

Training in Companies – How Does Ireland Score?

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Executive Summary

The importance of company training, both for competitiveness and individual career development, is widely recognised. At the EU level the Employment Guidelines for 2002 are among several documents calling for greater investment in employee training. At a national level, the Programme for Prosperity and Fairness, the Expert Group on Future Skill Needs and FÁS in its Strategy 2002-2005 have all emphasised the need for greater efforts in the area.

In this context, this report aims to present statistical data comparing the position in Ireland and other countries. The principal source is the Eurostat-sponsored survey of continuing vocational training in 1999 known as 'CVTS2'. In addition, other data published by the OECD is also summarised.

The CVTS2 survey covered 25 European countries and related to companies employing 10 or more persons in industry and the services sector. A number of quantitative indicators of training activity were measured and 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 Eastern European countries.

The OECD results, based on a composite index of training from four sources, shows Ireland at around the OECD average. The OECD also identifies some of the other features of training participation in most countries, including Ireland, such as the relatively low participation of older persons, less-educated persons and those working in small companies and certain sectors such as construction and retailing.

This report concludes with certain policy indications. It notes that though Ireland's current overall position is satisfactory, the on-going need to move up the value-chain and become a knowledge-based economy means that increased training of the workforce is required. This point is reinforced by the efforts of other countries to

increase training of the employed – Ireland will fall behind in the rankings if it does not increase its level of activity.

For both economic and social reasons, the current inequalities in participation in training need to be addressed. State intervention is needed to promote more equal access. A particular effort is needed to enable those employees with poor educational qualifications and no recognised vocational qualifications to acquire a qualification. Cost or other barriers to doing so should be removed. Further efforts are also needed to address the barriers facing small firms in providing training. Finally, the report recommends the continued gathering of statistical information on training in companies and the setting of targets to increase training levels.

Introduction

The importance of company training, for both business success and employee development, has been widely recognised nationally and internationally. The European Union's Employment Guidelines for 2002 emphasise the need for greater investment in this area. The establishment of the National Training Fund in 2001 provided a new funding mechanism for public investment in training. The Programme for Prosperity and Fairness highlighted the need for increased efforts in the whole area of life-long learning – an important part of which relates to employee training. The Expert Group on Future Skill Needs published in 2000 a report proposing additional measures to enhance in-company training. FÁS, in its Strategy 2002 – 2005, indicated that it will significantly increase expenditure in this area during the period.

It is in this context that policy-makers look to statistical data to assess the existing situation. Comparative international data was non-existent before 1990 but several data collection efforts have been undertaken during the last decade under the auspices of the EU and OECD. These have been published in a number of reports and were summarised in a report by the OECD in 1999.¹ More recently, the EU, through Eurostat, has mounted a second survey of continuing vocational training, commonly known as CVTS2. This provides a new source of comparative data on company training, and hence an opportunity to assess Ireland's comparative position vis-à-vis other European countries. The main objective of this report is to present this data and this is done in Part I. However, it was also decided that it would be useful to provide a summary of the other international data, as this sheds light on some further aspects of interest. This is done in Part II. The report ends with some conclusions.

¹ Training of Adult Workers in OECD countries: Measurement and Analysis, OECD Employment Outlook, June 1999, OECD, Paris.

Part 1: Company Training in Europe 1999

Part I of this report is based on an European Commission-organised survey of company training in 25 European countries.² The survey related to training activities in 1999. In Ireland the survey was conducted by FÁS, in co-operation with the Central Statistics Office and Enterprise Ireland, and the results published in 2001.³ The survey was two-thirds financed by the European Commission. Results are now available for 24 of the countries and have been published in three summary reports by Eurostat.⁴ This enables a comparison between the results for Ireland and those for other European countries and this is what is done in this part. The aim is to benchmark Ireland's performance compared to other European countries. It should be noted that all countries used the same questionnaire and methodology and that the survey related to companies employing 10 or more persons in all sectors except agriculture, health, education, defence and government. Training for apprentices and similar trainees was excluded.⁵ Despite attempts to ensure comparability, there are inevitably some sampling errors and non-response biases that mean that a margin of error applies to the results.

Results

Companies that Provided Training

Table 1 shows the percentage of companies that provided some training for their employees in 1999.

² All members of the European Union, nine candidate countries and Norway.

³ Company Training in Ireland, M. Doyle, R. Fox, FÁS, 2001.

⁴ First Survey of Continuing Vocational Training in enterprises in candidate countries, Statistics in Focus, Theme 3-2/2002, Eurostat; Continuing Vocational Training in Enterprises in the European Union and Norway, Statistics in Focus, Theme 3-3/2002, Eurostat; Costs and funding of continuing vocational training in Europe, Statistics in Focus, 3-8/2002, Eurostat.

⁵ More detail of the methodology is given in the Irish national report by Doyle and Fox.

Table 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 1993.⁶ 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.

Large companies (250 employees or more) were very likely to provide some training. In 15 countries, including Ireland, nearly all (95%+) large companies provided training. Equally, in nine countries (including Ireland), 90% or more of medium-sized (50-249 employees) companies provided training. It was in relation to small companies (less than 50 employees) that a fall-off in training occurred in most countries. Denmark was the exception with 95% of even small firms providing training. Ireland was sixth in this comparison at 75%.

In relation to sectors, in most countries the highest percentage of training companies was found in the financial services sector. By contrast, manufacturing and the

⁶ Company Training in Ireland, R. Fox, FÁS, 1995.

‘other’ sector (which included construction, hotels, restaurants and transport) had low rates. Interestingly, Ireland was the only country where the percentage of companies providing training was as high in manufacturing (90%) as in financial services (90%).

The survey covered six different types of training from training courses, through on-the-job training to self-learning. The results showed up a variety of patterns with Irish companies showing a relatively greater preference for methods other than courses. Table 2 shows some illustrative results. Particularly notable was that Irish companies were more likely than any other country to use on-the-job training and job rotation/exchanges. On the other hand, Ireland was relatively low for self-learning and training courses. While some of these differences may reflect different understandings of the concepts across international boundaries, they suggest that Irish companies placed a particularly strong emphasis on work-based training options.

Table 2
% of Companies using Different Forms of Training

	Denmark	Netherlands	Germany	UK	Ireland	Ireland
Type of Training					%	Ranking
Training Courses	88	82	67	87	56	8th
Conferences, Workshops	78	72	85	59	73	5th
On-the-Job Training	56	72	75	73	95	1st
Job Rotation, Exchanges	32	19	6	40	48	1st
Learning Quality Circles	30	22	16	27	22	8th
Self-Learning	75	45	19	35	25	9th

Employee Participation in Training Courses

Because training courses are more easily measured than other forms of training, most of the quantitative results of the survey relate to training courses. However, in view of the finding of the previous section, this may give countries such as Ireland which use other methods of training more strongly a lower apparent ranking than they deserve.

Table 3 shows the percentages of employees 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.

Table 3
% 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. In Ireland females were more likely to be trained. This reflects their higher rates in some of the largest sectors.

Table 4
% of Employees on Training Courses by Size of Company

Company Size	Ireland	UK	Sweden	Denmark	Germany	Belgium	Netherlands
Small (10-49)	28	35	51	48	25	20	36
Medium (50-249)	41	44	53	50	27	39	42
Large (250+)	57	52	67	55	35	59	43

In respect of company size, employees in larger companies were more likely to attend training courses. Table 4 shows the position for a few countries. In no country, in fact, was the participation rate not higher in large companies, though the position in Denmark and the Netherlands was relatively equitable. Ireland and Belgium were strongly inequitable with persons in large companies two or three more times likely to attend training courses. Finally, Table 5 shows the position by main sector of activity for Ireland and a small number of countries. In line with the pattern noted above, financial services had the highest rates of training course participation. In Ireland, the inter-sectoral differences, at this level of aggregation, were not very large. Comparing ourselves with the Czech Republic, for example, both countries had an overall participation rate of 41% but the Czech rate varied from 70% in financial services to 24% in social/personal services. The Irish rates ranged from 30% to 52%. Otherwise, however, the Irish patterns seemed to be similar to those in other countries.

Table 5
% of Employees on Training Courses by Sector

Sector	Ireland	Sweden	Denmark	UK	Germany	Czech
Manufacturing	45	62	47	41	30	42
Wholesale, Retail, Motor	30	55	56	60	27	26
Financial Services	52	83	64	37	42	70
Other Business Services	45	65	58	57	34	36
Social, Personal Services	41	56	59	27	38	24
Other (incl. Construction, Catering, Transport)	43	56	48	57	31	48
Total	41	61	53	49	32	41

Training Course Duration

The total number of hours spent on training courses was found in the survey. This allows two comparative indicators to be derived; the number of hours on training courses per participant and the number of hours on training courses per employee. Table 6 presents the former indicator. Average training course hours per participant ranged from 24 to 42.

Table 6
Hours on Courses per Participant

Country	Hours
Spain, Romania	42
Denmark, Lithuania	41
Ireland	40
Luxembourg, Greece	39
Portugal, Hungary	38
Netherlands	37
Finland, France	36
Bulgaria, Latvia	34
Norway	33
Belgium, Estonia, Sweden	31
Austria, Poland, Germany	27-29
UK	26
Czech Republic	25
Slovenia	24

It is notable that there was little relationship between average duration (Table 6) and participation rates (Table 3). Some of the lowest countries in terms of participation rates had the highest average duration (Spain, Romania, Lithuania). High participation countries such as Sweden, the UK and the Czech Republic had low average durations. This indicates that a more useful measure of overall training effort would be training course hours per employee and this is presented in Table 7. This measure, which in effect takes account of both the percentage of employees receiving training courses and their average duration, provides a good indication of training course effort and shows that 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 7
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 ⁷	9	10	7
Others	4-8	-	-

The differences in training hour duration per participant between males and females were small in most countries. In five countries the female duration was higher than the male rate whereas in twelve countries the male rate was higher. Denmark and Norway showed major differences with women averaging 14 and 10 more hours than men. In countries where male hours exceeded female, the differences were not large – at most 4 hours per employee.

Expenditure on Training Courses

Expenditure on training courses was calculated including direct costs such as course fees and indirect costs such as the staff costs of internal trainers and the labour costs of trainees while on training courses. Levy payments and subsidies were also taken into account in constructing total costs. Costs are those borne by companies, not total costs. Eurostat presented costs in terms of purchasing-power standards (PPS) to allow for price differences between countries. Costs per employee are presented in Table 8.

⁷ Gender breakdown refers to Germany.

Table 8
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.

Comparing the data in Tables 7 and 8 shows that, in general, the cost of training courses per employee relates to the average number of hours of training courses per employee. However, there were some differences, which reflect different relative levels of cost per training course hour. In particular, the Irish cost per hour was relatively low whereas those for Germany and the Netherlands were relatively high. These figures are shown in Table 9. The highest costs per hour were in Germany and Norway at 59 PPS. These were 64% higher than the average Irish rate. Indeed, Ireland ranked joint 12th in terms of cost per hour.

Table 9
Training Course Costs Per Hour

	Cost	Components of Cost		
	Total (PPS)	Direct (%)	Labour Costs (%)	Net Grants (%)
Germany	59	56	42	2
Norway	59	61	39	0
Netherlands	57	60	40	0
Belgium	53	40	57	3
Denmark	52	56	44	0
UK	49	77	22	2
Sweden	47	57	47	-4
France	45	40	49	11
Austria, Luxembourg	40-42	60	40	0
Finland	39	56	46	-2
Ireland, Spain, Portugal	36	61	39	0
Estonia, Hungary, Bulgaria	30-33	42	32	26
Czech, Latvia, Poland, Slovenia	21-24	63	38	0
Romania, Lithuania	13-16	56	44	0

Note: Percentage distributions shown for Austria, Ireland, Hungary, Czech Republic and Lithuania. Net Grants equals contributions/levies less grants/subsidies.

Table 9 also shows how the cost per hour is broken down between direct costs (fees, materials and facilities), labour costs of participants and the net balance of contribution/levies and grants/subsidies received. A positive value for this latter measure indicates that enterprises contributed to Government or sectoral funds more than they received. In general, with the exception of France and Hungary, these contributions were small.

The balance between direct costs and labour costs varied, but for many countries was roughly 60:40. Ireland fell into this pattern. France and Hungary had a low proportion of direct costs – this may reflect lower course fee costs due to subsidisation of providers – while the UK had a high proportion. In general, it is important to emphasise that the costs shown in the statistics are those borne by companies, and do not include any other costs borne by Government or individuals. Thus, they are not the full (national) costs associated with company training.

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 10 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. It is interesting that Germany and Norway scored relatively lowly on this measure despite having a high ranking on training course expenditure per employee (Table 9). This must be due to relatively high labour costs per employee. Ireland, on the other hand, scored relatively higher on percentage of labour costs compared to the per employee measure.

Considering the data by sector shows that in most countries the percentage was highest in the financial services sector. This result is in line with the earlier findings of this report that the financial sector had the most training activity. 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. The national Irish report showed that, all things being equal, foreign-owned firms engaged in more training than indigenous firms.⁸ 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.

In most countries, larger companies (250+employees) spent a higher percentage of their labour costs on training courses (Table 11). 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.

⁸ Company Training in Ireland 1999, R. Fox, M. Doyle, FÁS, Page 10.

Table 10
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

Table 11
Percentage of Labour Costs spent on Training Courses by Size of Company

Country	Small	Medium	Large
Belgium	1	1.6	1.9
Denmark	2.4	3.3	3.1
Germany	0.9	1.4	1.7
Greece	0.3	1.4	1
Spain	0.7	1.1	2.1
France	1	1.8	3
Ireland	2.1	2.1	2.9
Luxembourg	1.2	1.2	2.8
Netherlands	1.6	2.5	3.7
Austria	1	1.2	1.6
Portugal	0.3	0.8	2
Finland	1.8	1.9	2.8
Sweden	2.1	2.1	3.2
UK	3.6	5.9	3.1
Norway	-	-	-
Bulgaria	0.4	0.2	1.4
Czech Republic	1.1	1.6	2.3
Estonia	1.6	2.3	1.6
Hungary	1.1	1	1.3
Lithuania	0.4	0.5	1.2
Latvia	1.3	0.8	1.3
Poland	0.6	0.6	1.2
Romania	0.2	0.2	0.6
Slovenia	0.9	0.9	1.6

Finally, we present information on the extent to which companies had training plans and training budgets which included provision for continuing vocational training. Table 12 presents the results.

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 12
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

Part 2: Training of Adult Workers in OECD Countries: International Comparisons

The OECD Employment Outlook 1999 contained an article on training of adult workers in 24 OECD countries.⁹ The article draws on four sources of data about the extent of training of workers in OECD countries. These are the EU CVTS survey of employers in 1993, the Labour Force Surveys undertaken in 18 countries in 1997, the International Adult Literacy Survey conducted in 14 OECD countries in 1994/95, and OECD/INES statistics for 9 countries. These surveys are based on different definitions and coverage and often give different results. The approach in the article is to construct an average result across the surveys and use this as a way of comparing countries' performance. This is, admittedly, a less-than-perfect approach, but in most cases it provides broadly consistent results.

The article presents the actual data for each country from each survey, and the average score for each country compared to the OECD average. Table 13 overleaf presents a summary of how countries rank in terms of participation (i.e. the percentage of employees receiving training) and volume (i.e. the total hours of training per employee) per annum. Highest scoring countries are in Scandinavia, the UK, France, Australia and New Zealand while lowest scores are found in Southern European countries. Ireland scores around average, 10% more in relation to participation and 10% less in terms of volume. In relation to participation, Ireland ranks sixth among EU countries, and it ranks tenth in relation to volume.

⁹ Training of Adult Workers in OECD Countries: Measurement and Analysis, OECD Employment Outlook, June 1999, OECD, Paris.

Table 13
Cross-Survey Index Participation Rates (Mean=0)¹⁰

	Participation	Volume
Finland	150	30
Sweden	120	-60
UK	120	60
Denmark	110	90
France	90	180
New Zealand	80	150
Iceland	80	-10
Australia	40	140
Netherlands	30	80
Norway	20	-90
Ireland	10	-10
USA	10	-10
Austria	-10	30
Switzerland	-30	-170
Luxembourg	-60	-100
Germany	-70	20
Belgium	-70	-90
Hungary	-70	-40
Others ¹¹	- 70 to -130	-110 to +50

The article then goes on to examine who gets training. In relation to gender, for the OECD as a whole about the same proportion of female workers as male workers obtain training in any year. In Ireland, however, females are more likely to receive training than males. Ireland ranks third in the OECD in this respect. (The CVTS2 data in Part 1 also shows female employees were more likely to attend training courses.)

In most countries younger workers are more likely to receive training than older workers – on average over twice as likely. In only a few countries (e.g. Denmark, Norway, USA) is an even age distribution found. Ireland ranks ninth in this regard with younger workers being 80% more likely to receive training.

In all countries better educated persons receive more training. On average in the OECD a person with a university degree is seven times more likely to receive training than someone who left school before completing secondary education. In Ireland the likelihood is three times, meaning that Ireland ranks relatively well in terms of equality of access on this dimension. The least unequal countries (Netherlands, Sweden) had double the participation rate for university graduates than early school leavers. Similarly, those with lower literacy levels are less likely to receive training.

The article calculates total career or job-related training for individuals during a 40-year life span from 25 to 64 years of age. This takes account of periods of

¹⁰ Results are standardised with mean zero and variance 100.

¹¹ Others include Spain, Canada, Italy, Portugal, Poland and Greece.

unemployment or other absence from working life. In total, training hours amount to 1,288 – i.e. 32 weeks. The Irish figure is 1,261; close to the OECD average. Because in most countries women are at work for a shorter time than men, on average they only receive 79% of total training hours as men. However, in Ireland, because female training rates while working are higher than male, female working life training hours are also higher.

The article then considers other factors influencing participation in training. As well as age, gender and education level, workers in large firms, or workers in the public sector, are more likely to receive training, while workers on temporary contracts or in part-time work are less likely to receive training.

The article also reviews different countries' policies for encouraging training of the employed but finds no clear evidence of which policies work best. However, a few conclusions are drawn as follows:

- “It is particularly striking that training rates are relatively low in countries where the literacy scores of the adult population are lower and more unequal. A key step in encouraging worker training is to ensure that all individuals enter the world of work with the basic knowledge and learning skills needed to ensure their subsequent trainability.
- Another finding of potential importance for policy making is that a key distinguishing feature of high-training economies is that participation in training is more evenly distributed across age and educational groups. Policies enhancing the incentives and resources for investing in the continuing training of those workers who typically receive little training may, thus, be of particular importance.
- Internationally comparative research on worker training is not yet sufficiently advanced to assess the desirability of policies designed to affect training patterns more directly. Interventionist measures, such as mandatory training levies and direct provision of training have been tried in a number of Member countries. The now extensive evaluation literature on active labour market policies suggests that the effectiveness of any such measures will be dependent on good programme design and administration.”

Conclusions

International comparisons of training of the employed still suffer from various weaknesses. However, the general picture that emerges is broadly consistent. Ireland's performance is towards the top of the middle band of European/OECD countries – lower than the very high performing countries (e.g. in Scandinavia) but very much higher than the low-performing Mediterranean and EU-candidate countries. This is a satisfactory starting-point for Ireland but should not be regarded as sufficient. The Government's recent Employment Action Plan 2002¹² accepts the need for greater action in respect of lifelong learning and business investment in training on both economic and social grounds.

It is not the purpose of this report to review or suggest policy for the whole area of company training/lifelong learning. However, a few important points emerge from the data that are worth emphasizing:

- ❖ Although Ireland's current overall position is satisfactory, the on-going need for Ireland to move up the value-chain and become a knowledge-based economy means that increased training of those in the workforce is required.
- ❖ This point is reinforced by the efforts of other countries to increase training of the employed – Ireland will fall behind in the rankings if it does not increase its level of activity to keep pace.
- ❖ Within Ireland, as in many countries, the distribution of access to training by employees is far from equal. Persons working in small companies, in sectors such as construction and distribution, older workers, and those with lower education/literacy levels, all receive lower amounts of training. This is both socially inequitable and economically harmful.
- ❖ As the OECD report points out, those countries with a more equitable participation in training achieve better overall levels of training. Equally, as various authors have found, company investment in training is likely to accentuate rather than alleviate existing inequalities.¹³ Public intervention is therefore necessary to re-balance training investment decisions, to promote greater access across the entire skills and occupational structure, particularly among those in less skilled occupations.
- ❖ While policy has always attempted to reduce imbalances (for example, the FAS Training Support Scheme gave higher rates of grants to small companies), the evidence suggests that greater efforts are needed. The Employment Action Plan 2002 notes that during 2001/2002 there has been a strategic change of focus from predominantly firm-specific initiatives towards

¹² Ireland's Employment Action Plan, Department of Enterprise, Trade and Employment, April 2002, Section 2.5.

¹³ P O'Connell, 'Does Enterprise Sponsored Training Aggravate or Alleviate Existing Inequalities in Education', in *Training and Employment Dynamics: Transitional Labour Markets in the European Union*, Schmann, O'Connell (Eds), 2002.

more horizontal approaches. A major expansion of basic skills training, including literacy education, has commenced. However, this may need to be strengthened. Another area of need relates to those in less-skilled occupations. Employees with no recognized vocational qualifications, who left school before their Leaving Certificate, should be enabled to avail of education and training to acquire a qualification at no or minimal cost.

- ❖ Further efforts are also needed to address the barriers facing small firms in providing training. Improved flexibility of training course provision, open learning methods and work-based learning can all contribute to this goal. Similarly, flexible approaches to learning, including recognition for work-based learning, can help encourage older adults to learn and acquire recognized qualifications.

- ❖ The European Council and Commission response to Ireland in respect of the 2001 Employment Action Plan recommended increased emphasis on in-company training and lifelong learning, including the setting of targets. Targets, however, are meaningless without an ability to measure and monitor progress towards them. The lack of regular data in Ireland on employee or company training has, in the past, prevented such monitoring. However, the availability of a company-based survey such as the CVTS, along with recent analysis by Forfas of its own company data-base, should provide improved data. In addition, the re-introduction of questions on education and training into the Quarterly National Household Survey from this year will enable regular monitoring of participation trends across categories such as gender, age, educational qualification and sector of industry. It will also permit regular comparisons with other EU countries. Thus, it is recommended that during the next year targets and monitoring indicators in relation to company and employee training in Ireland should be established.