

The EU CVTS2 Survey:
Principal Results for Ireland and other European Countries

Roger Fox
Planning & Research
FÁS
July 2002

CONTENTS

	<u>Page</u>
Executive Summary	3
Acknowledgements	6
Chapter 1 - Introduction and Methodology	7
Chapter 2 - Company Training in 1999	9
Chapter 3 - Training of Employees	18
Chapter 4 - Companies Training Policies and Practices	22

Executive Summary

1. - Introduction

This report presents the main results of a survey of company training in Ireland in 1999. The survey forms part of a European survey under the responsibility of the European Commission and Eurostat. The survey was conducted by FAS in 2000 in co-operation with Enterprise Ireland and the Central Statistics Office. The survey is broadly similar to a previous EU-wide survey in 1993.

The survey covered companies employing 10 or more persons in manufacturing, construction and market services. All employees with the exception of apprentices were included.¹ The response rate to the survey was disappointing. However, questionnaires were completed by 400 companies and these results have been 'grossed-up' to represent the full 'population' of 14,268 companies employing 607,911 persons.

2 – Main findings of study

The key results of the survey are summarised below:

Extent of training

Seventy-nine percent of companies carried out some training in 1999. Nearly all companies employing 50 or more persons trained. Training was most prevalent in manufacturing and financial/business services, whereas construction and transport/communication companies were less likely to train. Even taking account of size and sector, overseas subsidiaries were more likely to train.

Who undertook training?

About a quarter of a million employees attended formal training courses during the year; 41% of all employees. Employees in larger companies were more likely to receive formal training. Overall, a higher proportion of females than males attended training courses.

Employees spent 1.4 million days on training courses; the equivalent of 2.4 days per employee.

There was a tendency for managers/professionals and clerical/services workers to be more likely to receive training, whether formal or otherwise, than craft and other manual workers.

What sorts of training were provided?

Health/safety/environmental protection training was the most commonly provided type of training course. This amounted to 20% of all training course time. The other two major areas were computing/IT (17%) and machine operation/quality control (16%). Two-thirds of training course time was delivered through internally-managed

¹ Thus, in broad terms, continuing rather than initial training is the scope of the survey.

courses. Of the externally-managed courses, private training organisations were by far the largest providers.

Costs of training

Overall, companies spent €364 million on training courses in 1999 (including labour costs of internal trainers and participants). This represented 2.4% of their labour costs. This percentage was greater for companies employing 250 or more employees (2.9%), companies in the chemicals (3.3%), engineering (3%) and other services (5.4%) sectors. It was also greater for overseas companies (3.6%).

Average expenditure on training courses per employee was €600; per person trained €1450.

Training policies and practices in companies

Two-thirds of companies assessed the skills and training needs of their employees while just over half assessed the companies' future development and/or skill needs. Four in ten companies had a training plan. Those that did not have a plan were mainly smaller companies. Of those companies that provided training courses, under half had any formal means of evaluating them. The most common method of evaluation was by "measuring satisfaction levels of people after training".

Non-training companies – their views

One in five companies provided no (non-apprenticeship) training in 1999. The main reasons companies gave for this were that their employees' skills already met their needs, and that they always recruited people with the necessary skills. Relatively few cited reasons of cost or time for not training.

Comparison with 1993 survey

In general, the results of the 1999 survey were quite similar to the earlier 1993 survey. The percentage of companies providing any training remained nearly the same between the two surveys (77% in 1993, 79% in 1999) as did the percentage of employees attending training courses (43% and 41% respectively).

The major changes between the two surveys were the increased duration of time spent on training and the increased cost of courses. Average duration rose from 1.7 days per employee in 1993 to 2.4 in 1999. The cost per day of training courses also rose from an estimated £139 in 1993 to £198 in 1999.

Comparison with other European countries

The survey was conducted in 25 European Countries including EU and EU-applicant countries. This allows Ireland's relative position to be assessed. The results are summarised in Table A.

**Table A:
Comparative Indicators of Training (CVTS2)**

Indicator	Ireland	Ireland's Rank
% companies providing some training	79	7th
% employees attending a training course	41	7th
No. of hours on training courses per employee	17	4th
Expenditure on training courses per employee (PPS)	599	9th
% of labour costs spent on training courses	2.4	6th

Overall, the results show that Ireland ranks fairly well in respect of training activity. It is below the 'top flight' of countries, which typically includes the nordic countries, the UK and the Netherlands. However, it is towards the best-performing middle rank of (mainly) northern EU countries, and significantly better than the southern EU countries and the EU-applicant countries.

3 – Conclusions

The survey showed that most companies in Ireland provided training for their employees. However, there were still many small companies that did not provide any training, particularly formal training courses. However, the 'training effort' has increased from the previous survey – especially due to an increase in the amount of time spent on training courses. There is an on-going need to continue to invest in continuing training to achieve 'best practice' European levels.

Acknowledgements

A large number of people contributed to this survey. Firstly, recognition should go to the companies who responded to the survey. This required a significant input of time and effort on their part. Secondly, we would like to acknowledge the work of various staff within the Planning and Research Department; a number of University of Limerick students on co-operative education, Dympna Harper who undertook telephone interviewing and Sheena Stewart who was involved both with the postal survey and in the preparation of this report. Thirdly, we thank Mr Tony Hall who organised the survey work in relation to Enterprise Ireland companies. We also acknowledge the contribution of the CSO in providing us with population data and Mr James Williams of the ESRI in drawing a sample from the ESRI database.

The survey was part of an EU-wide survey and we therefore were pleased to work in co-operation with the team from Eurostat; Mr Michael Skaliotis and Ms Katja Nestler in particular. Mr Ettore Machetti from the European Commission also provided positive support while Mr Norman Davis advised us technically as part of the contract support team. The European Commission provided 65% funding support for the Irish survey.

We also want to acknowledge the good working relationship with MRBI Ltd and two former FAS staff who undertook telephone follow-ups for us; Mr Joe O'Hara and Mr Don Fitzmaurice.

Ms Marina Doyle was employed as a full-time consultant to FAS for the duration of the project.

CHAPTER 1

Introduction and Methodology

1.1 Introduction

This report presents the main results of the CVTS2 survey conducted across 25 European countries in 1999.² The survey was conducted in Ireland by FÁS on behalf of the European Commission and Eurostat. FÁS carried out the survey in Ireland under contract to, and with the financial support of the European Commission, and with the co-operation of Enterprise Ireland and the Central Statistics Office.³ The national report for Ireland was published in 2001⁴ and Eurostat have published a number of reports on the international data this year. This report aims to summarise the results with, of course, a particular focus on the Irish results.

1.2 Coverage

The survey was designed to be broadly similar to the 1993 survey also conducted on an EU-wide basis. Thus it covered all training carried out for employees of companies except training of apprentices and others with a similar training contract. The coverage was of all companies employing 10 or more persons in industry and market services. Thus, primary production (agriculture etc.) and the public sector (e.g. health, education, defence and the civil service) were excluded.

The survey covered six types of training including training courses, training in the work situation (i.e. on-the-job training), conferences, job rotation, learning/quality circles and self-learning.

It should be noted that the amount of information obtained varied according to the type of training concerned. Thus, for example, companies were only asked to indicate cost information in relation to training courses.

1.3 Methodology

The sample design for the survey was based on a framework of 30 sectors (NACE groups) and 6 size categories. The Central Statistics Office supplied FAS with information on the number of companies and their total employment within this framework.⁵ Sample sizes were based on guidelines provided by Eurostat. The list of companies to be sampled was provided by the ESRI. The original estimated population size was 15,310 and the sample size 2,074. In accordance with procedures established by Eurostat on an EU-wide basis, one quarter of the sample was to be interviewed personally, the rest by post with telephone follow-up. The

² All EU countries, most of the EU-applicant countries and a few other non-EU european countries participated.

³ The financial support of the Commission for the survey in Ireland is acknowledged.

⁴ Company Training in Ireland, R. Fox and M. Doyle, FÁS, 2001.

⁵ The most recent data from the CSO at the time of sample design was for 1997 (Census of Services) and 1998 (Census of Population).

personal survey was conducted by MRBI Ltd on contract to FAS. The postal/telephone survey was conducted by FAS directly. Enterprise Ireland conducted the survey in relation to companies within its remit. The survey fieldwork was undertaken from March to December 2000.

Unfortunately, the response to the survey was poor. Many companies failed to respond either to personal, postal or telephone approaches despite reminders. In the end, 400 completed usable responses were obtained, a response rate of only one in five. These companies employed 95,235 persons (excluding apprentices). The results from these companies were then 'grossed-up' to represent the revised total estimated population of 14,268 companies employing 607,911 persons.⁶

1.4 Presentation of Report

Chapter 2 of the report presents the main results in relation to companies' training activity – viewed principally from the companies' perspective. Chapter 3 concentrates on the data from the viewpoint of the employee. Chapter 4 covers the qualitative aspects of the survey.

⁶ Full details of the statistical aspects of the survey are presented in 'CVTS2 Survey: Ireland Quality Report', Roger Fox, August 2001, FAS.

CHAPTER 2

Company Training in 1999

This chapter will present the main results of the survey in relation to the amount of training undertaken by companies, the types of training and companies' expenditure on training in 1999.

2.1 Number of Companies Undertaking Training

Seventy-nine percent of companies carried out some training in 1999 (11,288 out of 14,268 companies). In very small companies (10 – 19 employees) 71% carried out training, while in the next size category (20 – 49 employees) the percentage had risen to 84%. Nearly all of the medium-sized and larger companies provided some training.

Because it was mainly small companies that did not provide training, the vast majority (92%) of employees worked in companies that provided training. Put alternatively, only 51,200 employees (out of 608,000 in the study) were employed in non-training firms.

Figure 2.1 presents the percentage of companies providing training by sectoral group.⁷ The lowest rate was in Transport, Communication (36%) while Construction (59%) was also below average. High levels were found in Chemicals and Allied Products (94%), Other Industry (94%) and Financial, Business Services (90%).

FIGURE 2.1:
Percentage of companies training by sector

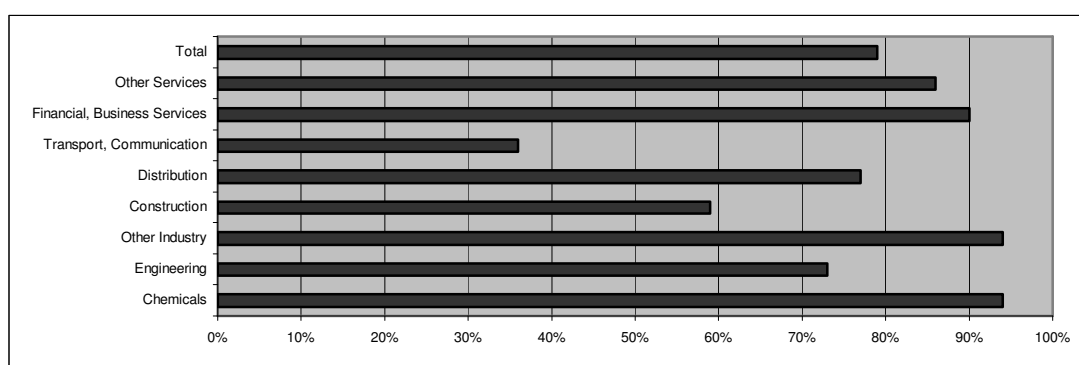
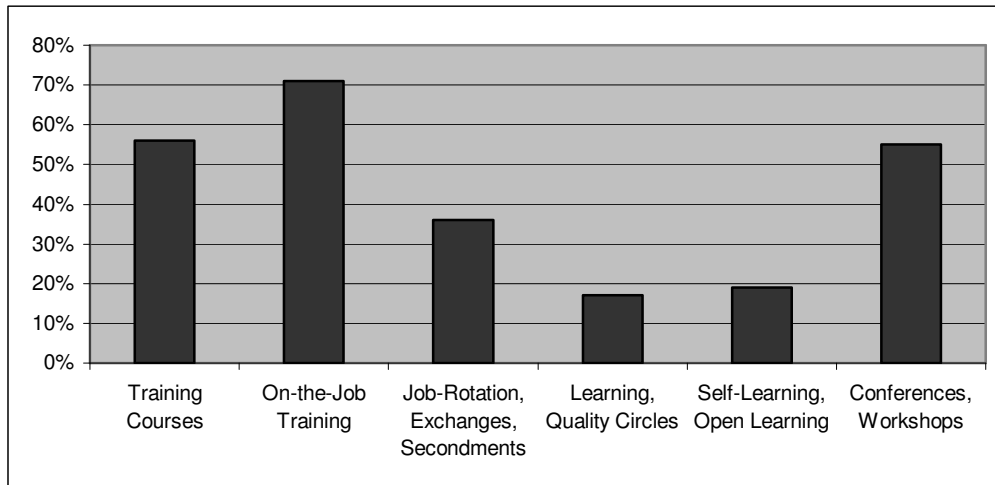


Figure 2.2 shows the percentage of companies that trained their employees in relation to a number of different types of training.⁸

⁷ Results are presented in eight sectoral groups in this report.

⁸ Note that many companies used more than one type of training so that the percentages add up to more than 100%.

FIGURE 2.2:
Percentage of companies carrying out training by type



A little over half of companies used formal training courses to train their staff. The most common type of training was on-the-job training (70% of companies). Over half of companies also used conferences, workshops. About one third of companies used job rotation, exchanges or similar methods of training while one in five used self or open learning. A further question found that more companies sent people on externally-run courses than ones managed by the companies themselves.

Table 2.1 shows the percentage of companies that provided some training for their employees in 1999 across countries.

Table 2.1
% of Companies that Provided Training

Country	All Companies
Denmark	96
Sweden	91
Netherlands	88
UK	87
Norway	86
Finland	82
Ireland	79
France	76
Germany	75
Austria, Luxembourg, Belgium	71
Czech Report	69
Estonia	63
Latvia, Slovenia	50
Lithuania, Poland, Hungary	40
Spain	36
Bulgaria	28
Portugal	22
Greece	18
Romania	11

The results show that Ireland (79%) was in sixth place in terms of percentage of companies. Broadly, the figures show that the Nordic countries, the UK and the Netherlands had high rates, from 82% in Finland to 96% in Denmark. Most of the other EU countries, including Ireland, France and Germany had rates in the seventy to eighty percent range. The candidate countries had lower rates, the highest being the Czech Republic at 69%, and three EU countries, Spain, Portugal and Greece, also had low rates.

A number of the countries also participated in the broadly similar CVTS1 survey in 1993.⁹ Comparing the results in 1999 and 1993 showed that the percentage of companies providing training had risen in seven countries (including a two percent points rise in Ireland) and fallen in only one.

The survey questionnaire asked companies to indicate whether they were a subsidiary of an overseas company or not. It was thought that this might affect their behaviour in relation to training and this was borne out in the results (Table 2.2). About 12% of the companies were overseas subsidiaries and 99% of these stated that they provided some type of training in 1999 for their staff. This can be compared with 76% of non-overseas companies. The same difference was found in respect of training courses; 94% of overseas companies compared to 51% of other companies. These differences might reflect the size or sector of overseas companies. But in fact size was not an explanation – nearly all overseas companies trained and more than nine in ten

⁹ Company Training in Ireland, R. Fox, FÁS, 1995.

provided training courses whatever their size. In contrast, while nearly all large and medium-sized Irish companies trained, the percentage providing training courses was down to 75% for medium-sized and 47% for small companies (Table 2.1). Similarly, the percentage of overseas companies providing training courses was noticeably greater in seven out of the eight sectors used in the analysis (Chemicals was the only exception).

Table 2.2
Training Activity by Nationality and Size Group (%)

	Small	Medium	Large	Total
% Training (Any)				
Overseas	100	98	99	99
Non-Overseas	73	98	100	76
% Training Courses				
Overseas	94	93	93	94
Non-Overseas	47	75	94	51

2.2 Type of Training Courses

A little over half (56%) of companies provided training courses for some or all of their employees. This section provides information on the volume and type of training courses.

In total, it is estimated that 10.1 million hours were spent on training courses during 1999. Of the 10.1 million hours spent, 4.2 million (41%) was spent in large companies, so showing the importance of such companies in the training course market.

The number of days spent on different types of training courses is set out in Table 2.3. This shows that Health, Safety and Environment Protection was the most common type of training, making up 20% of all days on courses. The other two major areas were Computing (17%) and Machinery Operation and Quality Control (16%).

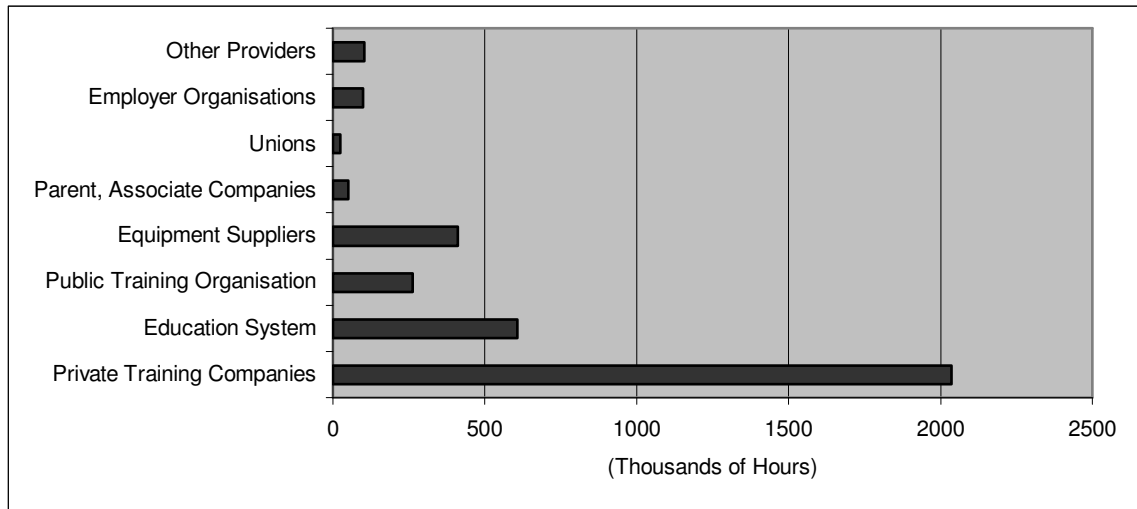
Table 2.3 also distinguishes between companies in the industrial (including construction) and services sectors. For industrial companies there was a relatively greater percentage of training denoted to computers and machine operation/quality control. Services companies, in contrast, concentrated on sales/marketing, health/safety/environment and services.

Table 2.3
Number of hours on training courses by type

Type	Total Hours (‘000)	Total %	Industry %	Services %
Foreign Languages	98	1	2	-
Sales, Marketing	808	8	3	12
Accounting, Finance	368	4	3	4
Management, Administration	915	9	9	9
Secretarial, Office Procedures	197	2	1	3
Personal Development, Induction	980	10	11	9
Computing, Computer Application	1,715	17	22	13
Machine Operation, Quality Control	1,640	16	28	7
Health & Safety, Environment	1,992	20	13	25
Services (incl. Tourism, Driving)	800	8	1	13
Other	592	6	7	5
Total	10,105		4,433	5,672

Figure 2.3 shows the breakdown of total hours (3,592,000) spent on externally-delivered training courses according to the main type of provider. Private training providers made up the large majority of training course hours at 2,036,000 (57%). The education system, public training bodies and equipment suppliers were the other significant types of providers.

**FIGURE 2.3:
Providers of Externally-Delivered Training Courses**



2.3 Expenditure on Training Courses

Overall, companies spent €364 million on training courses in 1999. This figure takes account of direct costs, overhead and internal training costs, the labour costs of internal trainers and participants, and levy payments. Table 2.4 shows how the total cost was made up. The major components of costs were fees to external training providers (€118 million, 32%), the labour costs of employees while on training courses (€145 million, 40%), and the labour costs of company staff involved with training (€85 million, 24%). Relative to these costs, levy payments (€5 million) and grants/subsidies (€9 million) were very small.

**Table 2.4
Costs of Training Courses by Type (€Million)**

Fees to External Providers	118
Travel & Subsistence Payments	11
Labour Costs of Internal Training Staff	85
Costs of Premises, Equipment Etc.	8
<i>Total Direct Costs</i>	<i>223</i>
Labour Costs of Participants	145
Levy Payments	5
<i>Total Costs</i>	<i>373</i>
Less Grants, Subsidies	9
Total Net Cost	364

It is also of interest to examine the training course costs on a per-person-trained and per-hour-of-training basis. In total, the average cost per person trained was €1,450. In terms of course fees the average was €464 per person. The average cost per hour of training was €36. Of this, course fees amounted to €11.50.

For international purposes Eurostat presented costs in terms of purchasing-power standards (PPS) to allow for price differences between countries. Costs per employee are presented in Table 2.5.

Table 2.5
Training Course Costs (PPS) per Employee

Country	PPS
Denmark	1133
Sweden, Netherlands, Norway	868-892
France	752
Finland	698
Belgium	676
UK	630
Ireland	599
Luxembourg	593
Germany	505
Spain, Austria	365 - 385
Czech Republic	250
Portugal, Greece	230-240
Estonia	196
Slovenia	167
Bulgaria, Hungary	134-143
All others	<100

The highest spend per employee was in Denmark at 1133 PPS. This was significantly greater than the next group of countries, Sweden, Norway and the Netherlands at 868-892 PPS. Another four EU countries were also higher than the Irish average spend of 599 PPS. Thus, Ireland ranked ninth in terms of average spend per employee, only 53% of the average spend of Danish firms. All other countries spent smaller average amounts, declining to levels of less than 100 PPS per employee in four candidate countries.

A widely used measure of the extent of expenditure on training courses is the percentage of labour costs spent on training courses. These figures are presented in Table 2.6 which shows the total position and that for five main sectors of the economy; manufacturing, construction, wholesale/retail, financial services and other services. The figures range from 3.6% for the UK down to 0.5% for Romania. Towards the top of the list, we find Denmark, 3%, the Netherlands and Sweden at 2.8% with France, Ireland and Finland all at 2.4%. Other countries spent under two percent, including Germany, Spain, Belgium and Norway in the 1.5 – 1.7% range.

Considering the data by sector shows that in most countries the percentage was highest in the financial services sector. The other services sector also had a relatively high score in a number of countries including Denmark, Luxembourg, the Netherlands and Sweden. Ireland shared second spot in manufacturing at 2.6% with Denmark and Sweden (all significantly below the UK figure) and, unlike most countries, Ireland had a higher score in manufacturing than in other sectors. This may be due to the large presence of multi-national firms in the manufacturing sector in Ireland. It may also be due to the on-going influence of the (former) Levy/Grant system run by FÁS which applied in manufacturing and construction but not the services sectors. It may also reflect different size mixes of companies by sectors in different countries. The lowest scoring sectors in most countries were construction and retail/wholesale.

Table 2.6
Percentage of Labour Costs Spent on Training Courses by NACE

	Total	Manufacturing	Construction	Retail/Wholesale	Finance	Other Services
UK	3.6	3.6	4.4	3.5	3.2	1.4
Denmark	3	2.6	2.4	2	4.4	5.2
Netherlands	2.8	2.3	2.3	2.2	5.4	3.3
Sweden	2.8	2.6	1.9	2	3	3.3
France	2.4	2	0.8	1.8	3.3	2.6
Ireland	2.4	2.6	0.9	1.4	2	2.5
Finland	2.4	2.1	1.4	2	3.1	3
Luxembourg	1.9	1.9	0.4	1.5	2.5	4.3
Czech Republic	1.9	1.4	1.1	1.4	5	3
Estonia	1.8	1	1.2	3.7	4.8	1.6
Norway	1.7					
Belgium	1.6	1.5	0.6	1.4	2	2.1
Germany	1.5	1.3	0.4	0.9	2.5	1.9
Spain	1.5	1.4	0.5	1.3	2.5	1.4
Austria	1.3	1.1	0.7	1.3	3.7	1.1
Slovenia	1.3	1.2	0.3	0.7	2.6	1.6
Portugal	1.2	1	0.2	1	2.6	1.6
Hungary	1.2	0.9	0.8	1.1	1.7	1.8
Latvia	1.1	0.5	0.4	1.2	2.9	1.3
Bulgaria	1	0.3	0.2	0.7	1.1	0.4
Greece	0.9	1.2	0.2	1	1.4	0.8
Lithuania	0.8	0.6	0.4	0.5	1.6	0.8
Poland	0.8	0.8	0.6	0.9	1.7	0.9
Romania	0.5	0.3	0.3	0.2	1.1	0.5

In most countries, larger companies (250+employees) spent a higher percentage of their labour costs on training courses. Thus whereas only four countries had average percentages of over 2.5% for all companies, eight countries (including Ireland) had large companies on average spending over 2.5%. The difference between large and small companies varied considerably between countries. The largest difference was in Portugal where large companies on average spent 6 times more than small (10-49) companies. France, Spain and several candidate countries had 3 times higher spend in large than small companies. Much lower differences (30-50%) were found in Denmark, Ireland, Finland and Sweden. The UK, exceptionally, had a lower rate for larger than small or medium-sized countries. In general, these findings suggest that countries that spend relatively highly on training courses are those where the spending gap between large and small companies is relatively low.

CHAPTER 3

Training of Employees

3.1 Number of employees attending training courses

About one quarter of a million employees attended training courses during 1999, 41% of all employees covered in the survey. Of these, 108,000 worked in large companies, 78,000 in medium-sized companies and 65,000 in small companies. As would be expected, employees in large companies had a greater participation rate in training courses (57%) compared to 41% for medium-sized companies and 28% for small companies. Males accounted for 136,000 of those on training courses, females 114,000. There was not a major difference in the participation rates of men and women on training courses. The male rate was 40% and the female rate a little higher at 43%.¹⁰

Table 3.1 shows the percentages of employees across countries who participated in training courses in 1999, in total and by gender. Sixty-one percent of employees in Sweden attended training courses while around half of employees attended them in the other three Nordic countries and the UK. France had the next highest rate at 46%. In four countries, including Ireland, the percentage was 41% of employees. Below these come a group of middle-European countries including Germany, where one third of employees received training. It is important to recognise that the relatively low rates in Germany and Austria may reflect the pervasiveness of their apprenticeship system. Apprentices are not included in the CVTS survey. The percentages then fell steadily down to Romania and Lithuania at the bottom.

¹⁰ On a sector and size group detailed basis, there were considerable variations between male and female participation rates. Males had a greater participation rate in more than half of such groupings. However, higher female rates were found in some of the largest sectors and this led to the higher rates for females overall.

Table 3.1
% of Employees on Training Courses

Country	Total	Male	Female
Sweden	61	60	61
Denmark	53	52	54
Finland	50	48	53
UK	49	50	46
Norway	48	40	66
France	46	48	44
Ireland	41	40	43
Belgium, Czech, Netherlands	41	45	35
Luxembourg	35	34	39
Austria, Slovenia, Germany	32	-	-
Spain	25	25	26
Bulgaria, Estonia, Hungary, Latvia, Poland, Portugal, Greece	12-19	-	-
Lithuania, Romania	8-10	-	-

(Figures left blank where pattern varied considerably between countries)

In relation to the gender breakdown, in most countries with high levels of training course participation, females were more likely to attend training courses than males. However, in many of the lower training countries the position was reversed. In fact, overall, there were about the same number of countries with higher and lower female training course participation rates.

3.2 Duration of Training

Employees spent 1.4 million days on training courses during working time in 1999.¹¹ This represented 0.9% of their working time during the year. For small and medium-sized companies the percentage was 0.8%, for large companies it was 1.2%.

The average number of days on training courses per employee in 1999 was 2.4. The figure varied according to size of company and sector. As would be expected, employees in larger companies spent more time on training courses (3.2 days p.a.) compared to medium (2.1) and smaller companies (1.9). In relation to sector, the same pattern as for other tables emerged with manufacturing and some services sectors having higher levels (Table 3.2).

¹¹ Companies gave data in hours but this has been converted to days on the basis of 7 hours = 1 day.

Table 3.2
Days spent on Training Courses per Employee by Sector

Chemicals	2.5
Engineering	3.1
Other Industry	2.2
Construction	1.1
Distribution	1.4
Transport, Communication	1.8
Financial, Business Service	2.5
Other Services	3.8
Total	2.4

Table 3.3 shows the average number of training course hours per employee, by gender, across countries. Denmark topped the list with 22 hours per employee. Ireland was in joint fourth place at 17 hours (i.e. about 3 days) while most other EU countries also came in the range 11 to 19 hours (i.e. 2-3 days) per employee. Apart from the Czech Republic, other candidate countries scored relatively poorly at between 4 and 8 hours per employee.

Table 3.3
Training Course Hours per Employee

Country	Total	Male	Female
Denmark	22	16	30
Sweden	19	19	18
Finland	18	18	17
Ireland	17	16	18
France	17	18	14
Norway	16	13	23
Netherlands	15	17	13
Luxembourg	14	14	13
UK	13	14	12
Belgium	13	-	-
Spain	11	11	11
Czech Republic	10	11	9
Austria, Germany ¹²	9	10	7
Others	4-8	-	-

Table 3.4 shows the percentage of companies that provided various kinds of training to four different categories of employee. This shows up some interesting differences. In particular, management and professional staff were most likely to receive their training through attendance at training courses (50% of companies) or conferences,

¹² Gender breakdown refers to Germany.

workshops etc (48%). Although only relating to a minority of companies, they were also more likely than any other group to be involved with learning/quality circles (14%) or self-learning (12%).

In contrast to this, on the job training was the most common method for clerical, sales, catering etc. workers (42% of companies) and also for craft and other ‘blue collar’ workers (50%). A higher proportion of companies provided off-the-job forms of training (training courses or conferences) for clerical-type employees than for craft/manual workers. The use of job rotation and similar training practices was most commonly used for craft/manual workers with 28% of companies doing this.

Many companies do not employ technicians so the low figures for this group probably reflects this fact rather than a low likelihood of training for this group. Nevertheless, it is interesting that both training courses (28%) and on-the-job training (24%) were of roughly equal importance in technician training.

Table 3.4
% of companies that Provided Training to Different Types of Employees

	Training Courses	On the Job Trg.	Job Rotation, Exchanges, Secondments	Attendance at Learning/ Quality Circles	Self-Learning through open and distance learning	Conferences, Workshops, Lectures and Seminars
Managers and Professional Staff	50	32	14	14	12	48
Technicians	28	24	5	9	9	15
Clerical, Sales, Catering and Other Services	41	42	22	11	10	23
Craft, semi-skilled and unskilled workers	29	50	28	10	4	12

CHAPTER 4

Companies Training Policies and Practices

All companies were asked a series of questions about their human resource development policies and practices. In addition, companies which did not undertake any training in 1999 were asked to indicate the reasons why.

4.1 Human Resource Development Policies and Practice

Overall, only just over half of companies (52%) stated that they assessed their future development and/or skill needs in 1999. Seventy percent of employees worked in such companies. Four in five large companies answered positively to this question, as did three-quarters of medium-sized companies and a little under half of small companies. A higher proportion of companies stated that they assessed the skills and training needs of their employees. Two-thirds in total did so, of which most did it for all their employees although a small percentage did it only for management/supervisory staff.

Companies were asked whether they had needed to obtain or develop new skills during the previous three years and, if so, how they had done so. In total 10,300 (72%) companies answered 'yes' to this question. As would be expected, nearly all large companies and over 90% of medium companies answered 'yes'. But one in three small companies stated 'no'. Table 4.1 shows the percentage of responses to each of six possible mechanisms suggested in the questionnaire (companies were asked to tick up to three methods).

Table 4.1
Ways in Which Companies Developed or Obtained Skills by Size (%)

	Small	Medium	Large	Total
Experience in the Job	83	86	67	83
Training existing employees	72	91	88	76
Apprenticeship training	18	34	20	21
Training of unemployed recruits	18	12	28	17
Recruiting other unskilled and training them	16	15	32	17
Recruiting people with skills needed	30	44	47	33

(Note: Only refers to companies that had developed or obtained new skills. Companies could tick up to three methods.)

In general, the most common mechanisms were learning through experience in the job (83%), and the training of existing employees (76%). After that, one-third of companies recruited persons with the skills they needed. Approaches involving recruiting persons and then training them, whether through apprenticeships or other means, were less widely used. It is also interesting, and in accordance with

expectation, that larger firms were more likely to use formal training approaches, both with existing and new employees, and less likely to rely on learning through experience.

Four in ten companies had a training plan (written or otherwise) in 1999. Nearly nine in ten of the larger companies did so, but this proportion fell to two in three of medium-sized companies and only just over one in three of small companies. For companies that had a training plan, a list of possible reasons were given and they were asked to tick as many as applied. The results are shown in Table 4.2.

Table 4.2
Reasons why Companies had a training plan
(% answering)

Reason	%
Training is a matter of permanent discussion/agreement between management and employees	89
To obtain certification/accreditation (eg. ISO 9000, Excellence through People)	42
To obtain commitment of management	61
To comply with the law or collective agreements	36
To obtain EU financial support	1
To obtain other finance (eg. FAS, Enterprise Ireland)	8

(Note: Refers only to companies without a training plan. Companies could tick as many answers as they wished.)

The most commonly cited reason for having a training plan was that it reflected the on-going commitment of the company to training. Related to this was the benefit, in terms of maintaining the commitment of management, of having a formal plan. The usefulness of a formal plan for ISO 9000/Excellence through People was also stated by a significant proportion of companies. Smaller numbers referred to collective agreement or funding reasons.

The companies that did not have a training plan (nearly six in ten) were also asked why in terms of a list of five possible reasons. These are presented in Table 4.3.

Table 4.3
Reasons why Companies did not have a training plan

Reason	% Responses
No need for a training plan (eg. too small company)	67
Up to individual employees to train in own time	6
Training only provided when requested by employees or supervisors	12
No time to develop a training plan	20
Insufficient expertise to develop a training plan	13

(Note: Refers only to companies without a training plan. Companies could tick as many answers as they wished.)

For the majority of companies, their principal answer was that they did not see the need for a training plan, usually because they were too small. Other reasons given by a small percentage of companies related to a lack of time or expertise to draft a plan. Some companies also took an ad-hoc approach where training was organized in response to specific requests from employees or supervisors. Interestingly, few companies regarded employee training as not being relevant to them and a matter only for the employee him/herself.

Whereas 40% of companies had a training plan, only 24% of companies had a specific training budget which included provision for continuing vocational training. Large companies stood out in this area with 85% having a training budget. They also stood out in respect of having an internal training centre (80%), whereas the overall percentage of companies with an internal training centre was 13%.

It is important to recognize that while the percentage of companies with a training plan or training budget may be relatively small, the percentage of persons working in such companies is greater. Thus, nearly 400,000 (65%) employees in the survey worked in companies with a training plan, and 315,000 (52%) in companies with a budget for training.

Table 4.4 shows the international position in respect of training plans and training budgets. The UK scores highest in respect of training plans with 64% of companies. Ireland and France rank next with four out of ten companies having a training plan. In relation to training budgets much fewer Irish companies (24%) had them. In this respect France and Sweden scored highest at about half of all companies.

Table 4.4
Percentage of Companies with Training Plans and Training Budgets

	Training Plan	Training Budget
United Kingdom	64	31
Ireland	42	24
France	41	55
Slovenia	38	37
Norway	27	31
Finland	26	29
Sweden	25	49
Denmark	25	28
Netherlands	24	24
Luxembourg	23	19
Czech Republic	23	16
Germany	22	17
Spain	16	8
Estonia	12	12
Hungary	12	7
Greece	11	10
Portugal	9	5
Other	5-7	4-7

Companies were asked about changes to their business in 1999. This was because such changes might have given rise to skill/training needs. Table 4.5 shows the percentage of companies that responded 'yes' to four types of possible changes.

Table 4.5
Changes Affecting the Company in 1999

Type of Change	% 'Yes'
Technologically new or improved products/services	56
Technologically new or improved methods	45
Mergers, take-overs, restructuring	8
Other major organizational changes (eg. management procedures, quality control)	24
None of these changes	33

(Note: Companies could answer 'yes' to as many of these changes as they wished.)

One third of companies had not been affected by any of these changes in 1999. However, over half had introduced technologically new or improved products or services while just less than half had used new and improved methods of production. These findings suggest that companies experienced a significant amount of change during the year.

4.2 Non-Training Companies

One in five companies provided no continuing vocational training for their employees in 1999. To try to understand the reasons for their non-training, these companies were given a list of seven reasons and asked to tick up to three of them which applied. The results are given in Table 4.6.

Table 4.6
Reasons for Not Providing CVT (%)

Reason	% Responding
Existing skills meet needs of company	89
Already recruited people with necessary skills	77
Too busy, no time for training	18
Trained in previous years, not needed in 1999	0
Difficult to assess company's need for CVT	13
Initial training (eg. apprenticeship is sufficient)	36
Training costs are too high	0

(Note: Refers only to non-training companies. Companies could tick up to 3 answers.)

The results are interesting in that most companies did not train because they saw no need to, not because of cost or time reasons.