

**“Adapting Regional Economies for Global Competitiveness:
Expanded roles for Educations Institutes Conference.”**

Galway Mayo Institute of Technology

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Plenary Session: Skills for increasing competitiveness in a global economy

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Introduction

Good afternoon ladies and gentlemen.

I am going to address two topics in my talk today; firstly developing skills where there are inherent weaknesses and secondly retain/attracting skills to the Western Region which will result in increasing competitiveness in a global economy.

Developing Skills

There are three types of skills required in the workplace:

- Technical skills
- Soft skills
- Business skills

All are necessary for increasing competitiveness in a global economy.

Most of the focus of our educational system is on developing the technical skills. We are very good at educating and training people to be proficient in the technical aspects of a particular job.

However these are just the basic skills requirements for a region to compete globally. What will set us apart and give us the edge will be a high level of excellence in soft skills. Cross cutting business skills also presents our region with a major opportunity which I will deal with later.

I have grouped these soft skills into three subsets:

Interpersonal	Creative	Values
Listening	Conceptual Thinking	Attitude
Understanding	Lateral Thinking	Trust
Influencing	Problem Solving	Respect
Team working/building	Design	Courtesy
Communication	Risk Taking	Adaptability

Interpersonal skills

Interpersonal skills enable individuals to bring out the best in themselves and others. Having workers with strong listening, understanding (both verbal and non verbal signals) and influencing skills, will give a company a very significant competitive edge. In addition managers and employees adept in team working and team building will create for their companies a highly productive and profitable structure.

In my many years advising and investing in enterprises I have observed that the majority of technology based enterprises are founded by a team of entrepreneurs not by an individual. The inclusion of team working and team building skills as a core module in third level courses will facilitate the development of more and stronger enterprises in the region.

Creative Skills

Clearly in an ever more complex world, companies whose workers have the ability to think conceptually, to problem solve, to put design at the forefront, will set them apart from their competitors.

“Design is so critical that it should be on the agenda of every meeting in every single department. Design is one of the few differentiating factors, and companies that ignore the power of ... design will lose”. Tom Peters, Re-imagine! 2003

Design can have a very practical outcome if sustainable principles are included from the very start. Reducing the amount of raw materials and energy required and building in reuse or recycling options will give businesses the “triple bottom line” of benefiting people, planet and profit.

But I fear that we are not only failing to foster a culture of creativity and risk taking in our children from a very early age but are obstructing it. I give you by way of example an experiment that the BBC series “Child of our Time” did with a group of children the programme is following over a 20 year period. The children were asked to draw a creature that couldn’t exist. None of the seven year old children had the imagination or creativity to carry out the task. Is it because they have been taught to colour “*inside the line*”?

Design, creativity and risk taking must not be confined to the private sector but should be key modules in all public administration courses and brought into the workplace. Public services that are design led will be customer focused improving effectiveness and efficiencies and reducing costs.

The Creative Economy

I feel it is important to mention the creative economy as a sector which provides the Western Region with an opportunity to exploit a natural resource, our people, to create jobs and wealth throughout the region. The skills required to develop the creative economy are inherent in the Irish people. In the West of Ireland we have a long tradition of artistic creativity as well as very high levels of educational attainment for modern creative jobs such as, software development, graphic design, television and film, etc. We also have a very inspiring landscape and a high quality of life which are hugely attractive to the creative worker. These types of jobs would be highly embedded in the Western Region. They would generate a vibrancy in the

region and help establish it as a creative region, attracting larger companies who understand that creativity and design are the key skills for future competitiveness.. Improving business skills will be very important to the commercial success of these creative micro-enterprises.

Values

In addition an organisation with workers who have a highly evolved set of values will undoubtedly be one that will be extremely progressive and successful. This type of organisation is in turn likely to attract the most creative and talented individuals.

How can we develop these soft skills?

I think the education system will be the bedrock of this change in focus on developing soft skills but it must start from junior infants in primary school right through secondary and onto third level. I think we have to face the reality that the home environment, in the vast majority of situations, will not have the tools to assist in developing many of these skills as parents of today's children and teenagers did not themselves learn these skills while at school/college.

Progress has been made with the curriculum but given the pace of change in the modern global economy the development of these skills in our students must be done at much more aggressive pace.

I do have a concern that these skills will not be taken seriously by educators, students and parents unless they are made into exam subjects or at the very least awarded credits for entry into third level, e.g. a student needs to gain merit in three soft skill modules to qualify for PLC or third level courses.

Cross-cutting business skills – a major opportunity

A recent report by the Expert Working Group on Future Skills Needs highlighted a major opportunity for a region like the West of Ireland to focus on cross cutting business skills as a catalyst for regional development.

*“As major business processes cut across several sectors (procurement, supply chain management, shared services) so do the supporting skills and capabilities. This would suggest that an industrial strategy in the regions based on the **cultivation of horizontal business functions** would be more appropriate than the targeting of specific sectors.”¹*

These are high value add skills appropriate to a high wage economy that Ireland has become. Such a policy shift would enable our region to exploit the expertise that currently exists in an accelerated manner.

A critical gap that exists is the cross over of technical and business skills. Much of today's sales and marketing efforts must have both skills. To achieve this more needs to be done at third level to give students the combination of these two skills sets. The ability to communicate in both business and technical terms is a major gap I see in almost every company our investment fund deals with. There must be much more meaningful interaction between business/humanities and technology/engineering

¹ Skills at a Regional Level in Ireland: Expert Working Group on Future Skills Needs. May 2006

students and cross over of curricula at college. Perhaps it is time to have a technical sales course with core science/technology and business subjects. There is also a requirement for management to be a core module in all science and engineering courses. Many graduates from these courses go on to management roles for which they have received little or no formal training at third level.

There has been much talk about the decline in the number of students taking higher level maths and science subjects and the grades achieved. There has also been a lot of attention on the decline in the numbers studying computer courses, a 50% decline at Level 8 since 2000. This doesn't square with the technological world we live in where children from a very early age are proficient in computer games, DVDs, iPods, mobile phones, etc.

This is clearly creating a gap between the skills we need to compete in the knowledge economy and the skills being acquired. Are we asking the students, their parents and schools why this is happening? Is part of the problem a lack of understanding of these modern knowledge economy jobs? Is it a lack of visible role models? We all know what a chemist does but we do we know what an analytical chemist does? How many students or their parents know what a Lean Co-ordinator, a TCP Author or a EMC Specialist does. These were vacancies advertised by a major multinational corporation based in the region last week. Does industry need to do more to sell these types of jobs to students and to have more interaction with schools and colleges?

Retaining and Attracting Skills

The West of Ireland has a very high education attainment level across all course types. Six of the seven counties in the Western Region are included in the top ten for admission rates to higher education in the island of Ireland.² However we have historically had a very poor retention rate of our best and brightest, with the majority having to leave the region to gain their first job and in many cases they are lost to the region forever. The Greater Dublin Area (GDA) is the first employment destination of more than 40% of all graduates (at all levels) from the Western Region and more than 60% of both Masters and PhD graduates. Apart from Galway a higher share of graduates from the seven western counties find their first employment in Dublin than in their home county. In counties Roscommon and Leitrim less than 10% of graduates found their first employment in their own county.

Our human capital is our most important asset. It is important to our region's economic success that these students have the option to do their studies and get their first job here. Of course it is good for people to go and gain experiences elsewhere but this should be a choice not a necessity.

The Western Development Commission (WDC) recognised that many people who left the West in the past might now be attracted back due to the increased number and types of job opportunities available, as well as, the high quality of life on offer. We also felt we had a good message to communicate to people not originally from the region to move here.

² HEA (2006), A Review of Higher Education Participation in 2004.

To achieve this, the WDC developed the **LookWest.ie** campaign which is an advertising and PR campaign mainly targeting the Greater Dublin Area (GDA). The campaign has also developed a comprehensive website which provides people with details of job opportunities, cost of living, property search facilities, information on schools, healthcare, sports and recreational activities, etc; a virtual one stop shop to help an individual/family make the decision to move West to take up employment or set up a business.

On the **LookWest.ie** website there is a Skills Registration facility which currently has details of almost 2,500 people interested in moving West. This indicates that there is a very strong latent pool of labour available to existing and potential employers in the Western Region. The table below outlines that the majority of registrations are highly qualified with a number of years work experience. This is a major skills resource available to increase the competitiveness of the Western Region.

Skills Registration - Some key statistics

Age Profile	63% are aged between 20-35 years
Work Experience	76% had 5+ years of which 42% had 10+ years
Sector	35% worked in Financial Services or IT
Education Attainment	80% have a third level qualification with 37% having a post graduate qualification
Area of Study	25% in Engineering/IT/Science and 25% in Business Studies

New ways of working

In Ireland females are attaining higher levels of education than their male counterparts. More girls than boys sit the leaving cert and girls achieve higher points; females constitute 60% of those with 350+ points and 62% of those with 450+ points and more females than males get Level 8 qualifications.³ Yet due to current working arrangements coupled with poor and/or very expensive childcare options we are losing many highly qualified and highly experienced women from the workforce. Do we need to have a radical rethink of how work patterns are structured and how people interact at work? Is the model we have a legacy of the industrial age and no longer suited to the modern knowledge economy? Clearly by retaining more women in the workforce we will retain these skills and enable the Western Region increase its competitiveness. This of course is not an exclusively female issue and changing work patterns would suit both men and women who want flexibility of working arrangements in order to achieve a better work/life balance.

Improved infrastructure

Improved infrastructure will also enable the Western Region to increase competitiveness by accessing a wider pool of skills. Improved road, rail and

³ Monitoring Ireland's Skills Supply: Trends in Education/Training Outputs. Expert Group on Future Skills Needs, January 2006

broadband connectivity will reduce the time it takes to travel to work for staff, thereby extending the geographical reach of companies. The WDC is currently carrying out research into this issue.

Conclusion

Schools and third level institutions have a major role to play in developing skills needed to increase competitiveness of the Western Region in a global economy.

These skills sets can be categorised into three subsets: technical skills, soft skills and business skills.

The combination of technical and business skills in individuals presents a major competitive advantage.

The cultivation of horizontal business functions may offer a more appropriate enterprise strategy for the development of the western economy than targeting specific sectors.

Retaining and attracting skills is a sound strategy for a region trying to increase its competitiveness.

Thank you.