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Initial and Continuing Vocational Training Provided by Austrian Companies

Company Survey and Analysis of European Surveys

Key themes of the study were the benefits provided by Austrian companies in the form of CVET qualifications to their staff as well as their recruitment problems on the labour market and sector-specific qualification needs. A relevant survey was conducted between May and July 2008. Some 1,200 companies with ten employees or more took part in the survey. Apart from the specific written company survey, CVTS-3 and other European surveys were used as the basis.

Over 80 percent of companies active in IVET & CVET – the frequency depends on company size and sector

According to the *ibw* company survey, approximately 60 percent of companies with 10 or more employees were frequently active in IVET & CVET in the last business year (permanently or several times a year), some 25 percent were "occasionally/only rarely" active in the sense of organised enterprise CVET. The highest CVET intensity is found in the banking and insurance sector, the electric/electronic industry, and motor vehicle sale.

Apart from the respective sector, also the company size determines CVET activities. Practically all large enterprises were frequently active in IVET & CVET (86 percent stated they were "permanently" active in IVET & CVET): Among small enterprises, 52 percent were frequently IVET & CVET active (of which 24 percent permanently) in the reporting year. Slightly less than 30 percent of small companies (10 to 49 employees) were "occasionally/only rarely" and the remainder not at all active in organised IVET & CVET.

Importance of informal learning on the job

Apart from organised CVET in the form of seminars and courses, either in-house or outside the company, various forms of informal learning on the job play a major role. The possibilities of many forms of informal learning to become effective, however, are in turn determined by the

company size. Whereas "instruction by superiors on the job" is of relevance in all companies, departmental and job rotation are, of course, a far more frequent phenomenon in large enterprises. 76 percent of large enterprises identify job rotation as the common form of learning in their companies, whereas this share is as high as 40 percent in small enterprises with between 10 and 49 employees.

Company growth and degree of internationalisation correlate positively with CVET intensity

CVET represents an integral function of corporate development processes (growth, changing of markets, etc.). Companies whose business activities are becoming increasingly international take IVET & CVET measures clearly more often (with 74 percent frequently IVET & CVET active) than companies acting on the domestic market (50 percent). Companies with growing business are clearly more IVET & CVET active (with 75 percent being frequently CVET active) than enterprises that have not been able to extend their business activities in recent years (with 34 percent being frequently IVET & CVET active).

Varied functions of CVET

CVET fulfils varied and complex functions in in-house HR development. On-the-job training and upgrading qualifications to given requirements constitute a major factor.

Similarly frequent is the function of adjusting qualifications in the company to constantly changing skills requirements. Among large enterprises with in-house labour markets and mobility opportunities, educational work boasts additional and strongly pronounced corporate functions. Thus, for example, the frequency of acquisition of higher qualifications by staff with special po-

tential rises from 43 percent in small enterprises to 79 percent in large ones. Also the promotion of teamwork and communication skills, entrepreneurial thinking, stress management, and fitness training by means of CVET measures shows company-size-specific differences.

TABLE 1:

Differences in assessment regarding CVET in companies broken down by size, in %
Tabled value: "Fully agree"

Statements regarding in-house CVET ...	Number of staff					<i>Difference large-small</i>
	10 - 49	50 - 199	200 - 249	250 - 499	500 and more	
Function of CVET						
Higher qualification of staff with special potential	43	57	61	75	79	36
On-the-job training for newly recruited staff	47	65	49	68	74	27
Better handling of existing tasks	58	72	76	83	85	27
Personal development and stability of staff	23	22	34	38	49	27
Improved teamwork and cooperation	42	51	53	52	67	25
Promotion of the staff's entrepreneurial thinking	39	46	44	56	64	24
Increasing CVET participation of unskilled and semi-skilled labour	17	23	34	34	36	19
Enhancing stress management, fitness training and health promotion	13	15	6	28	32	18
Increasing attractiveness as employer	38	40	47	60	55	18
Preparation for international work	7	11	7	17	24	17
Enhancement of loyalty to company	29	34	21	39	42	13
Creation and preservation of service- and customer-orientation	51	56	42	71	62	11
Adjustment / upgrading qualifications to innovations in the sector	57	62	58	71	66	9
Promotion of in-house innovations	30	30	34	35	34	4
Reward for good performance (CVET measures as a fringe benefit)	21	18	13	27	18	-4
CVET obstacles for the company						
Grants are insufficient; application procedures too complicated	36	33	30	19	22	-15
Lack of time due to staff's high workload	47	46	35	42	30	-17
Course fees / costs	24	18	14	12	3	-21
We have problems finding deputies when granting releases from work for CVET participation	37	30	17	21	15	-22
Too high costs for staff shortages	39	28	10	13	7	-32

* Additional answer options: "Partly agree", "Do not agree"

Source: *ibw* company survey May-July 2008 (companies with 10 or more employees)

Increasing CVET needs

61 percent of companies fully agreed with the statement: "Today we need more CVET than five years ago to be successful" (another 35 percent agreed partly). This correlates with increasing resource expenditure for the companies' qualification provisions. 58 percent of the companies believe that course fees and costs for CVET have risen. Almost half of responding enterprises stated that they are spending more money on CVET. Equally high was the proportion of interviewees according to whom time requirements for CVET have grown. Both percentages of agreement increase with company size.

Obstacles to enterprise CVET

Although both increasing expenses and growing time requirements for in-house CVET are mentioned frequently, answers to the question of obstacles signalling lack of time are given twice as frequently (46 percent) as those regarding course costs.

It is therefore not surprising that suggestions related to innovative time-economical concepts will frequently find consent in educational work.

- 41 percent of companies fully agreed with the statement: "It should be possible to save up extra hours for educational times over a longer period", 36 percent remained undecided, 23 percent opposed this statement.
- By far higher is the rate of approval by 72 percent to the statement: "To safeguard their employability, employees should increasingly take part in CVET in their spare time as well".

Building on the assumption – which is corroborated by the findings of the *ibw* company survey – that in-house CVET correlates positively with the companies' business and employment development as well as their degree of internationalisation, the importance of solving time-economical problems of in-house education work becomes visible.

This is further substantiated by the fact that, in recent years, companies have had to face bottlenecks on the labour market at almost all qualification levels. This phenomenon particularly affected expanding enterprises.

CVET-political grants

As regards grants, the companies' attitudes and demands related to the promotion of educational work

vary depending on company size. Thus, for example, 74 percent of small enterprises fully agreed with the statement: "Higher public financing is required for cost-intensive and longer-term CVET measures". Among large enterprises, still as many as 56 percent fully agree with this statement.

Small enterprises not only advocate more public funding for in-house CVET but also grants that can be administered more easily. 36 percent of small companies fully agreed with the statement: "Grants are insufficient; application procedures too complicated", among large enterprises the related share is a mere 22 percent.

Lack of information and motivation

12 percent of companies "fully agree" and 44 percent "partly agree" with having difficulties to find suitable in-house CVET course provisions, with relevant shares higher among small than among large enterprises. Hence a part of companies would need more guidance and information at least for certain courses. Although only slightly less than 10 percent of responding companies "fully agree" with lack of interest in CVET among staff as an obstacle to in-house education work, 61 percent of interviewees stated that lack of learning interest represented an obstacle at least in some occasions. Mainly where few additional career incentives are possible, lacking willingness to learn can become an obstacle.

European comparison

According to CVTS-3, Austria holds a top rank among European countries with a share of 81 percent of companies organising CVET measures. Among the nations for which results are available, only Denmark, the United Kingdom and Norway boasted higher shares of companies active in CVET.

Edge for young adults – backlog in late working age

However, when analysing the course participation rate of employees, we are exactly average: In a European comparison, Austria's course-form in house CVET rate with 33 percent of the staff of all companies with more than 10 employees is positioned at the country mean. Whereas major countries of comparison in the EU are affected by a declining CVET participation rate, a slight increase can be observed as regards Austria (from 31 percent in 1999 to 33 percent).

The Austrian companies' participation in CVET in 2005 with 36 percent of young adults can be rated as lying far above the country mean of 29 percent. In the prime working age, Austria is positioned just above the country mean of 33 percent. In a European comparison, as regards the late working age, the Austrian CVET participation rate is below the EU-27 country mean and loses more than other countries with a comparable participation in CVET in the prime working age. In a country comparison, the Austrian economy invests relatively more into young adults than in the workforce in their late working age. Here the connection to the relatively early retirement from working life becomes manifest.

Costs of course-form CVET

According to the survey, Austria's average participation rate was achieved with slightly above-average direct course costs (0.8 vs. 0.7 percent of labour costs in an EU-average). According to CVTS-3 (Statistics Austria), direct course costs make up 56 percent of the total costs for CVET courses, 44 percent of the total costs were costs due to loss of wages as a result of course participation, hence indirect costs. The indirect costs are not the outcomes of the survey but are estimates basing on education periods and average labour costs.

Small enterprises with special need for funding

Both in Austria and Europe-wide, a clearly positive correlation between company size and CVET participation becomes apparent. Small enterprises depend, as shown by CVTS-3, much more on external course provisions and guidance.

- Thus, for example, 64 percent of companies with 10 to below 50 employees exclusively handled their in-house CVET courses via external courses in the reporting year 2005, among medium-sized companies, the relevant share was 35 percent, among large enterprises this phenomenon affected merely slightly more than one quarter.
- Accordingly, 40 percent of large enterprises stated to have analysed the corporate qualification needs in the reporting year frequently, but only 6 percent among small enterprises.

It is hardly surprising that large enterprises (in CVTS: 250 and more employees) also show the respective highest shares of non-course forms of CVET in all rankings, with the highest differences becoming apparent – as can be expected – in forms of learning close to the workplace (e.g. job rotation).

Apprenticeship training correlates with demand for skilled labour

The *ibw* company survey reveals: Companies with a high demand for apprenticeship graduates frequently conduct training measures. Enterprises where rarely ever or no training is conducted, also have less relevant need for staff. The apprenticeship training system has already for many years been characterised by a double-faced problem. On the one hand, there is a lack of vacant apprenticeship slots, and on the other there are companies that have difficulties finding suitable candidates or can staff their apprenticeship posts only partly or not at all.

The results of the *ibw* company survey reveal a corresponding picture. Thus, for example, in the survey conducted in the summer of 2008, about 37 percent of companies that frequently conduct training "fully agree" with the statement that they would train more if more suitable candidates applied for a post; when including the answer option "partly", this figure amounts to 67 percent; only 33 percent denied the connection between the number of apprentices and the figure of apprenticeship applicants. In this context, hardly any differences regarding company size can be found. Additional measures are needed, such as an improvement of school-based basic education or the promotion of disadvantaged youth at the beginning and during training, but also additional training provisions in case problems arise on the apprenticeship post market.

The full (German-language) version of the study has recently been published (*ibw* Schriftenreihe no. 145, ISBN 3-902358-87-5) and can be obtained from the *ibw*, or [online](#).