



Sector Skills Assessment for the Fashion and Textiles Sector in Northern Ireland



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Executive Summary

Introduction

Skillset is the Sector Skills Council representing the Creative Media Industries and as of 1st April 2010 the Fashion and Textiles sector. Skillset works with both the industry and government to identify and tackle the skills and productivity needs of fashion and textiles employers throughout the UK to make sure they have access to the right people, with the right skills, in the right place, at the right time. We do this by influencing and leading; developing skills, learning and development and education policy; and through opening up the industries to the UK's pool of diverse talent. Skillset is responsible for the production of Sector Skills Assessments (SSA) for the UK and each of the UK's four constituent nations. This is the executive summary for the SSA for the fashion and textiles industry in Northern Ireland.

The Fashion and Textiles Industry in Northern Ireland

The fashion and textiles sector in Northern Ireland accounts for almost 2,000 firms employing over 10,000 people. Fashion and textiles employment in Northern Ireland is centred around the manufacture of textiles which employs over 40% of the workforce. The manufacture of clothing and washing and dry-cleaning services are also significant employers.

In terms of occupations, signifying the high number of micro-businesses within the sector, managerial and senior official roles account for 30% of the workforce whilst there is also a high prevalence of skilled trades and process plant and machine operatives.

Excluding the self-employed workforce, gross value added (GVA) for the sector in the Northern Ireland is estimated at £150 million, with GVA per head measured averaging over £34,000 with wholesaling functions having the highest GVA per head.

Drivers of Skill Demand

Through our consultations with employers in Northern Ireland, a number of key drivers of skills demand have been identified within the fashion and textiles sector. The table below sets out the key factors behind these and the skills implications these bring.

Driver	Key factors	Skills implications
Economic environment	The economic downturn and associated unemployment, plus falls in production within manufacturing.	Impact on the number of people applying for jobs in the sector.
A redefined sector	Sector decline, particularly in the manufacturing sub-sector and new strategies adopted.	A reduced network of infrastructure and increased demand for multi-skilled workers.
The role of globalisation and a move towards higher value added products	A liberalisation of trade policy and the continued sophistication of communication and supply chain technology have led to structural changes and an emphasis on higher value added activities.	Competitive labour costs; a demand for better qualified and skilled workforce with technical skills; and increasing demand for individuals that have out-sourcing knowledge and supply chain management skills.
Diversification and the rise of technical textiles	Diversification of operations and a move towards higher value-added products, such as technical textiles.	Ongoing need for individuals capable of developing and commercialising new, innovative products and processes and a demand for high-level technical and scientific skills.
Fast fashion and responding to consumer demands	Increasing pressures on companies to supply their retail markets and a need to ensure that products are suited to the latest fashions and styles.	A need for individuals that understand sourcing, production lead times and consumers, which will be facilitated by good customer facing skills. The sector also needs creative design skills and flexible and efficient production practices.

The impact of legislation and the sustainability agenda

Environmental concerns, legislation, the sustainability agenda and ethical standards.

A requirement for individuals to understand how legislation, sustainability and ethical sourcing impacts upon businesses, plus innovative and creative individuals that can help businesses to effectively respond to these demands. Ongoing challenge for businesses and training providers to keep abreast with technological advances in order to ensure that the workforce is appropriately skilled and able to produce and sell competitive products, in terms of both cost and quality.

Responding to technological advances

A need to harness continually emerging technologies, alongside an ongoing demand for traditional production techniques. Plus, online retailing and selling direct from source.

Sector image and an ageing workforce

An 'invisible' sector and lack of awareness of range of jobs and careers; poor perception of parts of the sector; and an ageing workforce.

A loss of skills when people retire, particularly traditional and technical skills, and a lack of young people entering the sector means that some of these skills will not be replaced. A lack of awareness of key roles in the sector. A need to understand how to design and manufacture products that meet consumer demands, plus an ability to effectively market and sell these products in a way that builds upon these brands.

Product marketing and the Irish style

Distinctive 'Irish Style' and strong brands that are highly valued.

Skills Needs

Vacancies and Recruitment

At four percent, a far lower proportion of employers in the fashion and textiles industry in Northern Ireland have vacancies, compared to the average for all Northern Irish employers despite reporting higher levels of labour turnover.

The main impacts of having hard-to fill vacancies are increased workload for staff, loss of business or orders to competitors, delays in developing new products and services and difficulties in meeting quality standards.

The main barriers to recruitment are as follows:

- Poor perceptions of the sector
- Low entry level wages
- A lack of awareness of the career opportunities within the sector
- Poor industry links with education
- Attractiveness of other sectors
- Poor recruitment mechanisms for the sector
- Lack of suitable education and training opportunities

Skills Shortages

Despite this lower level of vacancies, mainly due to a settled workforce, a far higher proportion of employers in the fashion and textiles sector report having hard-to-fill (61%) and skills shortage vacancies (47%) as a proportion of vacancies. This represents the technical and specialised nature of job roles within the fashion and textiles sector and lack of individuals available that possess these often tacit skills.

Findings from the 2008 Fashion and Textiles employer survey illustrate that compared to the wider UK fashion and textiles workforce, the sector in Northern Ireland reports the highest perception of skills shortages within the workforce.

The skills shortages identified during the consultations are as follows:

- Poor technical skills specific to the job, relating to both ability and a lack of experience
- A lack of sewing skills
- Lack of pattern grading/ pattern cutting skills
- No relevant employability skills
- A lack of understanding about textiles and fabrics
- A lack of knowledge about the manufacturing process
- No knowledge of global sourcing
- No sampling knowledge/experience
- Insufficient knowledge about the laundry and dry-cleaning processes

Skills Gaps

Skills gaps are skills deficiencies identified by employers within their existing workforce. In keeping with the wider Northern Irish economy, 14% of establishments reported a skills gap. However, 16% of establishments reported suffering from a proficiency based skills gap, lower than the overall figure for Northern Ireland. Contrasting this, 11% of employees in the fashion and textiles sector were reported as suffering from a proficiency based skills gaps which was above the 8% reported by the wider workforce.

The fashion and textiles employer survey 2008, reports 17% of Northern Irish fashion and textiles establishments suffers from a skills gap. This is a percentage point more than the UK average. Establishments within the design and apparel and sewn products sub-sectors reported the highest number of skills gaps.

Addressing Skills Needs

Just over a fifth of fashion and textiles businesses provided off the job training and 58% provided on-the-job training. This compares to the wider Northern Irish economy of 53% and 61% respectively.

Consultations highlighted a number of factors that influence the effectiveness and participation in of training provision including:

- Availability
- Content
- Delivery mechanisms

The key barriers to accessing or providing training were identified as follows:

- Cost
- Time
- Availability of suitable training provision
- Location of suitable training provision
- Awareness of training

Anticipating What Lies Ahead

Working Futures III forecasts a continuing contraction in workforce numbers with employment by 2017 continuing to fall, albeit at a slower rate than previously seen. Despite this continued decline in the gross number employed, the sector will experience positive net recruitment requirements. This is due to the large number of people forecast to leave the sector through retirement and the need to fill these emerging vacancies. In all, taking 2007 figures as a base, well over a third of the workforce will require replacement by 2017.

The sector will continue to lose a substantial amount of jobs within the operative elements of the sector to 2017, although the pace of change will be less pronounced than seen in previous years. Administrative, skilled trades and elementary occupations are all also expected to see large declines in workforce proportions, whereas managerial and technical positions will proportionally make up a larger part of the workforce.

On a European level¹, three scenarios for the fashion and textiles manufacturing base have been put forward, each of which will impact skills needs differently. These are “Globalisation Limited”, “Asian Dominance-European Excellence” and “Advanced New Member States.” Each of these scenarios is based on how the three major sector drivers of globalisation, environmental concerns and the restructuring of trade and economic policies will play within the fashion and textiles sector.

¹ Vogler-Ludwig and Valente, 2008, Skills scenarios for the textiles, weaving, apparel and leather products sector in the EU

Introduction

1.1 Introduction

Skillset is the Sector Skills Council representing the Creative Media Industries and as of 1st April 2010 the Fashion and Textiles sector. Skillset works with both the industry and government to identify and tackle the skills and productivity needs of fashion and textiles employers throughout the UK to make sure they have access to the right people, with the right skills, in the right place, at the right time. Skillset is responsible for the production of Sector Skills Assessments (SSA) for each of the UK's four constituent nations. This document sets out the SSA for the fashion and textiles industry in Northern Ireland.

1.2 Background

The over-arching aim of the SSA is to play a key role in influencing policy and informing industry investment regarding skills issues across the fashion and textiles industries. The SSA considers the five sub-sectors of the fashion and textiles sector: design; textiles and technical textiles²; apparel and sewn products; footwear, leather and leather products; and laundry and dry-cleaning. In line with the UKCES Common LMI Framework, it assesses the following:

- Drivers of skills demand: What issues are driving skills demands within the fashion and textiles sector and what are the skills implications of these?
- Current skills needs: What are the current skills needs that exist within the sector?
- Future skills needs: What is anticipated to lie ahead for the sector and how can the sector ensure adequate planning for the future skills needs of the sector?
- Geographical variations: How do skills needs vary by geography?

² Textiles and technical textiles ordinarily form their own sub-sectors. However, for reporting purposes within the SSA, they are grouped together.

1.3 Research Methodology

In order to compile this SSA for Northern Ireland, Skillset with research support from Grainne McGowan has:

- Reviewed recent and relevant data related to the fashion and textiles sector, including:
- the Northern Ireland Skills Monitoring Survey 2008 which surveyed 105 Fashion and Textiles employers in the sector.
- Fashion and Textiles Survey of Employers 2008 that surveyed 100 employers in Northern Ireland.
- Reviewed recent and relevant literature related to the fashion and textiles sector in both the UK and Northern Ireland.
- Conducted six telephone and face-to-face consultations with employers and key representatives from the fashion and textiles sector.
- Convened a forum of 10 participants to share the key findings from the tasks outlined above with a sample of representatives from the fashion and textiles sector to provide further verification and input.

1.4 Report Structure

The remainder of the report is structured as follows:

- **Chapter Two: The Fashion and Textiles Sector:** Sets out the key characteristics of the fashion and textiles industry in Northern Ireland.
- **Chapter Three: Drivers of Skills Demand:** Highlights the key drivers of skills demand, plus the subsequent skills implications.
- **Chapter Four: Skills Needs:** Reviews sector recruitment and skills shortages, followed by skills gaps and identifies the extent to which businesses are adopting succession plans to address the skills issues they face.
- **Chapter Five: Skills Supply:** Provides a brief assessment of how businesses identify their training needs, the extent to which training provision meets the needs of businesses in the sector and the barriers businesses face in accessing or providing training.

- **Chapter Six:** Anticipating What Lies Ahead - Looks at the future of the fashion and textiles sector in Northern Ireland by assessing the growth potential for the sector and the future skills needs, plus actions required by the sector.

2. The Fashion and Textiles sector in Northern Ireland

2.1 Businesses and employment

The fashion and textiles sector in Northern Ireland employs over 10,000 people within almost 2,000 workplaces.³ This figure contrasts to information from the Annual Business Inquiry (ABI) that estimates the level of employment at 4,300 employees.⁴

Much of the fashion and textiles employment in Northern Ireland is centred around textile manufacturing with over 4,000 people employed within these functions. Clothing manufacture and washing and dry-cleaning services are also key employment areas for the sector within the province.

Wholesaling activities employ over 1,500 people. However, unlike the rest of the UK, the geography of Northern Ireland means there is not the same fashion and textiles wholesaling presence as represented within the rest of the UK.

³ The tbr information is based on all businesses and employment within the sector

⁴ As the Annual Business Inquiry excludes both micro and the self-employed workforce, this illustrates the large number of firms and employees that fall into these categories.

Table 1: Fashion and Textiles businesses and employment in Northern Ireland

UKSIC	Description	Firms	Employment
15113	Fellmongery	*	80
17	Textile manufacture	420	4,270
18	Clothes manufacture	230	1,960
19	Leather manufacture	10	160
**24422	Non-medicaments manufacture	*	10
247	Manmade fibre manufacture	*	10
**3310	Medical equipment manufacture	*	20
**4543	Floor/wall covering	100	120
**5111	Agents raw materials	20	70
5116	Agents textiles/clothing/leather	90	260
5124	Wholesale hides/leather	*	30
5141	Wholesale textiles	120	500
5142	Wholesale clothing/footwear	300	890
**51479	Wholesale other household goods	30	90
5271	Repair shoes/leather	50	90
**5274	Other repair	90	180
**71409	Rent personal/household goods	10	60
**74872	Speciality design	*	50
9301	Wash/dry clean	320	1,370
	Total	1,750	10,130
	Technical Textiles	10	370

TBR (2008) * - Suppressed due to sample size/confidentiality, i.e. less than 5 employers **SICs for which tbr have been able to extract the relevant fashion and textiles activity although not core Skillset footprint.

2.2 Occupational structure in Northern Ireland

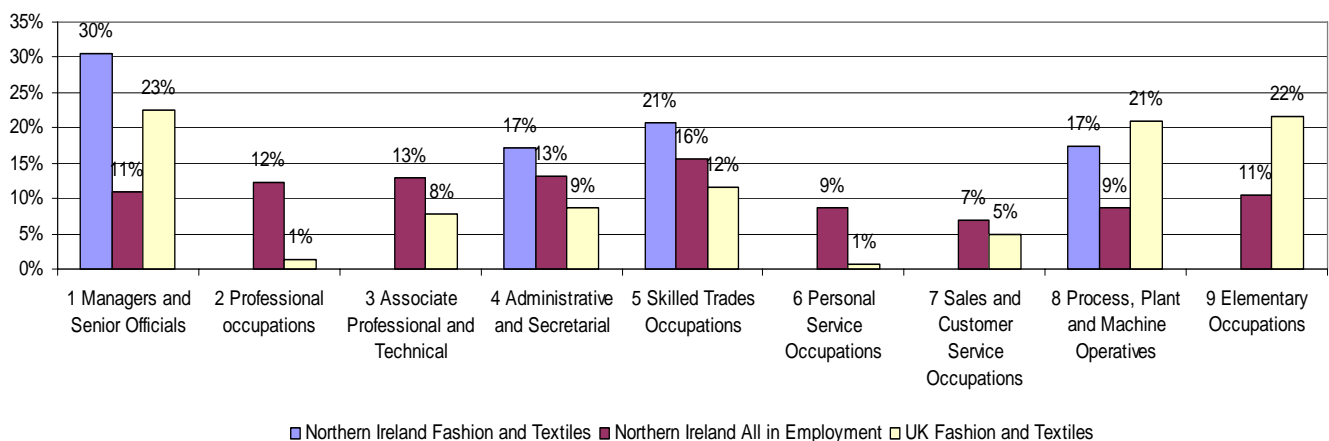
The structure of occupations within the fashion and textiles sector in Northern Ireland is dominated by managers and senior officials (30%), skilled trade's operative (21%), and process, plant and machine operatives (17%). Administrative and secretarial, and skills trades occupations are also key occupations within the fashion and textiles

sector in Northern Ireland. The full breakdown of how these occupational groups related to fashion and textiles employment are shown in Annex One.

Despite the high level of outsourcing that has occurred in recent years, manufacturing is still a prominent part of the sector in Northern Ireland. Therefore given the high levels of textile manufacture, occupations such as textile operatives are prevalent within the sector.

The high proportion of managers within the sector can be attributed to the large number of micro-businesses and self-employed workers. Our consultations with employers revealed that due to smaller workforce sizes, many managers may also undertake a variety of roles. They include responsibilities such as human resource management, supply chain management and participating in operational processes.

Occupational breakdown in Northern Ireland



Source: APS 2009 Based on SIC 2007: 13, 14, 15, 2060, 4616, 4624, 4641, 4642, 9523, 9601 (Professional occupations, associate professional and technical, personal service, sales and customer service and elementary occupations are undisclosable.)

2.3 The value of the fashion and textiles sector in Northern Ireland

Using information drawn from the ABI⁵, the fashion and textiles sector in Northern Ireland contributed almost £150 million to the economy in 2008. This data indicates that textiles manufacturing is the most valuable of the sub-sectors in terms of both gross value added (GVA) and turnover.

Wholesale of clothing and footwear, whilst employing a smaller number of people, has the highest GVA per head of all of the industries. This reflects the high value of this function coupled with the lower employment requirements to facilitate it.

Service occupations within the sector such as the repair of footwear and leather goods, and washing and dry-cleaning services are comparatively worth less in GVA per head terms. This reflects the high labour intensity and relative low turnover of these activities.

Table 2: GVA and GVA per head of Northern Irish Fashion and Textiles firms

Wholesale of clothing and footwear	659	176,575	36,522	55,414
Repair of footwear and leather goods	29	1,694	839	28,558
Washing and (dry-)cleaning of textile and fur products	524	19,044	11,779	22,477
All F&T Northern Ireland	1,212	197,313	49,140	106,459
Manufacture of wearing apparel	888	58,855	25,455	28,665
Manufacture of leather and related products	35	4,621	1,384	39,754
Manufacture of man made fibres	*	*	*	*
Agents involved in the sale of textiles clothing fur footwear and leather goods	80	18,247	3,471	43,163
Wholesale of hides skins and leather	*	*	*	*
Wholesale of textiles	129	26,204	5,822	45,111

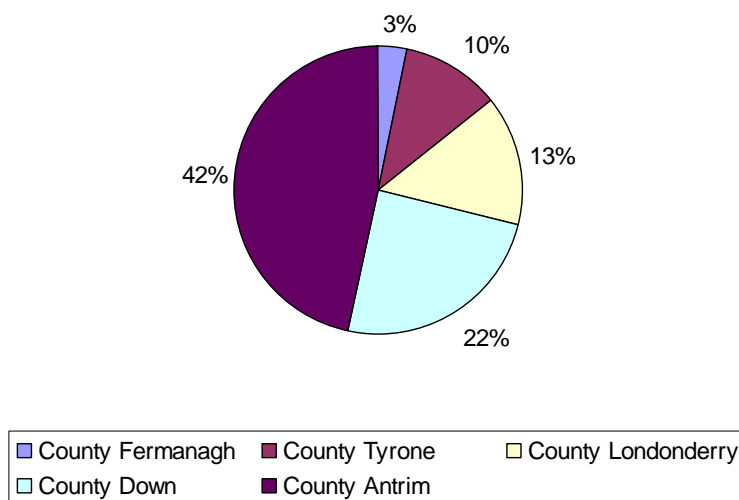
Source: ABI 2008

⁵ The ABI data excludes micro and the self-employed workforce. Therefore this estimation should be seen as an underestimation of the true value to the NI economy. Using the information we have obtained from tbr, the UK Fashion and Textiles sector is valued at £11.5bn which also including parts of footprint outside of core footprint tbr were able to represent. 2008 ABI data for core fashion and textiles activities in the UK places the value at just under £7.7bn.

2.4 Geography of businesses

Geographical information is limited for Northern Ireland. However, using data from the Experian database as an indicator, it is possible to see that County Antrim accounts for the greatest number of Northern Irish fashion and textiles businesses with 42% located here. This is followed by County Down where over a fifth of activity occurs.

Geographical spread of businesses



Source: Experian 2008 (based on 1,026 companies)

A further analysis of the data and information from the consultations demonstrates that this pattern is similar for each of the sub-sectors, with no evidence of clustering away from this pattern. County Antrim and County Down remain the largest employing counties within each of the fashion and textiles sub-sectors.

3. Drivers of skill demand

3.1 Introduction

This chapter highlights the key drivers of skills demand for the Fashion and Textiles sector in Northern Ireland and the subsequent skills implications of these drivers.

These have been identified through consultations, plus a range of literature.

3.2 The Economic environment

3.2.1 Contextualising using macro indicators

Business confidence across all sectors in Northern Ireland is still weak, mainly due to the effects of the recession and the slide in sterling. The Ulster Bank's Purchasing Managers' Index (PMI)⁶ activity continued to decline for the twenty seventh consecutive month in February 2010 whilst the Northern Bank's Consumer Confidence Index also eluded to respondents fears regarding financial and job security. However, the survey also reported that consumer confidence is now at its best level since the downturn began, mainly due to low interest rates, sustainable savings and expectations on future spending levels.

In terms of growth potential, the recent PriceWaterhouseCoopers, Northern Ireland Economic Outlook (March 2010) estimates suggest that the Northern Irish economy will grow by 0.9%, slightly ahead of Wales and Scotland but below the expected performance in English regions such as London, the South East and the East and West Midlands.

3.2.2 Fashion and textiles key indicators

Production

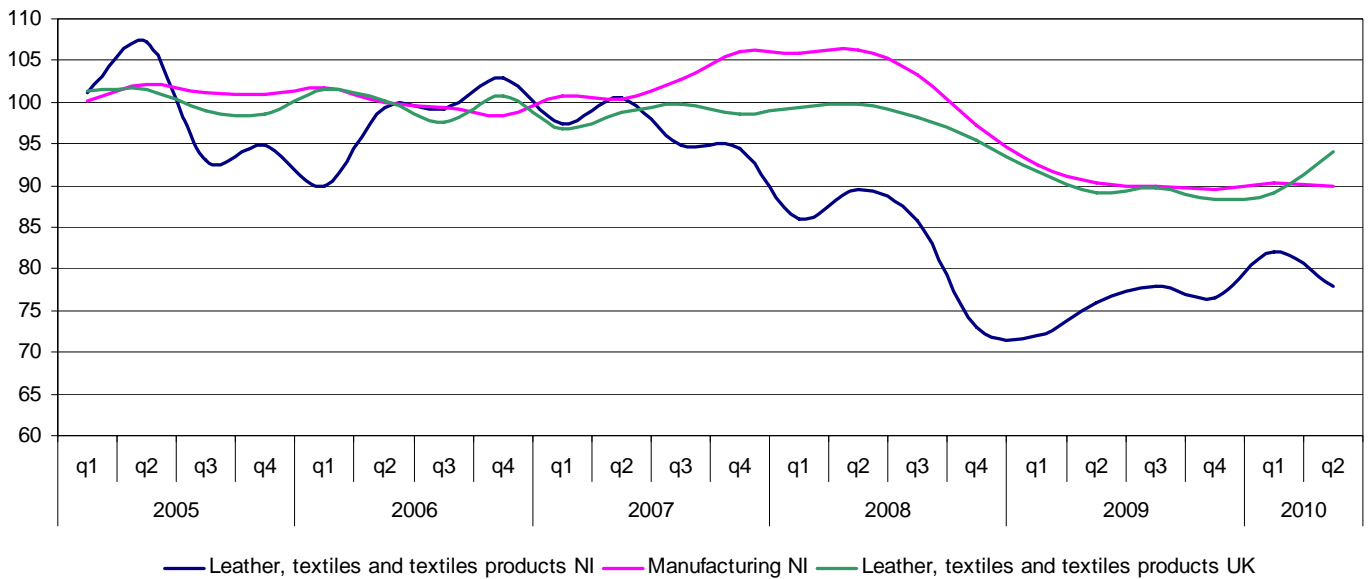
Reflecting how this difficult business environment has affected fashion and textiles manufacturers, the Northern Ireland Index of Production reports fashion and textiles production recorded a 30% fall between quarter two 2007 through to the trough of the

⁶ The PMI is a cross sector survey of business activity where a score of less than 50 reflects a decline in activity relative to the previous month. The most recent PMI in February 2010 highlighted that the private sector business

recession in quarter one 2009. Significantly, these falls were greater than recorded by both the total manufacturing base in Northern Ireland and fashion and textiles manufacturing in the UK. The sector had shown signs of recovery during 2009 and early 2010 as output grew over 10%. However, quarter two 2010 saw a sharp dip in output. This is in contrast to production rises for UK fashion and textiles.

Northern Ireland Index of Production

2006 = 100



Source: DETI

Consultees from all sub-sectors confirmed this economic picture, with the recession cited as having a significant impact on business development with productivity and sales not yet returning to satisfactory levels. Employers stated they were not thinking long term yet and were still focused on short term strategies. The impact of public funding cuts and an increase in the VAT rate on trade were also of concern.

It was noted that whilst the economic environment has not affected their core business activity, it has certainly made companies more reluctant to invest money into new business ventures, on new equipment or take on new staff; a message underlined by data for the UK showing substantial falls in fashion and textiles manufacturing investment⁷.

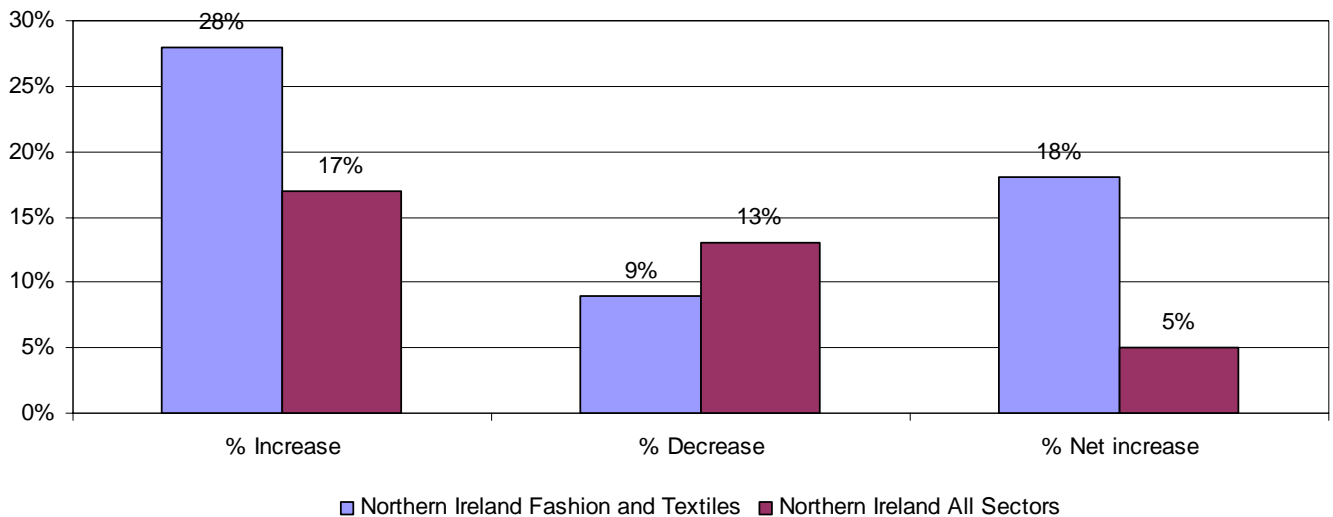
⁷ ONS data for the UK showed capital investment fell significantly during 2008 for fashion and textiles. ONS Monthly Digest of Statistics

The impact of the downturn in the Republic of Ireland was of concern to consultees who did business with the Republic, reporting that business levels were down on previous years. This is significant as a sixth of all fashion and textiles goods exported from Northern Ireland are bound for the Republic. Recent indications highlight these concerns showing trade with the Republic fell by a quarter between the 2008/9 and 2009/10 financial years.⁸

Employment

Pre-recession, findings from the Northern Ireland Skills Monitoring Survey showed business confidence within the sector was high, with almost a fifth of businesses expecting to see a rise in headcount and reflecting growing confidence of employers.

Anticipated change in headcount over the next 12 months



Source: NISMS 2008

However, the claimant count as reported by the Department of Work and Pensions shows how the unfolding economic events have impacted employment in the preceding period, mirroring the recorded falls in fashion and textiles manufacturing output.

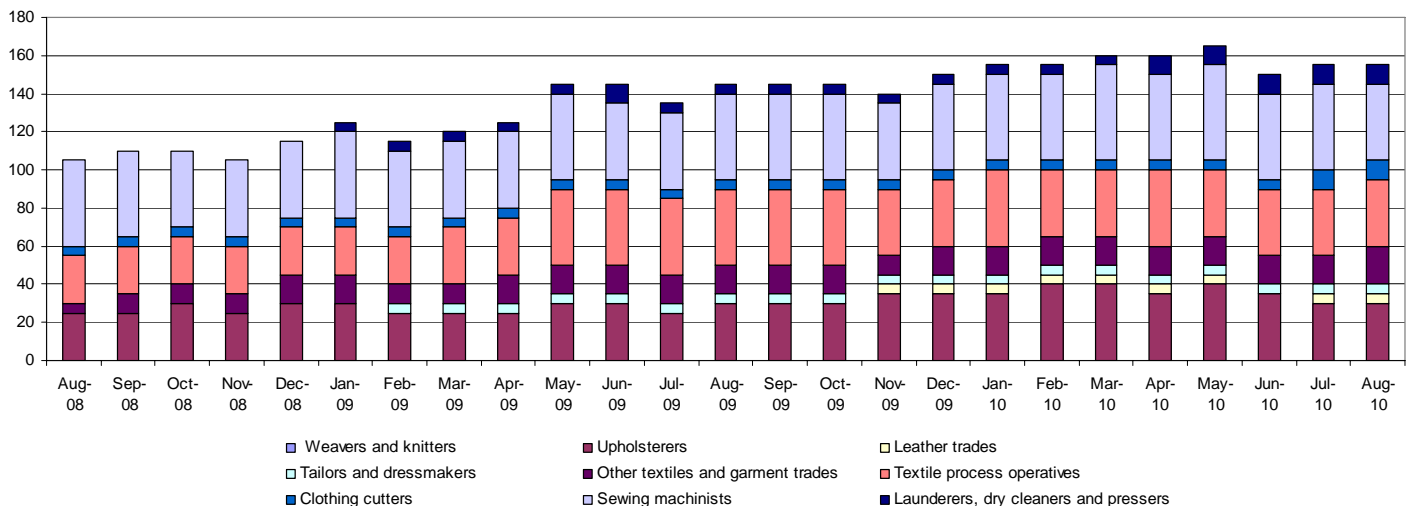
The latest figures on claimants seeking employment within fashion and textiles occupations remains marginally above late 2008 levels. In particular, claimants looking for textile process operative work remain high; emphasising this difficult

⁸ DETI export analysis see Annex

period experienced for fashion and textile manufacturers. In contrast, the number of claimant seekers within the UK fashion and textiles sector has shown a slight decrease from the peak of early 2009.⁹

Consultees noted that as their workforces have been reduced in recent years, many of them now only employed core staff. This had helped them maintain full-time work for existing employees. There was a consensus that a key concern was to attempt to keep existing staff and not having to make staff redundant. Companies had struggled to ensure that they did not have to reduce staff hours or introduce part-time hours, and companies consulted had managed to maintain full time hours for staff.

Claimants looking for employment in key fashion and textiles occupations



Source: NOMIS/DWP

3.2.1 Skills implications

The economic environment has led to high levels of unemployment in Northern Ireland. As a result, some parts of the fashion and textiles sector have seen an increase in the number of individuals applying for job vacancies. However, evidence is that the calibre of recruits looking to fill these vacancies still remains variable.¹⁰

⁹ UK SSA December 2010

¹⁰ Please see Section 3

3.3 The role of globalisation and moving towards higher value production

Globalisation and outsourcing has had a significant impact on the fashion and textile sector in Northern Ireland. Developments in trade policies such as the abolition of the Agreement on Textiles and Clothing (ATC) in 2006, coupled with improvements in communications and supply chain technology has opened up the fashion and textiles sector to outsourcing opportunities in low cost producing nations.

These changes have seen a restructuring of the fashion and textiles sector in Northern Ireland as low value manufacturing has been off-shored with employers able to reduce their cost base by manufacturing overseas. The implication has been that the emphasis of employers still producing is now focused on high quality valued added manufacture¹¹ and has meant reductions in the employment base for fashion and textiles manufacturing.

A strategy that companies have adopted is to source products from several countries in a practice known as “balanced sourcing” as firms decide how much of a product to manufacture within their existing operations and how much they can source globally to reduce their cost base. Many of the consultees reported they were now more accustomed to global sourcing and felt there were fewer barriers to implementing this. Trade statistics collected by HMRC illustrate how almost a quarter of textile products and 45% of clothing imports into Northern Ireland from non-UK sources were imported from China. Other Asian countries also key importers.¹²

Table 3 illustrates how these changes in the global value chain have affected Northern Irish fashion and textiles manufacturing, moving to a lower quantity but higher value model. From a value of almost £165 million in 2003, GVA for fashion and textiles manufacturing in Northern Ireland was reduced to just over £100 million in 2007.

¹¹ For further information please see the UK SSA for further information on quality measurements

¹² Please see Annex

However, GVA per head figures show that between 2003 and 2007, GVA at basic prices per head rose from almost £22,000 to over £34,000, indicating this movement to higher value fashion and textiles manufacturing activities.¹³

Table 3: Manufacture of textiles and textiles products performance in Northern Ireland

	Turnover	Turnover per head	GVA At Basic Prices	GVA At Basic Prices p/h	Purchases
	£Million	£	£Million	£	£Million
2003	506	67,397	165	21,953	321
2004	380	65,363	129	22,113	251
2005	334	75,269	82	18,391	238
2006	323	93,423	105	30,433	210
2007	269	90,882	103	34,734	169

Source: ABI

Globalisation has brought other challenges for the sector as it becomes part of the global value chain. Some of the employers within the consultation raised concerns about the recent increases in cotton prices as flooding in Pakistan and China has sent global cotton prices soaring to a 15 year high leading to rising raw material costs and tight supply whilst rising wage costs in supplier nations were also seen as pertinent issues.¹⁴

¹³ ABI

¹⁴The Decline of the Five Pound Dress – Belfast Telegraph 23rd September 2010

3.3.1 Skills implications

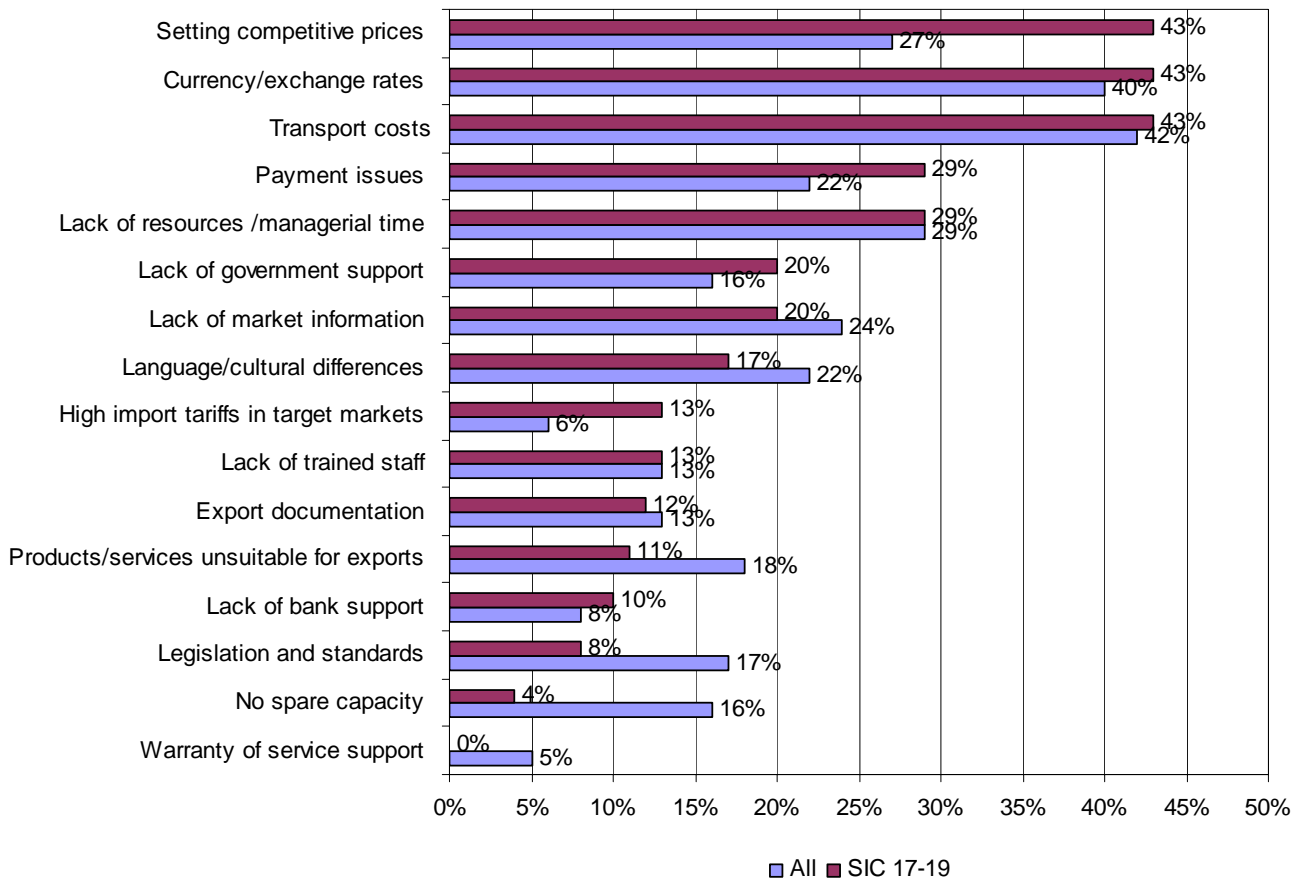
Consultations with employers and stakeholders showed they were aware of the challenges of Northern Ireland becoming a knowledge based, high value production economy, and many are adapting accordingly.

Companies need to ensure that they meet orders from customers by having an effective manufacturing base, producing garments that are of a consistent high quality. This requires strong quality management processes in place.

Globalisation of the supply chain has additionally meant companies have to make sure that they can have the goods delivered in the agreed timeframe as agreed when the client placed the order. This requires additional knowledge and skills on business areas including out-sourcing, production processes and lead times and knowledge of materials to allow companies to successfully undertake these opportunities. There are also skill needs concerning knowledge of how to communicate with partner companies, distributors and suppliers.

These skills implications are highlighted by the 2008 DETI Manufacturing Sales and Export survey. This survey shows how compared to manufacturers more widely, setting competitive prices; the movement of exchange rates; transport costs and payment issues were seen as far more important issues for fashion and textiles manufacturing employers in Northern Ireland than manufacturers within the wider Northern Irish economy.

Barriers to trade for Northern Irish manufacturers with countries outside of the UK



Source: DETI, Manufacturing Sales & Exports Survey, Barriers to Trade 2008 Sample: 75 companies within SIC 17-19, 1871 overall.

3.4 Diversification into new product markets/technical textiles

A direct result of globalisation for fashion and textile manufacturers and the movement up the production value chain has been that the textile industry in Northern Ireland has diversified into new markets, moving into high value technical

textile production as a response to traditional textile manufacturing that has been outsourced to lower cost producers.¹⁵

Technical textiles are materials and products manufactured mainly for their technical performance and functional properties, rather than style or colour serving a number of end user markets. Mapping carried out by Skillset summarising the many applications and end users that use technical textiles:

Table 4: Technical Textile end-user markets

Technical textile grouping	Application
Aerospace Textiles	3D woven structures, which are used in aircraft manufacture.
Agricultural Textiles	Materials which can protect crops from weather and insect damage.
Automotive Textiles	The structure of a tyre which is made from textile fibres including cotton, nylon and polyester.
Clothing Textiles	Performance garments that can be waterproof, windproof and highly breathable.
Construction Textiles	Textiles that can be used as scaffold nets and roofing felts.
Defence Textiles	Materials used by the armed forces and emergency services that are flame retardant and heat-resistant.
Medical Textiles	The development of artificial arteries, sterile packaging and dressings.

Source: Skillset. Accessed at: <http://techtexiles.co.uk/what-are-technical-textiles.cfm>

Strategies undertaken by firms within the technical textile field include producing new textiles which are “smarter”, relying on nanotechnology, electronic and/or other innovations for value and function. The industry has helped to create new materials and textiles that can be used in a variety of industries and end markets including airplane wings and road building.¹⁶

¹⁵ Please see DTI 2007

¹⁶ The European Union lists a number of key technical textile products and key functions via the following link <http://ec.europa.eu/enterprise/sectors/textiles/research-innovation/technical-textiles/>

In 2007, the DTI estimated that technical textiles contributed £1.5 billion to the UK economy¹⁷. Supporting this, European Community data gathered by the Technitex¹⁸ showed that in 2007, the UK was ranked in fourth place for technical textiles sales (€1.32b), following Germany (€3.98b), Italy (€3.18b) and France (€2.51b) but just ahead of Spain (€1.08b).

Whilst the technical textiles sector in Northern Ireland is in its infancy, it is of growing importance as textile firms recognise the growth potential and opportunities of diversifying into these areas. Two employers who took part in the consultation had themselves moved into this product area from their tradition manufacturing base. One now manufactured for the emergency and health services diversifying into “smart” healthcare uniforms to detect MRSA in healthcare workers uniforms whilst another had recently diversified into producing textiles for military use, designing and manufacturing body armour and uniforms.

In 2008, The Importance of Advanced Manufacturing was published. This report by the Advanced Materials Horizon Panel reporting to DETI and made key recommendations concerning technical textiles, including the exploitation of nano-technology.

The report acknowledges the importance of this field and the role Advanced manufacturing can play in realising both Northern Ireland’s ambitions as a knowledge based economy but also the economic impact this field can have.

Recommendations include ensuring research into advanced materials being conducted by Universities in Northern Ireland are successfully commercialised, forming partnerships with industry and a need to advance “CleanTech” material.

3.4.1 Skills implications

Employers recognised that to enable technical textile markets to grow in Northern Ireland there was a need for collaboration with other companies and knowledge

¹⁷ Multi-sector skills study: Technical textiles, 2007, DTI

¹⁸ The current position of technical textiles in the UK, Byrne (Data is based on PRODCOM data, 2007)

transfer from academic and research institutions. Coupled with this, attracting science, technology, engineering and maths (STEM) graduates into the sector to allow the sector to grow was of significant concern. Over a fifth of employers across the sector cited this as a priority skills need.¹⁹

Additionally, employers noted there was an on-going need for skills to help commercialise technical textile products and services developed once created and make them attractive to market and end-user markets.

3.5 Increased consumer demand/fast fashion

The concept of “Fast Fashion” has been a recent phenomenon that has had a major impact on the fashion and textile sector worldwide. This fast fashion concept also helps to improve sales conversion ratios for retailers by limiting the supply of designs available and creates an aura of exclusivity for the garments.

To be competitive, retailers have to respond quickly to changes in the market and consumer demand. Two components to the fast fashion system have been identified: namely short production and distribution lead times which enable close matching of supply with uncertain/changing consumer demand whilst ensuring highly fashionable product design is met²⁰.

Normally, fashion retailers would buy for these collections from their suppliers a year ahead and would allow for between 20-30% of their purchasing budgets to be open to any changes that may occur within the fashion industry. Now as a result of the fast fashion concept, new garments are being stocked in shops much faster and more often. This system relies on lean manufacturing operations and the use of responsive supply chains to sell the latest fashions to the mass market.

Within the fashion industry, there are a series of different levels; the exclusive haute couture ranges, the designer ready-to-wear collections and then the copycat / modified designs by mass market retailers. As fashion manufacturing and retailing has become much more aligned to the mass market, this has had an impact on the

¹⁹ Fashion and Textiles Employer Survey 2008

²⁰ The Value of Fast Fashion: Quick Response, Enhanced Design and Strategic Consumer Behavior, 2010, Cachon, G and Swinney, R

fashion seasons. Typically fashion had two seasons; spring and autumn collections but now lead times of less than six months can be observed and even as short as 15 days in some instance from concept to store.²¹

3.5.1 Skills implications

Some of the larger employers in the consultations alluded to the fast fashion trend and how it impacted on business operations and processes, with the need to get garments manufactured quickly so they can be distributed for retail.

Fast fashion places an emphasis on the design role as firms have to ensure they understand the latest consumer trends and are able to create designs that are commercially attractive to the end consumer.

The requirements of fast-fashion require superior logistical and marketing information, and flexible production systems which are all essential for the concept to succeed. Customer relation skills were also highlighted by consultees in ensuring the end user has an understanding and expectation of lead times.

3.6 Responding to technological advances

The impact of technology on the fashion and textiles sector has been identified as a critical driver for fashion and textiles firms across the sub-sectors. Consultations highlighted that areas such as computer aided design and manufacturing, supply chain management and the increasing sophistication of communication systems were integral for businesses. Technology within this respect is seen as a key innovation enabler for fashion and textiles firms in Northern Ireland

Among the strategies adopted to allow for international sourcing skills, firms have tapped into international markets and have instilled Information Communications Technology (ICT) systems into their design concepts, production processes and related business techniques.

²¹ Zara Case: Fast Fashion from Savvy Systems, 2008, John M. Gallagher

Online sales are also becoming increasingly important within the fashion and textiles sector with many manufacturers, wholesalers and service employers across the fashion and textiles footprint exploiting this. Recent statistics on a UK wide basis recognises how 52% of adults made clothing and sports goods purchases online, up from 37% in 2006.²² How employers can harness these technologies and allow them to make commercial decisions is crucial.

However, a study published in 2008 found that the leading EU countries in terms of innovation performance in the textiles sector were Denmark, France, Austria and Germany. These countries have both a high level of performance and a high rate of growth, excelling in a number of different dimensions of performance. In comparison, the UK was seen to be an average performer along a number of criteria when compared to other countries²³.

3.6.1 Skills implications

The application of the latest technologies has major implications for the skills required by businesses in the sector. It presents an ongoing challenge for businesses and training providers to keep abreast with technological advances to ensure that the workforce is appropriately skilled and able to produce and sell competitive products. This is in terms of both cost and quality.

The main challenge for SME's in Northern Ireland is that few have the finance to invest heavily in the research, technology or skills required to develop their products, services or processes. Most of the companies consulted said that they would have to rely on government funded initiatives such as those funded through InterTradelreland, Invest Northern Ireland or the Knowledge Transfer Project if they wanted to develop their capacity to be innovative.

²² Annual abstract of statistics ONS

²³ Benchmarking National Specific Sector Environments in the Textiles Industry, 2008, Marin, Patel and Paunov

3.7 Sector image the ageing workforce and associated demographics

The image of the fashion and textiles sector in Northern Ireland is one of an industry in decline. Several decades ago fashion and textiles manufacturing was a key sector employing large sections of the population. Its decline has meant that many now assume that the textile industry in Northern Ireland is largely defunct despite its successful transformation in recent years.

The net result is that it has become an unattractive career choice to potential entrants, despite the many changes undergone and the out-sourcing of low-cost, low quality manufacturing. Among the issues that are prevalent due to this is that only 9% of the current fashion and textiles workforce in Northern Ireland are aged under 24 compared with 14% for the wider economy.

Perpetuating this and in many cases due to the jobs offered within the sector, evidence from the Northern Ireland Skills Monitoring survey 2008 showed only three percent of fashion and textile employers had employed a graduate in the past year compared to 11% of employers within all sectors.

Only 18% hold qualifications above NVQ level 3 whereas the wider economy points to 48% at this level. This reflects both the nature of work within the sector but also the sector image and the difficulties attracting a skilled workforce into the sector. In total, 43% of the sectors fashion and textiles workforce is educated to below NVQ Level Two standard. This is in comparison with 25% for the wider Northern Irish economy and despite the outsourcing of many of the lower skilled manufacturing jobs that previously existed in the sector.

A strategy that has been undertaken is the recruitment of migrant workers with the relevant skills required by the sector that has been used to mask the skills shortages experienced by the sector. The Annual Population Survey 2009 suggests 13% of the fashion and textiles workforce is a non-UK national, which is one of the highest of all nations and English regions. However, figures for Northern Ireland all sectors has the figure at 24%, suggesting migration has had a larger impact on the wider economy.

The issue of wages is also identified by employers as a barrier to attracting entrants into the sector. Evidence from the ONS at a UK level suggests fashion and textiles manufacturing pays far less than comparative manufacturing in other sectors.²⁴

Young people's perceptions of the fashion and textiles industry

Interviews were conducted with 750 young people aged 14-19 years old to explore their perceptions of the fashion and textiles industry across the UK. Key findings were as follows:

- Fashion and textiles was ranked ninth out of a selection of ten industry sectors in terms of its attractiveness as a career option.
- Young people are most knowledgeable about the role of a fashion designer and least knowledgeable about the role of a garment technologist.
- The job roles that young people know least about are the roles that employers are keen to recruit for and some will be areas of growth for textiles in the future.
- Upon hearing the job descriptions (without identifying the job roles), over 70% of young people thought fashion and textiles jobs sounded interesting.
- The research concluded by stating that once young people are exposed to more in-depth information about what jobs in the fashion and textiles industry involve they are much more likely to consider a role within the sector²⁵.

Among other demographic indicators that are 43% of the workforce is female, a lower percentage than the 46% in all sectors whilst 10% are from a BAME background in comparison to only 2% from the wider Northern Irish workforce.²⁶

3.7.1 Skills implications

Many of the companies consulted in Northern Ireland are concerned about replacing staff that have specific technical skills such as weaving, hand stitching, machine stitching, pattern grading, pattern cutting, and sampling skills all of which are in threat of disappearing as staff retire.

²⁴ UK SSA 2010

²⁵ Generation F, 2009, Skillfast-UK

²⁶ Annual Population Survey 2009

For instance, the only remaining linen manufacturer in Northern Ireland expressed concern about finding suitably skilled weavers to replace their current employees who are due to retire in five years time.

The ability to recruit younger people into the sector to both ensure innovation and also replace the workforce who are due to retire is of concern.

62% of the workforce has been within their current jobs for over five years, a larger proportion than the economy as a whole²⁷ whilst the sector also has an ageing workforce. Almost half of all fashion and textiles employees within the sector are aged over 45, many of whom possess skills that are technical, tacit and not easily transferable that will cause major skills problems for the sector once they retire.

3.8 The popularity of Irish textiles and its association with the British style

There is a distinctive Irish style, which is often synonymous with quality. British fabrics are traditionally noted for their construction, durability and other functional attributes²⁸ which are characteristics recognised in world markets that add to the attraction of these products. In a similar vein, there is a distinct market for Irish goods with Irish Poplin and Linen among two of the key exports. The British Fashion Council²⁹ highlights that products with strong brands are more highly valued by consumers and investors and research conducted in 2010 estimated that the brand equity of the UK fashion industry is worth some £202m per annum.

For producers in Northern Ireland this is particularly pertinent given the export focus of many of their fashion and textiles goods. Using figures from HMRC in 2009 the value of exports for four key fashion and textiles products totaled over £170 million³⁰ with textile and clothing exports worth £162 million.

Demonstrating the diversity of international markets for fashion and textiles goods produced in Northern Ireland, whilst the Irish Republic remains the largest export

²⁷ Ibid

²⁸ A comparative study of the British and Italian textile and clothing industries, 2003, DTI

²⁹ The Value of the UK Fashion Industry, 2010, British Fashion Council

³⁰ HMRC 2009 Please see Annex. This figures also differ from the DETI estimations due to differences in data collection.

market for textile products, countries such as the USA, Thailand, Hong Kong and India along with European countries represent both key traditional and emerging markets for Northern Irish produced products.

3.8.1 Skills implications

Maximising the benefits of Irish heritage brands requires specialist skills, for example an understanding of how to design and manufacture products that meet consumer demands, plus an ability to effectively market and sell these products. This requires knowledge and marketing skills that can sell to domestic as well as traditional and emerging overseas markets in a way that builds upon these brands.

3.9 Sustainability of the fashion and textiles sector

Production that takes into account both sustainability and ethical sourcing are becoming increasingly important aspects for the fashion and textiles sector in Northern Ireland. In terms of sustainability, there are a number of major and innovative cross sector initiatives that are leading the way, including DEFRA's Sustainability Clothing Action Plan and the Carbon Trust's carbon reduction labelling and standards (for both brands and organisations) plus EU legislation such as the Regulation, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the Integrated Pollution Prevention and Control (IPPC).

At a sub-sectoral level, it was the laundry and dry-cleaning subsector in Northern Ireland that seemed to be most concerned about adopting greener processes and operations, largely due to stringent government legislation; especially regulations regarding emissions from dry cleaning operations and processes, such as the "EU Solvent Emission Directive".

Research conducted by Skillfast-UK in 2009, highlighted that as well as legal regulations and the need to reduce costs, the sustainability agenda was also being used by employers to help differentiate their products from that of competitors and was seen as an important marketing tool.³¹

³¹ Material Impact - a study into sustainability skills for fashion and textile, 2009, Skillfast-UK

Ethical concerns are also becoming increasingly important considerations with consumers increasingly aware of ethical production and making purchasing decisions based on this.

3.9.1 Skills implications

In Northern Ireland, many of the employers consulted felt that sustainability and the green agenda were not at this time pressing concerns for their businesses.

However, the laundry and dry cleaning employers who are all micro-businesses or SME's, spend a considerable amount of time investing in adequate training for staff, so that they can carry out laundry and dry cleaning processes effectively whilst adhering to necessary government and EU regulations. New recruits generally need to be trained in the sub-sector and employers have found it difficult to identify suitable training providers in Northern Ireland to help deliver training.

However, as consumers increasingly take into consideration the environmental impact of the products that they buy, as well as social matters such as working conditions, businesses in the fashion and textiles sector will increasingly need to ensure that their products and processes are meeting this demand. The sector, therefore, requires individuals that understand how legislation and sustainability impacts upon businesses. The sector will also require innovative and creative individuals that can help businesses to effectively respond to these demands, thus maximising the opportunities presented by these changes.

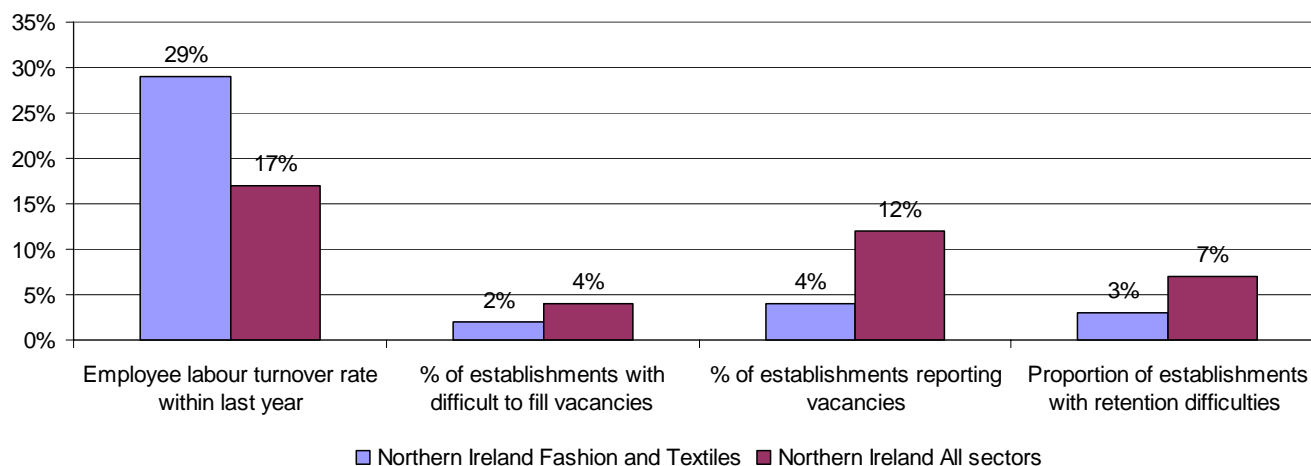
4. Current skills needs

4.1 Recruitment and retention

The fashion and textiles sector in Northern Ireland has seen an interesting picture when looking at its recruitment needs. On one hand, labour turnover is reportedly far higher than the rest of the Northern Ireland economy, although conversely the number of establishments reporting vacancies is far lower.

This tallies with the information from the Annual Population Survey that showed a higher number of recent recruits into their current jobs than the Northern Ireland all sector average, whilst the large number of micro-businesses suggests staff turnover would be far lower.³² Indeed, only four percent of fashion and textiles firms compared to 12% reported vacancies, with only three percent of fashion and textiles employers reported retention difficulties compared to seven percent for all sectors.

Recruitment and retention into the Northern Ireland fashion and textiles sector.



Source: NISMS 2008

³² Annual Population Survey 2009

4.1.1 Recruitment difficulties

Defining hard-to-fill and skill shortage vacancies

Hard-to-fill vacancies: Those vacancies classified by respondents as hard-to-fill

Skills shortage vacancies: A subset of hard-to-fill vacancies where the reason given for the difficulty filling the position is a low number of applicants with the required skills, work experience or qualifications.

Despite vacancy levels being lower within Northern Ireland's fashion and textiles sector, difficult to fill and skills shortage vacancies are both far higher than reported within all sectors. Whilst vacancies were only half of employment at one percent of the workforce, difficult-to-fill vacancies at 61% of vacancies and skills shortage vacancies at 47% of vacancies were both over double the all sector average in Northern Ireland.

Table 5: Current vacancies and recruitment difficulties by employee numbers

	Northern Ireland Fashion and Textiles	Northern Ireland All Sectors
Vacancies as a proportion of all employment	1%	2%
DtFV as a proportion of vacancies	61%	29%
SSV's as a proportion of vacancies	47%	18%
SSV's as a proportion of DtFV's	77%	62%
SSV's per 1000 in employment	5.7	4.3

Source: NISMS 2008

A common theme reported by all employers and stakeholders that participated in the consultations and focus group activity reports that recruitment tended to be quite problematic in terms of finding potential employees with the appropriate skills, knowledge and experience.

Many of the employers admitted that whilst they had few difficulties in having potential applicants applying for the job, the main difficulty was actually finding

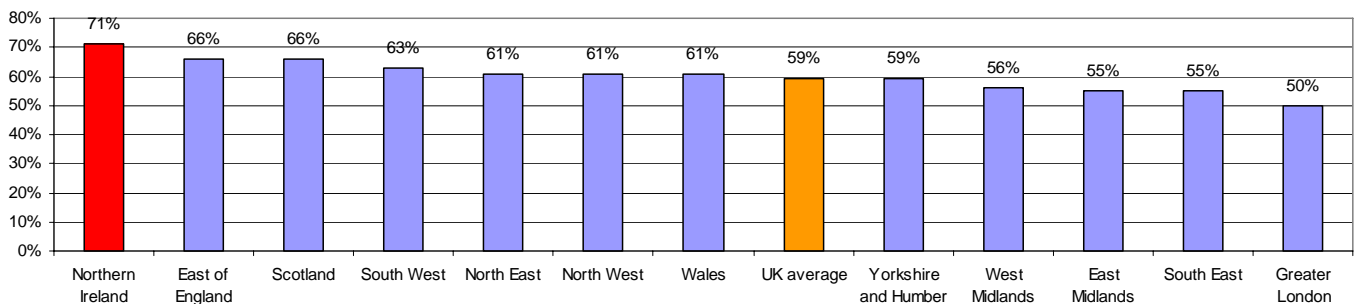
applicants who met the specific job description and who could satisfactorily perform the job role and hence the high level of skills shortages reported.

A feeling from the consultations was that younger recruits to the sector do not always have the appropriate level of technical ability to fulfill tasks. Some companies said that when they advertised for a particular technical role they may have many applicants but very often they do not have enough suitable applicants to fulfill the specifications of the job.

4.1.2 Perception of skills shortages by geography

The data from the Fashion and Textiles Employer survey 2008 corroborates the NISMS information and shows Northern Irish employers perceived the highest level of skills shortages if they were looking to recruit compared of the other UK home nations and English regions. 71% of employers in Northern Ireland compared to the UK average of 59% reported they felt they would find it difficult to recruit due to skills shortages.

Perception of skills shortages by geography



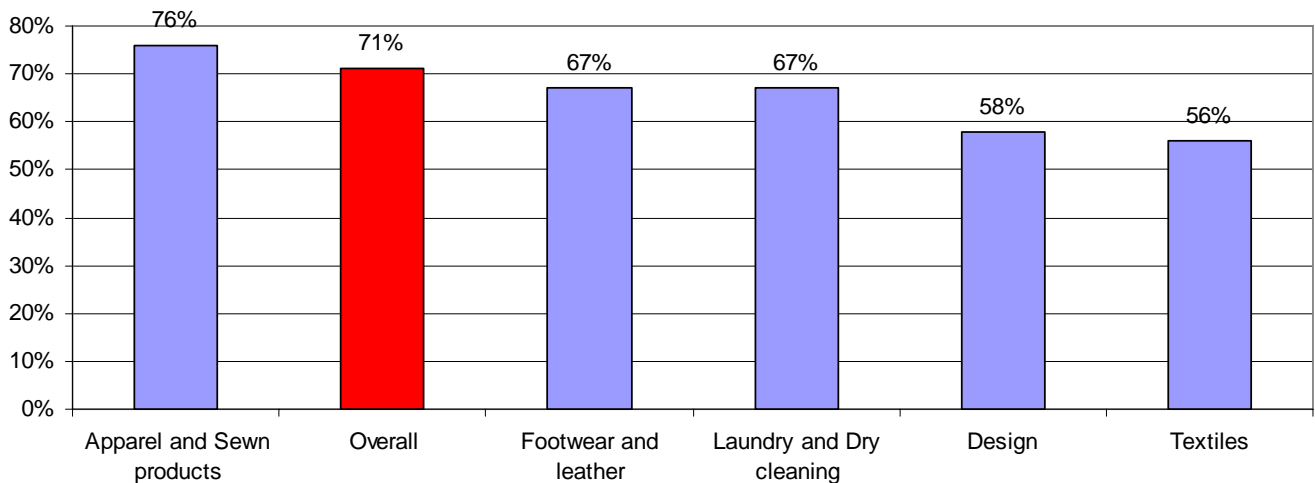
Source: Fashion and Textiles survey 2008

4.1.3 Perception of skills shortages by sub-sector in Northern Ireland

Analysing this data by sub-sector, apparel and sewn products employers were most pessimistic with 76% feeling they would experience difficulties recruiting due to skills shortages. Textile employers despite being the sub-sector reporting the lowest

number of employers identifying potential issues with skills, still had 56% believing they would have difficulties recruiting due to skills shortages if a vacancy occurred.

Perceptions of skills shortages by sub-sector in Northern Ireland



Source: Fashion and Textiles survey 2008

4.1.4 Skills shortages by occupation

These findings tally with the results of the Fashion and Textiles employer survey. Employers responding to this survey noted:

- In absolute terms, occupations where skills shortages were most prevalent were found in sewn products, garment alterations, designers and pattern cutters.
- Whilst of niche concern, occupations where skills shortages existed were reported within the occupations of hand craft garment making, leather goods manufacture, shoe repair and production management.

Skills issues for designers

As the drivers of skills demand have established, the role of the designer is one that straddles all sub-sectors (barring laundry and dry-cleaning) and is crucial in terms of new product design, ensuring 'balanced' sourcing decisions are able to be made as well as ensuring products are commercially and technically viable.

29% of employers employed a designer within the productive sectors of fashion and textiles in Northern Ireland. Excluding don't knows, 74% say that recent design graduates lack the necessary technical skills for a job in the sector, whilst 55% lack the required commercial awareness.

Ad-verbatim responses from employer survey in Northern Ireland on why this was the case included the lack of technical skills specifically sewing and general application. Commercial skills came down to a lack of experience within this function.

There were some common issues that employers and stakeholders raised during the consultations and focus group in relation to skills gaps included:

- A lack of knowledge in terms of fabric technology – some companies admitted that they would not like to be “left behind” as technologies advanced and textiles and fabrics became more technical.
- Some employers also mentioned that in terms of supply chain management they were concerned about who would assume that role within their company when the supply chain manager retired (or often it was the owner of the company who was responsible for supply chain management). It was cited that this was a highly skilled job and that it was important that there were enough suitably qualified personnel in the sector who would have the necessary skills.

4.1.5 Reasons for skill shortage vacancies

The consultations with employers collaborated with these findings as to why employers struggled to find the suitable calibre of employees when recruiting. Some

of the messages drawn out of these consultations that drew on information from across the fashion and textiles sub-sectors included:

- Poor technical skills specific to the job, relating to both ability and a lack of experience.
- A lack of sewing skills.
- Lack of pattern grading/ pattern cutting skills
- No relevant employability skills
- A lack of understanding about textiles and fabrics
- A lack of knowledge about the manufacturing process
- No knowledge of global sourcing
- No sampling knowledge/experience
- Insufficient knowledge about the laundry and dry-cleaning processes

4.2 Skills gaps

Skills gaps exist where employers recognise there is a gap within the existing skills and knowledge of their existing workforce. The Northern Ireland Skills monitoring survey noted 14% of employers within Northern Ireland had reported a skills gap. This is the same as the Northern Ireland all sector figure.

Reflecting the large number of micro businesses and the large number of staff who are experienced within the sector, the number of proficiency based skills gaps within establishments was lower than reported within the economy as a whole. However, 16% of employers reported their existence.

Also reflecting the need to both encourage new workers into the sector and advances in working practices, proficiency based skills gaps as a proportion of employment was also higher.

Table 6: Skills gaps within the Northern Ireland fashion and textiles sector

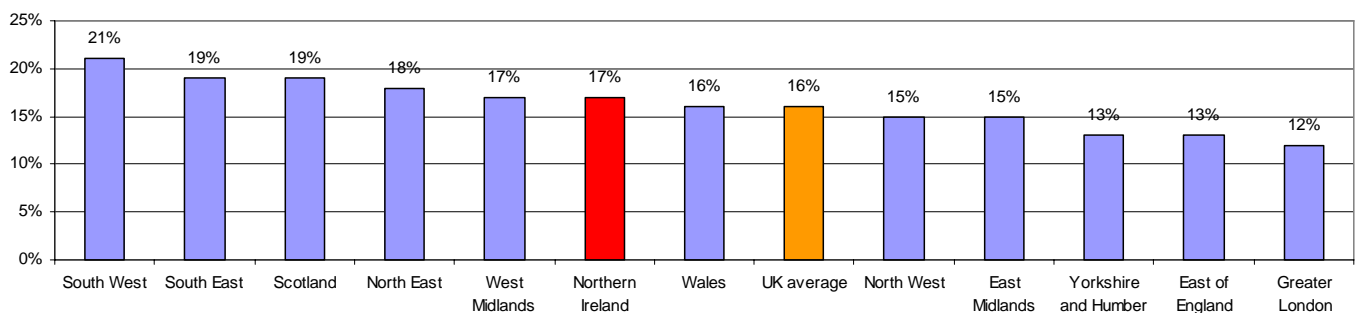
	Northern Ireland Fashion and Textiles	Northern Ireland All Sectors
% of establishments with a skills gaps	14%	14%
% of establishments with proficiency based skills gaps	16%	22%
Proficiency based skills gaps as a % of total employment	11%	8%

Source: NISMS 2008

4.2.1 Skills gaps by geography

Compared to the UK nations and English regions, the 2008 Fashion and Textiles employer survey identified 17% of Northern Ireland employers reported skills gaps compared to the UK average of 16%.

Skills gaps by geography



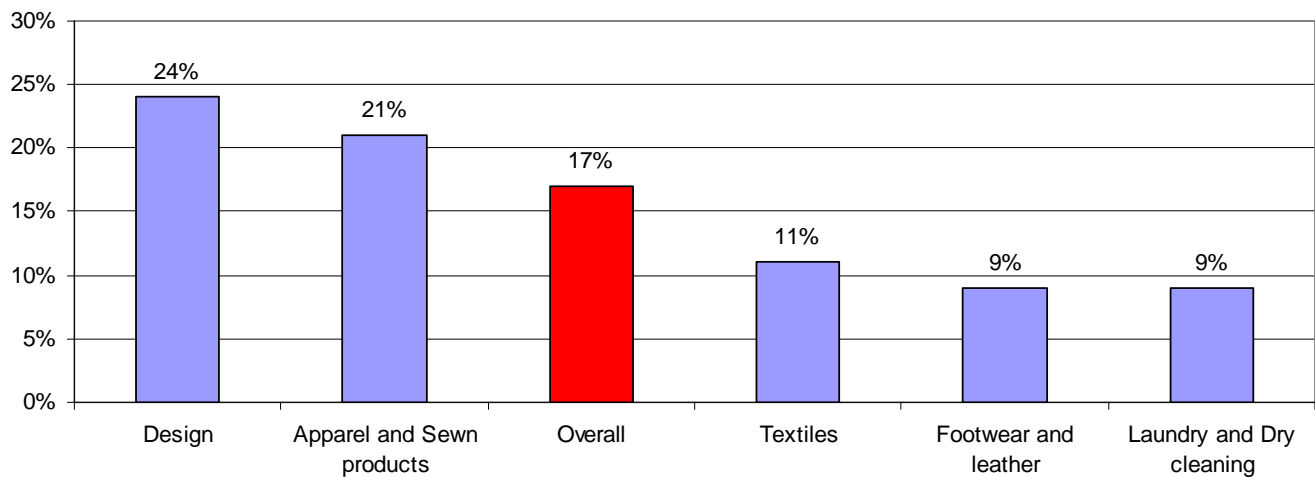
Source: Fashion and Textiles survey 2008

4.2.2 Skills gaps by sub-sector

The largest level of existing skills gaps were reported by employers within the design sub-sector with 24% of employers reporting their existence. Apparel and sewn products employers also reported a high number with over a fifth of employers reporting skills gaps. Respondents from the footwear and leather and laundry and

dry-cleaning sub-sectors both reported the lowest level of skills gaps with nine percent of employers in each reporting their existence.

Skills gaps by sub-sector



Source: Fashion and Textiles survey 2008

4.2.3 Skills gaps by occupation

By occupation, the Fashion and Textiles employer survey offers a number of messages.

- In terms of absolute numbers, production managers, designers, sewn product operatives and supply chain managers were subject to the greatest level of skills gaps.
- Proportionally, hand craft garment making skills and textile process operatives were roles with the greatest level of skills gaps identified by employers although subject to lower overall employment figures.

Consultations confirmed employers found it difficult to recruit staff with sewing skills that covered both hand stitching and machine stitching so a large issue with multi-skilling was a key influence. Some employers also reported that pattern cutting and pattern grading staff were also difficult to recruit as these two jobs had very industry specific skills.

Focussing on the issue regarding supply chain management, companies stressed that they had a good supply chain process and system in place, but that they were worried about what would happen when senior management retired as supply chain management involves a high level of expertise and experience.

4.2.4 Management and leadership skills gaps

Research conducted in 2010 found firms that are family-owned and therefore passed down through generations, plus those that less intensively use human capital, as measured by fewer educated workers, tend to have poorer management practices. Both of these characteristics are evident in the fashion and textiles sector. However, consultees held the view that management and leadership was not a huge issue for their businesses which conflicted with the Fashion and Textiles Employer Survey 2008 that found management and leadership as a key concern for fashion and textiles employers with 52% reporting this as important or very important concern for the future.³³

An area of research that has been subject to a recent review by the UKCES³⁴ has looked at high performance work practices. These are practices identified in which improvements in working practices can improve organisational performance, in terms of both productivity and employee well-being. It aims to create a culture where skills are more efficiently used. One that has been adopted by the UKCES is Skills Utilisation and the 4A model emphasising access, ability, attitude and application.³⁵ (please see Annex for further information)

Companies were slightly concerned that existing staff would not be able to carry out supply chain management and would have to consider recruiting people with a background in supply chain management.

³³ Fashion and Textiles Employer Survey 2008.

³⁴ High performance working: A synthesis of key literature: evidence report 4, UKCES, 2009

³⁵ High performance working: A policy review: evidence report 18, UKCES, 2010

Measuring management practices

Research³⁶ conducted in 2009 on behalf of a number of Northern and Republic of Ireland agencies found that there was a large gap in management practices between manufacturing firms in both Northern Ireland and the Republic of Ireland when compared to top performing countries as well as Great Britain.

Measuring management practices along 18 key indicators, factors such as firm size, ownership, skills levels, sector, labour flexibility, presence of multi-national enterprises and competition were all seen as important structural factors for firm performance.

Whilst the research found some companies in Northern Ireland had strong and effective management practices in places, there was a significant tail of companies with poor management practices that impacted the overall competitiveness of firms.

In terms of skills, the survey identified fewer managers and non-managers in manufacturing firms have degree education than in the global sample, accounting for 10% of the gap when compared to the average US management practice score. The latest Annual Population Survey 2009 data suggests the Fashion and Textiles sector in Northern Ireland has 18% of the workforce qualified to degree level compared to 48% for all sectors.

For a full introduction to the 18 measures, please refer to the annex.

³⁶ Management matters in Northern Ireland and Republic of Ireland, 2009, DETI, DELNI, Invest Northern Ireland, Inter Trade Ireland, The Management Development Council and Forfas

5. Skills supply

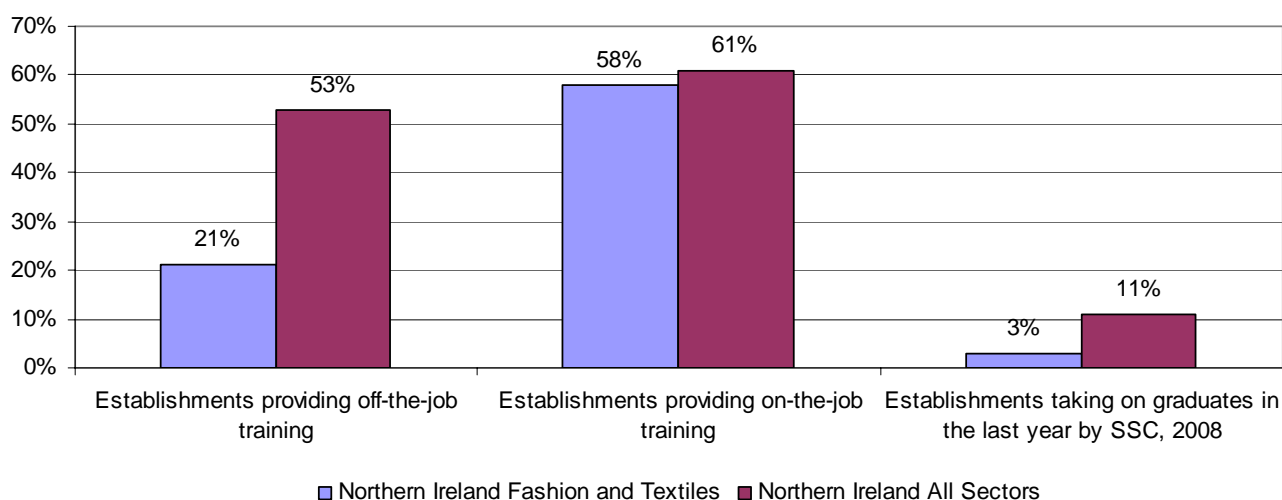
5.1 Training provision

Training and development within the fashion and textiles sector in Northern Ireland tended to be less prevalent than in all sectors. The consultations noted few companies have a specific training plan in place as most companies tend to implement training plans on a much more ad-hoc basis. This makes continuous professional development and skills needs difficult to measure.

Demonstrating how off-the-job training is difficult for employees within the fashion and textiles sector difficult to administer due to resource pressures, off-the-job training was provided by 21% of employers compared to 53% within the wider Northern Ireland economy. 58% of establishments had provided on-the-job training compared to 61% within all sectors.

Consultations with industry suggested on-the-job training seems to be a very common method of training for the fashion and textiles sector in Northern Ireland as owners/employers tend to train staff as and when employees need to learn some new process, method or skill. Cost would be a key reason as to why many employers tend to use on-the-job training.

Training within the fashion and textiles sector



Source: NISMS 2008

Contextualising these findings, a number of common themes and issues emerged during the consultation process and focus group in relation to training and up skilling the workforce. Namely, the following were identified including;

5.1.1 Availability

- Time was a key concern for many employers as companies said that it was difficult to schedule training into the working day as their main business objective was to meet orders and fulfill supply contracts.
- Many employers felt that there were perhaps not enough relevant training courses available in Northern Ireland and many have had to travel or send staff to England to take advantage of training opportunities.
- The laundry and dry-cleaning sub-sector for instance does not have any training provider in Northern Ireland and therefore is still a rather under-qualified sector. In 2009-2010 Skillfast secured funding for five laundry and dry-cleaning companies to undertake NVQ Level 2 training in laundry and dry cleaning processes. Due to there being no training providers in Northern Ireland or the Republic of Ireland, a training provider had to be used who had to travel over from Scotland.

5.1.2 Content

- Need to ensure that the training providers can deliver the appropriate training – this is particularly important for any technical skills training which companies may need.
- In the past it has been difficult for some of the companies to identify suitable training providers particularly for skills such as pattern grading, pattern cutting, stitching, machine stitching and embroidery. However companies are now more aware of the range of courses offered by the Higher and Further Education Institutions.
- Some of the employers said that they weren't sure that the industry related qualifications were always appropriate to their own company needs and that

very often they still had to train new staff as they may have the qualification but not enough experience.

- Not much enthusiasm within the sector for leadership and management training. Employers felt they had suitable leadership and management skills as they had developed them over the years through business experience.
- There is a tendency for many fashion and textile courses throughout the UK to focus on the design side of the sector and many employers welcomed degree and HND and BTEC courses that also had garment construction and business/ marketing/ supply chain management built into them

5.1.3 Delivery mechanisms

- Most companies did not have the resources to conduct in-house training and tended to or preferred to use external training providers.
- A few of the employers suggested that textile/ garment manufacturing related apprenticeships could be an effective way for some of the new entrants to enter the sector – the apprentice would gain invaluable industry on the job training whilst gaining a qualification. However these employers were aware that many young people did not see the value of having an apprenticeship qualification and that many people may want a “higher” qualification that would allow them to earn more money.
- Employers tended to be quite confused about the new vocational qualifications and the new QCF preferring previous qualifications they recognised.
- During the focus group some of the stakeholders agreed that there were elements of the sector that could be viewed as priority skills area especially in the areas of Computer Aided Design, technical textiles and manufacturing processes.
- Not all FE and HE colleges and universities in the UK offer modules in courses that include supply chain management and therefore companies know that they must not assume that when they recruit a graduate he/she will

have studied supply chain management and have any relevant experience of working in a supply chain environment.

6. Anticipating what lies ahead

This chapter looks at the future of the Fashion and Textile sector in Northern Ireland. It starts by accessing the growth potential for the sector, followed by consideration of future skills needs. It also identifies possible actions required by the sector.

6.1 Growth Potential

6.1.1 A SWOT analysis of the fashion and textile sector

As part of the consultations, forum activities and literature, employers were asked to give their opinion on the strengths, weaknesses, opportunities and threats facing the fashion and textile sector in Northern Ireland.³⁷ The following tables summarises these findings for the fashion and textiles sector, as a whole, in the future.

Strengths
The companies remaining in the sector are leaner, servicing niche markets
Wealth of talent that exists throughout the sector
Impressive history of the sector in that textile and linen industry that were key industries if Northern Ireland
The growing design sub-sector within Northern Ireland
An improving laundry and dry-cleaning sub-sector within Northern Ireland
University and colleges providing courses and training relevant to the sector
Loyal, dedicated and highly skilled work force.

³⁷ Further information by sub-sector is available in the UK SSA November 2010

Weaknesses
Lack of interaction between companies
Limited opportunities for companies to gain media coverage
Few good news stories within the sector
A “Gold Fish Bowl” mentality and the need for companies, employers, owners and employees to broaden their horizons
Lack of extended industry involvement with Higher and Further Education providers
Companies having to go to England, Scotland or Wales for training in pattern cutting, pattern grading and the Geber system
Lack of awareness or support for sustainability and “green manufacturing systems and processes” within the sector

Opportunities
Closer interaction with other companies from a UK, European and International dimension
Making the sector more attractive for potential new recruits
Fluctuations in the exchange rate – particularly pertinent in relation to the close proximity with the Republic of Ireland
Good customer relations and delivery of high customer services – good knowledge and understanding of customers
Development of e-commerce opportunities
The brand image of the “Irish Linen” industry – related marketing opportunities and spin-offs with the North American, Australian, Japanese and other markets
Technological advances in the sector
Diversification into sub-sectors such as technical and smart textiles
More collaboration between employers and HE & FE sectors
Participation in government funded initiatives such as those facilitated by InterTradeIreland, Invest NI and the Knowledge Transfer Project.
The added value to the UK economy of the British Fashion industry and related retail sector
Ensuring that the sector is promoted as being highly skilled, well qualified and has opportunities for development
Emerging film and television industry in Northern Ireland increasing the demand for costume makers

Threats
Significant rise in the cost of raw materials such as cotton
Increased labour costs in some of the manufacturing countries such as China and India
The government spending cuts that were announced in October 2010 – will have an impact on business/consumer confidence and related spending
Increased transport and distribution costs
Recruitment to the sector – need to replace staff who are due to retire so that their skills are not lost
Cost of training and up-skilling for the sector
Lack of substantial government investment in the sector
Skills gaps and shortages
Responding to “fast fashion” has diluted the sector – especially haute couture
Threat of a “double dip” recession
Lack of support for companies who are in the start-up and developmental stage
Emergence of supermarkets and supermarkets selling clothing at very cheap prices
Laundry and dry cleaning sub-sector – having to keep up to date with ever changing UK and EU regulations
The sector is not regarded as a priority skills sector
Not responding to technological changes especially in processes and operations

6.2 Skills priorities

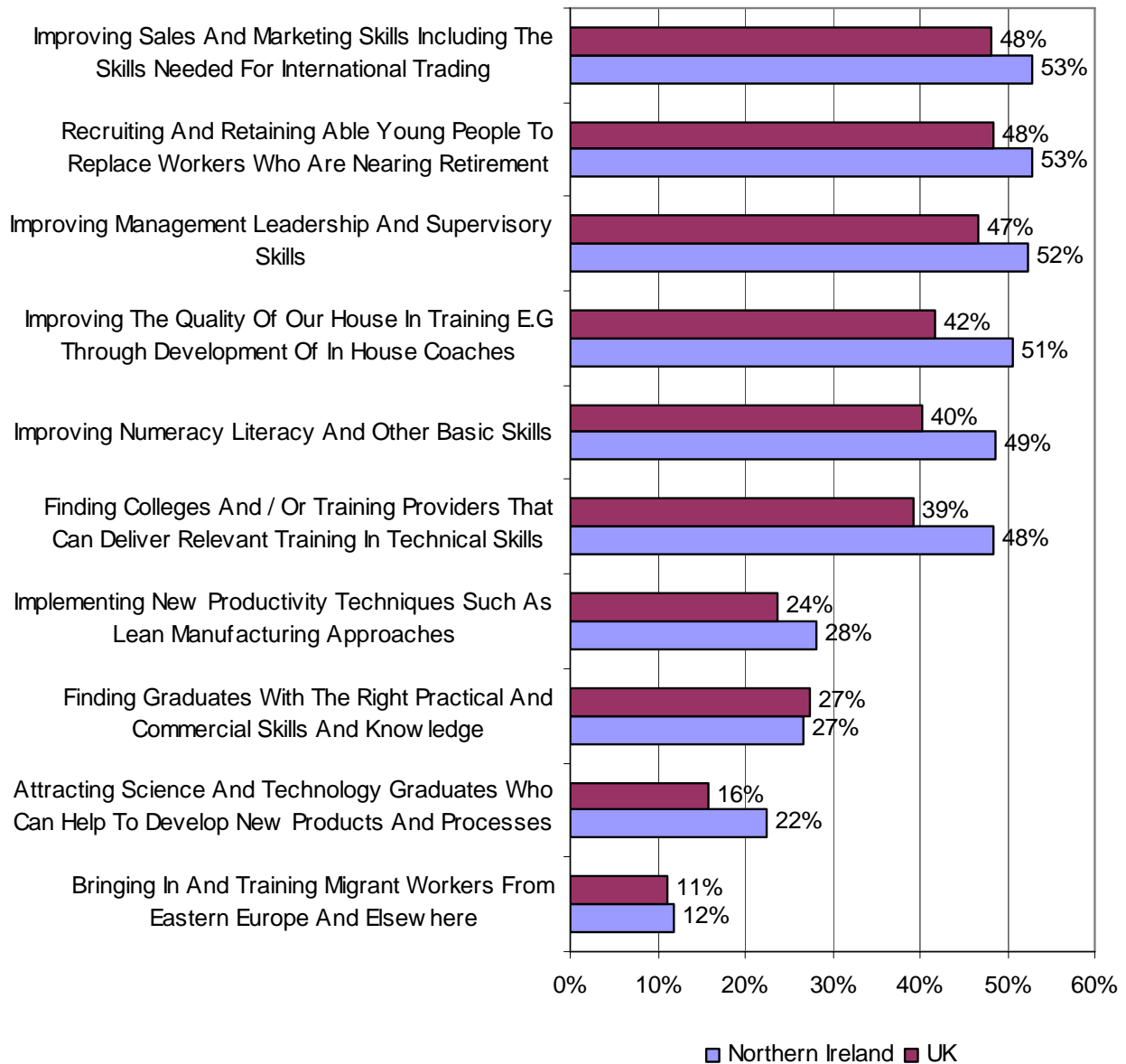
Employers in Northern Ireland cited a number of key skills required to ensure their businesses were equipped for the future.

Most importantly across the sectors was the need to improve sales and marketing skills including the skills required for international trading (53%), recruiting and retaining able young people to replace workers who are nearing retirement (53%), improving management, leadership and supervisory skills and improving the quality of in-house training through the development of in-house coaches (51%).

How these skills priorities rank for each sub-sector is presented in Annex [x]. Broken down by sub-sector, the most important skill priority for businesses in the apparel and sewn products, design and textiles sub-sectors was improving sales and marketing

skills, in the footwear and leather sub-sector it was retaining and recruiting able young workers and improving basic skills, whereas the laundry and dry cleaning sub-sector prioritised improvements to management leadership and supervisory skills.

Skills priorities of employers in Northern Ireland



Source: Fashion and Textiles survey 2008

6.3 Scenario planning

6.3.1 Working Futures III

Working Futures III is a forecasting scenario series produced by the Warwick Institute for Employment Research and Cambridge Econometrics. This research uses existing survey work on employment trends across the sectors to give a view of employment estimates.

Whilst data for Northern Ireland is based on a small population frame, the latest Working Futures III study for the Northern Irish fashion and textiles sector highlights the following broad level data as outlined in the table below:

Table 7: Employment estimates for the Northern Ireland fashion and textiles sub-sector

Employment Levels (000s)	1987	1997	2007	2012 ³⁸	2017	2007 - 2017		
						Net Change	Replacement Demand	Total Required
Northern Ireland Fashion and Textiles	31	27	6	5	5	-1	2	1
UK Fashion and Textiles	770	543	272	246	228	-44	94	50
Northern Ireland All Sector Employment	603	698	836	864	888	52	308	360

Source: Working Futures III

Key highlights from the Working Futures III data for Northern Ireland are:

Overall sector picture

Working Futures III forecasts the numbers working within the fashion and textiles footprint in Northern Ireland will have begun to stabilise by 2017 following dramatic falls in recent times as the erosion in the Northern Irish fashion and textiles manufacturing base saw the collapse in employment at operative level.

³⁸ The projections in this study were forecast before the recession impacted on the economy and employment levels. For this reason the longer term 2017 figures must be used to give a clearer indication of future trends.

Despite the continued modest decline in the gross number employed, the sector is forecast to experience modest positive net employment requirements. This is due to the large proportion of people forecast to leave the sector through retirements (linking back to the ageing workforce), and the need to fill these emerging vacancies. In all, over a third of the workforce will require replacement by 2017.

Compared to the sector at a UK level, the Northern Irish fashion and textiles sector is forecast to see a slightly greater drop in net workforce numbers. This indicates the Northern Irish fashion and textile sector still has a number of structural issues that are still to be worked through before the sector finds its optimum employment levels. In contrast to the pattern forecast to be exhibited in the fashion and textiles sector, Northern Ireland at an all sector level is expected to increase its gross employment needs to 2017. This highlights how, whilst overall employment in Northern Ireland will continue to rise, there will be little additional domestic demand for fashion and textile sector products stemming from this extra working population. This trend demonstrates the continued reliance on the export markets.

Structural changes

Whilst figures for Northern Ireland are undisclosable due to sample sizes, closer examination of the data shows the sector is following key patterns as experienced on a UK level.

Occupational make-up

Projections for Northern Ireland at this level are undisclosable due to data reliability issues at such small levels. However, the data indicates a similar trend as experienced within the UK with continual shedding of operative and elementary level jobs. Due to replacement demand requirements, total requirements will remain broadly flat.

The sum of these changes in occupation, suggests a continued movement of manufacturing and process operations overseas through off-shoring and outsourcing. However, this movement can be seen in the overall sector perspective to have begun to stabilise by 2017, suggesting the Northern Irish fashion and textiles sector will have found its specialism in the global marketplace.

Managerial and technical positions are forecast to proportionally make up a larger part of the workforce. As companies are forced to spend a greater amount of time managing processes such as within the supply chain and customer relations, the level of technical expertise, both in terms of processes employed and ICT needs, will ensure both of these occupations will require extra recruitment.

The reduction in operative level recruitment opportunities and the need for management level skills illustrates the point that the sector will require far less employees with lower level skills (below NVQ level 2) and more with higher level skills (NVQ level 3 and above) to enable the sector in Northern Ireland to compete.

Demographics

Reflecting the continued niche and micro level that the sector operates and is continuing to work to, self-employment will continue to be a key feature of the sector compared to all sectors in Northern Ireland rising to a fifth of the workforce by 2017.

Conversely, part-time working in the fashion and textiles in Northern Ireland will not be as prominent and will decline; in contrast to the high proportions all-sectors in Northern Ireland currently enjoy and is predicted to remain stable.

The share of female employment is forecast to decline, albeit at a rate slower than other nations for the fashion and textiles sector with the proportion reducing significantly. This reflects the high level of structural change that is occurring within the sector as operative and elementary occupations that are traditionally the domain of females (especially within clothing and textiles manufacture) are lost. This again is in contrast to the Northern Ireland all sector figures that will see stable employment numbers for females.

6.3.2 Scenario planning for Europe

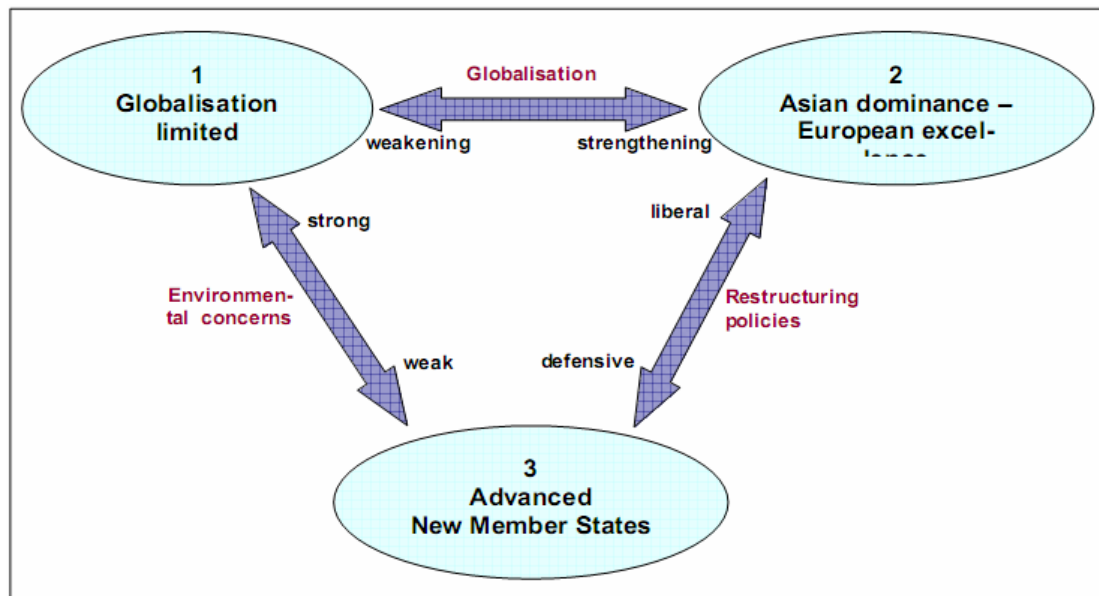
Vogler-Ludwig and Valente³⁹ propose three potential scenarios to the year 2020 of the future direction for the European fashion and textiles sector and its implications for current high value manufacturers such as the UK and England. The reported scenarios in each of these instances impact differently on the European fashion and

³⁹ Skills scenarios for the textiles, weaving, apparel and leather product sectors in the EU, 2008, Volger-Ludwig and Valente

textile sector that likewise will have ramifications for the fashion and textiles skills base in the UK and England.

The three scenarios put forward in this paper are “Globalisation Limited”, “Asian Dominance-European Excellence” and “Advanced New Member States.” Each of these scenarios are based on how the three major sector drivers of globalisation, environmental concerns and the restructuring of trade and economic policies will play within the fashion and textiles sector.

Three potential scenarios to the year 2020



Source: Skills scenarios for the textiles, weaving, apparel and leather product sectors in the EU, 2008

The three scenarios can therefore be summarised as such:

Scenario 1: Globalisation Limited

Drivers: Globalisation Limited sees the effects of climate change and the environmental agenda change the way in which consumers, the Government and producers all currently make their decisions. This in turn sees production return to a European base as manufacturing production is desirable to be carried out closer to the home market.

Employment implications: Whilst this pattern reduces the level of outsourcing and off-shoring that has been seen in the recent past, the employment implications for Europe as a whole are still negative with a 20-25% cut forecast from current levels.

Skills implications: The implication of this scenario will be that the domestic demand for UK produced goods driven by the sustainability agenda (and to an extent increasingly less advantage of wage drivers to off-shore and outsource) will continue to find a market. Assuming specialisation on existing operations occurs, there will be a large increased demand for trade workers within the apparel sector. At the same time this change will also see moderate returns for managers, computing professions (in relation to increasing technological changes in both production and management of supply chains functions) and engineers to enable this process to happen.

Scenario 2: Asian Dominance – European Excellence

Drivers: Asian Dominance sees the recent trends of strengthening globalisation and liberalisation of trade policies continue. Placed in these terms, the fashion and textiles sector will continue as it has been with industrial manufacturing continuing to be outsourced and off-shored to lower wage countries as the developing world is able to improve the quality of the products offered. EU countries will strengthen their technological lead and dominance of the high value, high technology market.

Employment implications: This scenario will see the greatest falls in employment terms for the European economy with a halving of current employment forecast. However, this scenario will have positive impacts for future employment within skilled and technical occupations as European producers continue to innovate and command a market lead in high value production.

Skills implications: The trend that has occurred over the past ten years will continue to impact on the UK. Textiles and clothing firms continue to move production away from the UK as the dual impact of increasing sophistication of overseas competitors able to replicate current high value goods produced in the nation. Whilst this has large negative effects on the industry, it does create opportunities at managerial, computing, engineering and business professional levels as design functions and management of supply chain activities become an even more prominent function and vital to the on-going success of UK businesses to manage global supply chains closer to home

Scenario 3: Advanced New Member States

Drivers: This scenario sees the lower cost EU Accession countries will continue to offer a production facility for the EU to continue manufacturing. As globalisation continues to negatively impact manufacturing employment, policy will be targeted at

ensuring an integrated role for Europe. This will produce strong demand for production related skills in lower waged European countries and professionals in high-cost countries in an attempt to prevent the erosion of the manufacturing capability from within the European Union.

Employment implications: Again, as with Globalisation Limited, it is forecast this scenario will see a 20-25% cut in European employment levels to 2020. However, the configuration of jobs will be different with a great loss of trade workers with far greater emphasis on administration and the management of supply chains within a European context than at present.

Skills implications: The UK will experience continuing structural changes as supply chains reconfigure themselves once more. Production slowly creeps to new EU member states driven by increasing consumer demands for fast fashion and the sustainability agenda. The ability of UK producers to compete lies in their ability to cultivate customer relations and manage production from design through to branding and marketing activities.

Each of the key drivers at play and how that will influence each scenario is highlighted in the following table.

Key drivers of change for the scenarios for fashion and textiles manufacturing

	Scenario 1	Scenario 2	Scenario 3
	Globalisation limited	Asian dominance-European excellence	Advanced New Member states
Environmental costs	Rising significantly; Climate risks are strongly visible; Environmental policies with limited efficiency.	Rising; Environmental policies are effective; Climate risks remain manageable.	Rising; Environmental policies are effective; Climate risks remain manageable.
Markets	Consumers strongly concerned about climate risks; Global economy disintegrates due to	Consumers appreciate environmental politics; Global market for	Consumers prefer job creation and remain price-sensitive; Medium macro-growth.

	Scenario 1	Scenario 2	Scenario 3
	Globalisation limited	Asian dominance-European excellence	Advanced New Member states
	environmental conflicts; Slow macro growth.	top qualities; Global labour division is further developed; Strong macro-growth.	
Knowledge base	Innovation concentrated on ecological technologies; Revival of traditional crafts; switch from foreign productivity to energy productivity.	Strong product innovation for speciality textiles; Design marketing and sales very important; Management of the value chain.	Mainly process innovation provided by machinery and organisational changes; Strong increase of labour productivity.
Competitiveness	Declining competitiveness of emerging countries due to high environmental costs; Ecological and social criteria have strong impact on competitiveness.	Strong position of emerging countries on low and medium quality segments; Strong position of European production of high value markets and speciality textiles.	Strong position of low-cost areas in Europe on medium quality segments; Strong position of high-cost areas on high value markets and speciality textiles.
Branch structures	Locally concentrated value chains due to high transport cost; small sized production networks; Rising share of craft business.	Closure of mass production; small sized innovation companies; Global networks of producers; Highly specialised crafts businesses.	Mass production remains in European low-cost areas; Switch from subcontractors to independent suppliers; Top qualities and international brands in high-cost areas.
Foreign trade	Low growth of world	Strong growth of	Medium growth of

	Scenario 1	Scenario 2	Scenario 3
	Globalisation limited	Asian dominance-European excellence	Advanced New Member states
	trade.	world trade.	world trade.
Employment Change 2006-2020	-25%	-50%	-20%
Skills needs	Revival of production related trades; More managers and professionals in low-cost areas; Specialists for traditional crafts; General need for ecological competences.	Strong decrease of production related trades; Limited demand for highly specialised craftsmen; Strong increase for technical and commercial specialists; Computer professionals.	Strong demand for managers and commercial professionals in low-cost areas; Limited demand for technical specialists in high-cost areas; Decrease of production-related trades and craftsmen.

Source: Skills scenarios for the textiles, weaving, apparel and leather product sectors in the EU, 2008

7. The Way Forward

This report has drawn on a number of key labour market intelligence sources, employer consultations and a review of relevant literature. As a consequence of the consultative process through both the interviews and focus group a series of ideas and concepts have been suggested for consideration, these include the following;

Encourage greater sector collaboration

There is an opportunity to promote and support greater cross-sector collaboration and knowledge transfer partnerships among fashion and textile firms in Northern Ireland. Successfully planning and undertaking these activities will help to encourage best practice and innovation.

To positively promote the sector

There is no longer a specific textile or apparel trade association within Northern Ireland to promote the sector. The sector would benefit from identifying industry “champions” to communicate successes.

Raising awareness of career opportunities within the sector

At present there is little understanding of the role of the fashion and textiles sector in Northern Ireland, the various fields of technological advancement, or the career opportunities that exist. The research has indicated that little is understood about the sector by potential new recruits, leading to a lack of entrants to replace the existing experienced workforce. There is a need to work closely with career advisors, educational institutions and parents and guardians to promote career opportunities, training routes and also the technological advancements within the fashion and textiles sector to a wider audience.

Supporting continuous professional development develop and management and leadership activities

There is reluctance on the part of many companies in the fashion and textiles sector to undertake necessary CPD. Key barriers include the lack of resources and a preference to undertake job specific training. There is need to encourage and promote to firms the benefits of such training and to invest in these as such.

Ensuring the supply of technical and practical skills

Research has indicated there is a need to ensure new graduates and recruits into the sector have the appropriate specific technical and practical skills

Promotion of the sustainability agenda

The research has indicated there is reluctance in Northern Ireland to engage with the sustainability agenda. Companies require support in realising the growing importance of sustainable practices and with them procedures and the positive business implications to further their businesses.

Support technological changes

Allow the sector to embrace technological changes across the sector to include design and manufacture. Ensure that all companies in the sector use e-commerce as and when required.

Highlight and support key growth areas and the formation of clusters

There are a number of key growth areas in the fashion and textiles sector that have been identified through the research process.

These include the emerging design sector as well as the costume production industry and advancements in technical textiles. More promotion of these sub sectors needs to be carried out and recruits to the sector need to be made aware that there are potential jobs in these two areas. developing and nurturing

The support and nurture the growth of industry clusters (similar to what is happening in parts of the USA) in areas such as smart and technical textiles, nanotechnologies etc.

Developing management, leadership and entrepreneurial skills

A recurring theme across all sub-sectors in the fashion and textiles sector is the need to improve leadership and management skills. Consultations stated that the management skills gaps should be tackled by increasing the business content in fashion and textiles courses. Within the design sector, particularly, there is also scope to raise awareness of the opportunities afforded through business partnerships.

Annex One: Supporting Data

Key occupational groupings translated into fashion and textiles occupations

Occupational group	Occupation	Example Fashion and Textiles occupations
Managers & senior officials	1121 Production, works & maintenance managers	Production manager, technical manager
Professional Occupations	2122 Mechanical engineers	Engineer
Associate professional and technical	3111 Laboratory technicians	Textile technologist, dyeing technician
	3422 Product clothing & related designers	Textile/clothing designer, garment technologist
	3542 Sales representatives	Technical sales, sales executive
	3543 Marketing associate professionals	Marketing executive
Skilled trades occupations	5223 Metal working production and maintenance fitters	Tufting engineer, loom technician, sewing machine mechanic
	5411 Weavers and knitters	Weaver, knitter
	5413 Leather and related trades	Shoe maker, saddler, clicker, shoe repairer
	5414 Tailors and dressmakers	Tailor, kilt-maker
Process, plant and machines operatives	8113 Textile process operatives	Scourer, spinner, tufter, twister, warper
	8114 Chemical and related process operatives	Leather worker, dye-house operative
	8136 Clothing cutters	Pattern cutter
	8137 Sewing machinists	Body linker, collar linker, mender, repair hand, sewing machinist, seamer
	8139 Assemblers and routine operatives nec.	Machinist – footwear/leather-goods
Elementary occupations	9234 Launderers, dry cleaners, pressers	Dry cleaner, garment finisher, laundry operative, presser

Source: Skillfast-UK (2005)

Key demographics of the Northern Ireland Fashion and Textiles sector

	Northern Ireland Fashion and Textiles	Northern Ireland all in employment	UK fashion and textiles
Aged 24 and under	9%	14%	11%
Aged 45 and above	47%	36%	47%
BAME background	10%	2%	16%
Non-UK national	13%	24%	15%
Self-employed	30%	15%	21%
Part-time	11%	23%	25%
Female	43%	46%	50%
In job over 5 years	62%	58%	52%
Job related training in the past 13 weeks	17%	19%	9%
NVQ L3 and above	18%	48%	28%
Below NVQ L2	43%	25%	38%

Source: APS 2008 (based on SIC 17-19, 2470, 5271 & 9301 for Fashion and Textiles)

Northern Ireland fashion and textiles manufacturing sales

Sales Type	Year reported										Annual % change	
	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	99-00 to 08/09	06/07 to 08/09
	-	-	-	-	-	-	-	-	-	-		

Total £m	1,058	973	764	691	595	493	400	359	301	264	-7.5%	-6.6%
NI	106	94	80	89	72	57	59	70	61	48	-5.5%	-7.9%
GB	697	627	500	390	319	262	212	157	141	128	-8.2%	-4.6%
Rep of Ire	88	79	58	55	52	58	58	79	53	42	-5.2%	-11.7%
Rest of EU	84	84	62	58	62	52	38	21	16	13	-8.5%	-9.5%
Rest of World	83	88	65	99	90	64	33	32	30	33	-6.0%	0.8%
Ext Sales	951	879	684	602	523	436	341	289	240	216	-7.7%	-6.3%
Exports	255	251	184	212	204	174	129	133	99	88	-6.5%	-8.5%

Source: DETI: Constant prices 2008/9 = 100 Based on SIC 17-19

Northern Ireland exports for selected Fashion and Textiles products by SITC

£'000s

		61 Leather and leather products	65 Textile Yarn, Fabrics, Made Up Articles etc	84 Articles Of Apparel & Clothing Accessories	85 Footwear	Total value
2007	q1	115	31,187	19,637	2,050	52,989
	q2	151	26,895	16,158	2,210	45,414
	q3	149	27,813	22,618	2,594	53,174
	q4	103	35,341	20,287	2,446	58,177
2008	q1	143	29,995	20,885	2,009	53,032
	q2	117	29,817	15,751	2,385	48,070
	q3	171	24,687	21,210	2,711	48,779
	q4	95	32,190	20,872	2,031	55,188
2009	q1	131	20,491	19,760	1,990	42,372
	q2	110	21,393	14,864	2,163	38,530
	q3	136	21,882	18,645	2,194	42,857
	q4	135	27,310	18,131	2,018	47,594
2010	q1	98	20,044	17,753	2,366	40,261
	q2	109	24,252	15,910	2,779	43,050

Source: HMRC

Export markets for key Northern Irish fashion and textiles goods 2009 by SITC
£000's

65 Textile Yarn, Fabrics, Made Up Articles Etc			84 Articles Of Apparel & Clothing Accessories		
		%			%
Irish Republic	39,625	44%	Irish Republic	60,451	85%
Netherlands	12,313	14%	Turkey	2,095	3%
USA	8,710	10%	Belgium	1,011	1%
Germany	4,409	5%	Germany	861	1%
Thailand	2,372	3%	USA	649	1%
France	2,321	3%	France	633	1%
Hong Kong	1,892	2%	Spain	579	1%
Italy	1,856	2%	Japan	493	1%
India	1,578	2%	Netherlands	478	1%
Philippines	1,335	1%	Italy	457	1%
China	1,334	1%	Finland	455	1%
Morocco	1,073	1%	China	359	1%
Other Asia*	1,002	1%	Norway	357	1%
All others	11,256	12%	All others	2,522	4%
Total	91,076		Total	71,400	

Source: HMRC

Imports to Northern Ireland for key fashion and textiles goods 2009 by SITC
£000's

65 Textile Yarn, Fabrics, Made Up Articles Etc			84 Articles Of Apparel & Clothing Accessories		
		%			%
China	31,605	23%	China	383,832	45%
Irish Republic	17,921	13%	India	117,519	14%

Turkey	17,738	13%	Other Asia/Oceania	88,608	10%
Pakistan	14,881	11%	Turkey	70,391	8%
India	11,627	8%	Irish Republic	67,367	8%
Belgium	10,179	7%	Pakistan	25,994	3%
Netherlands	6,160	4%	Indonesia	21,588	3%
Germany	4,662	3%	Hong Kong	13,128	2%
Italy	3,373	2%	Italy	9,973	1%
Luxembourg	3,334	2%	Germany	9,721	1%
Other	17,441	13%	Other	36,889	4%
Total	138,921		Total	845,010	

Source: HMRC

Future skills priorities by fashion and textiles sub-sector in Northern Ireland

	Apparel & Sewn products	Design	Footwear & Leather	Laundry & dry cleaning	Textiles
Improving Sales And Marketing Skills Including The Skills Needed For International Trading	2	3	3	5	1
Recruiting And Retaining Able Young People To Replace Workers Who Are Nearing Retirement	1	8=	5	2	4=
Improving Management Leadership And Supervisory Skills	4	2	2	4	2
Improving The Quality Of Our House In Training E.G Through Development Of In House Coaches	3	4	4	3	6
Improving Numeracy Literacy And Other Basic Skills	6	5	1	1	3
Finding Colleges And / Or Training Providers That Can Deliver Relevant Training In Technical Skills	5	1	6	6	4=
Implementing New Productivity Techniques Such As Lean Manufacturing Approaches	7	6	7	9=	9
Finding Graduates With The Right Practical And Commercial Skills And Knowledge	8	7	10	9=	7=
Attracting Science And Technology Graduates Who Can Help To Develop New Products And Processes	9	8=	8	8	10
Bringing In And Training Migrant Workers From Eastern Europe And Elsewhere	10	10	9	7	7=

Source: Fashion and Textiles survey 2008

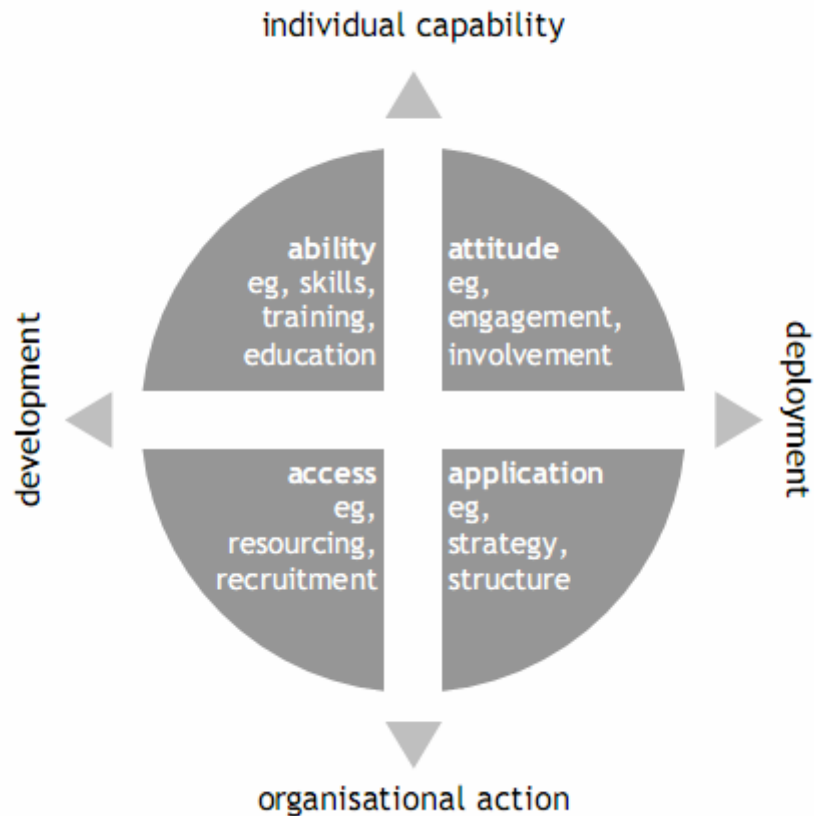
Skills Utilisation

An area of literature that is achieving prominence within the skills debate is that of high performance working practices (HPWP) and skills utilisation. A large body of recent research is looking at how firms holistically use their given resources, moving away from looking at the skills debate by focussing purely on qualification attainment in isolation.⁴⁰

One model that has been developed and researched into is the 4A model that gives a number of key measures around the 4A's of ability, attitude, application and access.⁴¹

⁴⁰ Please see UKCES 2009. High Performance Skills practices: A literature review and Scottish government 2008, High Performance working practices: A literature review.

⁴¹ People and the Bottom Line, 2008, P Tamkin, M Cowling, W Hunt



Source: Tamkin, P, Giles, L, Campbell, M and Hillage, J (2004) Skills Pay: The Contribution of Skills to Business

Using this model, research based on 2,905 companies employing at least 25 people across the UK found that a 10 per cent increase in business investment in Human Resource Management, training and management practices equated on average to:

- An increase in gross profits per employee of between **£1,139 and £1,284**.
- An increase in profit margins per employee of between **1.19 per cent and 3.66 per cent (i.e. the ratio of profit over sales)**.
- **A 0.09 per cent increase** in sales growth per employee.
- **A 3.1 per cent increase** in the probability of achieving sales from new technology.

The research originally took 76 measures of HR practices and after analysis distilled them into 12 key human resource activities that were seen to have the greatest level of impact on business performance within the 4A model. These are:

Access

1. Proportion of new appointees tested on recruitment
2. Proportion of new appointments for which there was a person specification
3. Proportion of employees covered by a succession plan

Ability

4. Proportion of workforce that have a current personal development plan
5. Proportion of the workforce that have a career development plan
6. Proportion of employees qualified to degree level

Attitudes

7. Proportion of managers that left voluntarily over the last twelve months
8. Proportion of staff that receive profit related pay
9. Proportion of staff that have a regular appraisal
10. The frequency with which staff have one-to-ones

Application

11. Who decides on the pace of work (1 = exclusively managers; 5 = exclusively workers)
12. Who decides on task allocation (1 = exclusively managers; 5 = exclusively workers)

Given the minimum size of company was 25 employees and therefore intended for firms with a degree of employment (research conducted by the UKCES has shown small firms whilst not formally adhering to these “good practice” measures may well be using informal methods as proxies on this to mixed results and expectations from the employee)⁴², whereas the fashion and textiles sector is dominated by smaller micro companies, these measures provide a key tracking mechanism for which employers are able to track and baseline their performance against the set criteria.

In addition, there are three items from the survey which have not been suggested as a measure as they do not test degree of adoption, rather they capture whether a process exists or not. As the presence or absence of the process is indicated as important in the regression analysis they are included and it is suggested that organisations ensure that these three processes are in place:

⁴² Skills and the small firm, 2010, UKCES

Ability

1. The organisation evaluates development in a systematic way
2. The organisation focuses on the long term development of its managers

Application

3. The organisation encourages and captures the suggestions of the workforce

Introduction to the measures from the Global Manufacturing Survey

Fashion and Textiles firms were scored on 18 separate measures identified as being helpful to their business. This was on a 1-5 basis, with 5 being an example of best practice. 44 fashion and textiles firms from the UK took part in this study. A summary of these measures and the mean score of the fashion and textiles firms is shown below.

Are goals too easy to achieve, especially for some “sacred cows” areas of the firm, or are goals demanding but attainable for all parts of the firm?
1) Introduction of modern manufacturing techniques
What aspects of manufacturing have been formally introduced, including just-in-time delivery from suppliers, automation, flexible manpower, support systems, attitudes, and behaviour?
12) Performance clarity
Are performance measures ill-defined, poorly understood, and private, or are they well-defined, clearly communicated, and made public?
2) Rationale for introduction of modern manufacturing techniques
Were modern manufacturing techniques adopted just because others were using them, or are they linked to meeting business objectives like reducing costs and improving quality?
13) Managing human capital
To what extent are senior managers evaluated and held accountable for attracting, retaining, and developing talent throughout the organization?
3) Process problem documentation
Are process improvements made only when problems arise, or are they actively sought out for continuous improvement as part of a normal business process?
14) Rewarding high performance
To what extent are people in the firm rewarded equally irrespective of performance level, or are rewards related to performance and effort?
4) Performance tracking
Is tracking ad hoc and incomplete, or is performance continually tracked and communicated to all staff?
15) Removing poor performers
5) Performance review
Are poor performers rarely removed, or are they retrained and/or moved into different roles or out of the company as soon as the weakness is identified?
Is performance reviewed infrequently and only on a success/failure scale, or is performance reviewed continually with an expectation of continuous improvement?
16) Promoting high performers
6) Performance dialogue
Are people promoted mainly on the basis of tenure, or does the firm actively identify, develop, and promote its top performers?
In review/performance conversations, to what extent is the purpose, data, agenda, and follow-up steps (like coaching) clear to all parties?
17) Attracting human capital
7) Consequence management
Do competitors offer stronger reasons for talented people to join their companies, or does a firm provide a wide range of reasons to encourage talented people to join?
To what extent does failure to achieve agreed objectives carry consequences, which can include retraining or reassignment to other jobs?
18) Retaining human capital
8) Target balance
Does the firm do relatively little to retain top talent or do whatever it takes to retain top talent when they look likely to leave?
Are the goals exclusively financial, or is there a balance of financial and non-financial targets?
9) Target interconnection
Are goals based on accounting value, or are they based on shareholder value in a way that works through business units and ultimately is connected to individual performance expectations?
10) Target time horizon
Does top management focus mainly on the short term, or does it visualize short-term targets as a “staircase” toward the main focus on long-term goals?
11) Targets are stretching