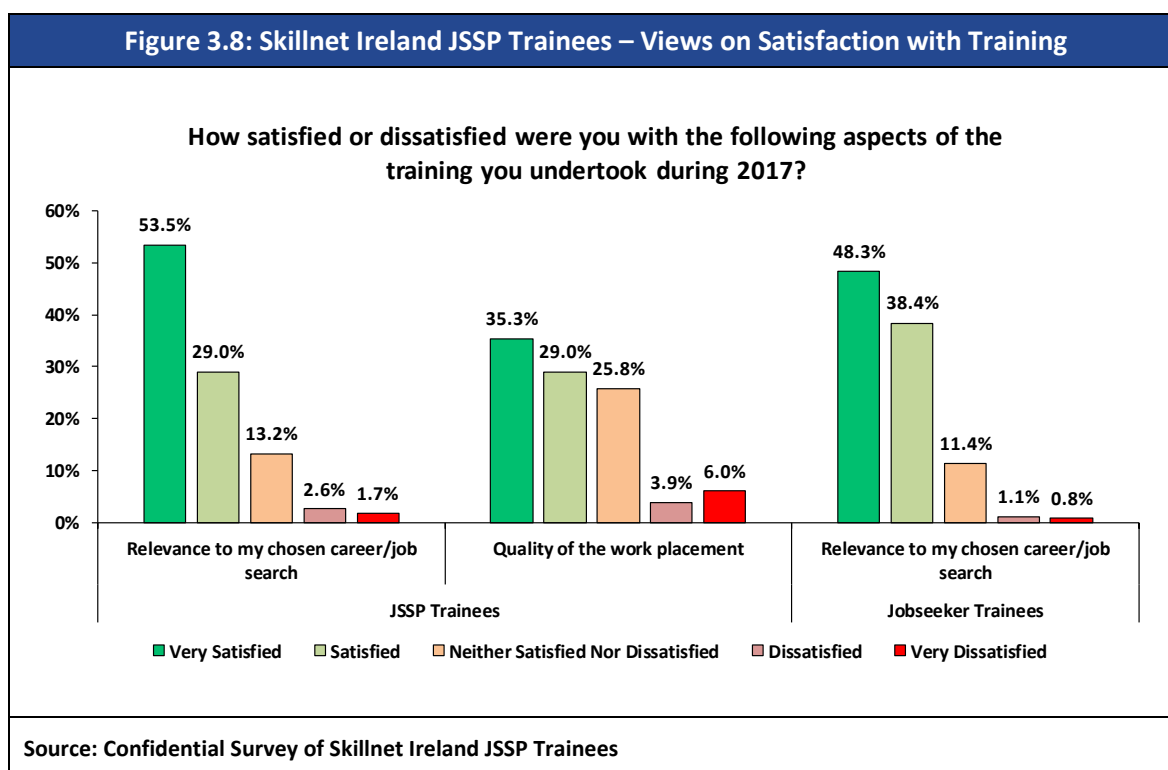
Table 3.5: Skillnet Ireland Jobseeker Training Activity Outcomes – 2016-2017		
Programme	2017	2016
Number of Trainees	3,705	5,915
Number of Training Days	56,310	66,733
Source: Skillnet Ireland Data		

Indecon also surveyed jobseekers on their motivations for participating in training, the results of which are shown in the figure below. Around one in twelve jobseekers indicated that their main motivation for participation was that the training offered skills that were demanded by employers, while one in six reported that the relevance of training to their career/job search was their primary reason.





It is instructive to highlight the views of jobseeker trainees in terms of whether the Skillnet Ireland training activities align with their needs, particularly in terms of labour market activation. As part of our primary survey research we consulted with both main programme unemployed trainees and JSSP trainees. 82.5% of JSSP trainees were satisfied or very satisfied with the relevance of the training with their chosen career path, and 64.3% were satisfied/very satisfied with the quality of the work placement. A large majority (86.7%) of main programme jobseekers were satisfied or very satisfied with the relevance of the training with their chosen career path.



### 3.6 Summary of Findings

This section examined the alignment of Skillnet Ireland activity with the needs of the labour market. A summary of the key points of this section are outlined below:

- The Irish labour market has undergone significant shifts over the last decade. The level of unemployment in the labour market reached a peak of almost 16% in 2011. Since then, the labour market has seen a gradual and sustained improvement in terms of a rise in aggregate employment.
- Each Skillnet Ireland network is required to conduct a Learning Needs Assessment on an annual basis, to gather information on the skills development requirements of the members of the network. A majority (65.7%) of TNP/Finuas member companies indicated that they strongly agreed or agreed that the Learning Needs Analysis fully reflected the needs of their company/business.

- ❑ A large majority (87.5%) of TNP/Finuas Member Companies reported that they were satisfied/very satisfied with the design and relevance of training to their business needs, while just under 11% were neither satisfied nor dissatisfied. Member Companies saw a positive impact in terms of addressing skills gaps within their organisation and an increased ability to attract and retain staff. 93% of network promoters also reported satisfaction with the responsiveness of the network to the needs of member companies.
- ❑ One of Skillnet Ireland’s primary goals is maintaining the supply of skills that impact the growth potential of enterprise. Member companies agreed or strongly agreed that training provided by Skillnet in 2017 focussed on skills vital for future growth (76%); balance current and future needs (73%); and assist in the development of new programmes (64%). The survey of network managers also predicted an increase in training activity in 2018.
- ❑ Labour market activation policies are policies that are designed to give jobseekers a better chance of finding employment. The balance between in-employment and for-employment training has changed as the level of unemployment nationally has changed. This has also been reflected in the funding provision laid out by the Department of Education and Skills, with the percentage of funding for in-employment training increasing from 78% in 2016 to 90% in 2017.
- ❑ The total number of unemployed trainees supported by Skillnet Ireland declined by 41% between 2015 and 2017, which is consistent with the dramatic reduction in unemployment nationally during this period.

## 4 Assessment of Impact on Learners

### 4.1 Introduction

This section provides an analysis of the impact of Skillnet Ireland's activities on learners. The section covers learners from the three programmes provided by Skillnet Ireland in 2017 (namely TNP, Finuas and ManagementWorks), and includes an analysis of the impact of training provided both in-employment and for jobseekers. In particular, it sets out perceptions regarding the quality of training programmes, the benefits of training including on career/training progression, and the facilitation of access to accredited training and education. This section also includes two case studies – one of an in-employment trainee; and the second of a jobseeker trainee. The section primarily utilises internal Skillnet Ireland data and Indecon's primary survey research among member companies and trainees.

### 4.2 Profile of Skillnet Ireland Learners in 2017

An analysis of internal Skillnet Ireland data provides insight into the characteristics of trainees in each of the Skillnet Ireland programmes. As shown in the table below, during 2017, 93% of in-employment trainees participated through the TNP, with Finuas comprising of 5%. The remainder (representing 2% of all trainees) is accounted for by ManagementWorks training. The table also shows the year-on-year fluctuations in the number of trainees. There was a rise of 2.9% on the number of TNP trainees in 2017 over 2016, reversing the slight fall from 2015 to 2016. Finuas showed a slight decline in numbers in 2017 though remained above its 2015 outcome, while the number of ManagementWorks trainees has been broadly stable over the last three years.

**Table 4.1: Skillnet Ireland Learners in Employment by Training Programme**

Programme	2015	2016	2017	% 2017	% Change 2016-2017
TNP	41,596	41,335	42,464	93%	2.7%
Finuas	1,641	2,402	2,249	5%	-6.4%
ManagementWorks	847	721	776	2%	7.6%
<b>Total*</b>	<b>44,084</b>	<b>44,458</b>	<b>45,489</b>	<b>100%</b>	<b>2.3%</b>

Source: Skillnet Ireland Data  
\* Note: Non-unique count of trainees

#### Gender Breakdown

More men than women participated in Skillnet Ireland programmes in 2017. The gender breakdown of trainees is presented in the next table, and shows that 58% of trainees were men. This can in part be explained by the fact that according to Labour Force Survey statistics for 2018, 54% of the labour force in Ireland is male, and 46% is female.

**Table 4.2: Skillnet Ireland Learners – Gender Breakdown of Learners in 2017**

Gender	% of Learners
Male	58%
Female	42%
<b>Source: Skillnet Ireland Data</b>	

### **Age Profile**

The age profile of trainees who participated in Skillnet Ireland programmes in 2017 is shown in the next table. One in three Skillnet Ireland trainees were aged 30-39, while 27% were aged 40-49. These figures are broadly similar to those reported in 2015-2016, suggesting little material change in the age composition of trainees.

**Table 4.3: Skillnet Ireland Learners – Age Breakdown of Learners in 2017**

Age Group	% of Learners
< 20 years	2%
20 to 29 years	20%
30 to 39 years	33%
40 to 49 years	27%
50 to 59 years	14%
> 60 years	4%
<b>Total</b>	<b>100%</b>
<b>Source: Skillnet Ireland Data</b>	

### **Occupational Grouping**

Skillnet Ireland provides training to trainees who are in a range of occupational categories. The table overleaf categorises learners in 2017 by broad occupational grouping. It shows that one in three were classed as professionals, another one in three were owners or in a supervisory/management function, while the remaining one-third were distributed over a range of occupational categories. In the broader workforce<sup>8</sup> around 18% of workers are classed as professionals, while 8% are classed as managers. This indicates the higher rate of take-up of Skillnet Ireland training by these occupational groups.

<sup>8</sup> <http://www.solas.ie/SolasPdfLibrary/NationalSkillsBulletin2015.pdf>

**Table 4.4: Skillnet Ireland Learners – Prior Occupational Category of Learners in 2017**

<b>Occupational Category</b>	<b>% of Learners</b>
Professional	33%
Managerial / Supervisor	21%
Owner / Manager	13%
Semi-skilled	8%
Technician	8%
Non-Manual	2%
Skilled Manual	5%
Other	10%
<b>Total</b>	<b>100%</b>
<b>Source: Skillnet Ireland Data</b>	

### **Educational Attainment**

The prior educational attainment of trainees indicates that Skillnet Ireland training is taken up mostly by those with already high levels of qualifications. This is shown in the next table. Of all learners, 57% had Level 7 (Ordinary Bachelor’s Degree) or higher. The DES in their Annual Allocation Letter set out that Skillnet Ireland should endeavour to provide up to 50% of its training days to persons currently on levels 1-5 of the NFQ. As can be seen below, only 27% of learners had an NFQ level of 1-5. It should be noted that the figures in this table report the educational attainment based on learner numbers, and are not weighted based on the number of training days by those learners.

**Table 4.5: Skillnet Ireland Learners – Educational Attainment among Learners Prior to Training in 2017 – All Learners**

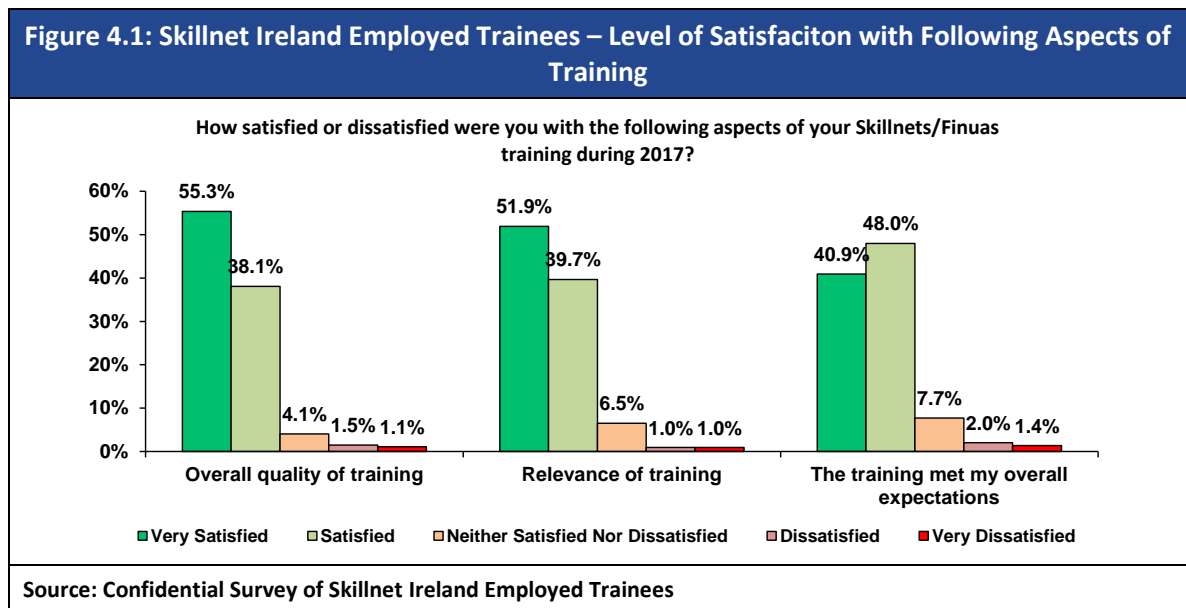
<b>National Framework of Qualifications Level</b>	<b>% of Learners</b>
1-2	1%
3	4%
4	12%
5	10%
6	16%
7	10%
8	32%
9-10	15%
<b>Total</b>	<b>100%</b>
<b>Source: Skillnet Ireland Data</b>	

### 4.3 Benefits and Impacts of Learning – In-Employment Trainees

Indecon’s primary survey research of in-employment trainees asked respondents a number of questions relating to their perceptions of the quality and impact of the training provided by Skillnet Ireland in 2017. The results of this survey research are reported in this section.

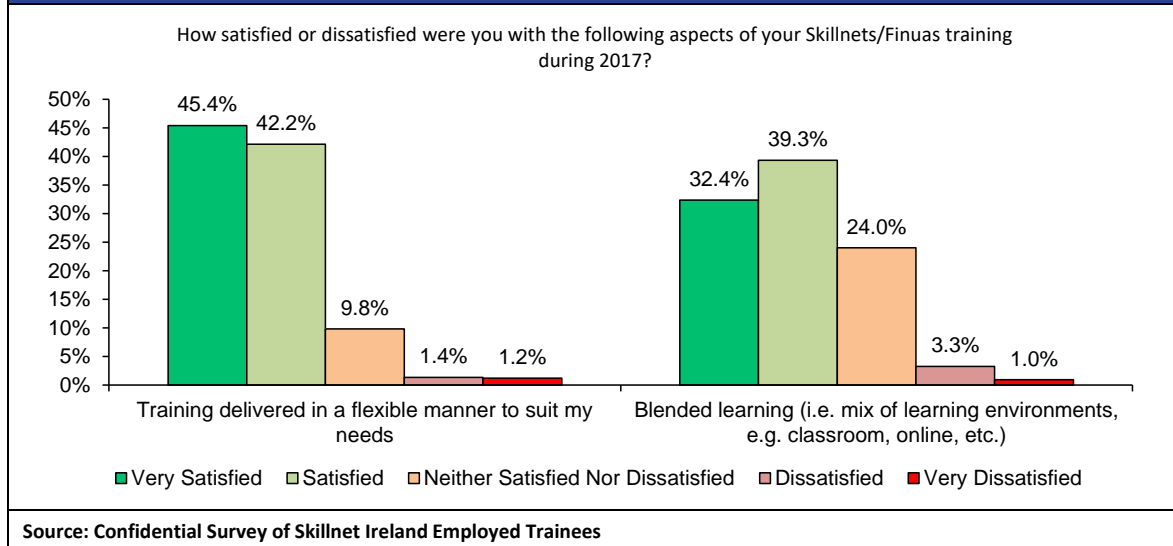
#### Quality and Relevance of Training

Survey respondents reported high levels of satisfaction with the quality, relevance and mode of delivery of the training provided. As can be seen in the figure below, 55% of employed trainees were very satisfied with the overall quality of the training. Further, 89% of respondents reported that they were satisfied or very satisfied with the relevance of the course material, while over 88% of employed trainees indicated that the training met their overall expectations.



It is also useful to consider the views of learners in relation to logistical and delivery aspects of Skillnet Ireland courses. 88% of employed trainees were very satisfied or satisfied with the flexibility of the training provided. Respondents were also generally (71%) satisfied with the blend of pedagogic techniques employed in the training, though one-in-four of employed learners surveyed reported to be neither satisfied or dissatisfied.

**Figure 4.2: Experience of Learners – Views of In-Employment Learners on Aspects of Training undertaken during 2017**



### Assessment of Career Progression Outcomes

The labour market progression outcomes achieved subsequent to training is an important aspect in evaluating national training schemes such as those delivered by Skillnet Ireland. Outcomes can involve securing a more favourable job role in line with career aspirations, becoming self-employed or progressing to further education and training. A summary statistical analysis of the findings of Indecon's research in relation to the current status (May/June 2018) of the TNP and Finuas in-employment learners who undertook their training during 2017 are presented in the table overleaf.

The research indicates a high overall level of employment retention, with 97.3% of respondents indicating they were in employment. The largest cohort (76.1%) were still employed on a full-time or part-time basis in the same organisation in which they undertook their Skillnet Ireland training, while 11.1% were employed in another organisation. Just over 10% of 2017 Skillnet Ireland in-employment learners were self-employed in May-June 2018. Finally, 1.4% of learners reported that they were now unemployed. It is important to note that progression outcomes are influenced by general market trends, including the strengthening labour market, and an assessment of net impacts would require an evaluation against a counterfactual which is outside the scope of this review.

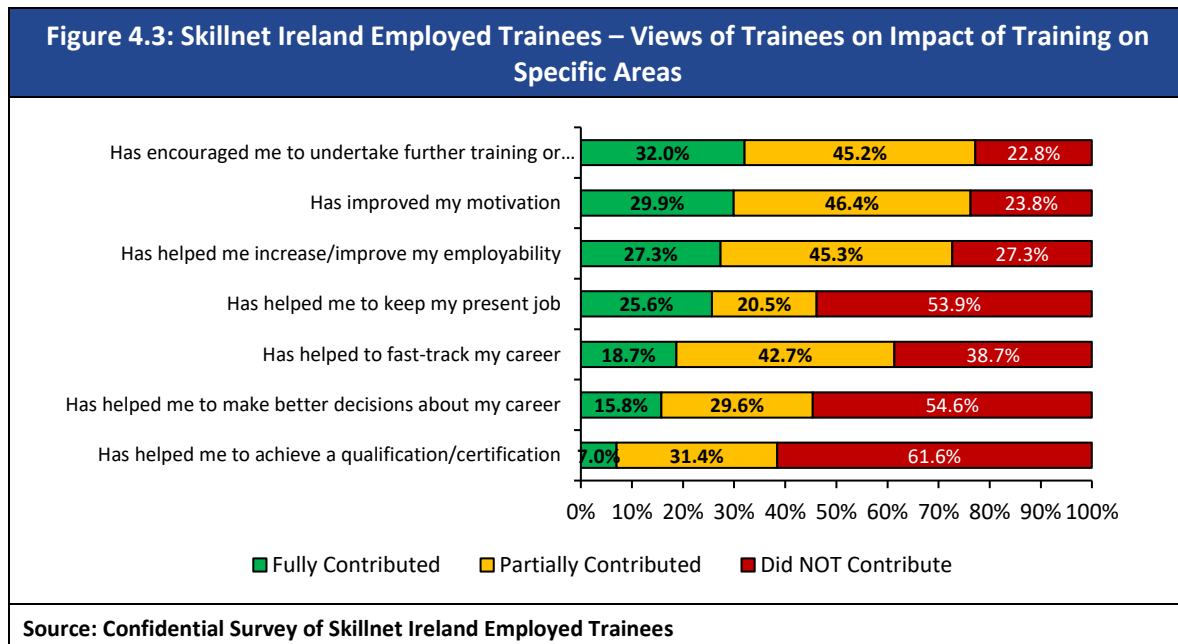
<b>Table 4.6: Progression of 2017 Skillnet Ireland In-Employment Learners – Current Status of Learners (May/June 2018)</b>	
<b>What Best Describes your Current Situation</b>	<b>% of Respondents*</b>
Employed full-time in the same company in which I undertook my training	68.1%
Employed part-time in the same company in which I undertook my training	8.0%
Employed full-time in another company	9.6%
Employed part-time in another company	1.5%
Self-employed	10.1%
<b>Total in Employment</b>	<b>97.3%</b>
Was employed on a short-term contract, which has now ended	0.7%
Pursuing further education or training	2.4%
Unemployed (on Live Register)	1.4%
Have emigrated	0.5%
<b>Source: Indecon analysis of Confidential Survey of Skillnet Ireland Employed Trainees</b>	
*Note: Percentages sum to greater than 100% due to ability to choose more than one option	

While Skillnet Ireland training was reported to have been positive, this did not always translate into identifiable career-enhancing outcomes. Given that many Skillnet Ireland courses are of a relatively short duration, participation might not necessarily be expected to change a learner's career progression significantly. Just one in ten trainees reported that Skillnet Ireland training partially or primarily resulted in a promotion, salary increase or a favourable job move. In particular, 11.5% of employed trainees indicated that they had secured a promotion partially or primarily due to their Skillnet Ireland training. Just under 10% of this cohort indicated that they had received a pay rise partially or primarily due to the training.

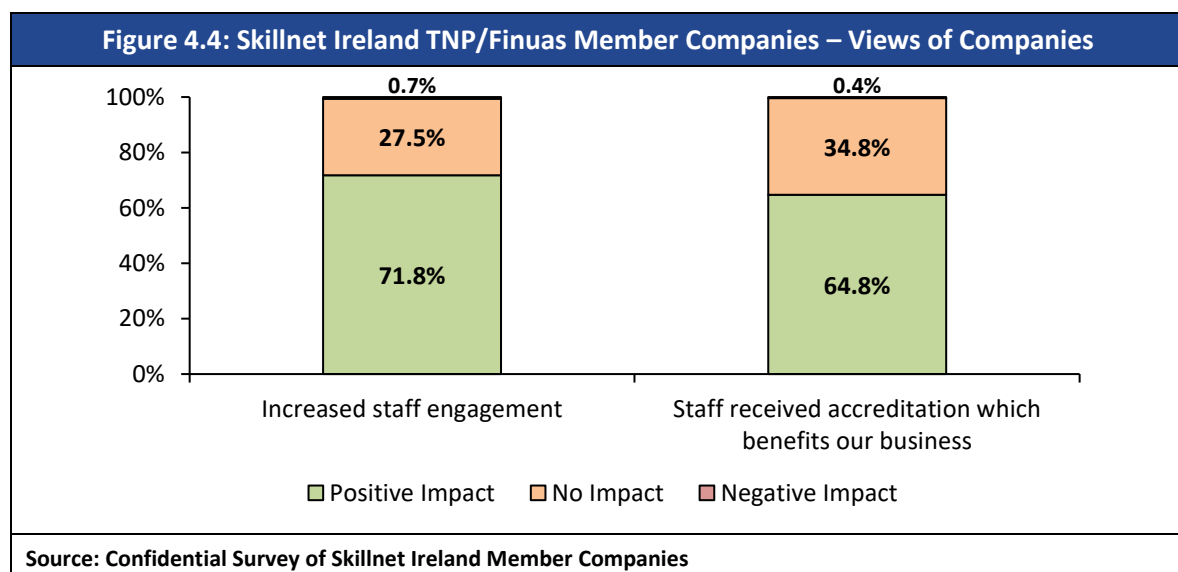
<b>Table 4.7: Skillnet Ireland Employed Trainees - Outcomes Attributable to Skillnet Training</b>					
	<b>Outcome has Not Occurred</b>	<b>Outcome has Occurred but Not Related to Skillnets Training</b>	<b>Outcome Partially Due to Skillnets Training</b>	<b>Outcome Primarily Due to Skillnets Training</b>	<b>Outcome is Likely to Occur in the Next 6-18 Months</b>
I have secured a promotion	70.5%	10.2%	9.1%	2.4%	7.8%
I have received a salary increase	61.6%	24.2%	8.0%	1.6%	4.6%
I have moved to a more satisfactory job within the company	78.5%	10.6%	5.7%	1.8%	3.4%
I have moved to a more satisfactory job outside the company	86.6%	5.7%	2.1%	1.4%	4.2%
I have become self-employed	92.4%	3.5%	1.2%	0.6%	2.3%
<b>Source: Confidential Survey of Skillnet Ireland Employed Trainees</b>					



As shown in the next figure, Skillnet trainees indicate the impact of their training on certain areas such as career decisions and employability. The three areas where Skillnet Training had the largest impacts are encouragement to further training, improved motivation, and increased sense of employability.



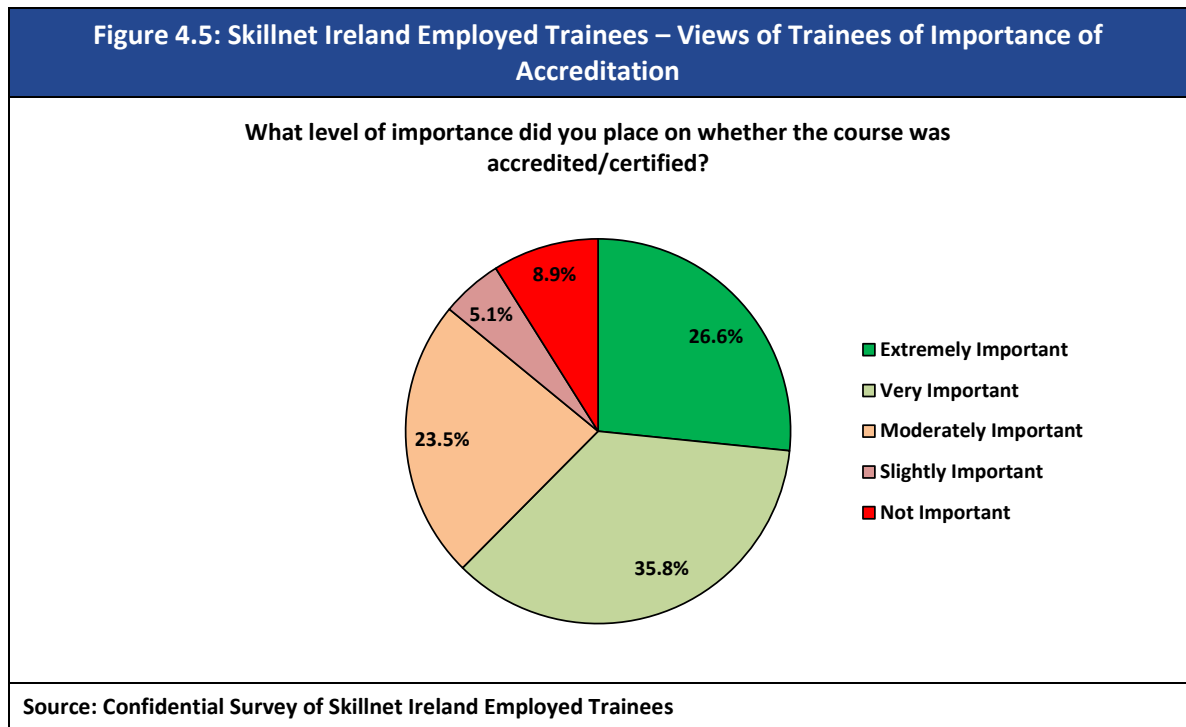
Indecon also surveyed participant companies on the impact of training on their staff. 71.8% of TNP/Finuas Member Companies saw a positive impact of Skillnet Ireland training on staff engagement and on accreditation staff had received from training.



**Facilitation of Access to Accredited Training and Education**

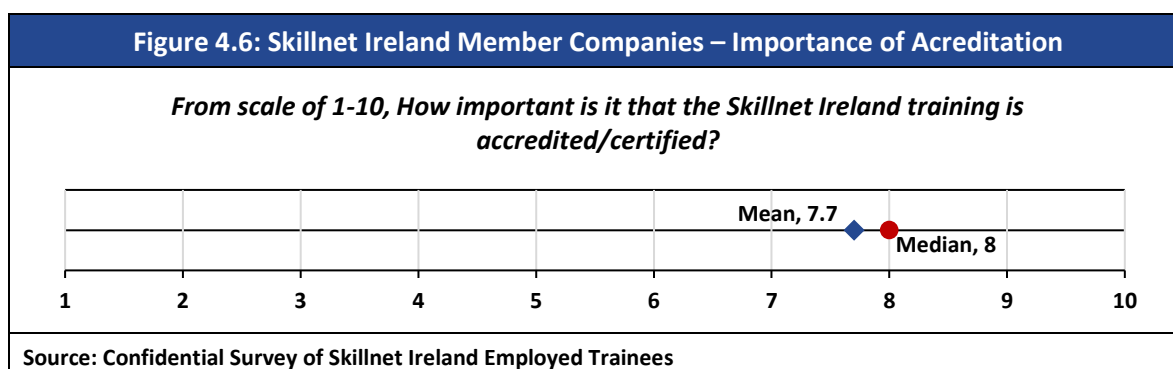
The provision of training and upskilling activities that result in NFQ or industry-recognised accreditation is potentially an important signalling device to employers regarding the quality of the training. Formal accreditation can also be important to learners as it offers them the opportunity to gain a qualification that is recognised in the wider industry. As stated by the OECD<sup>9</sup>, a strong qualifications framework is necessary to ensure the value of qualifications are appropriately understood and will help to translate employers’ needs into training needs.

As part of Indecon’s primary research programme, both trainees and member companies were queried with respect to accreditation. The results of these surveys are presented in this section. The research found that 62.4% of respondents held the view that accreditation/certification was either extremely or very important. Key drivers of the importance of accreditation of education and training provision are the impact on portability and recognition of qualifications in the labour market.



<sup>9</sup> OECD Financial Incentives for Steering Education and Training Acquisition, 2017

We also asked member companies to indicate the level of importance they attribute to a course being accredited/certified. On a scale of 1-10 in terms of importance, the average Member Company gave a score of 7.7 on the importance of the training being certified. The median score was 8 (see figure below).



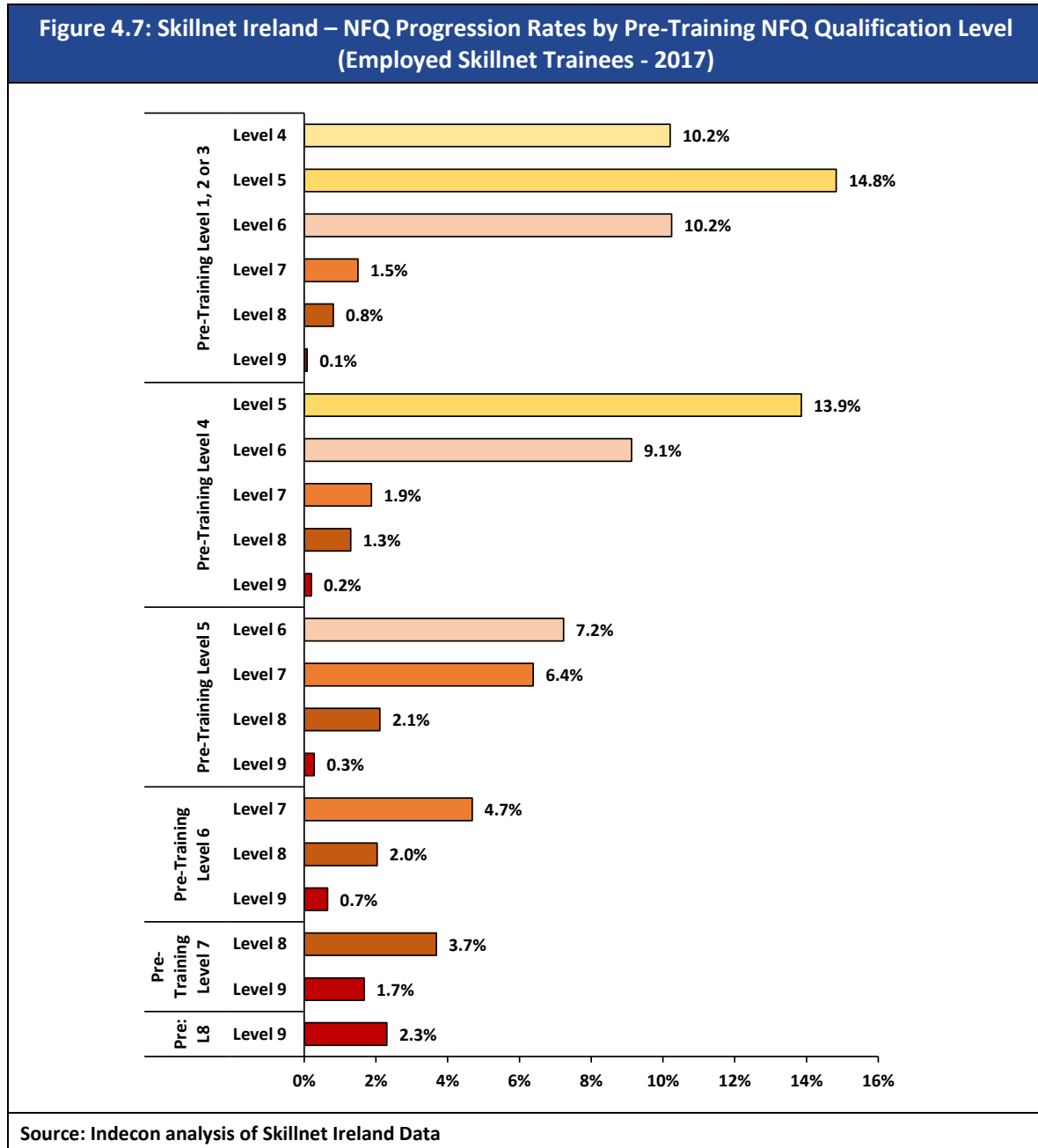
The Department of Education and Skills sets targets for the percentage of training days that are certified by industry, as well as on the National Framework of Qualifications (NFQ). The percentage of certified training days on the NFQ exceeded its target by 12 percentage points in 2017 (57% vs. 45%). However, the number of industry training days, at 19%, fell short of the DES target (30%). (See table below.) Skillnet Ireland did, however, exceed the overall target of 75% of its training days being accredited, with 76% of its training days accredited when combining NFQ and Industry training days. This covers all learners, whether in-employment or jobseekers.

**Table 4.8: Programme Overview - Certified Training Days 2017**

Certification Levels	Department of Education and Skills Target	Total Achieved in 2017
Overall NFQ Training Days	45%	57%
Overall Industry Training Days	30%	19%

Source: Indecon analysis of Skillnet Ireland data and Department of Education and Skills Annual Allocation Letter

Figure 4.7 presents a breakdown of the NFQ progression rates for employed Skillnet trainees in 2017. Caution should be taken in interpreting these figures as they are based on self-reported data from trainees, while the data does not capture outcomes in which certification is achieved by trainees but this does not result in upward progression within the NFQ. The analysis indicates that almost 37% of employed trainees in 2017 who, prior to their Skillnet Ireland training were educated to NFQ Levels 1 to 3, reported that they had progressed to NFQ Level 4 or above following their training. Among trainees with a pre-training NFQ Level of 4, 23% report to have progressed to Level 5 (linked to Leaving Certificate) or Level 6 (advanced/higher certificate).



**Case Study - In-Employment Learner**

In the box below, we set out a case study of an in-employment learner who completed Skillnet Ireland training during 2017.

<b>Box 4.1: Case Study on in-employment Training BA (Hons) Degree in Retail Management Practice</b>	
<b>Trainee background</b>	Emma Cahill started her career in the retail sector at the age of 16 when she worked (part time) at weekends in a local newsagent. Her initial career preference on leaving school was to focus on science-related area and she opted to study Biomedical Science. During her final year Emma undertook a laboratory work placement and noted that “straight away I knew this was not for me and I needed to get back to where my passion lay. I finished the placement and started looking for a new career path. This led me to an interview with The Kilkenny Group.”
<b>Experience of participation on the training programme</b>	<p>Emma gained employment with the Kilkenny Group in 2011. While working in the Stillorgan Branch she was given the opportunity to enrol on the Retail Management Practice degree programme delivered by the Retail Ireland Skillnet in conjunction with Letterkenny Institute of Technology and subsequently moved on to achieve a BA (Hons) in Retail Management Practice (QQI Level 8).</p> <p>Emma stated: “My overall experience of the programme was an excellent one. The skillset I developed was invaluable and I am truly grateful to The Kilkenny Group for giving me the opportunity to do this degree. The Kilkenny Group are committed to staff development for all their teams not just managers and this can be seen in the wide variety of training given and progression opportunities through work-based learning programmes delivered in-store by Retail Ireland Skillnet.”</p>
<b>Suggestions on how to improve the training programme</b>	In commenting on areas that might improve the training programme, Emma stated: “It would be better if there was more variety of speakers from the retail sector. I would also suggest that it would be better not to have classes on Mondays as this is the busiest day for retailers.”
<b>Impacts on progression/career development</b>	<p>Emma started on the degree programme in Retail Management Practice in 2013 delivered by Retail Ireland Skillnet and graduated with a BA (Hons) degree in October 2017. Since beginning work with The Kilkenny Group, Emma has held numerous roles ranging from Project Management to Cluster Management within the Group.</p> <p>Emma currently holds the position of Store Manager at the Stillorgan branch. Emma highlights that “modules in Financial management, Marketing, Entrepreneurship, Buyer Behaviour, CRS and Ethics, Leadership, Managing Change and Operational Management have all helped in my career to date. From all the knowledge and learning I took from the degree programme and the opportunities given to me, who knows what roles or challenges I may take on in the future.”</p>
<b>Source: Skillnet Ireland</b>	

## **4.4 Benefits and Impacts of Learning – Jobseeker Training**

Indecon’s primary survey research also sought to identify the impact of training on jobseeker trainees. The table overleaf presents the findings of the survey analysis into the impacts of attending a Skillnet training course, with the results presented separately for JSSP and jobseeker trainees.

### ***Training Quality***

Indecon’s survey asked jobseekers about aspects relating to the quality of training received and their satisfaction with it. (See table overleaf.) The majority of jobseeker trainees stated that they were satisfied with the training they received. 91% of both JSSP and main programme trainees indicated that they were very satisfied or satisfied with the quality of the training and trainers. Over 85% of trainees indicated that they were very satisfied or satisfied that the training met their overall expectations. JSSP participants were also asked the extent to which the JSSP network helped identify and secure a course. Three out of four respondents reported that they were satisfied or very satisfied that it did.

A majority (59%) of JSSP trainees were very satisfied with the booking procedure for their course. However, a nontrivial proportion (6.7%) of JSSP trainees were very dissatisfied or dissatisfied with the length of time required to complete the course. Another 10% were neutral on this aspect of their training. While a large majority of JSSP trainees were very satisfied or satisfied with the duration of their training, it may be useful to explore this aspect further for those most affected. Main programme jobseekers generally had high levels of satisfaction with training quality issues.

<b>Table 4.9: Skillnet Ireland JSSP (EAP) and Main Programme Jobseeker Trainees – Satisfaction of Trainees</b>					
	<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Neither Satisfied Nor Dissatisfied</b>	<b>Dissatisfied</b>	<b>Very Dissatisfied</b>
<b>JSSP Jobseekers</b>					
Extent JSSP network identify and address training needs and secure place	46.5%	30.2%	18.6%	2.0%	2.6%
Quality of training including trainers	60.1%	31.0%	3.2%	2.3%	3.5%
The training met overall expectations	47.8%	37.5%	8.1%	2.9%	3.8%
I found it straightforward to book a place on the course	59.0%	31.5%	6.9%	1.2%	1.4%
Training delivered was accessible (e.g. convenient location or available online etc.)	56.5%	31.8%	8.0%	3.2%	0.6%
Training delivered was flexible (e.g. around timing/schedule)	54.7%	36.6%	5.8%	2.0%	0.9%
Length of time required to attend/complete the training	47.8%	35.9%	9.6%	5.2%	1.5%
<b>Main Programme Jobseekers</b>					
Quality of training including trainers	57.9%	32.8%	3.9%	3.1%	2.3%
The training met overall expectations	50.2%	36.1%	7.2%	3.8%	2.7%
I found it straightforward to book a place on the course	57.4%	30.4%	8.4%	2.7%	1.1%
Assistance provided by the Skillnets network to secure my training place	47.7%	30.9%	18.7%	1.9%	0.8%
Training delivered was accessible (e.g. convenient location or available online etc.)	53.3%	33.3%	8.8%	3.5%	1.2%
Training delivered was flexible (e.g. around timing/schedule)	38.4%	32.7%	24.3%	3.4%	1.1%
Length of time required to attend/complete the training	46.0%	39.9%	8.8%	3.4%	1.9%
<b>Source: Confidential Survey of Skillnet Ireland Jobseeker Trainees</b>					

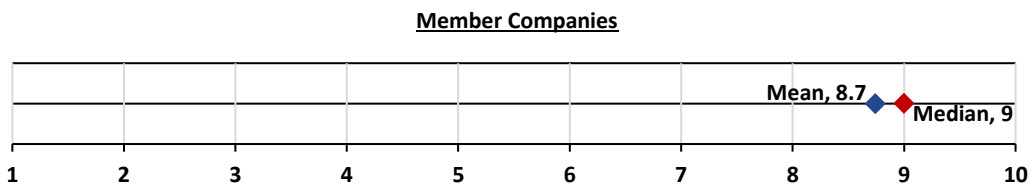
The overall views of learners and member companies of Skillnet Ireland are summarised in the figure overleaf. Learners are split across the three major learner cohorts (employed, JSSP, main programme jobseekers). The average score across all learner cohorts ranged from 8.2 to 8.6 out of 10 ('1' representing 'Would Definitely NOT Recommend' and '10' representing 'Would Definitely Recommend'). Member companies on average gave a score of 8.7 with respect to an equivalent question.

**Figure 4.8: Skillnet Ireland Trainees and Member Companies – Would You Recommend Skillnet Ireland Training?**

*“From scale of 1-10, would you recommend the Skillnet Ireland TNP or Finuas training programme?”*



*“From scale of 1-10, would you recommend joining Skillnet Ireland (TNP, Finuas, ManagementWorks) to other businesses/companies?”*



Source: Confidential Surveys of Skillnet Ireland Trainees (Various) and Member Companies

**Assessment of Impact of Training**

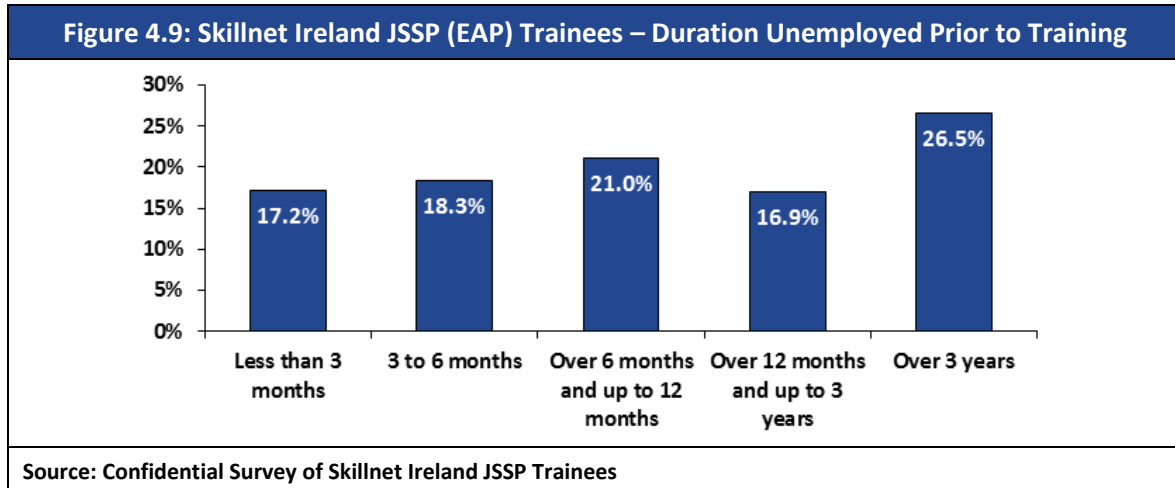
Respondents reported positive benefits relating to a number of areas relevant to job-search, for example CV/interview skills, confidence and motivation, and awareness of opportunities. Most importantly, a majority of both JSSP participants (80%) and main programme jobseeker trainees (73%) reported positive impacts in relation to their chances of getting a job. Main programme jobseekers’ responses indicated, in general, a less impactful contribution across these areas compared with their JSSP counterparts.



Table 4.10: Skillnet Ireland JSSP and Main Programme Jobseeker Trainees - Views of Trainees on Impact of Training on Specific Areas					
		Fully Contributed	Partially Contributed	Has Not Contributed	Not Applicable
JSSP Trainees	Has enhanced my CV/interview skills	49.9%	33.4%	9.2%	7.5%
	Has improved my motivation and self-confidence	47.8%	36.6%	12.1%	3.5%
	Has developed new skills that will help me to change career	45.1%	36.4%	10.7%	7.8%
	Has made me more aware of employment opportunities	44.8%	40.2%	8.4%	6.7%
	Has helped me to achieve a qualification/certification	43.4%	27.8%	13.9%	15.0%
	Increased my chances of getting a job	39.8%	40.4%	12.7%	7.2%
	Has developed skills to help me set up my own business	14.5%	22.9%	23.2%	39.4%
Jobseeker Trainees	Has enhanced my CV/interview skills	33.1%	36.2%	23.5%	7.3%
	Has improved my motivation and self-confidence	35.9%	43.9%	14.9%	5.3%
	Has developed new skills that will help me to change career	32.8%	40.1%	20.2%	6.9%
	Has made me more aware of employment opportunities	25.2%	42.6%	24.8%	7.4%
	Has helped me to achieve a qualification/certification	35.6%	21.1%	34.9%	8.4%
	Increased my chances of getting a job	30.0%	43.4%	16.7%	9.9%
	Has developed skills to help me set up my own business	13.4%	23.7%	39.1%	23.7%
Source: Confidential Survey of Skillnet Ireland Main Programme Jobseeker Trainees					

### Assessment of Career Progression Outcomes - JSSP

This section examines the current status and progression outcomes of jobseeker trainees that participated in JSSP during 2017. While the overarching progression goal of this cohort is to gain employment, poorer employment histories make positive progression outcomes more challenging. As shown in the next figure, 43.4% of 2017 JSSP trainees were long-term unemployed (for one year or more) prior to participating in a Skillnet programme.



Indecon's survey of 2017 JSSP trainees indicates that 49% progressed to employment whether in a full-time/part-time capacity or into self-employed (see table below). Just over 26% of JSSP trainees reported still being unemployed, while 4.6% were on another employment activation scheme.

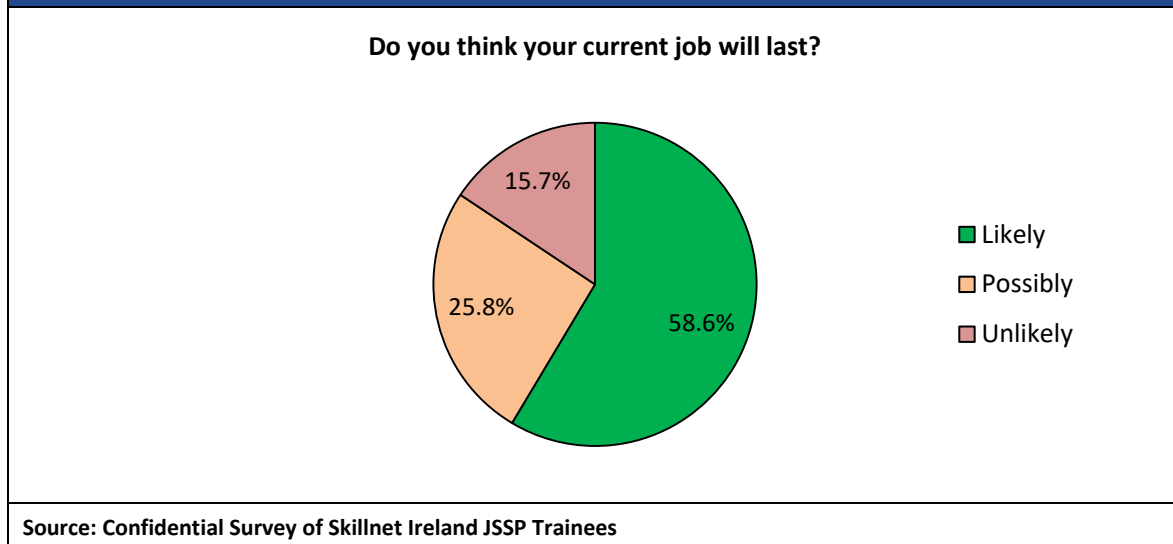
**Table 4.11: JSSP Trainees - Current Status**

What Best Describes your Current Situation	%
Employed full-time in the same company in which I undertook my JSSP training	9.5%
Employed part-time in the same company in which I undertook my JSSP training	6.5%
Employed full-time in another company	15.8%
Employed part-time in another company	10.1%
Self-employed	6.8%
<b>Total Currently in Employment (April/May 2018)</b>	<b>48.7%</b>
Was employed on a short-term contract, which has now ended	3.3%
Unemployed	26.1%
Pursuing further education or training	20.7%
On another employment activation scheme (e.g. CES, Tús, Gateway)	4.6%
Have emigrated	0.3%
Carer	0.8%
Retired	0.5%
JSSP Work Placement	1.6%
Internship	0.5%
Other	2.7%

Source: Indecon analysis of Confidential Survey of Skillnet Ireland JSSP Trainees

It is useful to consider the views of learners as to their perceived likelihood of their current job lasting. Over half of those in a current job feel that their current job is likely to last (see figure over-leaf). Over 15% considered it unlikely that their current job would last.

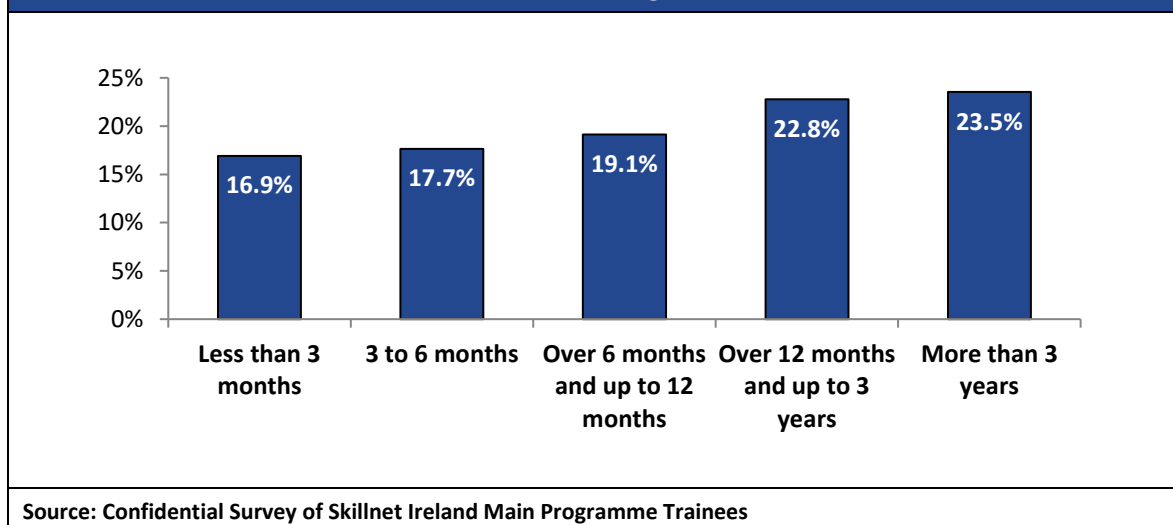
Figure 4.10: Skillnet Ireland JSSP (EAP) Trainees – Likelihood of Current Job Lasting?



#### Assessment of Career Progression Outcomes - Main Programme Jobseekers

As with the JSSP learners above, Indecon surveyed main programme job-seekers on progression outcomes. Almost half of trainees (46.3%) were long-term unemployed,<sup>10</sup> and more than a half of these were unemployed for longer than three years. The Department of Education and Skills indicated in its Annual Allocation Letter for 2017 that targeting should be focused on those unemployed people who have been on the live register for 12 months or more.

Figure 4.11: Skillnet Ireland Main Programme Trainees – Duration of Time Unemployed Prior to Training

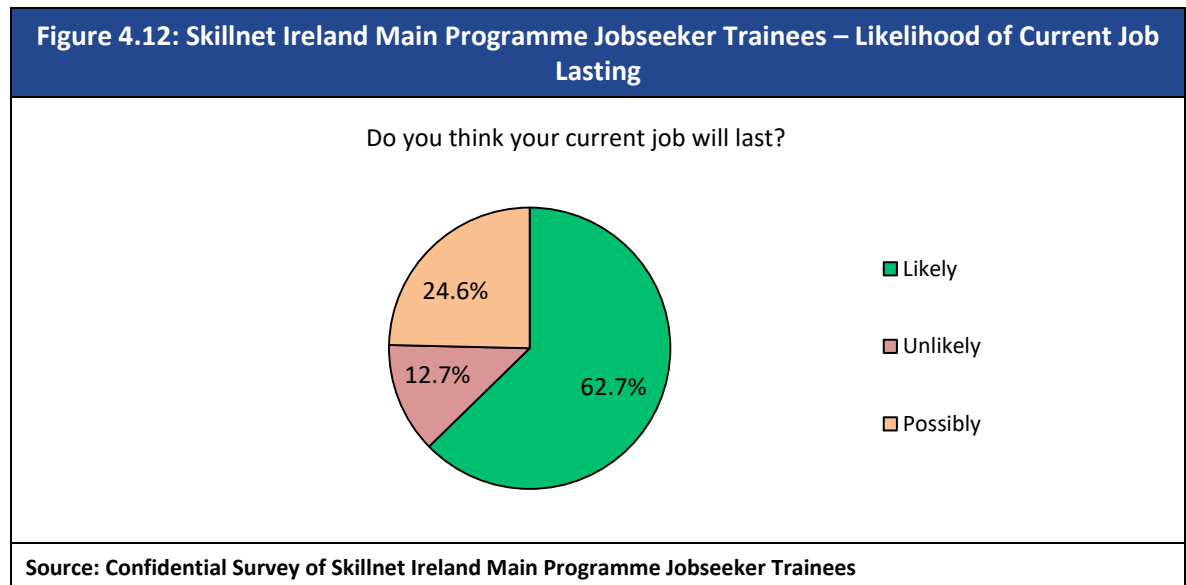


<sup>10</sup> The CSO define long-term unemployment as being unemployed for greater than 1 year.

Indecon also tracked progression outcomes of programme participants. As can be seen in the next table, 51.7% of 2017 main programme jobseekers were (as of April/May 2018) in employment on a full-time or part-time basis or were self-employed. This was in line with JSSP participants.

Table 4.12: Main Programme Jobseeker Trainees - Current Status	
What Best Describes your Current Situation	%*
Employed full-time	28.0%
Employed part-time	15.1%
Self-employed	8.6%
<b>Total Currently in Employment (April/May 2018)</b>	<b>51.7%</b>
Unemployed (on Live Register)	21.5%
Pursuing further education or training	14.0%
Was employed on a short-term contract, which has now ended	5.7%
On another employment activation scheme (e.g. CES, Tús, Gateway)	5.4%
Other	2.5%
Have emigrated	1.4%
Carer	1.4%
Retired	1.1%
Internship	0.4%
<b>Source: Indecon analysis of Confidential Survey of Skillnet Ireland Main Programme Jobseekers</b>	
*Note: % does not sum to 100% due to respondent's ability to choose more than one option	

The evaluation also surveyed main programme Jobseeker Trainees on their perceptions of whether their current employment would last. Almost two-thirds (62.7%) of 2017 main programme jobseekers who are currently in employment judged that their current job is likely to last. Only one in eight (12.7%) of this cohort indicated that they thought it unlikely that their job would last.

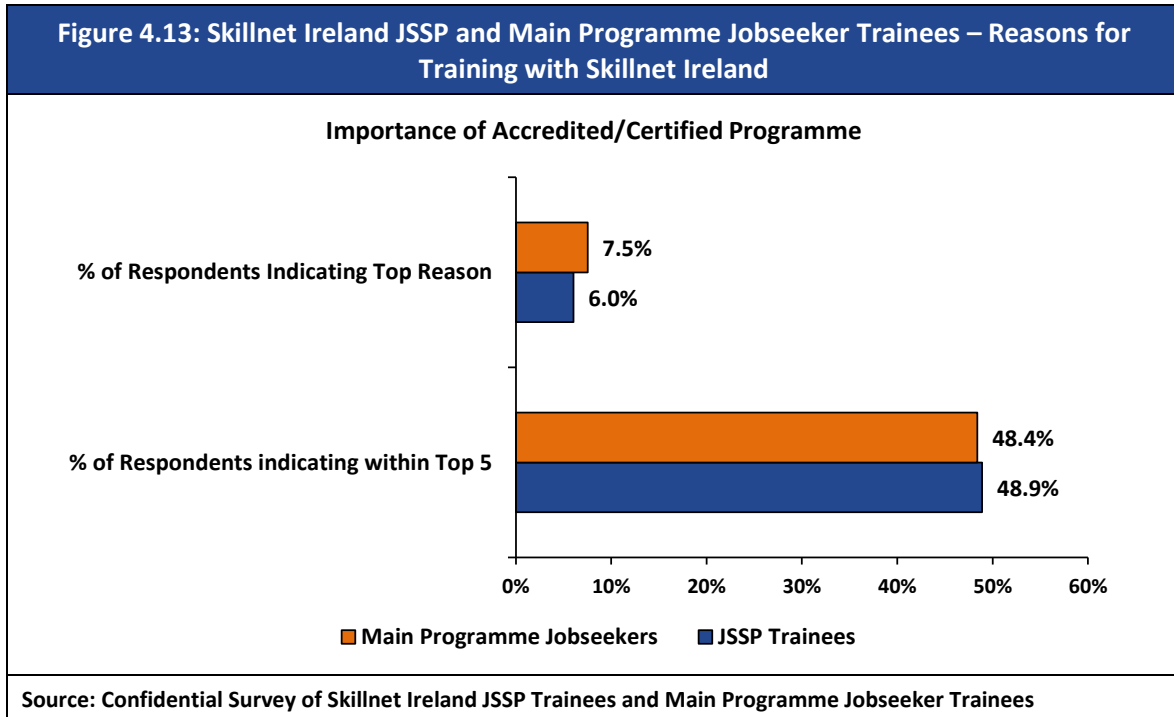


### **Facilitation of Access to Accredited Training and Education**

The Department of Education and Skills in its Annual Allocation Letter for 2017 indicated that Skillnet Ireland should consider avenues to enhance the training of the unemployed. As such, it is useful to consider the NFQ level attained by trainees pre- and post-training. The educational attainment of jobseeker trainees indicates that, among this cohort, almost half (46%) have a prior qualification of Level 5 (Leaving Certificate) or lower. However, a high qualifications level can even be seen among many jobseekers who participate in Skillnet Ireland's training. Over one in three job-seeking trainees have a qualification at NFQ Levels 8-10, i.e., they have a Bachelor's Degree, Master's Degree or a Doctoral Degree.

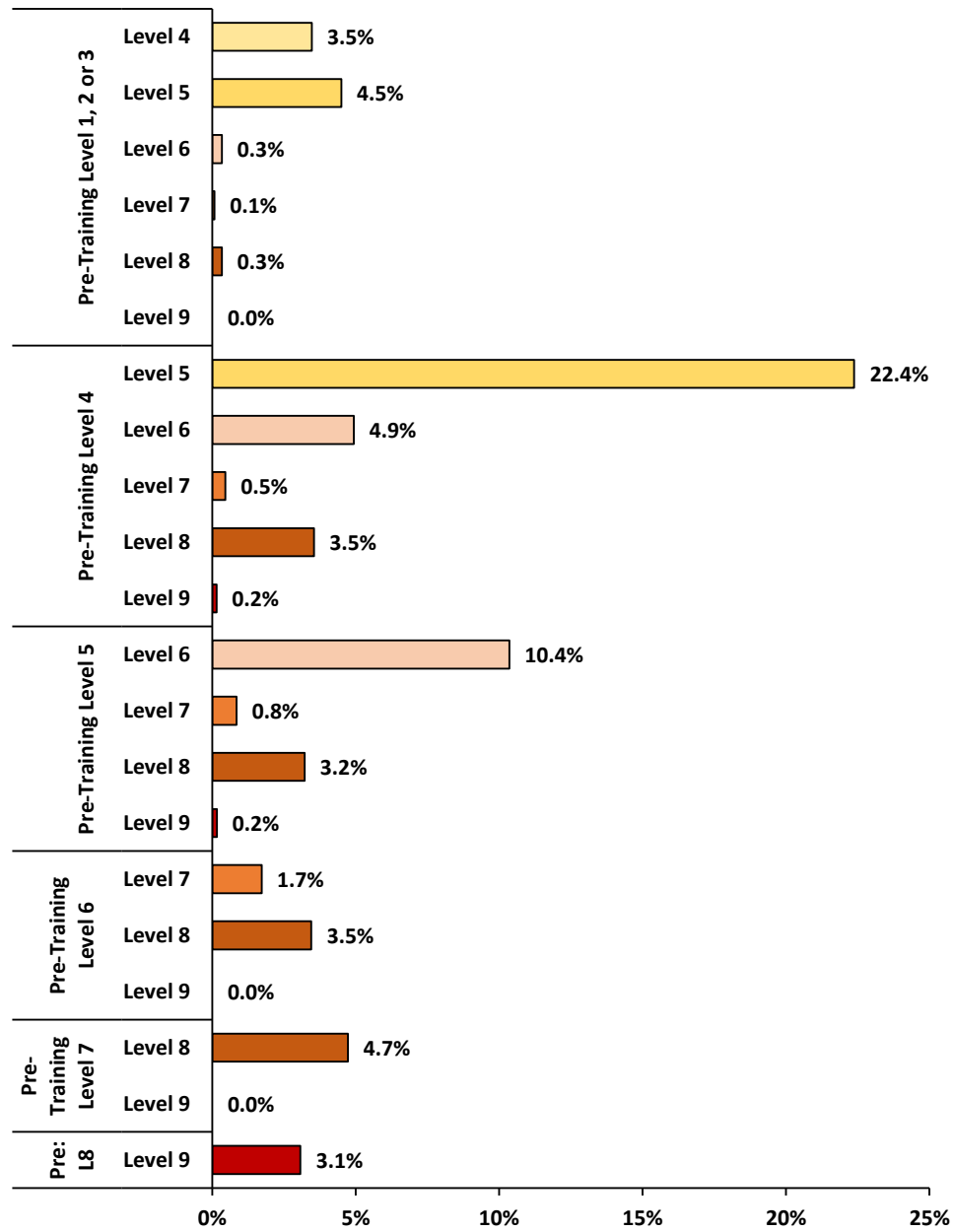
<b>Table 4.13: Skillnet Ireland Learners – Educational Attainment among Learners Prior to Training in 2017 – <u>Jobseeker Trainees</u></b>	
<b>National Framework of Qualifications Level</b>	<b>% of Learners</b>
1-2	2%
3	10%
4	18%
5	16%
6	12%
7	8%
8	22%
9-10	12%
<b>Total</b>	<b>100%</b>
<b>Source: Skillnet Ireland Data</b>	

Indecon also queried unemployed trainees (JSSP and Main Programme jobseekers) as to their motivations for undertaking their course. In particular, we asked about the importance of accreditation in their decision to partake in Skillnet Ireland training. The results are presented overleaf. 7.5% of main programme jobseekers considered the fact that their course was accredited as the top reason for their participation, which compares to 6% of JSSP trainees. Just under half of both cohorts indicated that course accreditation was in their top three reasons for participating in their course.



The following figure shows the progression rates for unemployed Skillnet trainees in 2017, broken down by pre- and post-training NFQ Levels. 22.4% of those who had an NFQ Level 4 prior to training progressed to NFQ Level 5 following the training, with 9.1% of this cohort progressing to Level 6 (advanced/higher certificate) or higher. Those who had a pre-training NFQ Level 4 had the highest progression rates to higher NFQ Levels of any cohort of unemployed Skillnet trainees in 2017. Caution should be taken in interpreting these figures as they were self-reported by trainees.

**Figure 4.14: Skillnet Ireland – NFQ Progression Rates by Pre-Training NFQ Qualification Level (Unemployed Skillnet Trainees - 2017)**



Source: Indecon analysis of Skillnet Ireland Data

### Case Study on Jobseeker Learner

To provide an indication of how Skillnet Ireland’s jobseeker training operates in concrete terms, this evaluation has also developed a case study example of a jobseeker learner’s experience during 2017. This case study, which is presented below, summarises the key features and experience of one individual who enrolled on the Healthcare Support Certificate programme through the Leading Healthcare Providers Skillnet.

Box 4.2: Case Study on Skillnet Ireland Jobseeker Training	
<b>Trainee background</b>	David McNicholas was employed as a salesperson in a family run business. In 2002 the company closed, at which time he emigrated and gained employment in sales. In 2011 David returned home to act as a carer in the family home and subsequently returned to adult education and to undertake a career change. With his experience in caring for his mother, David opted to move into the formal healthcare sector.
<b>Experience of participation on the Programme</b>	<p>David enrolled for the Healthcare Support Certificate programme through the Leading Healthcare Providers Skillnet. The 6-month programme commenced in February 2017 and concluded in July 2017. The programme included a work placement element which was undertaken in a local Private Nursing Home.</p> <p>Commenting on his experience of the programme David stated: “It was a steep learning curve to get back into the classroom and learn to be disciplined in carrying out each assignment and completing all the modules on time and to the best of my ability. We were fortunate that our Lead Tutor was passionate about teaching which made it much easier than I expected to get back into the groove of study and research after so many years away from the classroom. Wherever my healthcare journey takes me, the training I received gave me a wonderful insight into the challenges facing Healthcare Assistants and it also gave me confidence in my own ability when I started to work with service users for the first time on my own.”</p>
<b>Suggestions for Improving the Training</b>	David judged that overall the course he participated in was excellent. However, he also stated: “In discussions with other participants, we were of the opinion that more practical work would be beneficial particularly in the Manual Handling and CPR areas. These two modules were demanding as they cover a vast amount of information that is required by participants. Perhaps this constructive feedback might be looked at for future programmes.”
<b>Impact on Career Development/Progression</b>	David completed all modules of the Healthcare Support Certificate QQI Level 5 and all related assignments associated with the programme, and was awarded his QQI FETAC Level 5 Certificate. Almost immediately after receiving certification David moved into employment as a Healthcare Assistant with Western Care Association and has been in continuous employment ever since.
<b>Source: Skillnet Ireland</b>	



## 4.5 Summary of Findings

This section considered the impacts on learners of Skillnet Ireland training, including for employed and unemployed learners. The key points are summarised below:

- ❑ In 2017, 93% of Skillnet trainees participated through the TNP, with Finuas comprising of 5%. The remainder (representing 2% of all trainees) was accounted for by ManagementWorks training. There was a rise of 2.9% on the number of TNP trainees in 2017 over 2016. In all 45,489 people in employment participated in training, of which 58% were male.
- ❑ One in three Skillnet Ireland trainees were aged 30-39, while 27% were aged 40-49, with little material change in the age composition of trainees compared to last two years. One in three trainees were classed as professionals, another one in three were owners or in a supervisory/management function, while the remaining one-third were distributed over a range of occupational categories. 57% of trainees in 2017 had an Ordinary Bachelor's Degree or higher.
- ❑ Trainees reported high levels of satisfaction with the quality, relevance and mode of delivery of the training provided by Skillnet. Further, trainees reported high levels of satisfaction with the manner in which courses were provided. 88% of employed trainees were very satisfied or satisfied with the flexibility of the training provided, while 71% were satisfied with the blend of pedagogic techniques employed in the training.
- ❑ There was a high overall level of employment retention reported, with 97% of respondents indicating they were still in employment in May-June 2018. While 87% of employed trainees indicated that their Skillnet Ireland training had fully or partially contributed to improving their employability, a majority said that it did not contribute to helping them keep their present job or to make better decisions about their careers. It should be noted that training is only one of many factors that influence employment retention and career management.
- ❑ 91% of in-employment learners in 2017 considered that accreditation/certification of Skillnet training was important. Key drivers were the impact on portability and recognition of qualifications in the labour market. The average Member Company gave a score of 7.7 out of 10 on the importance of training being certified.
- ❑ The percentage of certified training days on the NFQ provided by Skillnet exceeded the target set by the DES by 12%-point in 2017 (57% vs. 45%). However, the number of industry training days, at 19%, fell short of the DES target (30%). The overall target of 75% was met however.
- ❑ A majority of jobseeker trainees were satisfied the training they received. 91% of both JSSP and main programme trainees indicated that they were very satisfied or satisfied with the quality of the training and trainers. Three out of four JSSP participants reported that they were satisfied or very satisfied that the network helped them secure a course.
- ❑ 49% of JSSP trainees progressed to employment whether in a full-time/part-time capacity or into self-employed. Just over 26% of JSSP trainees reported still being unemployed, while 4.6% were on another employment activation scheme.
- ❑ Among main programme job-seekers, half (46.3%) were long-term unemployed prior to training, and more than a half of these were unemployed for greater than three years. Over half (51.7%) of 2017 main programme jobseekers were (as of April/May 2018) in employment on a full-time or part-time basis or were self-employed.

## 5 Assessment of Effectiveness and Efficiency

### 5.1 Introduction

This section examines the effectiveness and efficiency of the Skillnet Ireland’s programmes, which is critical in the context of ensuring value for money in the utilisation of public/NTF funds. Specific aspects examined include the following:

- ❑ Financial Inputs and Performance;
- ❑ Profile of Enterprise Participation;
- ❑ Programme Outputs and Outcomes;
- ❑ Impacts of Skillnet Ireland Participation on Member Enterprises; and
- ❑ Assessment of Cost-Effectiveness and Value for Money.

### 5.2 Assessment of Financial Inputs and Performance

#### *Overall financial inputs and performance in 2017*

As previously noted, Skillnet Ireland is one of the main recipients (along with SOLAS and the Higher Education Authority) of NTF funding. NTF funding is allocated to the organisation on an annual basis by the Department of Education and Skills. The table below summarises the financial inputs and performance of Skillnet Ireland in 2017.

<b>Table 5.1: Financial Overview - Summary of Key Skillnet Ireland Financial Data – 2017</b>			
	<b>2017 – Actual - €</b>	<b>2017 – Budget - €</b>	<b>Actual as % of Budget</b>
<b>Funding Source</b>			
Grant Funding (National Training Fund)	€14,309,899	€15,807,026	90.5%
Matching Funding	€15,917,228	€14,114,763	112.8%
<b>Total Network Funding</b>	<b>€30,227,127</b>	<b>€29,921,789</b>	<b>101.0%</b>
<i>Matching Funding - % of Total</i>	<i>52.7%</i>	<i>47.2%</i>	
<b>Network Cost Type</b>			
Network Management Costs	€5,792,403	€6,091,176	95.1%
Network Training Cost	€23,103,534	€22,762,665	101.5%
<b>Management and Training Expenditure</b>	<b>€28,895,937</b>	<b>€28,853,841</b>	<b>100.1%</b>
<i>Network Management Costs - % of Total</i>	<i>20.0%</i>	<i>21.1%</i>	
<b>Other Operating Costs*</b>	<b>€1,331,190</b>	<b>€1,067,948</b>	<b>124.6%</b>
<b>Total Expenditure</b>	<b>€30,227,127</b>	<b>€29,921,789</b>	<b>101.0%</b>
<b>Source: Indecon analysis of Skillnet Ireland data</b>			
*Includes overhead and programme development costs			

Skillnet Ireland operated a total of 66 networks in 2017, across the Training Networks Programme (TNP), Finuas, and ManagementWorks streams. Total network funding and expenditure was broadly in line with budgeted levels in 2017 (€30.2 million vs €29.9 million). 52.7% of this overall funding was generated through member company matching funding, which was ahead of budgeted levels (47.2%). Management costs made up 20% of overall costs excluding overhead and programme development costs. This was 1.1% less than budgeted levels. While network management costs were less than budgeted in absolute terms, other operating costs, including programme development and overhead costs, exceeded their budgeted levels during 2017.

The table below summarises the key financial performance of Skillnet Ireland at the programme level in 2017 vis-à-vis budgeted values. Reflecting its continued status as the core delivery channel for Skillnet Ireland, the Training Networks Programme (TNP) accounted for 62 of the 66 networks and the majority of expenditure (€23.7 million) in 2017. Finuas had the highest rate of member company contribution, while ManagementWorks recorded €1.7 million in expenditure, €733,000 of which came from member company funds. Also of importance is the development and operation of the Future Skills Programme (FSP), which facilitates innovation and collaboration in new programme design and industry-based research on the future of work and learning. The FSP was delivered through 23 networks, involving a total spend of €0.8 million during 2017.

<b>Table 5.2: Financial Overview – Expenditure by Programme and Funding Source in 2017</b>					
<b>Programme</b>	<b>No. of Networks</b>	<b>Actual Expenditure</b>	<b>Grant Funding</b>	<b>Member Company Matching Funding</b>	<b>Matching Funding - % of Expenditure</b>
TNP*	62	€23,673,536	€10,161,457	€13,512,079	57.1%
Finuas	3	€2,101,964	€823,103	€1,278,861	60.8%
JSSP	Part of TNP and Finuas Networks	€1,908,903	€1,705,057	€203,846	10.7%
Management-Works	1	€1,708,566	€974,678	€733,888	43.0%
FSP**	23	€834,158	€645,604	€188,554	22.6%
<b>Total</b>	<b>66</b>	<b>€30,227,127</b> <i>(€28,318,224 excl. JSSP)</i>	<b>€14,309,899</b> <i>(€12,604,842 excl. JSSP)</i>	<b>€15,917,228</b> <i>(€15,713,382 excl. JSSP)</i>	<b>52.7%</b> <i>(55.5% excl. JSSP)</i>
<b>Source: Indecon analysis of Skillnet Ireland data</b>					
Notes: *TNP is reported in the 2017 Annual Report including FSP, for the purposes of this report TNP and FSP are reported as separate funding streams.					
**23 FSP Networks are classified as TNP Networks in the overall total of 66 Networks					
Unit costs per trainee and per training day are included in Table 5.13 and Table 5.14.					

### Funding Leverage

An important aspect of the financial performance of Skillnet Ireland, which also has direct implications for value-for-money in the deployment of public/NTF funding, concerns the degree of funding leverage achieved through the organisation's dual, public/private funding model. The analysis presented above in Table 5.2 indicated that of the €30.2 million total funding deployed by Skillnet Ireland, €15.9 million or 52.7% was generated from company matching funding. However, as this percentage includes the Jobseeker Support Programme (JSSP), which is fully funded by the NTF, to accurately assess the extent of funding leverage in the organisation's core co-funded programmes, it is necessary to exclude JSSP expenditure and funding from the analysis. On this basis, Skillnet Ireland achieved an overall company matching funding rate of 55.8% in 2017. Conversely, for every €1 of public/NTF funding allocated during 2017, member companies provided €1.25 of matching funding. The table below presents the trends in this variable, which indicates a very significant improvement in overall funding leverage over the last three years. Continuing to maximise the overall funding leverage rate will be important in demonstrating value-for-money in the deployment of public/NTF funding, but also in relation to mitigating the deadweight associated with publicly-funded training programmes.

	2017	2016	2015
Funding Leverage of Skillnet Ireland - Level of Company Matching for Every €1 of Exchequer Funding (excl. JSSP)	€1.25	€1.14	€1.04
Source: Indecon analysis of Skillnet Ireland data			

### 5.3 Profile of Enterprise Participation

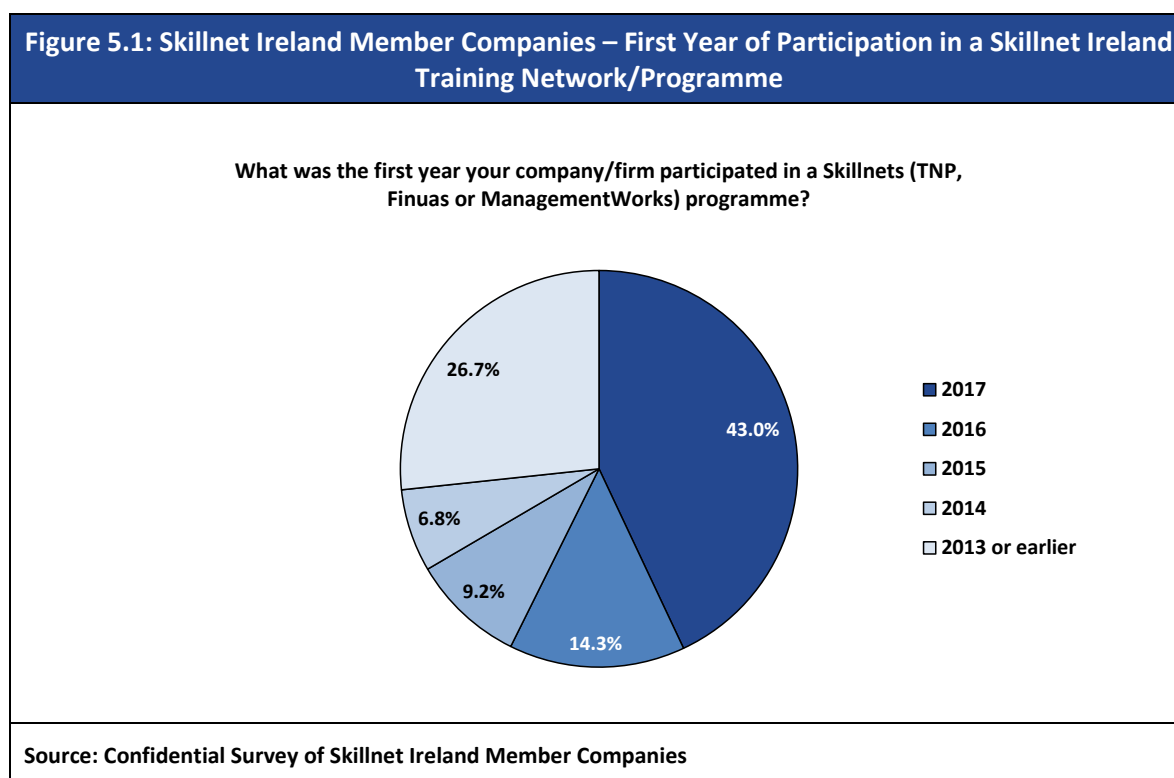
#### Recent trends in enterprise participation levels by Skillnet Ireland programme

Skillnet Ireland's enterprise-based, network model means that for the organisation to thrive, networks must continue to build their enterprise membership as the wider economy expands. The table below indicates the number of enterprises which participated in Skillnet programmes in each of the last four years. This highlights in particular the continued expansion in TNP participation, but also the recovery in participation of enterprises in management development training after the declines experienced in previous years.

Skillnet Ireland Programme	2017	2016	2015	2014	2013
TNP	13,526	12,997	11,937	10,033	9,283
Finuas	965	857	433	226	344
Management Development	521	409	491	620	518
<b>Total Member Enterprises</b>	<b>15,012</b>	<b>14,263</b>	<b>12,861</b>	<b>10,879</b>	<b>10,145</b>
Annual % Change	5.3%	10.9%	18.2%	7.2%	-
Source: Indecon analysis of Skillnet Ireland data					

### Previous and Future Participation in Skillnet Ireland

As part of Indecon’s survey research among member companies, organisations were asked to indicate the first year in which they participated in a Skillnet Ireland network/programme. The findings of the research on this dimension are summarised in Figure 5.1 below and indicate that 43% of companies surveyed were participating in a Skillnet Ireland programme for the first time in 2017, while 57% had been previously with the organisation. Of the latter cohort, it is noteworthy that 26.7% had participated for the first time in 2013 or earlier. Continuing to expand overall reach by attracting new member companies, while also maximising retention through building strong and lasting relationships with existing member companies, represent important objectives for Skillnet Ireland.



It is also instructive to consider the expected future growth in participation levels. Indecon’s research among network managers found that 88.5% of managers projected that network membership levels would be likely to increase in 2018 compared to 2017 (see Table 5.5).

<b>Table 5.5: Skillnet Ireland Network Managers Views on Likely Change in Following Areas in 2018</b>			
<b>Views on what you would anticipate is likely to happen in the following areas during 2018:</b>	<b>Increase</b>	<b>Stay the Same</b>	<b>Decrease</b>
Network membership levels	88.5%	9.8%	1.6%
Employers co-operating to identify training needs	77.1%	23.0%	0.0%
Training being delivered (number of training days)	70.5%	24.6%	4.9%
Employers co-operating on non-training issues as a result of the network	63.9%	36.1%	0.0%
<b>Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers</b>			

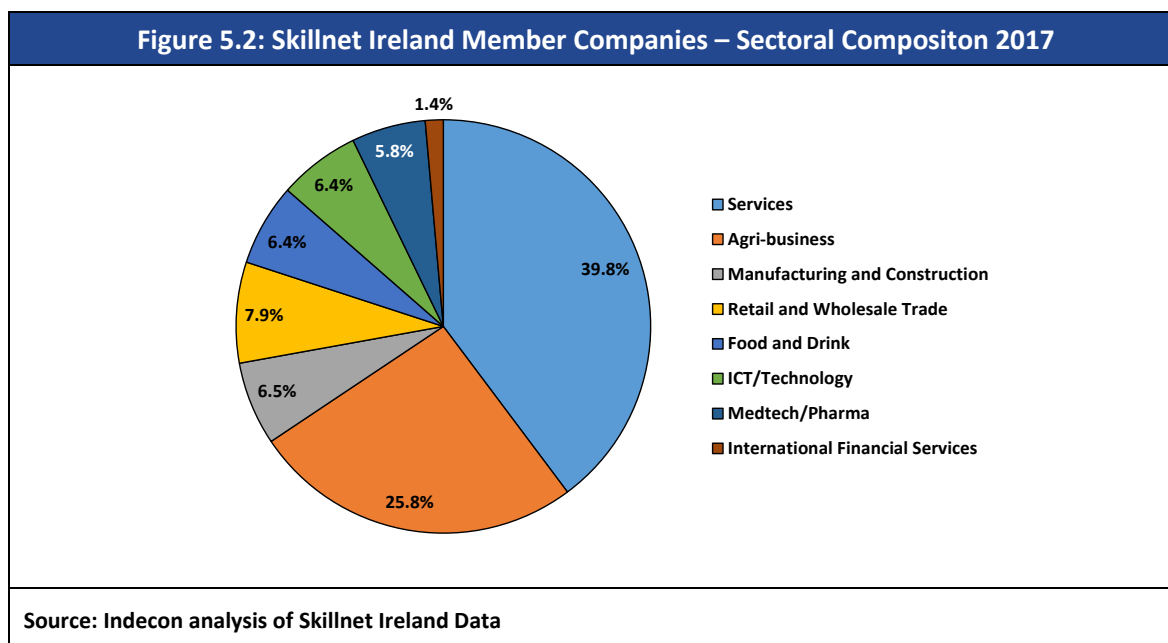
### **Size structure of member enterprises**

Skillnet Ireland's programmes place particular emphasis on supporting Small and Medium-Sized Enterprises (SMEs). Organisations employing up to 250 persons represented an estimated 94% of the overall number of member companies in 2017 (see Table 5.6). Within this, it is noteworthy that micro enterprises employing fewer than 10 persons accounted for close to half the number of enterprises supported.

<b>Table 5.6: Overview of Skillnet Ireland Network Member Companies by Size – 2017</b>	
<b>Company Size</b>	<b>Percentage of Total - 2017</b>
Micro (1-9 employees)	51%
Small (10-49 employees)	28%
Medium (50-250 employees)	15%
Large (>250 employees)	6%
<b>Total</b>	<b>100%</b>
<b>Source: Indecon analysis of Skillnet Ireland data</b>	

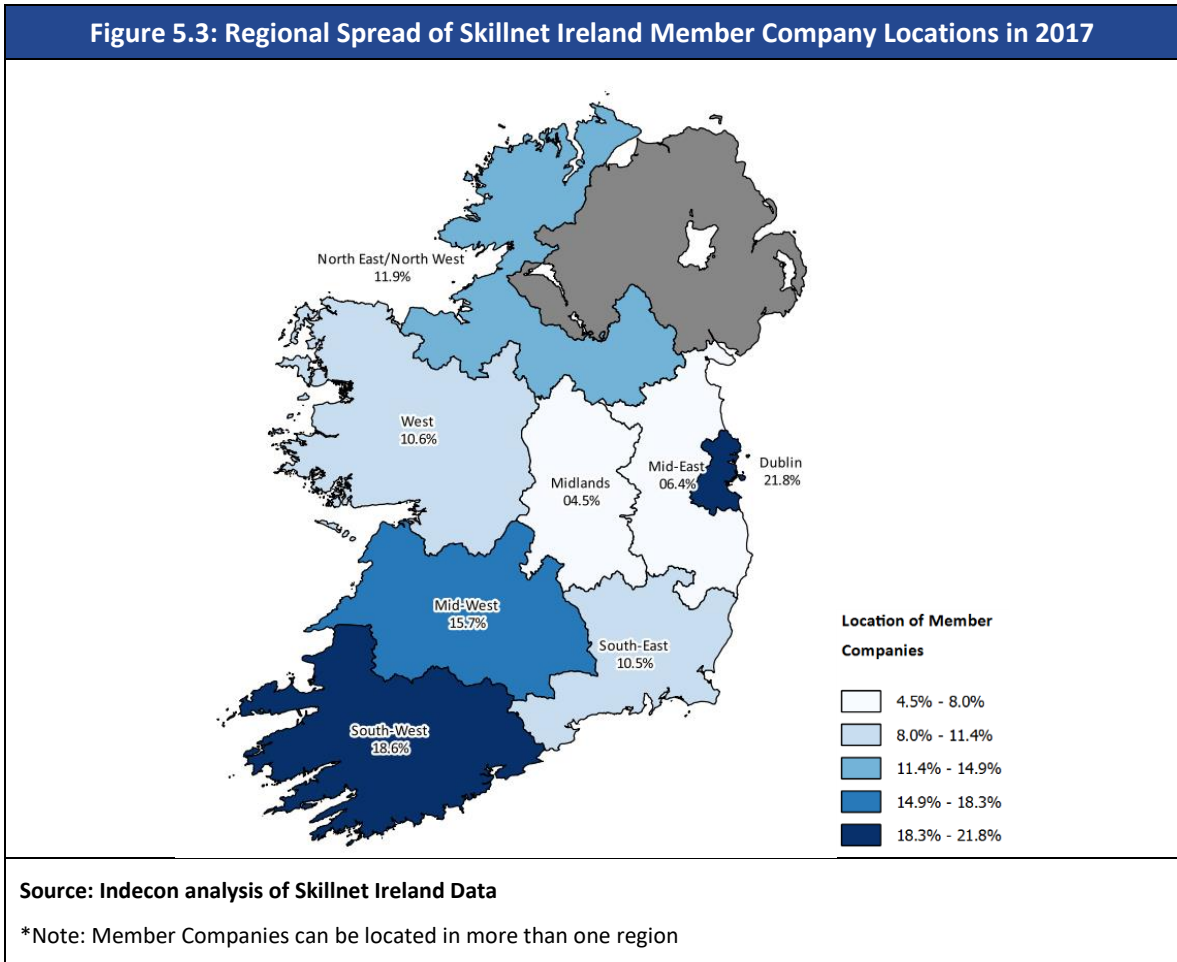
### Sectoral composition

It is also instructive to describe the sectoral composition of Skillnet Ireland's member enterprises. A sectoral breakdown of member enterprises in 2017 is presented in Figure 5.2. This highlights the increasingly diverse sectoral representation of member firms, including in internationally traded and knowledge-intensive activities.



### Geographic spread

Given Skillnet Ireland's regional as well as sectoral role, it is also important to consider the geographic spread of network member enterprises in Ireland. This is depicted in Figure 5.3 and highlights the wide regional reach and spread of the organisation's training activities. This reflects in part the concentration of economic activity in and surrounding the main cities, and also the presence of large sectoral networks in different locations. In contrast, the very low proportions in the Mid-East and Midlands would highlight the need to ensure that these regions are not under-represented by Skillnet Ireland.



## 5.4 Assessment of Programme Outputs and Outcomes

An important measure of the effectiveness and efficiency of any training programme is the number of trainees who receive training as well as the number of training days provided. Skillnet Ireland’s overall performance in relation to training outputs during 2017 was previously examined in Section 2, in the context of alignment of activities and outcomes with the requirements of the National Training Fund. In this section, we highlight the key features in terms of outputs and outcomes at programme level.

### *Trainees supported and training days delivered by programme*

Table 5.7 presents a breakdown by programme of the numbers of in-employment and jobseeker trainees supported by Skillnet Ireland during 2017 and compares these figures with the outcomes in 2016.



<b>Table 5.7: Skillnet Ireland In-Employment and Jobseeker Trainees by Programme – 2016-2017</b>			
<b>Programme</b>	<b>2017</b>	<b>2016</b>	<b>% Change 2016-2017</b>
	<b>In-Employment Trainees</b>		
TNP	42,519	41,335	2.9%
Finuas	2,249	2,402	-6.4%
Management Development	776	721	7.6%
<b>Total In-Employment Trainees</b>	<b>45,489</b>	<b>44,458</b>	<b>2.4%</b>
<b>Jobseeker Trainees</b>			
Main Programme (TNP and Finuas)	1,856	3,631	-48.9%
JSSP	2,073	2,284	-9.2%
<b>Total Unemployed*</b>	<b>3,929</b>	<b>5,915</b>	<b>-33.6%</b>
<b>All Trainees</b>			
<b>Total Trainees</b>	<b>49,418</b>	<b>50,373</b>	<b>-1.9%</b>
<b>Source: Indecon analysis of Skillnet Ireland data</b>			
*Note: trainees may participate in more than one programme, so the totals presented in this table are not unique individuals.			

The analysis highlights the continued dominance and growth in the number of TNP in-employment trainees, and the recovery in participation levels in management development training after the declines seen in previous years. However, of concern is the fall by more than 6% in the number of Finuas trainees, despite the accelerating economic recovery. As noted previously, Skillnet Ireland continues to maintain a presence in relation to labour market activation and jobseeker training, but reflecting the sharp decline in the Live Register, the number of jobseeker trainees fell by over one-third during 2017. This sharp fall was concentrated in main programme jobseeker training, where the number of trainees fell by almost 49% as available training places have come under increased pressure given the increased demand for core in-employment training within the TNP. The JSSP is now the primary, dedicated programme through which Skillnet Ireland provides training to jobseekers.

An analysis of training days delivered by Skillnet Ireland by programme during 2017 is presented in Table 5.8. Of the overall strong growth recorded in the number of training days provided in 2017 (10.9%), the continued expansion of TNP provision represented the primary contributor, with the number of training days on this core programme growing by over 21% compared to 2016. By contrast, the level of activity on Finuas training experienced a fall of almost 10% in terms of training days delivered in 2017. The decline in demand for jobseeker training is also evident in the 15.6% drop in training days provided in this area during 2017. It is also noteworthy that there has been a lengthening in the average duration of training provided by Skillnet Ireland – from 6.8 days per trainee on average during 2016 to 7.7 days per trainee in 2017.

<b>Table 5.8: Skillnet Ireland Training Days by Programme – 2015-2017</b>			
<b>Programme</b>	<b>2017</b>	<b>2016</b>	<b>% Change 2016-2017</b>
<b>Training Days (In-Employment Trainees)</b>			
TNP	290,011	238,792	21.4%
Finuas	21,801	24,209	-9.9%
ManagementWorks	13,860	14,700	-5.7%
<b>Total Employed</b>	<b>325,672</b>	<b>277,701</b>	<b>17.3%</b>
<b>Training Days (Jobseeker Trainees)</b>			
Main Programme (TNP and Finuas) and JSSP	<b>56,310</b>	<b>66,733</b>	<b>-15.6%</b>
<b>Training Days (All Trainees)</b>			
<b>Total Training Days – All Trainees</b>	<b>381,982</b>	<b>344,434</b>	<b>10.9%</b>
<i>Average No. of Training Days per Trainee</i>	<i>7.7 days</i>	<i>6.8 days</i>	<i>13.2%</i>
<b>Source: Indecon analysis of Skillnet Ireland data</b>			

### **Contribution of Individual Networks**

As noted, Skillnet Ireland operated a total of 66 networks during 2017. However, it is instructive to examine the focus of training activity across these networks. Table 5.9 profiles the ten largest networks based on their contribution to overall training days. The analysis indicates that these networks, which cover a diverse range of sectors, delivered a total of 197,391 training days, or 51.7% of the overall number of training days provided by Skillnet Ireland during 2017.

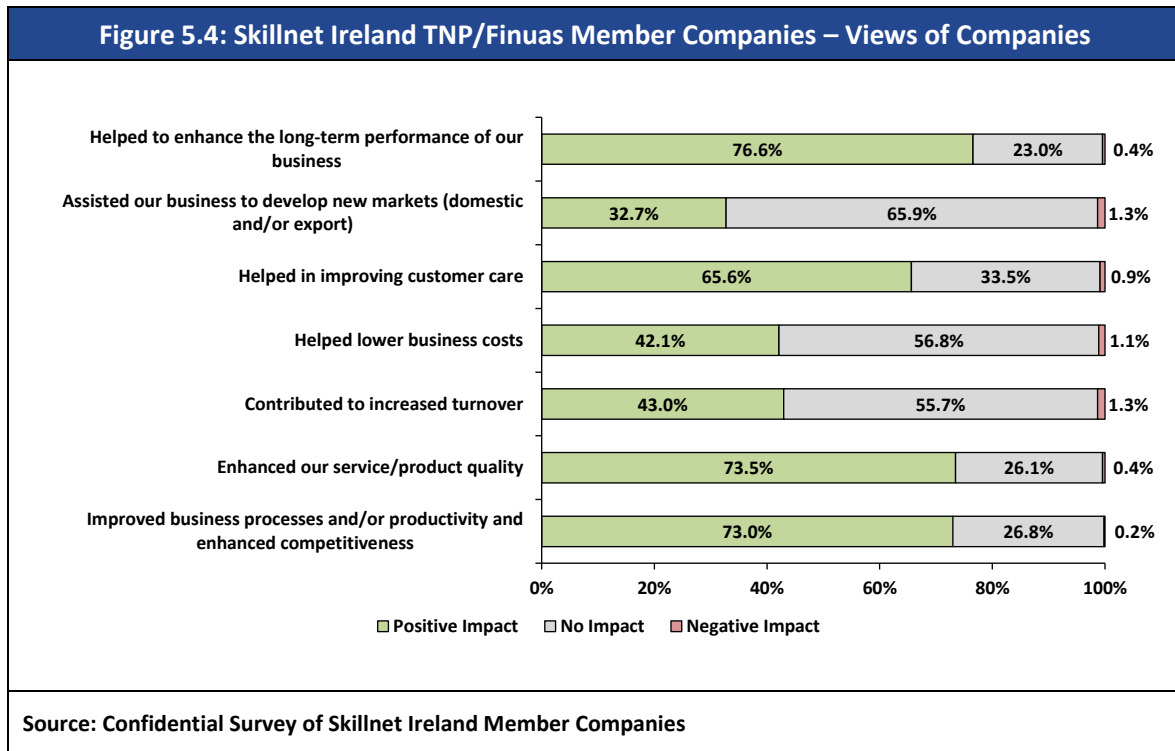
<b>Table 5.9: Top Ten Networks in 2017 by Contribution to Overall Skillnet Ireland Training Days</b>		
	<b>Number of Training Days – 2017</b>	<b>Percentage of Training Days – 2017</b>
Retail Ireland Skillnet	56,875	14.9%
Taste 4 Success Skillnet	27,099	7.1%
Technology Ireland ICT Skillnet	18,406	4.8%
Leading Healthcare Providers Skillnet	15,058	3.9%
National Organic Training Skillnet	14,458	3.8%
Technology Ireland Software Skillnet	14,243	3.7%
Next Level Skillnet	14,147	3.7%
ManagementWorks Network	13,860	3.6%
Summit Finuas Network	12,844	3.4%
Waterford Chamber Skillnet	10,401	2.7%
<b>Total of Above Networks</b>	<b>197,391</b>	<b>51.7%</b>
<b>Total – All Skillnet Ireland Networks</b>	<b>381,982</b>	<b>100.0%</b>
<b>Source: Indecon analysis of Skillnet Ireland data</b>		

The establishment by Skillnet Ireland of six new networks across a diverse range of sectors during 2017 was previously highlighted in Section 2. Of these new networks, training activities during 2017 were focussed on the Internet of Medical Things Skillnet, the Design Enterprise Skillnet, the Restaurant and Hospitality Skillnet, and the CILT Skillnet.

## 5.5 Impact of Skillnet Ireland Participation on Member Enterprises

The impact of Skillnet Ireland participation on Member Companies represents a key measure of the effectiveness of training and therefore of the success of the organisation in achieving its primary objective of upskilling the workforce. This sub-section presents the findings of the evaluation in relation to member companies' feedback on different aspects of the impact of Skillnet Ireland participation on their business.

Through Indecon's primary research, we have surveyed a wide-range of Member Companies as to their views and experiences of the programmes and its direct and indirect impacts. 76.6% of Member Companies considered their participation in Skillnet Ireland training to have had a positive impact on their long-term performance. Approximately 73% of member companies indicated that participation in Skillnet Ireland programmes had contributed to improved business processes, as well as enhancing their service/product quality.



A majority of Member Companies were satisfied or very satisfied with the value for money and quality of Skillnet Ireland training. Over 50% were very satisfied that the training achieved their overall expectations and objectives to support their business development.

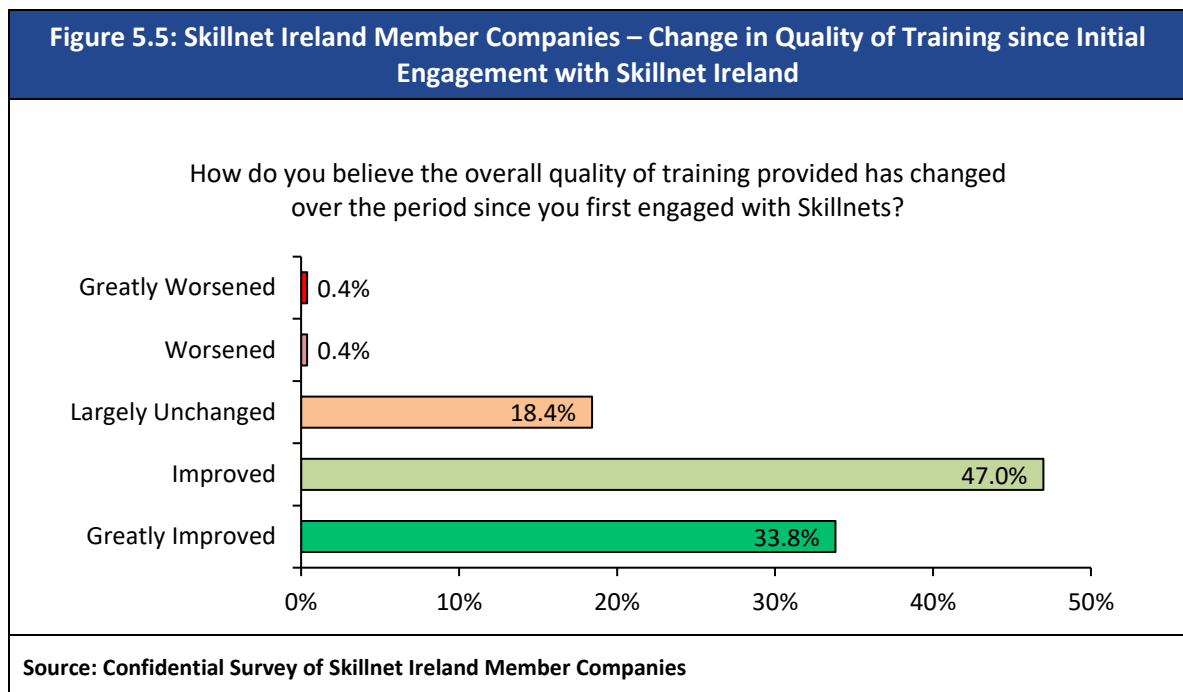
**Table 5.10: Member Companies’ Satisfaction with Aspects of Skillnet Ireland Training during 2017**

How satisfied were you with the following aspects of Skillnets (TNP, Finuas, and ManagementWorks) training provided to your company/business during 2017?	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Very Dissatisfied
The training achieved our overall expectations and objectives to support the development of our business	52.3%	40.7%	5.3%	1.3%	0.4%
Value for Money of Training	53.3%	37.3%	7.4%	1.8%	0.2%
Quality of training (competence of trainers)	58.1%	36.2%	4.4%	0.7%	0.7%

Source: Indecon analysis of Confidential Survey of Skillnet Ireland Member Companies

### Evolution of quality of training

In relation to the quality of training, it is also instructive to highlight the view of member companies who have engaged with Skillnet Ireland prior to 2017 in relation to how they perceive the quality of training to have changed since they initially became members of a Skillnet. The findings of Indecon's research among member companies on this aspect are summarised in Figure 5.5. Of those enterprises that were members prior to 2017, it is notable that 80.8% were of the view that the quality of Skillnet Ireland training provided had improved or greatly improved since they initially became members of a Skillnet, while 18.4% of firms considered that the overall quality of training had remained largely unchanged.



Over 50% of Member Companies were very satisfied with the convenience of their training location and the flexibility of the training delivery. This increased to approximately 90% of all member companies when counting those who are also 'satisfied' (see table overleaf).

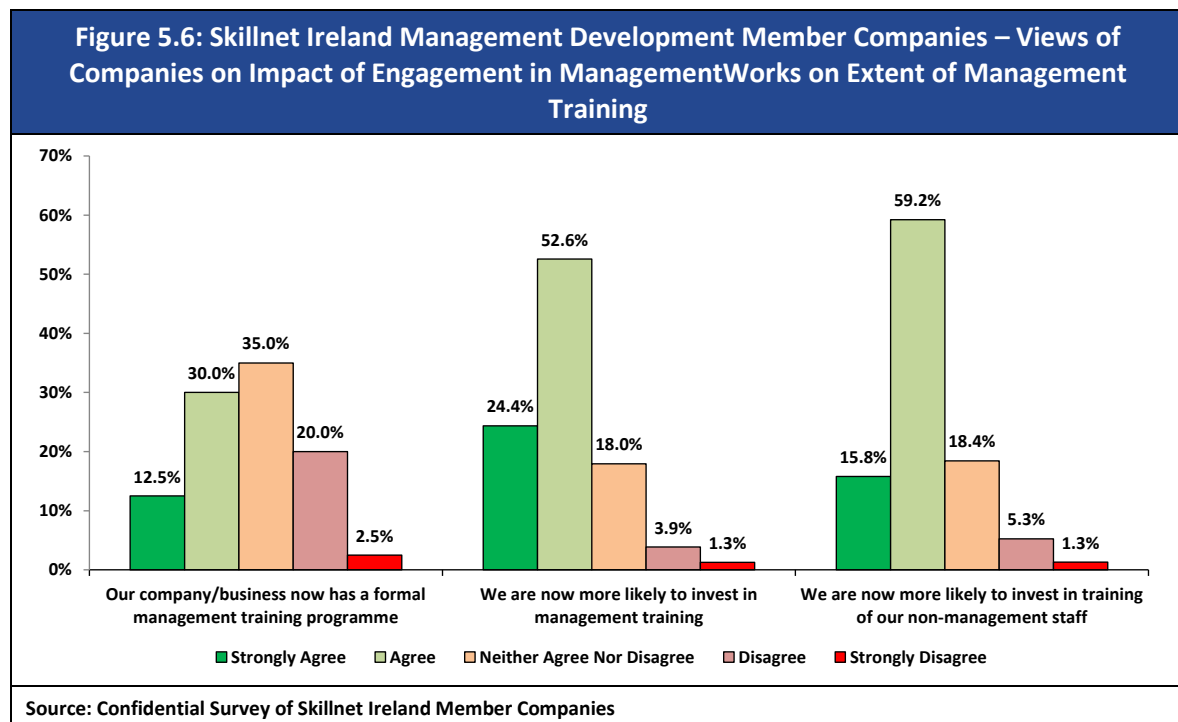
Table 5.11: Member Companies Satisfaction with Aspects of Skillnet Ireland Training in 2017					
How satisfied were you with the following aspects of Skillnets (TNP, Finuas, ManagementWorks) training provided in 2017?	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Very Dissatisfied
Training was delivered at a convenient location	52.7%	37.0%	7.7%	2.0%	0.7%
Training was delivered in a flexible manner	51.8%	38.2%	8.6%	1.3%	0.2%

Source: Indecon analysis of Confidential Survey of Skillnet Ireland Member Companies

**Management Development Training**

*Extent of formal management training*

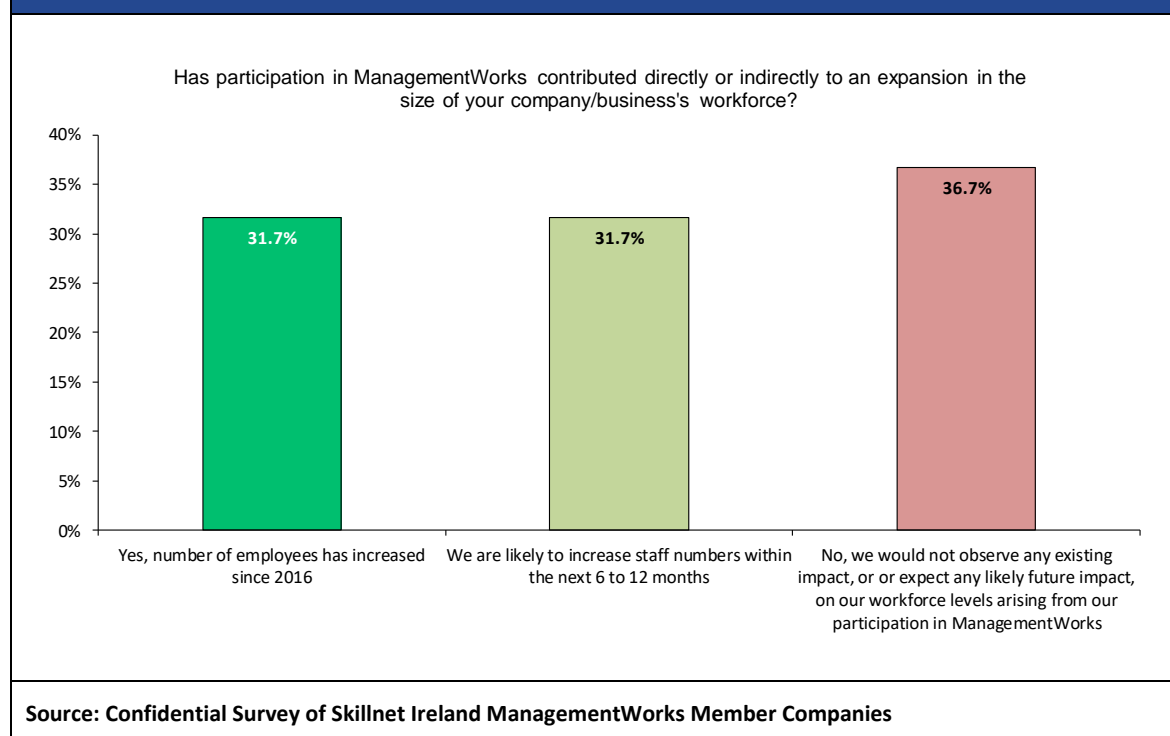
One measure of the impact of Skillnet Ireland’s management development training concerns the extent to which engagement leads to a greater prevalence of management training within these enterprises. This is particularly relevant in micro and other smaller SMEs, where owner managers are time-poor and are therefore less likely to invest in management training. Indecon’s research among ManagementWorks member companies during 2017 found that 42.5% of firms indicated that, as a result of their engagement, they now have a formal management development programme in place, three-quarters of responding businesses indicated that they were now more likely to invest in training of their management as well as their non-management staff (see Figure 5.6).



### Impact of Management Development Training on Employment Creation within Participating Firms

An important aspect of the potential impact of an enterprise's involvement in Skillnet Ireland concerns the potential for this engagement to help stimulate employment creation. This impact is important as this will have wider impacts on the Irish economy generally, as well as being beneficial to the enterprise and to learners employed by the enterprise. As part of Indecon's research, ManagementWorks member companies were asked to indicate whether their participation in Skillnet Ireland had directly or indirectly contributed to an increase in the size of their workforce. The research found that 31.7% of ManagementWorks companies indicated that they had increased their employee numbers directly or indirectly as a result of their engagement with Skillnet Ireland ManagementWorks management development training. In addition, a similar proportion of responding firms indicated that they were likely to increase their staff numbers in the next 6-12 months (see Figure 5.7).

**Figure 5.7: Skillnet Ireland Management Development Member Companies – Views of Firms on Extent to which Engagement in ManagementWorks Training has Contributed to Expansion in their Workforce**



The companies which indicated that they had increased their employee numbers directly or indirectly as a result of their engagement with ManagementWorks management development training were also asked to provide an estimate of the number of additional employees involved. The average/mean reported number of additional full-time employees in 2017 due to ManagementWorks was 5.6, while average of reported increases in part-time staff was 11.4.

<b>Table 5.12: Skillnet Ireland Management Development Member Companies – Approximate Number of Additional Persons Employed Directly or Indirectly due to Participation in ManagementWorks Training</b>		
<b>Measure</b>	<b>Additional Number of Persons since end of 2016 – Full-Time Staff:</b>	<b>Additional Number of Persons since end of 2016 – Part-Time Staff:</b>
Mean reported	5.6	11.4
Median reported	2.0	2.0
<b>Source: Indecon analysis of Confidential Survey of Skillnet Ireland Member Companies</b>		

### ***Case study on TNP Member Company***

It is instructive to consider a concrete example of how Skillnet Ireland engagement has impacted on a participating member company. With this objective in mind, we present overleaf a case study example, which illustrates one SME engaged with Skillnet Ireland’s core Training Networks Programme, and their experience from participation. The case study describes the involvement of Mirror Controls (International) Ireland, which has been a member of the First Polymer Training Skillnet since 2007.



<b>Box 5.1: Case Study on Skillnet Ireland Training Networks Programme (TNP) Member Company in 2017</b>	
<b>Company Name</b>	Mirror Controls (International) Ireland, Manorhamilton, Co. Leitrim. The company has been a member of the First Polymer Training Skillnet since 2007.
<b>Brief description of firm and its activities</b>	Mirror Controls (International) Ireland has just celebrated 40 years in business. It currently has 230 employees based in Manorhamilton. With other manufacturing plants in China and Mexico, the company is the main manufacturer of actuators of wing mirrors for the automotive industry. This involves moulding and assembly of these actuators. The Irish plant supplies the European market.
<b>Reason(s) for participation in First Polymer Training Skillnet</b>	The main reason for participation with First Polymer Training Skillnet is that they provide high quality blended learning experiences for our employees to upskill them to higher levels. The fact that the Skillnet has an onsite training facility that is fully equipped with 'state of the art' moulding presses and classroom facility provides the opportunity for our employees to gain practical as well as theoretical training in the one location. The majority of training programmes undertaken by our employees are in the injection moulding area. However, they have also participated in Maintenance programmes and Product and Process Validation programmes.
<b>Experience of TNP Training to Date</b>	Since commencing training with First Polymer Training Skillnet programmes our experience has been very positive. We have found that the programmes offered are intensive, very well structured with a good blend of practical and theoretical training. We have found that the network is really flexible and always ready to come to our site to deliver customised, one on one interventions for our employees. This is an invaluable service.
<b>Concerns, Challenges and Suggestions for Improvement of TNP</b>	The only concerns we have is that where employees undertake short training programmes if they don't put what they have learned into practice immediately they very quickly forget what they have learned. This is always the case with short training interventions. We will continue to work closely with First Polymer Training Skillnet to upskill our staff.
<b>Examples of Business impacts arising from participation in TNP</b>	By participating in First Polymer Training Skillnet programmes our staff are better able to work independently and require less supervision. These programmes address the skills gaps of our employees and give them the skills and knowledge to improve their productivity.
<b>Source: Skillnet Ireland / Mirror Controls (International) Ireland</b>	

## 5.6 Assessment of Cost-Effectiveness and Value for Money

A key issue for this evaluation concerns the importance of ensuring cost-effectiveness and value for money in the utilisation of public/NTF funding. In this section we examine the following aspects:

- ❑ The recent trends in unit costs of training programme delivery;
- ❑ The extent of programme deadweight;
- ❑ The perceptions of member companies regarding value for money of Skillnet Ireland training; and
- ❑ The return to the Exchequer arising from the provision of training under the JSSP.

### **Analysis of Unit Costs of Training Programme Activity**

Indecon has examined the cost-effectiveness of the four programmes within Skillnet Ireland in terms of the unit costs of training. Unit costs are examined in terms of costs per trainee and costs per training day over the period 2015-2017.

The level and movement over time in overall unit costs will reflect a number of drivers, including the mix of networks, and the type and duration of training. Headline analysis of unit costs for the core Training Networks Programme indicate a large increase in average overall costs per trainee in 2017 when compared with 2016 and 2015. Unit costs were higher for Finuas, at €935 per trainee in 2017, which were significantly higher than in 2016 but lower than the level in 2015. The highest costs per trainee are evident in management development training, in which unit costs per trainee for ManagementWorks averaged €2,202 in 2017 compared with €2,281 in 2016 and €1,975 per trainee in 2015. In relation to jobseeker training, unit costs per trainee for JSSP participants averaged €921 in 2017, down from €1,004 in 2016 and €1,064 in 2015 (see Table 5.13).

<b>Table 5.13: Cost-Effectiveness of Skillnet Ireland Programmes – Analysis of Recent Trends in Unit Costs by Programme, 2015-2017 – Cost per Trainee</b>					
<b>Programme</b>	<b>Total Expenditure - 2017</b>	<b>No. of Trainees (Employed &amp; Unemployed) - 2017</b>	<b>Cost per Trainee 2017</b>	<b>Cost per Trainee 2016</b>	<b>Cost per Trainee 2015</b>
TNP (incl. FSP)	€24,507,694	44,375	€552	€448	€442
Finuas	€2,101,964	2,249	€935	€738	€1,024
JSSP	€1,908,903	2,073	€921	€1,004	€1,064
ManagementWorks	€1,708,566	776	€2,202	€2,281	€1,975
<b>Source: Indecon analysis of Skillnet Ireland data</b>					
Note: Breakdown of Expenditure is provided in Table 5.2.					

Given the variation in training contact time across trainees depending on the nature of training they are receiving, it is important to also examine unit costs on a per training day basis. This analysis is presented at programme level in Table 5.14. On this basis, overall unit costs of training delivery across all of Skillnet Ireland's programmes have been stable in the range of €75-80 per training day over the period 2015-2017, and this is consistent with a similar picture for the core TNP programme. JSSP unit costs per training day have also been stable to falling over this period. However, unit costs per training day for Finuas training have increased noticeably, from €76 per training day in 2015 to €96 per training day in 2017, while ManagementWorks unit costs have risen from €105 per training day to €123 per training day over the same period. Maintaining a rigorous focus on minimising and stabilising unit costs will be important to ensuring ongoing cost-effective and competitive Skillnet Ireland training delivery.

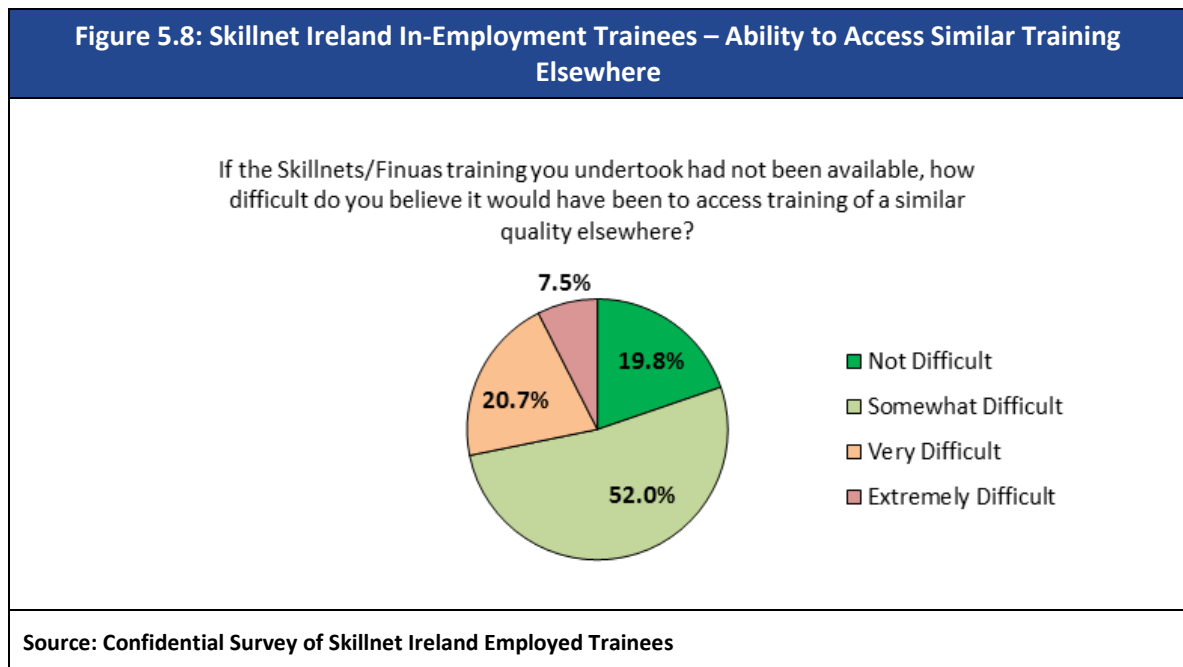
<b>Programme</b>	<b>Total Expenditure - 2017</b>	<b>Training Days (Employed &amp; Unemployed) - 2017</b>	<b>Cost per Training Day 2017</b>	<b>Cost per Training Day 2016</b>	<b>Cost per Training Day 2015</b>
TNP (incl. FSP)*	€24,507,694	305,158	€80	€79	€83
Finuas	€2,101,964	21,866	€96	€74	€76
JSSP	€1,908,903	40,531	€47	€47	€56
ManagementWorks	€1,708,566	13,860	€123	€112	€105
<b>All Programmes</b>	<b>€30,227,127</b>	<b>381,415</b>	<b>€79</b>	<b>€75</b>	<b>€80</b>
<b>Source: Indecon analysis of Skillnet Ireland data</b>					
Note: Breakdown of Expenditure is provided in Table 5.2.					

### **Indicators of Programme deadweight**

As with previous evaluations, Indecon as part of this evaluation has also assessed the extent of deadweight present in Skillnet Ireland's training programmes. Deadweight relates to the instance where the outputs or outcomes of a programme would have occurred in the absence of the programme. An analysis of the deadweight is important to ensure a policy is addressing an unmet need or incentivising an outcome that would not otherwise have occurred.

Econometric analysis comparing outcomes to a counterfactual position would be required to fully evaluate deadweight. However, due to data constraints, this was outside the scope of this evaluation. Indecon has instead developed a number of survey-based indicators of deadweight, based on our research among member companies and learners/trainees. The findings are presented overleaf.

Our research has found that just under 20% of employed trainees indicated that it would not have been difficult for them to have accessed training of a similar quality elsewhere, while over 50% considered that it would have been somewhat difficult (see Figure 5.8). A further 28.2% of employed trainees believed it would have been very difficult or extremely difficult to have accessed training of a similar quality elsewhere. These findings are broadly consistent with the outcomes from Indecon’s research among 2016 trainees (as reported in Indecon’s evaluation of Skillnet Ireland in 2016).<sup>11</sup>

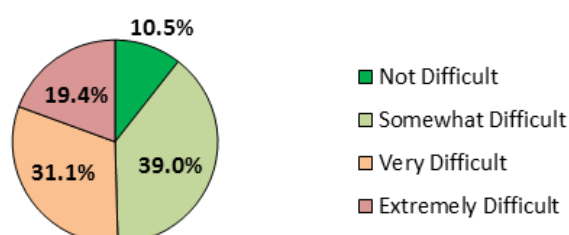


A similar question was asked of unemployed JSSP trainees. This found that just over 10% of 2017 JSSP trainees indicated that they would not have found it difficult to have accessed similar quality training elsewhere, while just over half (50.5%) of respondents considered that it would have been very difficult or extremely difficult to have found similar training outside of Skillnet Ireland (see Figure 5.9). Again, these findings are broadly consistent with the findings of Indecon’s evaluation of the JSSP in 2016.

<sup>11</sup> Skillnet Ireland, Evaluation of Skillnet Ireland Programmes in 2016, Indecon International Economic Consultants, December 2017. See: <https://www.skillnetireland.ie/publication/evaluation-of-skillnets-programmes-2016/>.

**Figure 5.9: Skillnet Ireland JSSP (EAP) Trainees – Ability to Access Similar Training Elsewhere**

If the JSSP training you undertook had not been available, how difficult do you believe it would have been to access training of a similar quality elsewhere?



Source: Confidential Survey of Skillnet Ireland JSSP Trainees

The inputs provided by member companies in relation to programme deadweight are presented in Table 5.15 below. The research found that 22.7% of member companies indicated that if Skillnet Ireland did not exist, they would have not arranged training at all, while 17.2% would have organised training but at a later date. Almost a quarter of member companies indicated they would have arranged alternative external training no different to that received by Skillnet Ireland.

**Table 5.15: Skillnet Ireland Member Companies in 2017 – Programme Deadweight as Indicated by Companies' Views on Ability to Access Similar Training Elsewhere in Absence of Skillnet Ireland**

	% of Respondents
We would have arranged alternative external training no different to that received through Skillnets (TNP, Finuas or ManagementWorks)	24.3%
We would have arranged alternative training but to a lesser degree (e.g. through shorter courses and/or offered to fewer people)	35.8%
We would have arranged alternative training but at a later date	17.2%
We would not have arranged any training at all	22.7%

Source: Indecon analysis of Confidential Survey of Skillnet Ireland Member Companies

Overall, while the analysis indicates some evidence of deadweight in Skillnet Ireland's programmes. However, it is Indecon's experience that some deadweight will be present in all programmes. What is critical is that continued efforts are made so that this deadweight is as small as possible and its impacts are minimised. Measures to minimise the risk of deadweight and to mitigate its impacts include greater customisation of training and the application of differential matching funding requirements for member companies in sectors and programmes where the risk of deadweight is greater.

### **Exchequer Value for Money Assessment of JSSP Training**

An important issue to consider in the context of programme cost-effectiveness is a value-for-money assessment from the perspective of the Exchequer. This is important to ensure efficient use of scarce public resources. Indecon have completed a value-for-money analysis for the JSSP programme, which is the dedicated jobseeker training programme funded fully through the NTF and which incorporates a work placement component. The Exchequer value-for-money analysis follows a similar methodology to that applied in previous Indecon evaluations of Skillnet Ireland's programmes. However, the declining role of the organisation in relation to jobseeker training, combined with the dramatic changes in the labour market, have important implications and therefore highlight the importance of presenting an updated assessment.

#### *Basis for Assessment*

The assessment examines the extent to which the JSSP increases the likelihood that participants will secure employment and exit the Live Register. Of critical importance in this assessment is that not all (or perhaps even most) of the beneficial impacts of the programme can be attributed as a *net* benefit. This is because for many individuals, unemployment is short-term in duration, and we take this into account in our estimates. It is also important to note that individuals' progression outcomes are influenced by wider labour market trends, as well as the characteristics of these individuals, including their prior educational attainment and duration of unemployment. The possibility that an individual may achieve a positive labour market progression outcome in the absence of participation on an activation programme such as JSSP is termed 'deadweight', and such deadweight must be accounted for in assessing the net impact of a programme. A rigorous assessment of deadweight would require an econometric evaluation using an appropriate counterfactual/control group. Due to data constraints, this was outside the scope of this review.

The overall value for money from the scheme is estimated by reference to the potential net savings to the Exchequer in the form of reduced social welfare payments through removing individuals from unemployment, as well as the additional tax revenues generated from employment, adjusted to reflect estimated deadweight. These adjusted benefits are then related to the costs of operating the JSSP programme. Our analysis focuses on the cohort of scheme participants who undertook training and a work placement under JSSP during 2017.

#### *Assumptions*

The analysis is based on certain key assumptions, as outlined below:

- Programme activity including trainee numbers and completion rates;
- Estimated exit rate from Live Register to employment among JSSP trainees;
- Cost of social welfare assistance;
- Level of Exchequer funding provided to JSSP;
- Average weekly income among JSSP trainees and related tax rate; and
- Estimated programme deadweight.

### Estimated Annualised Exchequer Benefits

The estimated annual Exchequer benefits are presented in the table below. We estimate the annual savings in social welfare payments at €10.2 million. This is a result of the estimated number of 2017 JSSP trainees exiting the Live Register. This estimate is based on an interrogation of Indecon's survey research among JSSP trainees in relation to the current labour market status of these ex-trainees at as May-June 2018. This implies a 73.9% exit rate among this cohort of JSSP ex-trainees.

In addition to social welfare savings, other benefits will be generated through those JSSP trainees who secure employment paying various forms of taxes, including PAYE, USC, etc. This will depend on the level of income earned by these learners. Indecon's previous survey of JSSP trainees during 2016 was used as a basis for this, in which learners who gained employment indicated that on average their earnings were equivalent to approximately €20,800 on an annualised basis. This figure was then adjusted to reflect the increase in the minimum wage which occurred in 2017. These figures would suggest an estimated total income tax contribution among the cohort of 2017 ex-JSSP participants who found employment of €848,000, if employment is sustained for at least one year. The combined Exchequer benefits, taking into account social welfare savings and increased tax receipts, are estimated to equal just over €11 million on an annual basis.

<b>Table 5.16: Value for Money Assessment of Job Seekers Support Programme (JSSP) - 2017 JSSP Trainees</b>	
	<b>JSSP 2017</b>
Number of JSSP Completions in 2017 (= 2,073 JSSP trainees * estimated 59% completion rate (full completions of training and/or work placement))	1,230
Assumed exit rate from Live Register post-JSSP (based on Indecon survey of JSSP Trainees)	73.9%
<b>Estimated Number of JSSP Exits from Live Register (No. of Completions * Assumed Exit Rate)</b>	<b>909</b>
Estimated Annual Savings in Jobseeker Benefit/Assistance Payments (assuming weekly rate of UB/UA of €215 * 52 weeks)	€10,179,763
<i>Estimated Tax Revenues from Employment Income</i>	
Median current gross weekly pay (before taxes and other deductions) (Average of Indecon Surveys 2016, uprated to 2017) - €	€404
Estimated annualised median gross pay – 2017, €	€21,027
Estimated Average Annual Income Tax, PRSI, USC and other deductions per JSSP Participant Employed - Single Person Taxpayer	€1,918
Estimated Additional Annual Tax Revenues (Estimated No. of JSSP Exits from Live Register * % Exit-to-Employment Rate * Average Annual Income Tax)	€848,255
<b>Estimated Total Gross Annual Exchequer Benefits (Benefit Savings + Tax Revenues)</b>	<b>€11,028,018</b>
<i>Estimated Scheme Deadweight</i>	
Overall estimated Deadweight	60.2%
<b>Estimated Annual Exchequer Benefits adjusted for Deadweight</b> (Gross Annual Exchequer benefits * (100% - Assumed Deadweight %))	<b>€4,385,843</b>
<b>Source: Indecon analysis</b>	

### Outcome Deadweight

The €11 million estimate for Exchequer benefits set out above represents the *gross* Exchequer benefit arising from the exit of JSSP trainees from the Live Register and the incomes earned among those who found paid employment. To assess the effective *net* impact of the JSSP, it is necessary to factor in the deadweight associated with the programme. Deadweight arises because some of these benefits will be realised regardless of the presence of JSSP (i.e., a certain proportion of individuals would have exited the Live Register and found employment in any case).

As noted, a rigorous assessment of deadweight would require an econometric evaluation which was outside the remit of this evaluation. Indecon have estimated an indicative measure of deadweight for the purposes of this assessment through the utilisation of our survey research among programme participants. This entailed using a measure of deadweight based on participants' self-reported assessment of the additional benefits that the programme provided in helping them to find a job. Our research among 2017 JSSP trainees indicates that 39.8% of trainees believed that the JSSP had fully contributed to helping them find a job. This implies an indicative deadweight measure of 60.2%. Applying this measure of deadweight onto the gross Exchequer benefits provides an estimate of the *net* Exchequer benefits of the scheme equal to €4.4 million on an annualised basis.

### Programme Costs

To assess the overall value-for-money to the State associated with the JSSP programme, it is necessary to also factor in the publicly funded costs of operating the programme. The costs arising during 2017 are shown in the table below. NTF funding for JSSP in 2017 amounted to just over €1.7 million. The key issue, from an Exchequer value-for-money perspective, concerns whether expenditure of these funds is likely to deliver a net financial return to the Exchequer.

Table 5.17: Value for Money Cost-Benefit Assessment of Job Seekers Support Programme (JSSP) 2017 – Scheme Public Funding (National Training Fund) Costs	
	2017 - €
JSSP Programme - State funding via National Training Fund	€1,705,057
Source: Indecon analysis	



*Estimated Scheme Overall Net Benefit/Cost*

The overall net benefit/cost, and therefore value-for-money to the Exchequer associated with the JSSP, is a function of the estimated savings in unemployment-related social welfare payments plus the additional tax revenues from employment relative to the costs of operating the programme. The potential benefits will, however, depend on how long individuals who find work remain in employment and off the Live Register. Indecon's analysis suggests that the 2017 JSSP would be likely to have achieved a positive net benefit to the Exchequer if participants secured employment and remained off the Live Register for a minimum period of about five months. The evidence from our research among 2017 participants is that individuals who found employment have typically been at work for an average of about six months, suggesting that the 2017 programme is likely to have returned a small positive Exchequer contribution of approximately €0.5 million, based on assumptions applied in relation to programme deadweight and average incomes among participants who successfully found employment.

<b>Table 5.18: Value for Money Cost-Benefit Assessment of JSSP 2017 – Scenarios for Estimated Net Exchequer Benefit/Cost</b>					
	<b>Based on No. of Months off Live Register and in Employment since JSSP Completion =</b>				
	<b>3 Months</b>	<b>6 Months</b>	<b>12 Months</b>	<b>18 Months</b>	<b>24 Months</b>
Estimated Net Benefit/Cost of Scheme	<b>-€608,596</b>	<b>€487,864</b>	<b>€2,680,786</b>	<b>€4,873,707</b>	<b>€7,066,629</b>
Minimum No. of Months to Achieve Positive Net Return to Exchequer	<b>4.7</b>				
<b>Source: Indecon analysis</b>					

## 5.7 Network Management

An important overall driver of the effectiveness and efficiency of Skillnet Ireland concerns the operation and administration of each of the large number of networks through which the organisation delivers its programmes. A detailed examination of network management and governance was outside the scope of this evaluation. However, in this section we present selected findings from Indecon’s research among network managers in relation to aspects of network administration and member company engagement.

### Views on Network Administration and Engagement

The table below summarises the findings from Indecon’s research among network managers in relation to managers’ satisfaction or otherwise with particular aspects of the impacts of their network during 2017. Overall, a majority of network managers have indicated that they are either very satisfied or satisfied in relation to the effectiveness of their network steering/management group, the level of financial support available to networks, and the level of information, communication and support provided by Skillnet Ireland. Specific areas where higher levels of relative levels of dissatisfaction are evident include the annual funding application procedure, and monitoring and reporting requirements. From the perspective of individual networks, and particularly smaller networks, the latter findings are understandable, even though these requirements, which are set by Skillnet Ireland, are necessary to ensure best practice approaches to governance.

<b>Table 5.19: Skillnet Ireland Network Managers – Level of Satisfaction with Following Aspects of Network</b>						
<b>Extent of your network’s impact in the following areas during 2017:</b>	<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Neither Satisfied nor Dissatisfied</b>	<b>Dissatisfied</b>	<b>Very Dissatisfied</b>	<b>Don’t Know / Not Applicable</b>
The effectiveness of your steering/management group	29.5%	50.8%	11.5%	6.6%	0.0%	1.6%
The level of financial support available to networks	6.6%	50.8%	16.4%	26.2%	0.0%	0.0%
The funding application procedure	4.9%	31.2%	24.6%	32.8%	4.9%	1.6%
Monitoring and reporting requirements	4.9%	39.3%	26.2%	24.6%	3.3%	1.6%
Information, communication and support from Skillnet Ireland	14.8%	50.8%	23.0%	9.8%	1.6%	0.0%
<b>Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers</b>						

The table below summarises the findings of Indecon’s research among network managers in relation to the main areas of challenge for networks during 2017.

<b>Table 5.20: Skillnet Ireland Network Managers – Areas of Challenge Experienced during 2017</b>						
<b>Extent of your network’s impact in the following areas during 2017:</b>	<b>Very Significant Challenge/Constraint</b>	<b>Significant Challenge/Constraint</b>	<b>Neither Significant Nor Insignificant Challenge/Constraint</b>	<b>Insignificant Challenge/Constraint</b>	<b>Not at all a Challenge/Constraint</b>	<b>Don’t Know / Not Applicable</b>
Recruitment of new company members – SMEs	3.3%	26.2%	37.7%	23.0%	9.8%	0.0%
Recruitment of new company members – larger firms	9.8%	24.6%	36.1%	13.1%	13.1%	3.3%
Retention of existing company members in the network	1.6%	16.4%	29.5%	18.0%	32.8%	1.6%
Securing matching funds/other financial investment from companies	3.3%	21.3%	24.6%	26.2%	23.0%	1.6%
Achieving participation of companies in training needs analysis	6.6%	41.0%	24.6%	19.7%	8.2%	0.0%
Sourcing of high-quality trainers	0.0%	11.5%	32.8%	23.0%	31.2%	1.6%
Procurement/tendering	11.5%	26.2%	39.3%	14.8%	8.2%	0.0%
Recruiting unemployed/jobseeker trainees	13.3%	25.0%	16.7%	5.0%	5.0%	35.0%
Follow-up with and assessing progression outcomes of jobseeker trainees	14.8%	24.6%	18.0%	3.3%	3.3%	36.1%
Network monitoring, record keeping and financial control	13.1%	29.5%	23.0%	11.5%	23.0%	0.0%
Building and developing working relationships with active member companies	1.6%	18.0%	31.2%	18.0%	31.2%	0.0%
Managing working relationships with Skillnet Ireland	1.6%	18.0%	26.2%	16.4%	37.7%	0.0%
Other network-building activities (e.g. non-formal activities and networking events)	4.9%	11.5%	39.3%	19.7%	24.6%	0.0%

**Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers**

Based on the inputs provided by network managers, specific areas where managers experienced relatively high degrees of challenge in operating their network during 2017 included achieving participation of companies in training needs analysis, network monitoring, record keeping and financial control, undertaking follow-up with and assessing progression outcomes of jobseeker trainees, recruiting unemployed/jobseeker trainees, and procurement/tendering for training provision.

## 5.8 Summary of Findings

This section examined the effectiveness and efficiency of Skillnet Ireland across several dimensions. The key points are summarised below:

- ❑ Skillnet Ireland operated a total of 66 networks in 2017, across the Training Networks Programme (TNP), Finuas, and ManagementWorks streams. Total network funding and expenditure in 2017 – at €30.2 million – was broadly in line with budgeted levels for the year.
- ❑ Skillnet Ireland now has an increasingly diverse sectoral representation of member firms, including in internationally traded and knowledge-intensive activities.
- ❑ There has been a continued growth in the extent of enterprise membership in the TNP during 2017, but also the recovery in participation of enterprises in management development training after the declines experienced in previous years.
- ❑ 43% of companies surveyed were participating in a Skillnet Ireland programme for the first time in 2017, while 57% had been previously with the organisation. 26.7% had participated for the first time in 2013 or earlier. Continuing to expand overall reach by attracting new member companies, while also maximising retention through building strong and lasting relationships with existing member companies, represent important objectives for Skillnet Ireland.
- ❑ SME member companies represented 94% of the overall Skillnet Ireland membership base in 2017. Within this, it is noteworthy that micro enterprises employing fewer than 10 persons accounted for close to half the number of enterprises supported.
- ❑ An important aspect of the financial performance of Skillnet Ireland, which also has direct implications for value for money in the deployment of public/NTF funding, concerns the degree of funding leverage achieved through the organisation’s dual, public/private funding model. For every €1 of public/NTF funding allocated during 2017, member companies provided €1.25 of matching funding, which indicates a very significant improvement in overall funding leverage over the last three years. Continuing to maximise the overall funding leverage rate will be important in demonstrating value-for-money in the deployment of public/NTF funding, but also in relation to mitigating the deadweight associated with publicly-funded training programmes.
- ❑ Reflecting its continued status as the core delivery channel for Skillnet Ireland, the Training Networks Programme (TNP) accounted for 62 of the 66 networks and the majority of expenditure (€23.7 million) in 2017.

- ❑ Also of importance is the development and operation of the Future Skills Programme (FSP), which facilitates innovation and collaboration in new programme design and industry-based research on the future of work and learning. The FSP was delivered through 23 networks, involving a total spend of €0.8 million during 2017.
- ❑ Of the overall strong growth recorded in the number of training days provided in 2017 (10.9%), the continued expansion of TNP provision represented the primary contributor, with the number of training days on this core programme growing by over 21% compared to 2016. By contrast, the level of activity on Finuas training experienced a fall of almost 10% in terms of training days delivered in 2017. The decline in demand for jobseeker training is also evident in the 15.6% drop in training days provided in this area during 2017.
- ❑ The impact of Skillnet Ireland participation on Member Companies is an important measure of the success of the programme. 76.6% of Member Companies considered their participation in Skillnet Ireland training to have had a positive impact on their long-term business performance. Approximately 73% of member companies indicated that participation in Skillnet Ireland had contributed to improved business processes, as well as enhancing their service/product quality.
- ❑ Indecon has examined the cost-effectiveness of the four programmes within Skillnet Ireland in terms of the movements in annual unit costs of training over the period 2015-2017. Our analysis found that the overall unit costs of training delivery across all of Skillnet Ireland's programmes have been stable in the range of €75-80 per training day over the period 2015-2017. However, unit costs per training day for Finuas and Management Development training have both increased significantly. Maintaining a rigorous focus on minimising and stabilising unit costs will be important to ensuring ongoing cost-effective and competitive Skillnet Ireland training delivery.
- ❑ Our research among ManagementWorks participating companies found that one third of companies indicated that they had increased their employee numbers directly or indirectly as a result of their engagement with ManagementWorks management development training.
- ❑ Econometric analysis comparing outcomes to a counterfactual position would be required to fully evaluate deadweight. Due to data constraints, this is, however, outside the scope of this evaluation. In this evaluation, Indecon has developed a number of survey-based indicators of deadweight. Overall, while the analysis indicates some evidence of deadweight in Skillnet Ireland's programmes. However, it is Indecon's experience that some deadweight will be present in all programmes. What is critical is that continued efforts are made so that this deadweight is as small as possible and its impacts are minimised. Measures to minimise the risk of deadweight and to mitigate its impacts include greater customisation of training and the application of differential matching funding requirements for member companies in sectors and programmes where the risk of deadweight is greater.
- ❑ The overall net benefits and value-for-money to the Exchequer of the JSSP activation programme for jobseekers is a function of the estimated benefits (including social welfare savings and income tax gains) relative to the costs of programme's operation. The benefits are themselves a function of how long JSSP learners stay employed once they secure a job. Our analysis suggests that under prudent assumptions, the 2017 JSSP would likely achieve a positive net benefit for the Exchequer if participants who secured employment remained employment for approximately five months.

## 6 Conclusions and Recommendations

### 6.1 Conclusions from Evaluation

This evaluation examined Skillnet Ireland's training programmes in 2017 by reference to the thematic areas:

- Consistency with Policy
- Alignment with Labour Market Needs
- Impact on Learners
- Effectiveness and Efficiency

The key conclusions from the evaluation are set out below.

#### ***Assessment of Consistency with Government Policy***

Of particular importance in relation to consistency with policy concerns the alignments of Skillnet Ireland's activities and outcomes with the requirements of the National Training Fund. Overall, the organisation remained aligned with the high-level objectives of the NTF in relation to its role on upskilling those who are in employment, and continuing to play a role in providing training to jobseekers.

The key features and achievements of Skillnet Ireland's activities and outcomes during 2017 were as follows:

- Overall programme expenditure in 2017 amounted to €30.2 million across 66 Networks.
- Enterprise membership continued to expand, with a total of 15,012 member companies active within Skillnet Ireland's networks in 2017. This was up 5.3% on the level of participation 2016.
- Skillnet Ireland continued to exceed the key annual targets for training set by the Department and Education and Skills. Overall, training was delivered to 49,194 trainees over 381,982 training days in 2017 (versus the DES targets of 43,000 and 298,000 respectively). The quantum of training days delivered increased by 11.1% compared to 2016.
- Matching funding rate continued to increase: For every €1 of State funding, Member companies provided €1.25 of matching funds in 2017. This compared with €1.14 in 2016.
- 6 new networks were established during 2017, in diverse areas including transport and logistics, design enterprises, application of the internet to health, hospitality, tourism, food, and beauty sectors.
- 76% of overall training days delivered were certified (versus DES target of 75%), with 57% certified on NFQ (DES target = 45%). 19% of days were industry-certified (DES target = 30%).

- A growth of 17% was recorded in in-employment training days during 2017. This compared with a 15.6% decline in jobseeker training days. At its peak (2013), unemployed training days accounted for 23% of total training days delivered. By 2017 this fell to 14.7% of overall training days. This evolution appropriately reflects the continued wider economic and labour market recovery.

In addition to its core role in relation to the NTF, Skillnet Ireland is referenced in several key government policy documents, including the National Skills Strategy and the Action Plan for Jobs. The organisation is included in key action points across these documents. The Future Skills Programme ran by Skillnet Ireland represents good practice in achieving these goals. One gap is the contribution in meeting the future language needs of the labour force, which was cited in Ireland's Strategy for Foreign Languages in Education 2017-2026.

A key aspect of the Skillnet Ireland model and its role in address wider government policy concerns the opportunity for enterprises to collaborate on identifying and responding to worker development needs. There has been a sustained increase in the number of member companies using Skillnet Ireland services with a growth of 48% since 2013. A majority (64.9%) of member companies surveyed agreed that they were given the opportunity to influence the design of the training.

Irish sectoral policy is elucidated across several key policy documents including the Action Plan for Jobs as well as specific sectoral policy documents such as the IFS2020 Action Plan and EGFSN sector-specific reports. A total of 1,824 or 12.2% of Skillnet Ireland member companies in 2017 were in the ICT/Technology or Medtech/Pharma sectors, which are key sectors identified in the Action Plan for Jobs. This represents an increase vis-à-vis 2016 levels where 10% of firms operated in these sectors.

In terms of regional policy, it is important that Skillnet provides training opportunities to firms based in the regions as well as in the major urban centres. An analysis of the location of member firms relative to the national spread of firms shows that Skillnet Ireland has a relatively high penetration in the South West and Mid-West, and a lower penetration in Dublin.

Management Development represents an increasingly important aspect of Skillnet Ireland's training, and the need for increased management development has been cited in several policy documents. The Action Plan for Education set as an action point regarding Skillnet Ireland which involved the establishment of the Management Development programme, which was achieved.

### ***Assessment of Alignment with Labour Market Needs***

The primary objective of Skillnet Ireland is to promote upskilling of the workforce in Ireland. It is important that in meeting this objective the activities of Skillnet Ireland are aligned with the evolving and future needs of the labour market. This can help support employers in maintaining and expanding their enterprises, while also benefiting learners insofar as their upskilling/reskilling activities will be in areas demanded by employers in the future.

The Irish labour market has undergone dramatic change over the last decade. The level of unemployment in the labour market reached a peak of almost 16% in 2011. Since then, however, the labour market has seen a gradual and sustained improvement in terms of a rise in aggregate employment, while unemployment has fallen to below 6% of the labour force.

Each of Skillnet Ireland's networks is required to conduct a Learning Needs Assessment to gather information on the skills development requirements of the members of the network. A majority (65.7%) of TNP/Finuas member companies surveyed by Indecon as part of this evaluation indicated that they strongly agreed or agreed that the Learning Needs Analysis fully reflected the needs of their company/business.

A large majority (87.5%) of TNP/Finuas Member Companies surveyed by Indecon reported that they were satisfied or very satisfied with the design and relevance of training to their business needs, while just under 11% were neither satisfied nor dissatisfied. Member Companies also saw a positive impact in terms of addressing skills gaps within their organisation and an increased ability to attract and retain staff.

A majority of TNP/Finuas member companies were in agreement that their network is focussed on skills needs appropriate to their business, sector and region, and also that their network has assisted with new programme development and accreditation.

One of Skillnet Ireland's primary goals is maintaining the supply of skills that impact the growth potential of enterprise. Member companies agreed or strongly agreed that training provided by Skillnet in 2017 focussed on skills vital for future growth (76%); balance current and future needs (73%); and assist in the development of new programmes (64%). Indecon's survey of network managers also predicted an increase in training activity in 2018.

Labour market activation policies are policies that are designed to give jobseekers a better chance of finding employment. The balance between in-employment and for employment training has changed as the level of unemployment nationally has changed. This has also been reflected in the funding provision laid out by the Department of Education and Skills, with the percentage of funding for in-employment training increasing from 78% in 2016 to 90% in 2017. The total number of unemployed trainees has fallen by 41% since 2015. There has been a more pronounced fall in the number of main programme jobseeker trainees (53%) compared to JSSP participants (24%) and the JSSP (now the Employment Activation Programme) is now the primary channel through which Skillnet Ireland addresses its role in relation to labour market activation.

### ***Assessment of Impact on Learners***

In 2017, 93% of trainees participated through the TNP, with Finuas comprising of 5% of learners supported by Skillnet Ireland. The remainder (representing 2% of all trainees) was accounted for by ManagementWorks training. There was a rise of 2.9% on the number of TNP trainees in 2017 over 2016. In all 45,489 participated in training, of which 58% were male.

Skillnet Ireland learners reported high levels of satisfaction with the quality, relevance and mode of delivery of the training provided during 2017. Further, trainees reported high levels of satisfaction with the manner in which courses were provided. 88% of employed trainees were very satisfied or satisfied with the flexibility of the training provided, while 71% were satisfied with the blend of pedagogic techniques employed in the training.

There was a high overall level of employment retention reported among 2017 in-employment learners, with 97% of respondents to Indecon's survey research indicating they were still in employment in May-June 2018. This is likely to largely reflect the strength of the economy and the labour market, but also indicates the importance of continued upskilling of the workforce.



Over three-quarters of 2017 Skillnet Ireland in-employment learners have indicated that their training has encouraged them to undertake further education or training. The research also found high proportions of trainees indicating motivational, employability and other career benefits.

Critically in relation to progression outcomes, Indecon's research among JSSP participants in 2017 found that almost 49% of ex-trainees were in employment, either on a full-time or part-time basis or via self-employment, in May-June 2018. 20% were engaged in further education and training.

A majority of jobseeker trainees were satisfied the training they received. 91% of both JSSP and main programme trainees indicated that they were very satisfied or satisfied with the quality of the training and trainers. Three out of four JSSP participants reported that they were satisfied or very satisfied that the network helped them secure a course.

### ***Assessment of Effectiveness and Efficiency***

#### *Financial Inputs and Performance*

Skillnet Ireland operated a total of 66 networks in 2017, across the Training Networks Programme (TNP), Finuas, and ManagementWorks streams. Total network funding and expenditure in 2017 – at €30.2 million – was broadly in line with budgeted levels for the year.

Also, of importance is the development and operation of the Future Skills Programme (FSP), which facilitates innovation and collaboration in new programme design and industry-based research on the future of work and learning. The FSP was delivered through 23 networks, involving a total spend of €0.8 million during 2017.

An important aspect of the financial performance of Skillnet Ireland, which also has direct implications for value for money in the deployment of public/NTF funding, concerns the degree of funding leverage achieved through the organisation's dual, public/private funding model. For every €1 of public/NTF funding allocated during 2017, member companies provided €1.25 of matching funding, which indicates a very significant improvement in overall funding leverage over the last three years (up from €1.14 in 2016 and €1.04 in 2015). Continuing to maximise the overall funding leverage rate will be important in demonstrating value-for-money in the deployment of public/NTF funding, but also in relation to mitigating the deadweight associated with publicly-funded training programmes.

#### *Profile of Enterprise Participation*

Skillnet Ireland now has an increasingly diverse sectoral representation of member firms, including in internationally traded and knowledge-intensive activities. SME member companies represented 94% of the overall Skillnet Ireland membership base in 2017. Within this, it is noteworthy that micro enterprises employed fewer than 10 persons accounted for close to half the number of enterprises supported.

The number of Skillnet Ireland member companies having expanded by 48% between 2013 and 2017. CSO data for 2016 indicates that there were almost 250,000 active SMEs in Ireland. This would suggest that Skillnet Ireland SME member companies represent approximately 5% of the overall number of active SMEs nationally in 2016, compared to 4% of active SMEs in 2013. This highlights both the success of Skillnet Ireland in increasing its reach, but also the scale of the challenge given the presence of over 250,000 SMEs within the national enterprise base.

43% of companies surveyed by Indecon were participating in a Skillnet Ireland programme for the first time in 2017, while 57% had been previously with the organisation. 26.7% had participated for the first time in 2013 or earlier. Continuing to expand overall reach by attracting new member companies, while also maximising retention through building strong and lasting relationships with existing member companies, represent important objectives for Skillnet Ireland.

#### *Programme Outputs and Outcomes*

Of the overall strong growth recorded in the number of training days provided in 2017 (10.9%), the continued expansion of TNP provision represented the primary contributor, with the number of training days on this core programme growing by over 21% compared to 2016. By contrast, the level of activity on Finuas training experienced a fall of almost 10% in terms of training days delivered in 2017. The decline in demand for jobseeker training is also evident in the 15.6% drop in training days provided in this area during 2017.

#### *Impacts of Skillnet Ireland Participation on Member Enterprises*

The impact of Skillnet Ireland participation for Member Companies is an important measure of the success of the programme. Indecon's research found that 76.6% of Member Companies considered their participation in Skillnet Ireland training to have had a positive impact on their long-term business performance. Approximately 73% of member companies indicated that participation had contributed to improved business processes, as well as enhancing their service/product quality.

#### *Cost-Effectiveness and Value for Money*

Indecon has examined the cost-effectiveness of the four programmes within Skillnet Ireland in terms of the movements in annual unit costs of training over the period 2015-2017. Our analysis found that the overall unit costs of training delivery across all of Skillnet Ireland's programmes have been stable in the range of €75-80 per training day over the period 2015-2017. However, unit costs per training day for Finuas and Management Development training have both increased significantly. Maintaining a rigorous focus on minimising and stabilising unit costs will be important to ensuring ongoing cost-effective and competitive Skillnet Ireland training delivery.

Econometric analysis comparing outcomes to a counterfactual position would be required to fully evaluate deadweight. Due to data constraints, this is outside the scope of this evaluation. In this evaluation, Indecon has developed a number of survey-based indicators of deadweight. Overall, while the analysis indicates some evidence of deadweight in Skillnet Ireland's programmes. However, it is Indecon's experience that some deadweight will be present in all programmes. What is critical is that continued efforts are made so that this deadweight is as small as possible and its impacts are minimised. Measures to minimise the risk of deadweight and to mitigate its impacts include greater customisation of training and the application of differential matching funding requirements for member companies in sectors and programmes where the risk of deadweight is greater.

The overall net benefits and value for money to the exchequer of the JSSP activation programme for jobseekers is a function of the estimated benefits (including social welfare savings and income tax gains) relative to the costs of programme's operation. The benefits are themselves a function of how long JSSP learners stay employed once they secure a job. Our analysis suggests that under prudent assumptions, the 2017 JSSP would likely achieve a positive net benefit for the Exchequer if participants who secured employment remained employment for approximately five months.

## 6.2 Recommendations

Based on the detailed evaluation and conclusions, a number of recommendations designed to further enhance the effectiveness and impacts of Skillnet Ireland programmes have been identified by Indecon. These are set out in the table below.

**Table 6.1: Recommendations arising from Evaluation**

No.	Recommendation
1.	Immediate priority should be given by Skillnet Ireland in 2019 and beyond to ensuring that it delivers on its Government policy commitments in relation to addressing the challenges surrounding Brexit. This should involve a strategic focus on high-risk sectors such as agri-food, and include development of competitive, matched funding training solutions aligned with sectoral needs. This could also include a role for Skillnet Ireland in addressing language challenges facing enterprises seeking to break into export markets.
2.	From an overall cost-effectiveness perspective, maximising funding leverage from member enterprises should continue to be an objective.
3.	Ongoing focus is required in relation to Network Capacity Building, to ensure that NTF funding is deployed and utilised to focus on areas of greatest enterprise need. This should include consideration of measures such as application of lower company matching funding requirements to incentivise capacity building and expand the organisation's reach in sectors where enterprise participation is low.
4.	The feasibility of introducing a medium-term (5-year) planning horizon for training needs assessment within Skillnet Ireland networks should be examined. This should involve member enterprises, in addition to inputting to the Learning Needs Assessment framework, identifying the medium-term learning requirements within their workforce, informed by their organisation's strategic planning processes.
5.	Measures should be implemented to drive increased collaboration between networks, to achieve enhanced knowledge sharing, skills transfer and innovation, and to address common challenges within their region or sector. These measures could include dedicated funding calls (including FSP 'Innovation' and Research funding strands), the development of regional and sectoral network funding consortia, and inter-network medium-term skills planning.
6.	Inter-agency coordination and collaboration between Skillnet Ireland and the enterprise development agencies could be further enhanced. This could include the development of a strategy to explore the potential to provide a targeted/differentiated Skillnet Ireland offering to High-Potential Start-Ups and other higher growth indigenous SMEs.
7.	Skillnet Ireland to examine the potential to further expand its role in Higher Education and Further Education & Training provision to upskill SMEs, including in the context of the Government's 2018-2021 Further Education and Training Policy Framework for Skills Development of People in Employment.
8.	In the context of strategy on the future direction of the National Training Fund, Skillnet Ireland to examine the potential to adjust its role in relation to in-company training provision to drive increased productivity and innovation capacity within SMEs.
9.	Ongoing rigorous focus is required to ensure that Skillnet Ireland continues to demonstrate value for money in the deployment of NTF funds and that its corporate governance framework is fully consistent with Government guidance in this area. This should include continued development and implementation of measures to minimise programme deadweight and mitigate its impacts, including in relation to training design and application of differentiated matching funding requirements in sectors where the risk of deadweight is greater. Counterfactual econometric modelling should be considered for future evaluations.

Source: Indecon

### **6.3 Overall Conclusion**

Overall, this evaluation found that Skillnet Ireland continued to meet its objectives, while its programme remained broadly consistent with government policy, during 2017. Driven by the ongoing strong economic and labour market backdrop, enterprise membership and training activity levels continued to expand, with Skillnet Ireland supporting over 15,000 firms and delivering a total of 381,982 training days to 49,194 trainees in 2017. Training activity levels as measured by training days exceeded the Department of Education and Skills target by 28%. While the organisation continues to maintain a role in relation to labour market activation, jobseeker training activities have declined sharply, reflecting the fall in the Live Register and the increasing demand for in-employment training.

The evaluation has found continued positive feedback from member companies on the benefits from, and quality and value for money of, the training they received. Among learners, employment retention levels remain high, while there was also evidence of strong employment and other positive progression outcomes among jobseeker trainees.

Skillnet Ireland continues to deliver overall value for money in the deployment of NTF funding, as evidenced by the continued increase in leverage of private company matching funding.

In relation to future development, key strategic issues for Skillnet Ireland will include the immediate need to ensure that it can deliver on its policy commitments in relation to addressing the challenges surrounding Brexit, maintaining an ongoing focus on expanding reach and capacity building to ensure responsiveness to demand, and continuing to demonstrate value for money in the utilisation of NTF funds. There are also further growth opportunities for the organisation in relation to expanding its role in Higher Education and Further Education and Training provision to upskill SMEs.