European Centre for the Development
of Vocational Training

RESEARCH PAPER

No 4

Quality in VET in European SMEs

A review of the food processing, retail and tourism sectors in Bulgaria, the Czech Republic, Romania and Slovakia

Luxembourg:
Publications Office of the European Union, 2010

Quality in VET in European SMEs

A review of the food processing, retail and tourism sectors in Bulgaria, the Czech Republic, Romania and Slovakia

Luxembourg: Publications Office of the European Union, 2010

A great deal of additional information on the European Union is available on the Internet.
It can be accessed through the Europa server (http://europa.eu).

Cataloguing data can be found at the end of this publication.

Luxembourg: Publications Office of the European Union, 2010

ISBN 978-92-896-0648-6
ISSN 1831-5860
doi:10.2801/ 28845

The **European Centre for the Development of Vocational Training** (Cedefop) is the European Union's reference centre for vocational education and training. We provide information on and analyses of vocational education and training systems, policies, research and practice. Cedefop was established in 1975 by Council Regulation (EEC) No 337/75.

Europe 123, 570 01 Thessaloniki (Pylea), GREECE
PO Box 22427, 551 02 Thessaloniki, GREECE
Tel. +30 2310490111, Fax +30 2310490020
E-mail: info@cedefop.europa.eu
www.cedefop.europa.eu

Foreword

The main objective of this study is to investigate the circumstances under which small firms operating in specific sectors of economic activity in newer EU Member States make use of vocational training programmes designed primarily for their personnel. Of particular interest is the extent to which quality assurance approaches are incorporated in such measures. Three economic activities, one in the secondary sector and two in the tertiary sector (food processing, retail distribution and tourism), have been analysed in Bulgaria, the Czech Republic, Romania and Slovakia.

The study supplements, and draws comparisons with, the earlier Cedefop study *Quality in VET in European SMEs* featuring Germany, Ireland and Greece, three 'older' Member States that joined the EU at different stages of its evolution.

Cedefop has chosen to focus on the training needs, approaches and methods of SMEs for a number of reasons:

- SMEs dominate the European economy; according to Directorate-General Enterprise of the EU Commission, they number 23 million in total and account for more than 99% of all EU firms;
- SMEs are generally recognised as a cradle of innovation, industrial restructuring and experimentation; providing them with support in the present hard times is considered a necessity;
- SMEs are characterised by their adaptability to economic change, flexible working and opportunities to improve skills and qualifications; however they tend to carry out little training.

Cedefop also chose to focus its study on two of the three official categories of SMEs, micro and small firms, because of their numerical importance. Accordingly, the investigation did not include medium-sized firms with 50 to 249 employees, which account for only slightly more than 1% of all companies.

Indeed, micros, which are firms with fewer than 10 employees, constitute the backbones of the European economy since they account for over 90% of all firms, employ more than one-third of the European workforce and produce more than 20% of economic value added.

Small firms – i.e. those with up to 49 employees – form the second largest group, with about 1.3 million enterprises in 2005 (excluding agriculture, the public sector and financial services) employing around one-fifth of the workforce.

Micros and small firms are over-represented in the three sectors and in the four Member States under investigation. In terms of the share of total employment, the tourism and retail sectors, in particular, are dominated by micro enterprises, whereas in the food-processing sector it is small firms that dominate.

EU Member States, regions and sectors have been affected differently by the crisis, which has put European social and territorial cohesion under stress. Cedefop investigated the training needs and practices of small and micro firms in the selected four Member States in the study because these countries generally face greater challenges than the older Member States. They have to cope with both the impact of EU accession and the current negative economic and employment environment created by the financial crisis.

Crises hit different sectors in different ways and in the present crisis it appears that sectors and markets with less exposure to globalisation are in the best position. Food processing appears to be more resistant to the crisis than retail distribution and tourism, which in turn face much less serious problems than those faced by the automotive industry, construction or financial services. Nevertheless, for a sustainable entrepreneurial agenda, measures for start-ups, growth and innovation for small firms should be supplemented by action to address the issue of skills mismatch and competence development. This calls for closer cooperation between firms and service providers offering counselling, support and training.

Encouraging dialogue and partnerships between education/training and employers/enterprises is essential if the employability of individuals and entrepreneurial potential is to be improved. This view is reinforced in the 'eight key points for the recovery of Europe from the perspective of ministers responsible for education', adopted at the informal meeting of ministers for education in March 2009.

The study shares that view and covers associations active in tourism, retail and food processing as well as private training providers to investigate how they formulate and implement their training provision.

The study also questioned micro and small firm owners about the relevance and quality of the training received and about their perceptions of the training they need. It is important to note at this point that the opinions of service providers and firm owners differ considerably, which was also a finding of the first Cedefop study on this theme, though to a lesser extent.

More often than is generally believed, training measures for SMEs, and especially for micro and small firms, are not sufficiently individualised to be effective.

The study offers targeted recommendations for policy measures in the newer Member States and a generalised SME model for training-related decision-making, applying to both older and newer Member States.

Cedefop is also responding to the overarching challenge of how to turn initial entrepreneurship into employment and economic growth, which is the fundamental objective of the Small Business Act' for Europe and one of the principles underpinning the EU 2020 strategy.

Aviana Bulgarelli
Director of Cedefop

Acknowledgements

This report is a team effort, reflecting the work of Tina Bertzeletou, the Cedefop project manager in charge of the project, and a consortium of four national institutes that carry out research and advise SMEs on sectoral policies, EU integration and human resource development ([1]). The institutes are listed in Annex 1 to this publication. Cedefop would like to acknowledge in particular the contribution of Mr Pavol Weiss of the Institute of Tourism in Slovakia, who assumed overall responsibility for coordinating the consortium. It also wishes to acknowledge the important role of Professor Joseph Hassid of the University of Piraeus in advising the research team throughout the investigation and in contributing to this synthesis report.

Cedefop expresses its gratitude to the many small firms surveyed for their support and assistance during the collection, analysis and interpretation of views and facts related to their training activities and needs.

Cedefop also thanks the representatives of national agencies, sectoral associations and training service providers – public and private – who agreed to participate in interviews and respond to questionnaires on their human-resource policies and training practices. Special thanks are due to those who took part in the meetings to validate the outcomes of the national surveys, which marked the finalisation of the national research. With their expertise and commitment they made this work more relevant to the national and sectoral realities and needs under the current difficult circumstances.

Cedefop welcomes the fact that the outcomes of this work at national and EU levels already form part of the curricula of the University of National and World Economy in Sofia. The main findings have been discussed in various forums organised by the EU Commission, OECD, DG Employment, and Cedefop. They have been presented to ENQA-VET, the European network for quality assurance in VET, and to key-stakeholders and social partners such as UEAPME (European Association of Craft, Small and Medium-sized Enterprises), ETUC (European Trade Union Confederation) and Business-Europe, which the Centre wishes to thank for their positive feedback on the present work.

Finally, thanks are due to Cedefop colleagues, in particular to Christine Nychas, Annette Cloake and Alessia de Martino for their technical support.

([1]) The consortium carried out the work under Cedefop's service contract No 2007-0087/AO/B/TB/Quality-approaches-in-SMEs/009/07.

Table of contents

List of tables and figures

Tables

Figures

Executive summary

The objective of this study is to generate a better insight to SME strategies and problems in human resources development in four 'newer' EU Member States (Bulgaria, the Czech Republic, Romania and Slovakia), in order to support small firms in these countries to upgrade their competitiveness and to cope better with intensified competition and globalisation. It also aims to recommend actions based on providing qualitative training and retraining activities fitting the particularities and requirements of each sector investigated.

The study's specific objectives are the following:

- to investigate how, and under what conditions, quality approaches to training are introduced in or for small enterprises in various sectors in the four Member States; to draw comparisons between them, with particular emphasis on the 'sector logic' and the national institutional, cultural and economic environment;
- to investigate how small enterprises plan human resources development, how the relevant training is implemented, how the results and outcomes of training are assessed and evaluated, and how conclusions are drawn from such evaluations and exploited for improving training;
- to make comparisons between countries and sectors and to formulate proposals for disseminating identified good practices and supporting small enterprises in improving training quality;
- to make country and sector comparisons with the findings presented in the previous Cedefop study, featuring Germany, Ireland and Greece on the same issues (Cedefop, 2009a).

The methodology adopted is based on the following assertion that 'differences in the extent to which small enterprises in different national environments and sectors of activity adopt, introduce and maintain a quality approach to training, may be explained by differences in sector and firm-specific characteristics' (Cedefop, 2009a, p. 15).

The study is structured as follows:

- Chapter 1 introduces and explains the background;
- Chapter 2 describes, in general terms, the existing situation in the four Member States and the three sectors of activity surveyed;
- more detailed information on the sectors' evolution over time and the position of small firms is provided in Chapter 3;
- the main findings of the field work undertaken are presented in Chapter 4. The material in this chapter covers all the issues examined during interviews with

the contact groups (firms, training providers, sectoral organisations and State agencies);

- based on the survey results, Chapter 5 attempts an evaluation of the applicability (in the specific countries and sectors) of the so-called ‘generalised model’ of training-related decisions (presented and analysed in Chapter 1) and attempts to identify similarities with and differences from the conclusions reached in the previous Cedefop study on the same issues;
- Chapter 6 summarises the content of the various project stages and indicates directions for further work.

The survey results suggest that, in all countries and sectors covered, it is generally difficult to find specialised and trained personnel. Unattractive wage levels, lack of job security and high demand for training – implying corresponding investment requirements in systems and programmes – are perceived as the main reasons.

The role of SME owners as a ‘priority trainees’ group and, at the same time, as protagonists in subsequent on-the-job training of less qualified personnel is of particular importance. For the tourism sector, the unattractive working hours constitute an additional impediment to attracting skilled personnel.

A fact that hinders statistical analysis in vocational educational and training (VET) research is that in-house training seems to be ill-defined and a highly heterogeneous training practice. It is clear that it is of great significance in everyday practice, but statistical reports do not record on-the-job training, despite its importance.

The issue of personnel shortage is closely related to small firm training policies.

Most small firms claim to have some sort of training policy for their personnel but this is, generally speaking, ill-defined and rather unstructured. It was also found that employees show a moderate willingness to participate in training programmes. Further, it is generally accepted that substantial mobility of trained personnel hinders training initiatives. Another deterrent is the SME owners’ conviction that trained personnel may easily leave the small firm which provided them with training and move to a competitor. This is particularly probable in Bulgaria, Slovakia and Romania (in this order) and less in the Czech Republic, especially in the tourism and the retail sectors, but less in food processing.

In interpreting survey findings on this issue, it could be argued that small firms’ owners do not seem to comprehend fully the profound meaning of the term ‘policy’. This is shown in the survey by the fact that the majority of small firms in all countries answered the relevant question in positive manner, while other groups interviewed disagreed.

More than 80% of all SMEs surveyed, consider training necessary after hiring.

The categories of personnel for which some kind of training policy is reported, are skilled workers and small firm owners, followed by technical personnel. The perceived advantages of training are substantial. The general perception is that more training leads to higher qualifications and to salary increase. This seems to be regarded as the main advantage by all surveyed groups, in all countries and sectors.

However, insufficient resources and low motivation, lack of information and fear of losing personnel, are considered the main obstacles. Arrangements for participation in training during working hours imply absence from work: small firms have difficulties in replacing absent workers, leading to discouragement for initiating training activities.

Specific factors create training needs and these are frequently related to prevailing operating conditions in the sectors surveyed. For example, the 'new products' driving force seems to be effective in all sectors, including tourism, while 'technology' is also considered as an important factor generating training needs. These needs, however, are driven by the specificity of the technological aspects introduced in production. For instance, the introduction of a new piece of machinery requires training on its functioning.

In the food processing sector, in particular, the main drivers for training are the need to comply with EU Directives and national legislation and, to a lesser extent, new technology and new products. Competition is also mentioned, particularly by Romanian, Bulgarian and Slovakian Small Firms. The new products introduced in the retail trade create most demand for training, while new forms of tourism and competition seem to be the most important drivers in this sector.

On-the-job training is the main practice of SMEs in all sectors and countries surveyed. This is consistent with experience in most other European countries. Open seminars are also an interesting emerging practice in all sectors. These are becoming popular due to low cost, as some of them are EU funded or organised by suppliers.

The type of providers used varies from country to country and among sectors. Generally, experienced staff from within the company frequently undertake to train new recruits. The owners themselves and public sector institutions are also very active training providers. Technology providers have a noticeably role in the food processing and retail trade sectors, while the owners' role in training is particularly important in the tourism sector.

Training providers usually approach SMEs to offer training services, frequently proposing programmes considered largely inappropriate or irrelevant for SME real needs. Investigation of training programmes revealed that training providers are, in most cases, the originators. Several small firms prepare their own programmes, while cases of cooperation are less frequent. Reliance on providers is particularly high in Bulgaria and Romania, with Slovakia following at short distance. In the Czech Republic, most small firms seem to prepare their own training programmes.

The criteria for selecting training programmes are relevance (by far the most important in all sectors) and cost. Suitability of organisational arrangements seems another relevant criterion for SMEs in Slovakia (especially in retail trade) and in Romania in the tourism sector, but not necessarily in other cases.

The overall assessment of the impact that training might have on company performance is definitely positive. More than 50% of all SMEs in all countries and sectors characterised it as being ‘sufficiently strong’ or ‘very strong’.

Quality training is generally appreciated by small firms and all the other stakeholder groups – but this seems to remain, in most cases, a ‘theoretical’, rather than applied, view. In many cases, one may even argue that the very concept of quality (let alone its content) is not sufficiently well understood.

Although small firms in the countries surveyed do not seem to be satisfied by availability or the content of government incentives for employee training, they are aware that schemes exist. Such awareness is more developed in the food processing and the tourism sectors. Use of such incentives, however, is hindered by the key obstacles of lack of information and red tape, with little differences by country and sector. Another obstacle frequently mentioned is the low level of incentives, combined with scarcity of internal matching funding.

Various suggestions and policy recommendations emerged during the interviews conducted with owners, sectoral association representatives and government agencies. The main ones are as follows:

(a) support SMEs to upgrade quality in training services;
(b) support small firm owners in programmes of training needs identification and strengthen the role of sectoral organisations (such as in ‘train the owners’ programmes);
(c) better coordination and control of non-private training providers (potentially through the Ministry of Education in the various countries, or other type of government agencies);
(d) monitoring of accredited programmes to ensure operation on a continuous basis to secure efficient use of resources;
(e) upgraded social partner roles and participation in formulating VET policy;

(f) wide and intensive awareness campaigns on the advantages of training;
(g) simplification of procedures (especially for 'micro' enterprises);
(h) incentives for 'training of trainers' for training providers.

All the above, plus the overall interpretation of the survey results and the insights gained through contacts and discussions with SME owners, government agency officials and training experts, suggest a number of directions for further work to minimise the negative impact of these hurdles/obstacles and promote quality training in small firms in the four Member States:

(a) study the impact of individual factors inducing competences development in SMEs.

Factors suggested by the 'generalised model' presented in Section 1.4. and evaluated in Chapter 5 – whether firm- or sector-specific – should be further investigated to determine the extent to which they significantly affect small firms' decisions, especially those related to investment in HR development. Previous works exist but need to be updated and tuned to the specificities of small firms. Better comprehension of small firms' decision-making would allow policy-makers to customise policies and promote – quantitatively and qualitatively – appropriate training practices. In addition, a systematic effort should be made to understand and evaluate the obstacles that small firms and other stakeholders have to overcome to benefit from the interaction of policies aiming at supporting their labour force upgrading;

(b) emphasise the private and social benefits resulting from 'quality training' in SMEs. Educate stakeholders accordingly.

Resources – private and public – invested in developing the workforce imply substantial cost for governments and for individual firms. However, the return on such expenses should justify the initial investment decision. The fact that small firms frequently receive grants should not be interpreted as a license to spend freely. All stakeholders (governments, owners and employees) should be made conscious of such simple calculations and of their responsibility to themselves and to the public for efficient resources management. It is expected that implementation of quality assurance (QA) clauses in applications for grants, and awarding of grants on the condition that such clauses provide acceptable indications on the effectiveness of training-related programmes, will significantly upgrade overall effectiveness of all business (small and large) practices. For SME employees in particular – whose conscious active participation in training programmes is not always to be taken for granted – the notion of 'investing in one's own future' should be systematically promoted. Their contribution 'in kind' (e.g. time outside working hours) may eventually pay off in upgraded skills and improved career prospects;

(c) evaluate and regulate relations between SMEs and training providers, training providers and government/funding agencies.

The general finding of the survey has been that the training services market operates mainly on supply-led principles. The alleged beneficiary – especially when it is a small firm unaware of its training needs – only rarely participates actively in negotiating the type of services it absorbs. While this imbalance is difficult to rectify, this should not hide the responsibility of training providers and funding agencies to accept the imposition of a range of quality assurance-related criteria on their requests for funding. A more regulated system of training grants approval seems to be necessary to redress, at least partially, the imbalance between training services supply and demand. Formal structures operating in other countries have been successful in guiding individual firms' training. The degree of formalisation of training services market structure and functioning is lower in the countries surveyed; this may be attributed to cultural differences and other firms' characteristics. Regulating relations between the various parties should also consider such differences.

(d) appreciate the SME owner extended role as competences development relay agent and multiplier. Owners conceived as both trainees and trainers may develop and support a whole new generation of suitable training and support programmes.

This study – in line with previous research work – showed that an SME owner very frequently undertakes the role of transferring knowledge acquired from own participation in training programmes, to people employed by him. The 'owner-trainee' subsequently operates as a kind of trainer and develops processes of non-formal training for others. Realising this fact implies that recorded training may constitute an underestimation of actual output for any given amount of initially recorded training. The issue of availability and quality of VET statistics has been highlighted elsewhere (see, for example, Cedefop, 2007, p. 65-67). The point raised here is whether the unrecorded training, taking place within firms, should be added to officially recorded external training – in formal training programmes – and whether this is worth investigating. The SME owner's propensity to pass on knowledge acquired and, more important, his efficiency in this transfer, are parameters that could be affected through suitable training and support programmes. The analysis and evaluation of alternative approaches to transfer know-how and benchmarking learning among SME owners of the same or related sectors could be a valuable source of inspiration on how best to support owners in this role.

The present study generates a better insight into SME strategies and problems in human resources development in the four EU Member States (Bulgaria, the Czech Republic, Romania and Slovakia) and the three sectors (food processing, retail and tourism), surveyed. It aims to support small firms in these countries with their efforts to upgrade their competitiveness and to cope better with intensified competition and globalisation.

The study has also produced important findings on the vocational training policies of SMEs in the four countries.

A general observation is the difficulty in identifying specialised and trained personnel, due to the unattractive wage levels and lack of job security. For tourism, the unattractive working hours constitute an additional impediment to attracting skilled staff.

A fact that hinders statistical analysis in VET research is that in-house training seems to be of great significance in everyday practice, but statistical reports do not record on-the-job training, despite its importance.

Most small firms claim to have some sort of staff training policy but this is generally ill-defined and unstructured. The study also demonstrated a moderate interest of employees in training. In interpreting the survey findings on this issue, one should bear in mind the difficulty of small firm owners in developing a strategic approach in training.

The perceived advantages of training are substantial. The general perception is that more training leads to higher qualifications and to salary increases. This seems to be regarded as the main advantage by all those surveyed groups. However, insufficient recourses and low motivation, lack of information and fear of losing personnel, are considered the main obstacles.

There are specific factors creating training needs and these are frequently related to prevailing operating conditions, such as the introduction of new products and technology, as well as the need to comply with EU Directives and national legislations, mostly observed in the food processing sector.

The main training practice among SMEs surveyed is on-the-job training, with ‘open seminars’ indicated as an interesting emerging practice in all sectors.

Training providers are, in most cases, the originators of training programmes. In Bulgaria and Romania, small firms rely mostly on providers for this task. The training programmes are selected mostly on their relevance and less on their cost.

The overall assessment of the impact that training might have on small enterprise performance is positive. Small firms in the four countries, mainly in the food processing and the tourism sector, do not seem to be satisfied by the availability or the content of government incentives for employee training. Such incentives are hindered by lack of information, excessive 'red tape', low level of incentives, and the scarcity of internal matching funding.

The study suggests that in all four countries and all three sectors surveyed there is convergence on several significant conclusions:

(a) small firms understand the signals from national and European new legislation (often creating new needs for training) and also the impact that emergence of new technologies, new competitors, new products and new demand patterns: these affect their propensity to invest in upgrading employee skills;

(b) various public schemes operating in Bulgaria, the Czech Republic, Romania and Slovakia are not adequately promoted and small firms rarely know of their existence or their precise content. Bureaucracy is considered an obstacle to private initiatives;

(c) despite the fact that isolated cases of small firms' cooperation in training exist in the EU countries surveyed, such practices are regarded as exceptions.

Recommendations are provided on providing qualitative training and retraining activities fitting the particularities and requirements of each sector investigated.

An important policy recommendation is for a more proactive role among public and private sector agencies in identifying training needs. Also, the impact of individual factors inducing competences development in SMEs, as well as the private and social benefits resulting from 'quality training', should be studied further and stakeholders educated accordingly. The relations between SMEs and training providers, training providers and government/funding agencies should be assessed and regulated. Finally, the SME owner extended role as competences development relay agent and multiplier should be emphasised, taking into consideration that the owners conceived as both trainees and trainers may develop and support a whole new generation of suitable training and support programmes.

It is worth noting the significant similarities of these findings with those from the previous Cedefop survey of the same sectors in three 'older' Member States (Cedefop, 2009a). This fact confirms the assertion that, independent of differences in their economic and institutional environments, small firms everywhere are characterised by very similar weaknesses and behavioural patterns.

1. Introduction to the study

1.1. Introductory remarks

There are several key issues to be considered, and concerns addressed, regarding the quality of vocational education and training in SMEs in the 'newer' Member States.

In the Helsinki communiqué, these Member States were invited to improve the status of VET. They were also asked to integrate into their VET policy in the coming years, new common tools, such as the common quality assurance framework (CQAF), developed by the technical group on quality in vocational education and training (TWG), set up by the European Commission Directorate-General for Education and Culture (DG EAC). Cedefop responded by launching this study, focusing on some of the 'newer' Member States, as an extension to a pilot study on the same topic carried out previously in Germany, Ireland and Greece (Cedefop, 2009a).

The rationale and the orientation of the study are based on the following arguments:

(a) the widespread use of new technologies, combined with progressive globalisation of markets and increased competition, make it imperative that both employers and employees adapt to continuous changes. This needs to be understood by SMEs in all sectors;

(b) the achievement, according to the Lisbon strategy, of a knowledge-based economy in Europe by 2010, creates additional stimuli, especially among SMEs;

(c) the quality of training provision and the way in which knowledge and skills are transmitted, become of critical importance. A systematic quality approach to all the components of a learning process (planning, implementation, evaluation, improvement) is indispensable;

(d) the specificities of each enterprise (its size, type of activity and the associated command it possesses over resources for organising and implementing training), are important factors determining its ability and readiness for quality approaches to the training of its human resources (including owners and managers);

(e) the interrelationship of production and services in some sectors affects their understanding of continuing VET (CVT);

(f) small enterprises with fewer than 50 employees are predominant across Europe and are also important providers of jobs. However, these enterprises tend to carry out little training, giving priority to on-the-job learning or to training jointly with other small enterprises in the same sector. The wide variety of training arrangements and the generally limited extent of training itself, make quality in even more important.

All the above arrangements constitute a firm rational for the questions that the present study is addressing: whether small enterprises have a quality approach to training and how, and under what conditions, such approaches are or could be introduced and maintained.

1.2. Study objectives

The overall objective of the study is to generate a better insight into SME strategies and problems in human resources development in four ‘newer’ EU Member States (Bulgaria, the Czech Republic, Romania and Slovakia), to support small firms in these countries to upgrade their competitiveness and to cope better with intensified competition and globalisation. The aim is also to recommend actions based on providing qualitative training and retraining activities fitting the particularities and requirements of each sector.

The arguments identifying behind the rationale for the study also suggest that its specific objectives should be to:

(a) investigate how, and under what conditions, quality approaches to training are introduced in or for small enterprises in various sectors in the four Member States and to draw comparisons between them, with particular emphasis on the ‘sector logic’ and the national institutional, cultural and economic environment;
(b) investigate how small enterprises plan human resources development, how the relevant training is implemented, how the results and outcome of training are assessed and evaluated and how conclusions are drawn from such evaluations, and exploited for improving training;
(c) make comparisons between countries and sectors and to formulate proposals for disseminating identified good practices and supporting small enterprises to improve quality in training;
(d) make comparisons between countries and sectors, and with the findings of a previous Cedefop study (2009a), implemented in Germany, Ireland and Greece on the same issues.

1.3. Project tasks and methodology

The study was based on both quantitative and qualitative data input obtained through:

- desk research (review of existing relevant literature, analysis of available statistics and published reports on the sectors investigated);
- fieldwork (interviews with experts, training providers, SMEs, state organisations and representative business organisations).

The centrepiece of the project was the fieldwork, consisting of four separate but mutually supported surveys of different stakeholder groups:

(a) individual small firms;
(b) VET providers;
(c) SME representative bodies (e.g. associations, chambers, etc.);
(d) State organisations involved in SME development matters.

The investigations in the three sectors and the four countries were conducted mainly through structured interviews using four standardised questionnaires, one for each group of interviewees. These questionnaires were designed to allow subsequent processing of answers in a comparative manner among sectors and countries. They included questions common to all sectors and all types of small enterprises (allowing distinction for very small enterprises employing up to 10 employees) and also sector-specific questions ([2]). The samples of firms and other organisations surveyed in each country and sector were mainly from the experts' previous contacts with relevant bodies. The size of the SMEs samples was considered sufficient to produce reliable findings.

1.4. A 'generalised model' for training decision quality

The methodology adopted for the study is based on the following assertion: 'differences in the extent to which small enterprises in different national environments and sectors of activity adopt, introduce and maintain a quality

([2]) These questionnaires are available in English on Cedefop's virtual community on Quality assurance in VET: http://communities.cedefop.europa.eu/ViewServlet?content_id=2284145&community_content_id=2233339&folder_id=1118761&cid=161784&str_extension=pdf&filename=CEDEFOP_SYNTHESIS__Annexes_a_b.pdf. Translated versions were used for the surveys in each surveyed country.
Cedefop's Virtual Community on Quality assurance in VET is an interactive electronic platform for information and expertise sharing among experts on quality in VET. It contains mostly documents related to quality in VET at EU level and access is free of charge. To register, click on http://communities.cedefop.europa.eu/quality.

approach to training, may be explained by differences in sector and firm-specific characteristics' (Cedefop, 2009a, p. 15). Such characteristics may subsequently serve as explanations for differences and similarities among countries and sectors, between the various components of a systematic quality approach (planning, implementation, evaluation, improvement) and as arguments for formulating proposals for measures supporting small enterprises to improve quality in training.

In this so-called 'generalised model', factors worth considering may be placed in five groups as follows (see also Figure 1):

(a) firm characteristics:
  (i) size of firm;
  (ii) extent of internationalisation;
  (iii) 'closeness' to the market;
  (iv) age of firms;

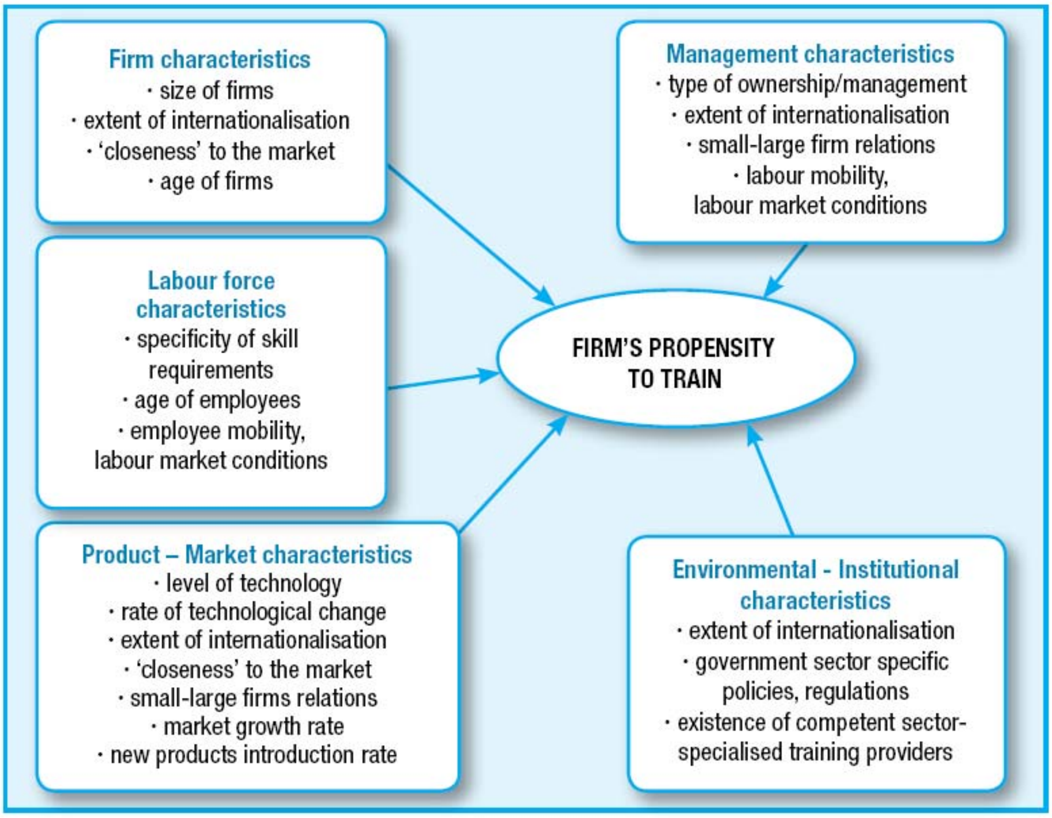
(b) management characteristics:
  (i) type of ownership/management;
  (ii) extent of internationalisation;
  (iii) small-large firm relations;
  (iv) labour mobility, labour market conditions;

(c) labour force characteristics:
  (i) specificity of skills requirements;
  (ii) age of employees;
  (iii) employee mobility, labour market conditions;

(d) product/market characteristics:
  (i) level of technology;
  (ii) rate of technological change;
  (iii) extent of internationalisation;
  (iv) 'closeness' to the market;
  (v) small-large firm relations;
  (vi) market growth rate;
  (vii) new product introduction;

(e) environmental, institutional characteristics:
  (i) extent of internationalisation;
  (ii) government sector specific policies, regulations;
  (iii) existence of competent sector-specialised training providers.

Figure 1. **Factors affecting a firm's training-related decision: a 'generalised model'**



Source: Cedefop, 2009a, p. 16.

The relevance and significance of the above characteristics may be examined and assessed through contacts with organisations and sector experts. This formed an integral part of the study methodology and the applicability of this generalised model to the newer Member States is considered and evaluated in Chapter 5.

1.5. Structure of the study

The study is structured in six chapters:

- Chapter 2 describes, in general terms, the existing situation in the four Member States and the three sectors of activity surveyed;
- more detailed information on the sectors evolution over time and the position of small firms is provided in Chapter 3;

- the main findings of the field work are presented in Chapter 4. The material in this chapter covers all the issues examined during interviews with the contact groups (firms, training providers, sectoral organisations and State agencies);
- Chapter 5 uses the survey results to attempt an evaluation of the applicability (in the specific countries and sectors) of the generalised model of training-related decisions (presented and analysed in Chapter 1) and to identify similarities and differences with the conclusions reached in the previous Cedefop study on the same issues (Cedefop, 2009a);
- Chapter 6 summarises the content of the various project stages and indicates directions for further work;
- there are bibliographies relevant to the four Member States participating in the study and, in annex, the composition of the four national expert teams is described.

2. Situation in the study countries and sectors

This chapter describes the existing situation in the four countries and the three sectors surveyed, reviewing in particular the key challenges for lifelong learning. The review is supplemented by indicative statistics referring to the extent and the intensity of continuing vocational training for the countries and sectors concerned. In certain cases it was also possible to present comparable indicators for the European Union as a whole.

2.1. Key lifelong learning challenges

In general, the newer Member States have a greater distance to travel than the older ones to embed lifelong learning systematically into their education and training. They have, however, embarked on a similar process, albeit at a slower pace. An analysis of the responses from these countries to the European Commission consultation on the *Memorandum on lifelong learning*, while they where still in a candidature status, revealed the following (see European Training Foundation, 2001):

(a) in general, people in the candidate countries had yet to appreciate that learning is a lifelong process. Emphasis tended to be placed primarily on formal education and training even for adults, and less on non-formal or informal learning. Attention paid to the acquisition of job skills, is rather insufficient;

(b) there was general acceptance of the need to involve the key actors (State, regional and local authorities, companies and individuals, and occasionally NGOs) but it was largely up to the State to take the lead in creating appropriate conditions for partnerships and the promotion of lifelong learning. The potential role of enterprises, individuals and other actors was generally underdeveloped;

(c) there was a marked lack of coherent and integrated lifelong learning strategies and practical measures for lifelong learning. The consultation has, however, raised awareness of the need to develop inclusive lifelong learning frameworks and has had an impact in terms of raising the importance of lifelong learning in the debates about education reforms generated by the Ministries;

(d) together with inherited cultural patterns, difficulties at both social and economic levels in most countries slow down the development of human resources and the preparation for a knowledge society. This is because economic restructuring of state industries and agricultural reforms are still incomplete in many (former) candidate countries. New sectors are emerging which are leading the modernising process. Despite this, many of the candidate countries placed emphasis on tackling industrial and agricultural restructuring rather than on developing the skills for a knowledge society. While this may have diluted the immediacy of lifelong learning for a knowledge society, lifelong learning remains a crucial and timely underpinning principle for education and training reforms geared to labour market change. It is an instrument for responding to the skill needs of market economies and to the achievement of employment policy objectives;

(e) lack of a national, regional or local partnership culture. Stronger coordination at all levels enables more joined-up thinking in policy integration and action on the ground. Prevailing vertical ways of distributing responsibilities, constrain the implementation of integrated strategies. Decentralisation was at a very early stage of development and local partnerships, where they existed, tended to be embryonic;

(f) motivation was an issue. There was no strong culture of innovation or taking the initiative in public administration, including education and training institutions;

(g) in general, priority was given to school-based vocational education and training reform and not to continuing vocational training, with the consequence that this gap was filled in part by private training organisations. There was also a question of quality assurance for private enterprises and public organisations;

(h) many candidate countries needed to develop overall legislation for continuing training;

(i) formal education and training systems were still rigid, despite many pilot programmes or projects initiated by the European Union or by international donors (such as the World Bank);

(j) the social status of teachers in most candidate countries was low and salaries poor compared with EU Member States. There was a need to modernise and develop teacher training (both initial and in-service). In general, teachers had yet to adapt to individual learner-centred approaches.

2.2. Continuing vocational training by surveyed sector

Published statistics suggest that, for a series of CVT-related selected indicators, two of the surveyed countries, Bulgaria and Romania, lag behind the EU-27 average (see Table 1) ([3]). For the Czech Republic and, to a lesser extent, for Slovakia, some indicators (e.g. training enterprises and enterprises providing CVT courses, as % of all enterprises), show a relatively better situation: in Bulgaria and Romania, the distance from EU-27 average is substantial. It is worth noting, however, that in these latter two countries, hours of CVT per participant exceed (by at least 10%) the European average (see Table 1 and associated Figure 2). This does not apply in the case of the Czech Republic. This observation clearly points to a difference in national CVT practices and, in particular, in longer duration programmes being offered in Bulgaria, Romania and Slovakia, compared to either EU-27 or the Czech Republic. This is not matched by a higher cost of CVT courses, which accounts for a significantly lower percentage of total labour cost in all three countries (Indicator 5). Further, total cost of CVT courses per participant (Indicator 6) is, in all four countries, lower than in EU-27, by at least 50% in Slovakia and by as much as 62% in Bulgaria.

The situation in the three surveyed sectors shows that, on the whole and compared to other sectors in the respective countries, less importance is attached to continuing training of personnel. Compared, for example, with an average of 15% of all employees participating in CVT courses in Bulgaria, the indicator for the food sector of that country is 14% (56% in the Czech Republic, 18% in Romania and 28% in Slovakia, compared to averages of 59%, 17% and 38% for these three countries respectively) (Indicator 3 in Table 1). In the hotels sector, the corresponding indicators are 9% in Bulgaria, 37% in the Czech Republic and 11% in Romania and Slovakia. In retail distribution, the indicators at country level are 12%, 40%, 13% and 47% for Bulgaria, the Czech Republic, Romania and Slovakia respectively. The corresponding figures at the EU-27 level are, for hotels and retail, 26% and for the food industry 30%, compared to an average of 33% for all sectors.

Indicators on the importance attached to lifelong learning programmes in the four surveyed countries, compared to those covered by the previous Cedefop study (Cedefop, 2009a), are revealing. Lifelong learning participation rates (adults aged 25 to 64) in the new Member States covered by this study were at best 5.6 for the Czech Republic (2005), followed by Slovakia (4.6). In the other two country indicators were 1.6 and 1.3 (Romania and Bulgaria, respectively). In

([3]) Source: Eurostat, *Continuing vocational training survey – 3* (CVTS – 3, 2005).

the EU countries of the previous Cedefop study, the corresponding rates were 7.7 for Germany, 7.4 in Ireland and only 1.9 for Greece (Cedefop, 2007, Table 2, p. 126). It is also characteristic that public expenditure on active labour market programmes (% of the GDP 2004-05) was 0.13 in the Czech Republic and only 0.07 in Slovakia (Cedefop, 2007, Table 3a, p. 127).

2.3. Continuing vocational training by size of enterprise

The fact that in small firms (employing up to 50 employees) the extent and the intensity of CVT is lower than in larger enterprises (except perhaps for the cost of such courses per participant) is shown to be true for almost all indicators presented in Table 2 (and on associated Figure 3), for both EU-27 and for the countries surveyed.

2.4. Additional observations

While it is generally believed that recruitment of skilled personnel is problematic for small firms, the lack of such personnel alone does not seem to constitute an important reason for such firms getting involved in CVT activities. Instead, the main reasons for firms employing less than 50 persons not providing CVT are related either to cost considerations or to the lack of time. In particular, according to CVTS-3 findings, the main arguments advanced by non-training enterprises, are the following (in order of importance):

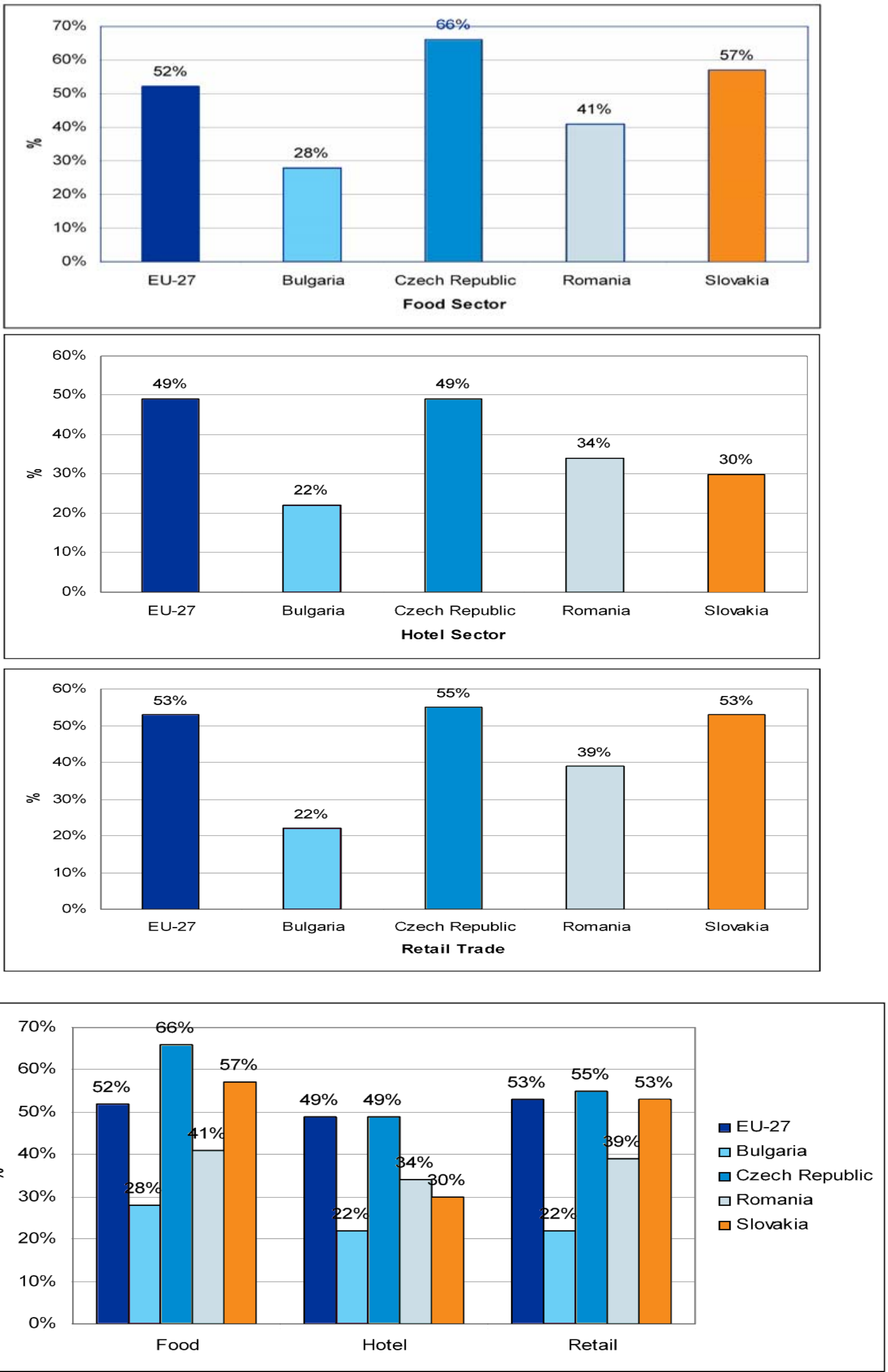
(a) the existing skills and competences of those employed corresponded to current needs;
(b) people are recruited with the skills needed;
(c) there is no time for CVT;
(d) too expensive;
(e) lack of suitable CVT courses in the market;
(f) focus on IVT rather than on CVT;
(g) difficult to assess enterprise needs;
(h) major training effort realised in a previous year.

Table 1. **Extent and intensity of CVT, by economic sector (selected indicators)**

Indicator	TOTAL					EU-27			Bulgaria			Czech Republic			Romania			Slovakia		
	EU-27	BG	CZ	RO	SK	Food	Retail	Hotel	Food	Retail	Hotel	Food	Retail	Hotel	Food	Retail	Hotel	Food	Retail	Hotel
1. Training enterprises as % of all enterprises	60	29	72	40	60	52	53	49	28	22	22	66	55	49	41	39	34	57	53	30
2. Enterprises providing CVT courses as % of all enterprises	49	21	63	28	38	40	40	38	19	12	12	55	47	37	23	27	20	31	21	16
3. Participants in CVT courses as % of employees in all enterprises	33	15	59	17	38	30	26	26	14	12	9	56	40	37	18	13	11	28	47	11
4. Hours in CVT courses per participant	27	30	23	31	32	20	22	17	32	48	33	13	19	12	21	21	60	15	38	12
5. Total cost of CVT courses as % of total labour cost (all enterprises)	1.6	1.1	1.9	1.1	1.8	1.2	0.9	0.8	1.6	1.6	0.5	1.4	0.9	0.7	1.0	0.8	1.4	1.0	1.8	0.2
6. Total cost of CVT courses per participant (PPS)	1 403	539	565	587	680	903	740	647	733	699	255	385	323	223	359	339	816	405	359	113

Source: Eurostat; *Continuing Vocational Training Survey* (CVTS3, 2005).

Figure 2. **Training enterprises as % of all enterprises, by sector and country**



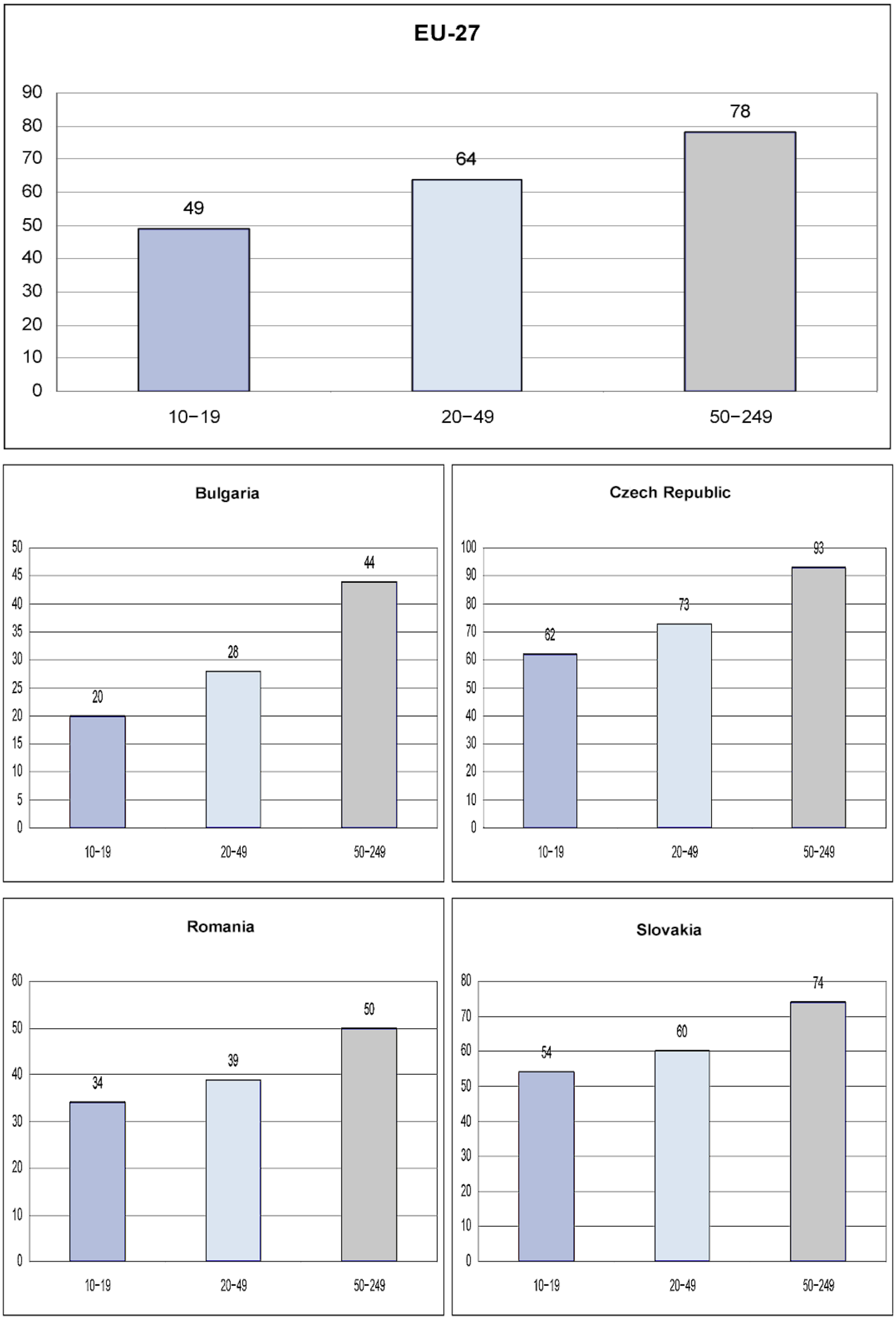
Source: Eurostat; Continuing Vocational Training Survey (CVTS3, 2005).

Table 2. **Extent and intensity of CVT, by size of enterprise (selected indicators)**

Indicator	EU-27			Bulgaria			Czech Republic			Romania			Slovakia		
	10-19	20-49	50-249	10-19	20-49	50-249	10-19	20-49	50-249	10-19	20-49	50-249	10-19	20-49	50-249
1. Training enterprises as % of all enterprises	49	64	78	20	28	44	62	73	93	34	39	50	54	60	74
2. Enterprises providing CVT courses as % of all enterprises	37	53	68	13	19	37	52	63	88	21	27	38	30	39	57
3. Participants in CVT courses as % of employees in all enterprises	18	23	29	5	7	12	38	47	61	9	10	10	17	22	29
4. Hours in CVT courses per participant	28	25	26	32	33	38	19	17	20	31	23	29	36	21	26
5. Total cost of CVT courses as % of total labour cost (all enterprises)	1.0	1.1	1.4	0.7	0.9	1.3	1.0	1.3	1.8	0.6	0.6	0.7	1.3	0.8	1.3
6. Total cost of CVT courses per participant (PPS)	1 325	1 259	1 319	647	623	626	364	400	475	364	352	499	912	440	583

Source: Eurostat; Continuing Vocational Training Survey (CVTS3; 2005).

Figure 3. **Training enterprises as % of all enterprises, by size of enterprise and country**



Source: Eurostat; *Continuing Vocational Training Survey* (CVTS3, 2005).

Continuing training faces major difficulties in the four countries analysed. There is an undisputed need to overcome the main barriers to CVT for all SMEs, but, while such barriers have been sufficiently researched in other EU Member States, socio-economic differences in the new Member States make it necessary to look for similarities and differences.

Some key issues of the situation of SMEs, CVT and the three sectors investigated are presented in the following paragraphs.

2.4.1. Bulgaria

Small and medium-sized enterprises in Bulgaria account for 99.3% of the total number of enterprises. Employment in SMEs increases at a faster pace compared to both employment growth for the total economy and for large enterprises.

The system of vocational education and training (VET) in the context of lifelong learning is not nearly as popular in Bulgaria as it should be. Presently, the majority of VET institutions are high schools, which add a vocational profile to their general syllabus, granting certificates for second and third qualification levels. Vocational colleges are an add-on and deliver programmes of no more than two years, resulting in the fourth VET qualification level. The general principle of the vocational training is that a person studies what he or she needs to perform a specific activity. Vocational education is provided only by licensed training institutions.

(a) Food processing sector

The food processing industry is a traditional sector of the Bulgarian economy. Its share of total industrial output in the period 1996-2005 has been within the range of 19-20%. Companies in the sector generally lag behind in capital improvements, while existing equipment is underutilised. Further, quality control should be strengthened further, given that the Bulgarian companies must comply with EU regulations to expand their penetration of foreign markets. The food processing industry is dominated by relatively small enterprises: only 7% have more than 50 employees. Modernisation of capital equipment is required to comply with EU quality and hygiene standards and to enhance vocational training in the sector.

(b) Retail sector

National GDP growth, averaging 6% in the last three years, is the main factor underlying the upward trend in the retail sector in the country. After a few years' growth slow-down, Bulgaria is rapidly catching up with other central European countries. The majority of companies in the sector are flourishing, especially the big shopping centres and chains. Their popularity has turned retail into the most attractive sector in real estate for trade purposes. However, the relatively small Bulgarian population and low incomes raise concerns regarding the country's ability to respond adequately to the 'mall' boom.

(c) Tourism sector

During recent years, Bulgarian tourism has undergone relatively dynamic development. Given the unsatisfactory GNP level, tourism has strengthened its position as a vital sector for the Bulgarian economy. This conclusion is confirmed by results in the period 2000-06 when the number of tourists and the revenues generated by the sector increased annually between 5 and 15%, compared to the 3-5% average international growth rate. To preserve this positive trend, active measures must be taken to secure sustainable development of the Bulgarian tourist industry, particularly combining government coordination with private entrepreneurial capacities.

2.4.2. The Czech Republic

The role of SMEs in the growth of the Czech economy is important, the contribution to economic growth being similar in old and newer EU Member States. However, the contribution of the micro business sector is becoming more important in comparison to other countries, even though the number of small businesses has slowly decreased. This is difficult to explain, though reason may be found in the hypothesis that there are obstacles to the 'ideal life cycle' of SMEs. Expansion beyond the initial starting phase – from micro business to small business – is difficult due to competition from medium-sized enterprises (particularly in the trade sector). One of the obstacles is shortage of capital and a shortage of highly trained manpower.

CVT began to develop more extensively as late as the 1990s. The development was marked by the predominance of market impulses and spontaneity without appropriate coordination and systematic approaches. At present, CVT takes the following forms:

(a) adult education in schools leading to the acquisition of a formal level of education;
(b) training of employees in enterprises and other organisations;
(c) specific training of employees in certain occupations and industries (including the so-called 'normative' education);
(d) retraining of job seekers;
(e) education as a leisure activity.

Employee training in enterprises and other organisations has, in most cases, developed over the last 15 years. Only one small part of this training has a longer tradition: compulsory training of employees performing designated occupations, as stipulated in relevant legal regulations. At the outset of economic transformation, training activities among enterprises were reduced for several years as a result of restructuring and insolvency. A gradual change occurred after 1994, mainly in connection with the inflow of foreign capital which has brought about progressive concepts of human resources development. Most training courses are provided by external training providers, with only a part organised by company training departments. Private training organisations are the most frequent providers of in-service training, while secondary schools and higher education institutions rank among the lowest.

(a) Food processing

The Czech food processing sector is characterised by comparatively small growth. Due to privatisation of many agricultural cooperatives, small private firms evolved as family businesses, short of capital and lacking trained staff. Increased imports of better priced and quality products from the EU call for modernisation of production. Foreign investment is slowly bringing in capital but less than in other sectors. Vocational training and education in the sector requires reforms to meet market needs and secure upgrading of product competitiveness.

(b) Retail

This sector has shown continuous and sustained growth in recent years with trade flourishing. However, due to great expansion of supermarket chains, micro businesses are suffering. There are education and training offers at various levels, many of which are oriented to future self-employment. However, with more focus on the EU, tradesmen need to orient towards further education and training in the many non-traditional areas and teachers need to acquire new skills in the areas of marketing, communication, e-skills, e-commerce, languages, etc.

(c) Tourism

The sector has experienced rapid growth since 1989 and, after some stagnation in the period before EU accession, the growth rate is again picking up. The lack of trained manpower and absence of adequate infrastructure constitute serious bottlenecks to growth. Before 1989, there was no organised system of training and education in this sector but many schools and universities are now offering relevant programmes, though a shortage of trained teachers is evident. Further professional education of teaching staff is required. The ministry concerned is trying to develop training courses for employees through EU Structural Fund interventions. Study programmes at secondary school levels need to be reformed to meet present and future needs.

2.4.3. Romania

According to information from the Romanian Ministry of SMEs and Cooperatives, micro enterprises continue to constitute the main share of the SME sector, although with a slightly declining trend.

In 2004, Romania registered the lowest participation rate for continuing vocational activities: of 1.5% compared with the EU 25 average of 10.6% (for population of 25-64 years). Training costs and insufficient supply of local training services are mentioned among reasons for low participation. Regional centres of the National Agency for Employment (NAE) are few and the 1 200 school units that provide both education and vocational training services are not sufficiently involved in adult training.

By the end of 2005, the national adult vocational training centres network comprised 26 vocational training centres. The authorised centres provide vocational training services for 98 qualifications which, although currently those most in demand in the labour market, seem to be insufficient to contribute to an increase in mobility and (re)integration of the unemployed into the labour market.

Currently, the public vocational training infrastructure is not sufficiently developed to allow an increase of a number of persons attaining vocational training courses or in extent/diversification of the type of courses for more beneficiaries. Private training providers tend to be located in cities, so access by the unemployed to such services involves transport expenditure and, in some cases, need for accommodation.

The adult vocational training centres network is still underdeveloped in terms of territorial distribution, infrastructure and equipment, and the number of qualifications provided.

(a) Food processing

The food processing industry in Romania comprises some 11 000 enterprises. The share of the food industry within the overall processing industry represented in 2005 about 12% of total industrial production, but is decreasing (in 1998 the ratio was 16%), which means that the food industry, as well as the whole processing industry, is undergoing a period of restructuring. Two thirds of the food industry enterprises are small (fewer than nine employees), and only about 1% are considered as large (more than 250 employees).

Food industry enterprises have significant problems because of lack of compliance with European standards (including ISO and HACCP standards), and require significant investment in upgrading and modernisation. The situation of compliance in meat production and processing in June 2007 shows that, out of a total number of 425 units, 123 are in line with the European Union norms and authorised for intra-Community trade, while 302 are approved for operation only for a transition period until 31st of December 2009. For the milk and dairy industry, out of a total number of 259 units, 52 are in line with the European Union standards and are authorised for intra-Community exchanges, while 207 are approved only for a transition period, ending in December 2009.

(b) Retail

Commerce represents one of the most important activities in Romanian economy and accounts for 40% of the total number of enterprises. It is also worth mentioning that this sector has positive growth from year to year.

The expansion of existing and new firms that appeared in Romania in the last few years is an encouraging trend: the number of employees grew much faster than the number of enterprises in this sector.

There is a problem in the underground economy, with commerce still one of the most affected fields and a serious challenge to achieving a functional market economy.

(c) Tourism

Before 1990 Romania was considered an important tourist destination for the East European area, promoting seaside tourism on the Black Sea Coast, spa resorts, cultural programmes and monasteries from North Moldavia and Bucovina. The Romanian tourist offer did not improve, losing its competitiveness related to new market demands and similar market products in the international market.

Between 1998 and 2005 there was an increase of the number of accommodation structures (+35.4%) and actual accommodation capacity (+0.95%): the number of pensions reached 22 061 beds in 2005, of which 50.5% are in rural areas (Institutul National de Statistica, 2006).

Rural tourism and agro-tourism are alternative income-generating activities offer potential for development in rural areas, due to the unique landscapes, large semi-natural areas, the personal traits and hospitability of rural population. Conservation of tradition, culture, and food and beverage specialties, as well as the general diversity of rural tourist resources, also offer potential. Significant modernisation, development and innovation are necessary for Romanian tourism, together with the creation of modern and competitive tourism products. The sector suffers from a general lack of organisation, promotion and dissemination of information.

2.4.4. Slovakia

In the early 90s, when Slovakia began to pass through a centrally planned economy to a market economy, there was almost no SME sector. Nowadays, Slovak SMEs are already comparable to those of the most developed countries: they represent 99.8% of all companies, while their share of total employment exceeds 65% (Oravec, 2005).

In contrast to initial VET, there is no obligatory provision of continuing VET. Continuing vocational education and training (CVT) is considered an option or possibility in all items of legislation. CVT was provided predominantly at training centres linked to enterprises and branch industries. With progressing restructuring and an inflow of strategic investors, enterprise-based education and training has revived. From the supply point of view there are:

(a) programmes from education and training providers focusing on all inhabitants, including the unemployed, accredited by the Ministry of Education and selected by the regional labour offices;
(b) programmes from educational institutions and educational institution-affiliated organisations focusing on inhabitants looking to acquire qualification;
(c) enterprise-affiliated training activities focusing on employees.

(a) Food processing

During the last 17 years the food sector in Slovakia underwent substantial changes, regarding legislation, economic conditions and educational system. The majority of food industry units are of SME size (74%), privately owned without foreign investment and/or know-how. The food industry SMEs employ about 20 000 persons. The low income of the Slovakian population has depressed the prices of food items, resulting in depression of the agro-food sector. Overall economic growth in the last four years is leading to stabilisation, recovery and growth. Most companies strive to reach European and other global markets. The requirements of food safety and quality assurance call for better global communication and more intensive specific knowledge transmission. The previous system of CVT and experience exchange inside the sector was disrupted during the years of economic depression.

(b) Retail

Vocational education in retailing has a long tradition in Slovakia. It is offered both in secondary schools of economics (secondary schools for commerce) and in university programmes. There are four universities at present, which offer courses in retailing (University of Economics in Bratislava, the University in Košice, the University in Nitra and the University in Zvolen) and about 40 secondary schools both public and private with courses in retailing.

The increasing competition between these schools led to new forms of education, with improved instruction scope and content and the introduction of practical components. In recent years a heated discussion has been going on, in relation to a new curriculum design for vocational education in retailing.

A new Bill of third level education, currently proposed, is likely to strengthen the competition between colleges/faculties and universities (including the entry of foreign universities) and will allow vocational education to respond to the needs of economic practice, while maintaining a sound balance between theory and practice. This opinion is being increasingly reflected in company attitudes, which prefer to recruit applicants knowledgeable not only in retailing subjects, but also in finance, economics, accounting, and operations.

(c) Tourism

Tourism enterprises size varies considerably, with small and medium-sized enterprises dominant. At present only a few companies – spa companies, big hotels or hotel chains, the biggest tour operators and companies operating different kinds of facilities – are over SME limits. Most tourism enterprises are small and micro companies.

After a period of continuous, but not very strong, growth in the 1990s, the sector started to grow very rapidly (two digit yearly pace). Very significant growth was achieved both quantitatively and qualitatively: structure of kind of tourism, structure of visitors, categories of facilities, and level of services. But many issues remain to be improved: to increase competitiveness, to be in accordance with development of demand requirements, and to utilise the potential of the country, in particular regions, better for tourism development.

One of the most important factors for further tourism development and higher efficiency is human resources development. At present, VET is provided by many hotels and tourism academies (almost 20) in six universities but a few years ago there were only four academies and two universities providing education for the sector. Many new schools and many new teachers/lecturers would be required to put more emphasis on quality of education training in the coming years.

The CVT situation is not so favourable from the point of view of opportunities. Education and training are more or less organised on an ad hoc basis as a reaction to the most pressing needs. The situation is least satisfactory for SMEs.

3. Evolution and situation in the surveyed sectors

The sectors surveyed were selected based on their actual and potential contribution to the economy of the four Member States. An additional consideration was that small firms account for a large part of the activity in these sectors. The following chapter refers especially to the evolution of these sectors over time and the situation of small firms. We also review a series of human resources development issues, especially those associated with continuing vocational training.

3.1. Sector evolution and the situation of small firms

3.1.1. Bulgaria

The food processing industry is a traditional sector of the Bulgarian economy. Its share of total industrial output is indicative of its importance: in the period 1996-2005 it was approximately 20%. The industry has been positively affected by foreign direct investment inflow in recent years, increased by more than 700% in the period 2000-05. The structural problems of the Bulgarian agriculture sector create significant problems, however, especially in the milk and certain meat sectors where most raw material comes from very small farms. The most important food processing industry sector, in terms of contribution to output, is bakery followed by beverages, meat processing and tobacco. The industry is dominated by micro and small enterprises, accounting for about 94% of all enterprises operating in the sector. The closure of small processing establishments, unable to meet strict hygiene standards and increased competition on the domestic market, will contribute to restructuring in the first few years after Bulgaria's accession to the EU. Despite the observed positive trend and in its development during the last few years, labour productivity in the food processing industry remains lower than the national average.

Investment in food processing was supported by the operation of the EU's special accession programme for agriculture and rural development (Sapard), especially in the sectors that were eligible under the programme: milk and meat processing, wine making, fruit and vegetable processing and fish products. Although restructuring is still under way, food industry enterprises are making significant progress in bringing their practices into line with EU food safety standards. However, processors with modern processing equipment that can compete on the single EU market are limited, especially in milk processing and the fruit and vegetable sectors. The level of technical and technological quality, crucial for meeting the competitive challenges in the enlarged European Union, is still quite low. The introduction of international quality, traceability of products and environmental standards remains a serious future issue for food-processing in Bulgaria, as does the implementation of energy efficiency measures in food industry to reduce cost and improve the competitiveness of enterprises.

GDP growth in Bulgaria, reaching average values of 6% in the last three years, is the main factor underlying the positive trend in the development of the country's retail sector. The majority of companies in the sector are flourishing; this is true especially for big shopping centres and chains. Their popularity has turned retail into the most attractive sector in real estate for trade purposes. The relatively small Bulgarian population and their low income, however, raises concerns regarding the country's ability to respond adequately to the 'mall' boom.

Bulgaria is a country with rich and diverse potential for developing tourism. Available recreation and tourist resources allow the development of various types of tourism, as well as extending seasonality. Various analyses provide assessment of the position and prospects for different kind of tourism products: culture/heritage, eco/nature, spa/wellness, sports and adventure tourism, as well as the meeting/convention and conference tourism, have higher potential than traditional mass seaside and skiing activities. The main products needing more marketing are cultural, rural, eco and balneology/spa tourism. Although no specific and well grounded territorial assessment of tourism potential has been carried out in the last 15 years, a significant number of studies in the last decades agree that around half of the national territory possesses favourable conditions for the development of diverse types of tourism. Further, there are no large areas without opportunities for tourism development.

Despite research recommendations and policy statements to reverse the unfavourable situation, territorial concentration of tourism remained almost unchanged in the 1990s, and recent growth even intensified it. Bulgarian tourism remains highly concentrated in space and of 'enclave' type, leading to significant environmental and social pressures in already developed areas, including 'overbuilding' and growing demand for infrastructure (water supply, sewage, water treatment, electricity). Also, the majority of Bulgarian regions have not managed to create quality regional tourist products.

3.1.2. The Czech Republic

All three sectors are very important to the growth of the Czech business economy. Growth in food-processing has been negatively influenced by a strong currency, supporting imports and reducing exports, causing a high price of input materials.

Retail, in contrast, has undergone relatively stable growth in recent years but consumer demand may decline in the future as a result of the reform of public finance, coupled with inflation. Growth has resulted from high growth in the sale of non-food items, in e-commerce and home purchasing; cheaper inputs, high consumer demand for price-cutting and the entry of multinationals in retail market with competitive and affordable prices have also contributed.

Tourism has also undergone high growth and is essentially supported by the national tourism policy and programme. Growth parameters (such as revenue earned, number of incoming tourists, number of accommodations, etc.) are encouraging and future trends will remain the same. Factors which have also influenced growth include State policy and supporting programmes, intensive information campaigns, removal of barriers to incoming and outgoing tourism, cheaper air tickets, intensive international cooperation, and improvement of facilities in different segments of the industry.

Micro and small enterprises are dominant in the three sectors. Micro-enterprises and small ones are dominant (as far as numbers are concerned) in the food-processing sector but have a minimum share in production. Medium-sized enterprises (with 50 to 249 employees) contributed most to production characteristics. The bulk of the revenue in the retail sector is collected by enterprises with 0-9 employees. Enterprises with 0-49 employed persons dominate tourism and most of them are natural persons. The number of enterprises with foreign capital is gradually increasing in food processing and a stable flow of foreign capital has been noticed. The same is noticed in the retail sector with the gradual expansion of foreign owned chain stores and super markets.

Employment is gradually decreasing in the food-processing sector and about 31% of employees are employed in the medium-sized enterprises. The reduction in employment is due to the slow growth and the introduction of mechanisation in the sector. In the other two sectors employment is increasing.

In food processing, the major challenges concern efforts to reduce the deficit in foreign trade, increase innovative activities and research, raise human resource potential, obtain increased state support and raise consumers awareness of the quality of Czech foods.

The retail sector has many weaknesses: low wages, low turnover per unit of selling area, low selling area per inhabitant, imbalance between supply and demand of qualified work forces, and little capacity among micro and small retailers for human resource development. Opportunities exist in forming alliances with stakeholders, imparting further professional education, achieving skill agreement in the sector, using structural funds for infrastructure, and assuring quality goods and services. Challenges ahead are maintaining customer loyalty, supply chain optimisation, evolution and evaluation of CRM, enterprise management, maintaining profit margins, and marketing of brands. In spite of the inherent weaknesses, there are opportunities in the increased interest in the European and non-traditional markets, the availability of structural funds for infrastructural development, and increased cooperation between border regions. These must be used to meet future challenges such as the needs for more active promotional activities, diversion of tourist traffic to the regions, improvement of services to meet European standards, counselling and training of old and new entrepreneurs, further professional education of the workforce, officials of public authorities, teachers and trainers in schools.

3.1.3. Romania

The food processing industry in Romania comprises some 11 000 enterprises. Its share of the processing industry was about 12% of the total industrial production in 2005, but is falling slowly (in 1998 the ratio was 16%), as the food industry, as well as the entire processing industry, undergoes restructuring.

Two thirds of food industry enterprises are small (less than nine employees) and about 1% are considered large (more than 250 employees).

Employment in the food industry was about 200 000 in 2004. The sector is a significant employer of unskilled personnel, with approximately 45% of the workers being without high school and post-high school education. This is considered one of the causes of low productivity level in this sector.

The main strength of the sector is its strategic significance. Weaknesses include concentration of personnel and SMEs mostly in urban areas, insufficiently motivated human resources, and the aging personnel. Also, food industry enterprises have significant problems because of their lack of compliance with European standards (including the ISO and HACCP standards) and need for significant investment in upgrading and modernisation.

The retail trade sector has a positive year-on-year growth, with commerce being one of the most important activities in the Romanian economy at almost 40% of total enterprises. SMEs accounted for 91.9% (779 175 persons) of the total number of personnel (847 941 persons in 2003).

According to the most recent statistics there are over 100 000 shops, so Romania is a leader in Europe in the number of shops per 1000 inhabitants. Sales by large distributors were 20% of total sales in 2003, while in 2004 supermarkets claimed 12% of consumer expenditure. Expert opinion is that the retail trade sector in Romania still has great expansion potential.

The tourism and travel industry contributed 2.1% of Romanian GDP in 2007. According to the last country report of the World Travel and Tourism Council (Romania, the Impact of Travel & Tourism on Jobs and the Economy), the country has huge potential, having a unique cultural and natural heritage and offering year-round attractions. This report ranked Romania in 7th place among 176 countries examined.

In 2005 there was an increase over 1998 in the number of accommodation structures of 35.4% and in actual accommodation capacity of 0.95%; the actual number of pensions reached 22 061 beds in 2005, of which 50.5% were in rural areas (Institutul National de Statistica, 2006). Examining the results of the tourist companies in 2007 compared to 2006, they are worse for medium-sized, compared to micro and small enterprises.

The tourism labour market is underdeveloped. Training costs and the inadequate number of local and regional education centres are among the reasons for adult education and vocational training not being sufficiently developed. Taking into account the increase in average number of employees, tourist companies are positioned in the last place (14.57%) (World Travel and Tourism Council, Romania).

Opportunities for the future include seaside tourism on the Black Sea Coast, Delta Dunarii, spa resorts, cultural programmes, and North Moldavia and Bucovina monasteries. Rural tourism and agro-tourism are also potential alternative income-generating activities with potential for development.

Sectoral weaknesses worth mentioning are the general lack of organisation, promotion and dissemination of information, as well as lack of local tourism centres.

3.1.4. Slovakia

In recent years all three sectors have grown, especially retail and tourism. The main factors behind this trend the ones are the effects of economic reforms implemented after 2002, which encouraged economic growth and general stabilisation of the business environment, growth of wages and of household consumption, tougher competition leading to pressure on prices, and lifestyle changes in the population.

SMEs dominate all three sectors. In food processing they represent around 91% of all companies; in retail and tourism this percentage varies between 98 and 99%. In tourism, the proportion of micro enterprises exceeds 90%.

Other common characteristics of all three sectors are the low level of average salaries (under average level within the national economy) and the shortage of staff, mainly trained and experienced personnel. In retail and tourism the majority of employees are women.

In all sectors growing demand, related to growth of the economy, and improved living standards are creating opportunities. There are expectations not only of quantitative demand growth but also for more demanding clients who prefer more complex products and services.

3.2. CVT and human resources development issues

3.2.1. Bulgaria

Statistics on the structure of employment for 2004 indicate that only 0.3% of the people engaged in some kind of industrial production work part-time, while for the retail trade and service sectors these numbers are respectively 4.5% and 3.2%. Further, the services sector has the highest level of seasonality in employment at 7.0%, while in retail trade only 0.9% of the jobs are temporary. Examination of the educational structure of employment shows that, for 2004, among the three above-mentioned sectors, retail trade had the lowest share of employees with low education and the highest share of employees with medium education. The highest level of the higher-education among the employed is in the service sector at 35%.

Vocational education and training (VET) systems (both initial and continuing) in Bulgaria are regulated by the Vocational Education and Training Act (Promulgated SG No. 68/30.07.1999, last amended SG No. 26/07.03.2008). The system of vocational education and training includes vocational orientation, vocational training and vocational education. Vocational orientation provides information, consulting and counselling to students and to other persons on their choice of profession and career development. Vocational training ensures the acquisition of qualification for a profession or part of a profession, as well as its improvement. Under conditions determined by the Vocational Education and Training Act, the Public Education Act and the Level of Education, General Education Minimum and Curriculum Act, it also ensures the completion of primary education or of secondary education grades. Vocational training includes initial vocational training (acquisition of initial qualification for a profession or part of a profession (and continuing vocational training (improvement of the acquired qualification for a profession or part of a profession). Vocational education ensures the acquisition of the general education minimum for secondary education and the acquisition of qualification for a profession.

The EC monitoring report on Bulgaria's preparation for EU accession appreciates the adoption of a programme for the reform of the secondary education, which envisages reorganisation of secondary education, the introduction of short-term vocational training modules, and standardised national examinations. Improving the system for vocational training and increasing the share of workers and managers participating in continuing vocational training is important for food processing industry enterprises. Training related to compliance with EU food safety standards is considered a key priority. There are problems of lack of tradition, trust and managerial capacity. Currently, public extension services to farmers are provided by the National Agricultural Advisory Service (NAAS); with its 28 regional advisory services it offers daily information, specialised advice and consultancy on agriculture production techniques, land management and general business advice. About 20 national associations operate in the agri-food industry and forestry sectors, which provide information, training and direct assistance to companies related to quality and food hygiene standards, new technologies and products. A network of institutions active in education, training and extension support innovation and knowledge transfer in the food processing sector. Among them are universities, part of the vocational schools, vocational training centres managed by branch associations, private companies, and the centre for vocational training within the National Centre for Agrarian Science. The education and training network needs modernisation of educational content, and teaching methods, plus improved equipment.

Investments in human resources are critical, both for society and the national economy. In Bulgaria, investment in human resources at enterprise level is not yet a common practice and is at a very low level.

The availability and qualification of staff and the inefficiency of tourism education and vocational training affect the quality of tourism services. Vocational education and training in tourism is provided predominantly by vocational schools, vocational high schools, vocational colleges and vocational training centres (VTCs). Some of the privately owned VTCs, licensed by NAVET (National Agency for Vocational Education and Training) are governed by tourist associations such as the Bulgarian Tourist Chamber, the Bulgarian Hotel and Restaurant Association, and the Bulgarian Association of Travel Agents.

3.2.2. The Czech Republic

Few detailed studies are available in the Czech Republic on skill deficiencies in the selected sectors. However, the literature review and local knowledge suggest that certain skill deficiencies are common to all sectors: socio-personal skills, specific job skills, problem-solving skills, and lack of knowledge of legislation and standards. Particular deficiencies in food-processing can be found in lack of knowledge quality control and environmental protection. Retail sector enterprise owners see particular skill deficiencies in communication, customer relations, and product and process knowledge. Employers in the tourism sector find skills deficiencies in foreign languages, computer technologies, marketing, product knowledge and job-specific skills. There is also a shortage of knowledge in destination and event management.

Vocational training schools and universities offer major vocational education and training activities under the management of the Ministry of Education, Youth and Sports. However, with the formation of regional councils, the running of secondary vocational training schools has come under the competence of regional bodies. For some professions, a certificate of vocational training is mandatory. However, the institutions in the formal sector rarely equip graduates with the specific job skills required by the present business economy; there is a need to deliver further professional education and training for employees. As further professional education is not mandatory, except in case of legislative compliance with respect to some jobs and/or professions, most ministries have not initiated any training programmes. The exception is the Ministry of Regional Development, which has the responsibility for the national tourism policy and programme. This ministry has done commendable work in training, particularly targeted at government employees; many of the products can be, directly or after modifications, used by a multitude of tourism employees. The ministry in cooperation with other stakeholders, organised several short courses, developed study materials, opened an e-library and offered e-learning.

The last programming period (2004-06) of the European Social Fund enabled introduction of the operational programme human resources development. One of the priority measures was education and training for firms and the opportunity was taken up by a number of enterprises. However, the funding was not sufficient for needs and many enterprises did not apply simply because of the need to provide match funding. The European Social Fund will continue to be a source of financial support for training and education of employees in the next programming period.

The Association of Food Industries and some government agencies related to the agro-food sector have initiated some training programmes. The Czech

Chamber of Commerce and the Association of Trade and Tourism have made attempts to organise training. Most of the private providers have not yet found space in further professional education for the sector and the onus is still with formal education. The Association of Tour Operators and Travel Agencies have also organised courses in marketing and languages.

The attention of private providers remained concentrated in developing and offering training courses for the unemployed with a state subsidy and EU funds. This was one of the major activities in the most recent programming period but dealt with requalification training for the unemployed and disadvantaged. There is not a large market for CVT or further professional education in the selected three sectors of the business economy. Private providers have supplied some further professional training for selected groups while using European Social Fund (ESF) funding or funding from the Leonardo da Vinci programme. Schools and universities attempt to utilise the ESF funding and Leonardo da Vinci programme to upgrade the programme, train students and staff, and arrange practical training abroad.

3.2.3. Romania

The labour force in the food sector has problems with education level. Contributory factors are lack of qualifications, poor company human resources policy, and problems in certifying employee competences.

In 2005, only a quarter of food SMEs organised professional training courses for staff; the sector had the lowest number of training participants at 1.2%. Most courses focused on acquiring/perfecting technical knowledge (42.4%), followed by courses on product quality control (24.2%). The reasons why companies have not undertaken training were satisfaction with existing training levels and the belief that employees learn by practice at the workplace. There is also a lack of regional financial resources (16.8% in the northwest and 6.3% in the centre). The absence of local training providers is quoted as a significant reason for not organising training in the western region (12%).

According to data provided by the National Agency for Labour Force Occupation, major problems for SMEs from the retail trade sector are the low rate of training and maintaining of personnel (34.66%). Only 8.7% of companies offered programmes for continual professional formation (FPC), with large enterprises accounting for 58.2% of participation and small enterprises 35.5%.

Most enterprises (80.83%) considered that employee training levels correspond to company needs, so FPC is not a priority given the high costs of training. Hence, trade enterprises are using other forms for training: direct training at the place of work (48.2%), self instruction (23%), recruiting of qualified personnel (62.2%), and rotation of personnel at different places of work (29%).

Tourism has the lowest participation in vocational training for persons of 25-64 years, because of the cost and the lack of local opportunity. Authorised centres providing courses for tourism qualification in are insufficient to contribute to increase in mobility and (re)integration into the labour market.

There are a number of regional centres of the National Agency for Employment which provide qualification in the hospitality industry. Public policy refers specific human resource development options, such as management of micro enterprises, planning for companies, management of hospitality, and innovation.

3.2.4. Slovakia

Food processing and the retail and tourism sectors face shortage of personnel, from both quantitative and qualitative perspectives. All three sectors have an educational system covering secondary vocational and university education but there a no specialised organisation for lifelong education and training.

School graduate knowledge often does not fit practical work requirements and high staff turnover is common within the sectors as many workers have no specialised education.

In recent years a significant amount of training was organised by the government and carried out by private operators. There were/are also possibilities for joint finance of vocational training from EU funds (pre-accession and structural funds) and some sectoral associations provide specific training for their members. Gradually, more and more private training organisations are becoming active in preparing programmes for companies. The important issue is that industry professionals recognise the need for innovative approaches and sources of new information.

4. Survey result analysis and interpretation

This chapter presents, analyses and interprets the survey findings. To aid reading and appreciation of the various points made, the text incorporates boxes summarising the main points of the respective analytical commentary. Frequent reference is made to the fieldwork in the countries surveyed and specific questions from the standardised questionnaires used. Tabulations of key findings are incorporated in the text, while the entire set of results is available in Cedefop's virtual community on quality assurance in VET ([4]).

The issues examined are:

(a) perceptions of small firms of the relevance of training and the adequacy of trained personnel;
(b) training practices used by small firms;
(c) perceived advantage of CVT;
(d) identified or perceived training needs;
(e) factors creating such needs;
(f) procedures for preparing and implementing training programmes;
(g) evaluation of training programmes and lessons learned;
(h) recommendations by small firms (or other actors) for measures and policies which could improve the existing situation.

The following tables show the responses of the SMEs, in the various sectors and the four Member States surveyed, to Questionnaire A (available in Cedefop's virtual community on quality assurance in VET).

4.1. The relevance of training

4.1.1. Trained personnel shortage

(a) Bulgaria

The opinions of SMEs, training providers, sectoral associations and government agencies on the shortage of trained personnel suggest that the level of skills in the three sectors surveyed needs to be upgraded. To varying degrees this is true of all staff categories and types of skills, determined by the specificity of the

([4]) See: http://communities.cedefop.europa.eu/quality different sectors (technologists and production personnel for food processing, salesmen for retail and managers, receptionists and cooks for tourism).

The skills most commonly needed are customer care, teamwork, technological skills, and familiarity with specific EU and national legislation. The reasons underlying the shortage of skilled personnel are, in most cases, sector-specific. For example, the food-processing sector has new methods of production imposed by EU membership and new food safety standards, while the retail trade sector is characterised by high personnel turnover. In tourism, skill deficiencies are caused partly by the seasonal character of the trade and partly by the boom in the tourism sector in Bulgaria in recent years.

(b) The Czech Republic

The analysis showed that it is quite difficult to find specialised and trained personnel in all three sectors. One of the reasons may be wage levels, which are considered unattractive for qualified persons who could meet the expectations of the owners. In general, with unemployment at relatively low levels (5%), it is difficult to find adequately qualified personnel in all sectors. Shortage of unskilled workers is, however, a reality for the economy and not a specific phenomenon for the three sectors under review.

Usually, the expectations of the owners regarding new employees are not easy to fulfil. Shortage of manpower and existing job opportunities have resulted in an unprecedented large migrant labour force. This, along with the growth of business units, striving for competitiveness, the introduction of new technology and improved customer quality aims, has created an environment favourable for higher training demand. The first to be trained are owners and technical personnel, but training of all employees is also required and may be achieved through in-house training by the owner and other experienced persons. The role of the owner as trainee and trainer should be emphasised particularly in micro-enterprises, because it is his/her business that human resources must be developed for the enterprise to remain competitive and profitable.

(c) Romania

The unanimous opinion of the survey is that there is the need for new or updated skills for small firms in all three sectors. However, shortage of specialised personnel with specific skills depends on company activity and competences connected with new EU legislation.

The need for training includes both small firm top or middle management (owners and family members) and other employees (administrative and clerical personnel, technical personnel, seasonal personnel.

Table 3. **How easily do you find specialised or trained personnel when you make new recruitments? (Question 7)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
very difficult	23	33.82	4	6.56	8	13.33	27	44.26	62	24.80
difficult	31	45.59	23	37.70	36	60.00	15	24.59	105	42.00
neither easily nor difficult	11	16.18	27	44.26	16	26.67	12	19.67	66	26.40
easily	2	2.94	4	6.56	0	0.00	4	6.56	10	4.00
very easily	1	1.47	3	4.92	0	0.00	3	4.92	7	2.80
TOTAL	68		61		60		61		250	

NB: All references to questions are associated with survey Questionnaire A addressed to small firms in the various sectors and countries surveyed.

Table 4. **Specify personnel categories for which shortages are particularly acute (Question 8)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
receptionists	14	39.89	1	8.33	5	55.56	4	33.33	24	34.78
managers	11	30.56	1	8.33	0	0.00	0	0.00	12	17.39
cooks	9	25.00	5	41.67	2	22.22	7	58.33	23	33.33
sellers	2	5.56		0.00	2	22.22	1	8.33	5	7.25
guides	0	0.00	5	41.67	0	0.00	0	0.00	5	7.25
TOTAL	36		12		9		12		69	

(d) Slovakia

Food sector SMEs clearly identified a need for qualified specialists or operators, which are difficult or very difficult to hire. Food specialists and non-food specialists (technical assistance such as drivers and maintenance) are leaving the food sector for other industries, such as automotive, or to work abroad. Many non-food specialists work in the food sector and there is no adequate system for requalification.

The general conclusion is that it is a difficult task to find trained and ready personnel in all three sectors. Shortages in some particular categories are very acute and were mentioned by almost all respondents in all four categories (SMEs, VET providers, sectoral organisations, ministries). SMEs are mainly aware of the lack of personnel for the basic needs of their business. Sectoral and government organisations are also aware of other needs related to quality, customer satisfaction, expertise, etc. SME owner/manager concerns are probably focused on current operations and not so much on a long-term view or strategic approach to future development.

Trained personnel shortages: main points

- In all countries and sectors, it is, in general, difficult to find specialised and trained personnel.
- Unattractive wage levels, lack of job security and high demand for training – implying corresponding investment requirements in systems and programmes – are perceived as the main reasons.
- Owners/family members and technical personnel are priority groups for training.
- For the tourism sector, the unattractive working hours constitute an additional impediment to attracting skilful personnel.
- A fact that hinders statistical analysis in VET research is that in-house training seems to be ill-defined and a highly heterogeneous training practice. It is clear that it is of great significance in everyday practice, but statistical reports do not record on-the-job training, despite its importance.

Trained personnel shortages: country- and sector-specific comments

Almost 70% of the SMEs interviewed in the relevant sectors in the countries surveyed, indicate that finding specialised or trained personnel is either 'very difficult' or 'difficult'. Such problems are particularly pronounced in Bulgaria and Slovakia, less pronounced in Romania and even less in the Czech Republic.

The tourism sector seems to be the most problematic, with food processing and retail trade following the general pattern.

Production workers seem to be particularly lacking in food processing, while salespersons in the retail sector and receptionists and cooks are in exceptionally short supply in tourism in all countries.

The role of SME owners 'priority trainees' and also as leaders in subsequent on-the-job training of less qualified personnel is of particular importance.

Problems in recruitment by small firms and associated with trained personnel shortages have been noted in many other Member States and, in this respect, those reported in this study emphasise similarities in small firms' weaknesses in these matters.

4.1.2. Small firm training policies

(a) Bulgaria

SMEs surveyed generally consider training necessary for newly hired personnel. With the exception of the retail sector, interviewees are almost unanimous in their claim that they have a training policy. However, although training is regarded as necessary in retail by three quarters of interviewees, the remainder consider training programmes to be of doubtful value for their companies, especially in the long run. There is a serious discrepancy between the general opinion of SMEs and those of providers with respect to the existence of training policy in the former.

Table 5. **After hiring, do you consider training to be necessary? (Question 9)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
yes	48	70.59	52	85.25	55	88.71	52	85.25	207	82.14
no	6	8.82	6	9.84	1	1.61	3	4.92	16	6.35
in certain cases	14	20.59	3	4.92	6	9.68	6	9.84	29	11.51
TOTAL	68		61		62		61		252	

Participants in training provided differ among the sectors: in food processing skilled workers predominate, while for retail and tourism owners/family members and unskilled workers lead the way. The most commonly stated targets of training provider services are SME owners and family members, indicating that the services of training providers are driven by SME demand. This pattern is confirmed in the answers, obtained from sectoral associations and government agencies.

The general trend is that less than a quarter of the employees in the sectors examined take part in training programmes annually; according to most interviewees across the target groups, staff are only moderately willing to participate. Although the amount of financial resources spent on training each year is quite modest (below 1% of turnover in most cases), it is generally considered to be sufficient. The general opinion is that it is either ‘very easy’ or just ‘easy’ for an employee to leave a company for a competitor after having completed a training cycle in the firm.

Table 6. **Do you have a training policy for your personnel? (e.g. induction, ongoing, etc.) (Question 10)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
yes	50	73.53	26	42.62	51	82.26	52	85.25	179	71.03
no	18	26.47	35	57.38	11	17.74	9	14.75	73	28.97
TOTAL	68		61		62		61		252	

(b) The Czech Republic

Although some contradictions were observed in the opinions of the respondents, certain general trends become evident.

Almost all the SMEs feel that there is a need of training (induction, ongoing, etc.) for newly employed personnel. It is also evident that most SMEs in the specific sectors do not have any defined training policy and, if they have, this is not in a written form but stems from the traditions, customs, practices and legislative requirements to train some personnel for some types of jobs. Although training providers did not put stress on training unskilled workers, SMEs in the retail and tourism sectors highlighted such a need. Retail SME owners emphasised their need for training. Training providers and sectoral organisations are unanimous the need to train the owners, though this was not the position of government agencies. Training administrative and clerical personnel remains a low priority area for SME owners. The need to train seasonal workers was not felt by owners or by training providers. However, sectoral organisations feel that seasonal workers should be trained but they do not offer services for this particular group. On average one quarter of the workforce undergoes training every year, although for some SMEs this figure is much higher. Most owners, training providers and sectoral organisations find that the trainees are not very willing (their interest rated as 'moderate') to participate in training activities. The rate of spending is not high (0.1-1.5%).but it is understood that SMEs use mostly internal resources for on-the-job and induction training within the firm. Most SMEs feel that their spending policy on employee training is correct. Except for the tourism sector, about half of the SMEs feel that trained employees may easily leave the firm.

Training providers provide services for all groups of workers except for seasonal ones. This is true also for training provided by sectoral organisations.

Table 7. **Which group(s) does this training policy concern? (Question 11)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
owners and family members	47	33.10	13	13.40	32	17.58	10	7.63	102	18.48
administrative and clerical personnel	8	5.63	13	13.40	25	13.74	21	16.03	67	12.14
technical personnel	15	10.56	21	21.65	42	23.08	20	15.27	98	17.75
skilled workers	36	25.35	38	39.18	38	20.88	46	35.11	158	28.62
unskilled workers	18	12.68	11	11.34	31	17.03	20	15.27	80	14.49
seasonal personnel	17	11.97	1	1.03	14	7.69	9	6.87	41	7.43
other	1	0.70	0	0.00	0	0.00	5	3.82	6	1.09
TOTAL	142		97		182		131		552	

Table 8. **What percentage of your employees takes part in training programmes every year? (Question 12)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
up to 25%	45	66.18	41	67.21	44	70.97	29	47.54	159	63.10
25-50%	22	32.35	7	11.48	16	25.81	5	8.20	50	19.84
50-75%	1	1.47	6	9.84	2	3.23	3	4.92	12	4.76
more than 75%	0	0.00	7	11.48	0	0.00	24	39.34	31	12.30
TOTAL	68		61		62		61		252	

(c) Romania

Almost all SMEs interviewed consider that training is necessary to familiarise employees with the specific characteristics of job requirements. Almost all of these firms are interested in training policy and offer training to all categories of personnel.

More than half of the SMEs offer yearly training for up to 25% of their employees. Only in the tourism sector is a higher rate of yearly training (50-75%) registered.

Retail sector SME employees are interested in participating in training programmes. In food processing, more than half of the SMEs spend approx. 1-1.5% yearly on personnel training; in retail the corresponding rate is 2-6%. All SMEs interviewed consider the percentage spent on personnel training as sufficient and they also consider that their employees could ‘very easily’ leave the firm after they have completed a training cycle.

All training providers interviewed offer professional specialisation services to all groups, such as owners and family members, administrative and clerical personnel, technical personnel, skilled workers, unskilled workers, seasonal personnel and all other persons interested, graduates, and the unemployed.

It was also observed that the personnel were not greatly interested in participating in training programmes.

Table 9. **How do you rate your personnel willingness to participate in training programmes? (Question 13)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
high	14	20.59	7	11.48	15	48.39	17	27.87	53	23.98
moderate	40	58.82	41	67.21	16	51.61	28	45.90	125	56.56
low	14	20.59	13	21.31	0	0.00	16	26.23	43	19.46
TOTAL	68	100	61	100	31	100	61	100	221	

(d) Slovakia

SMEs in the food industry expressed the opinion that they provide adequate resources (money, planning and time) for initial and continuing training of their staff. SMEs are not aware of all kinds of training necessary for their business: they have a tendency to underestimate the value of continuing training and do not look for external training.

Table 10. **How much do you spend yearly for the training of your personnel? (percentage of turnover) (Question 16)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
0%	16	23.53	27	44.26	1	1.64	10	29.41	54	24.11
0-0.4%	5	7.35	6	9.84	2	3.28	5	14.71	18	8.04
0.5-0.9%	12	17.65	5	8.20	22	36.07	14	41.18	53	23.66
1-1.4%	21	30.88	14	22.95	11	18.03	1	2.94	47	20.98
> 1.5%	14	20.59	9	14.75	25	40.98	4	11.76	52	23.21
TOTAL	68		61		61		34		224	

VET providers, sectoral agencies and government agencies all seem to believe that owners and family members are the most important people in an SME looking for more knowledge. They have a critical impact on employee participation in the training programmes.

SME owners are not, in general, particularly aware of their training needs. It should, however, be pointed out that there is a significant discrepancy between owners and/or managers and VET providers on what constitutes a real training policy.

Table 11. **Do you consider this percentage to be sufficient? (Question 17)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	**number**	**%**	**number**	**%**	**number**	**%**	**number**	**%**	**number**	**%**
yes	57	83.82	59	96.72	51	82.26	50	83.33	**217**	**86.45**
no	11	16.18	2	3.28	11	17.74	10	16.67	**34**	**13.55**
TOTAL	**68**		**61**		**62**		**60**		**251**	

Government organisations, compared to other interviewed groups, seem to overestimate the willingness of small firm personnel to participate in training programmes.

Training policies in small firms: main points

- Most small firms claim to have some sort of training policy for their personnel, but such policy is, generally speaking, ill-defined and rather unstructured.
- Moderate employee willingness to participate is a finding which varies by sector.
- It is generally accepted that substantial mobility of trained personnel results in hindering training initiatives.

Small firm owners do not truly understand the term ‘policy’, as shown by the fact that the majority of small firms in all countries answered the relevant question in a positive manner, while other groups interviewed disagreed. In contrast, survey results for the Czech Republic show that the majority of SMEs accepted that they do have a training policy.

Trained personnel shortages: country- and sector-specific comments

More than 80% of all SMEs surveyed, consider training (after hiring) to be necessary. The percentages are approximately 76%, 79% and 93% in food processing, retail and tourism respectively, without significant differences among countries.

At the same time, 70% of these firms declare that ‘they have a training policy for their personnel’ (e.g. induction, continuing, etc.). The only deviation here is SMEs in the Czech Republic (for all sectors) and some retail sector small firms in Bulgaria and Romania. This last sector is perhaps the only one for which admitting lack of training policy is more frequent.

The categories of personnel for which some kind of training policy is reported, are skilled workers and small firm owners, followed by technical personnel and skilled workers.

The food processing sector places more emphasis on skilled and unskilled workers, as does tourism. Participation in training programmes is generally less than 25% of employees in all sectors and countries, with somewhat higher rates for the food sector in Bulgaria, retail trade in Romania and tourism in Bulgaria and Romania.

Employees in all sectors are only moderately willing to participate in training programmes. In the retail trade willingness is higher and in tourism is lower. Despite this, most SMEs in all sectors and countries consider the expenditure in training to be sufficient; for most of them this ranges from 0.5 to less than 1% of their turnover).

Trained personnel may easily leave the small firm which provided them with training and move to a competitor firm. This is particularly probable in Bulgaria, Slovakia and Romania (in this order) and less in the Czech Republic, especially in the tourism and the retail sectors (less in the food processing).

Table 12. **How easy do you think it is for an employee of yours to leave you for a competitor after he/she has completed a training cycle in the firm? (Question 18)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
very difficult	1	1.49	1	1.67	1	1.64	2	3.33	5	2.02
difficult	2	2.99	3	5.00	6	9.84	4	6.67	15	6.05
not so easy	5	7.46	32	53.33	5	8.20	7	11.67	49	19.76
easy	28	41.79	15	25.00	37	60.66	24	40.00	104	41.94
very easy	31	46.27	9	15.00	12	19.67	23	38.33	75	30.24
TOTAL	67		61		61		60		248	

4.1.3. Perceived advantages of training and obstacles

(a) Bulgaria

All interviewed target groups, converge on the opinion that the main advantages perceived by the firm's employees for participation in training programmes are obtaining higher qualifications, accompanied by a salary increase for the food processing sector. The obstacles to training for employees are primarily insufficient financial resources and low encouragement on the part of employers.

According to employers (especially in the food-processing industry), most of their employees consider interference of training with normal production and the lack of government incentives as obstacles to participation in training, the last reason also holding true for the interviewees from tourism. Training providers indicate that the resulting reduction of leisure time is seen by employees as an obstacle to participation in training.

(b) The Czech Republic

Almost all SMEs and training providers find the same advantages of participation in training: upgrading qualifications; opportunity to acquaint with new legal norms (particularly in hygiene and safety); opportunity to acquaint with new technologies, methods and processes; and becoming more competitive in the sector. They also agree on the major obstacles: shortage of time (absence of the employee concerned, travel time, long training hours) and some negative financial aspects (cost of training, travelling cost, cost to replace the employee during the training period).

The advantages are not new, as any person dealing with training would focus on these. As for obstacles, a point made by government agencies is that: 'Training is a very costly affair and there is a real danger that the firms may very easily lose highly trained professionals due to fluctuation of workforce. Therefore, costly trainings are usually attended by the owners but they can hardly afford to engage them full time in attending day-to-day problems and most of the time they are unable to transfer experience downstream'. This is supported by another factor mentioned by the sectoral agencies: 'Small firms sometimes undervalue the qualified workforce as the unskilled workforce is cheaper'. Lack of time for training is a reality, as small firms can little afford to release staff for training. Shortage of financial resources is also a legitimate concern, although many external training courses are available which are quite cheap and sometimes subsidised through different programmes. Availability of training to employees is a matter of discretion and judgment of the owner, who must be aware of the positive aspects of training and should not try to highlight the obstacles.

(c) Romania

Concerning the question 'What do you consider to be the main advantages perceived by the firm's employees for participation in training programmes?' the answer is unanimous: 'obtain and consolidate specific knowledge, develop competences, obtain new qualifications or specialisation'. These are the main advantages perceived by small firm employees.

The main obstacles (in all three sectors) are lack of time, lack of information, lack of relevance in the long term, lack of funding, training session lack of flexibility, the distance between their place of work and the place of training, the fact that training programmes are too limited and sometimes they are not adapted to the company needs, lack of interest. Employees are also concerned about training quality and have a distrust of these kinds of programme efficiency.

Almost all training provider assessment of small firm personnel willingness to participate in training programmes is that this is 'moderate'.

For training providers, the main advantages seen by the firm's employees for participation in training are improving their performance and becoming more competitive through acquisition of new skills and knowledge, increasing human resource competences, personal development for easier work, improving communication methods, finding new creative ways to solve problems, continuous learning, and personal and organisational development.

The main obstacles for employees are lack of self-satisfaction, lack of funds, lack of time, lack of support from employers organisations, reduced time dedicated to learning, lack of adequate locations, and low quality professional suppliers.

Sectoral associations consider the main advantages to be the possibility to obtain certification recognised at national and/or international level, professional improvement, strengthening and improving knowledge, improving and obtaining new competences to face new requirements of the European single market. The main obstacles for the firms' owners or employees are lack of time, vague legal information concerning the mandatory character of some qualifications and specialisations, limited financial resources, lack of specific training programmes, and lack of certain occupational standards and professional training standards.

(d) Slovakia

SMEs, sectoral associations and government agencies all agree that, for the employee, job related benefits are the most significant motivation for training. VET providers see the most significant motivation for training, for both owners and employees, in new information and/or knowledge provided through training. This is the second most frequent answer provided by SMEs.

The significant barrier to taking part in training (for both employees and owners) is absence from work. For employees, normal work time has to be retained and training is an additional or second shift work. The owner of a SME needs the work of the employee and it may be hard for him to replace one specialist with another.

Travelling is also considered an inhibiting factor for participation in external training.

There is a noticeable commonality in employees' perception of advantages and obstacles across all interviewed groups. There are, however, some small differences. SME owners emphasise the high indifference of employees to training, while VET providers and sectoral organisations highlighted absence of employer' support in training their employees.

Perceived advantages of training and obstacles: main points

- The general perception that more training leads to higher qualifications and to salary increase. This seems to be regarded as the main advantage by all surveyed groups, in all countries and sectors.
- Insufficient resources and low motivation, lack of information and fear of losing personnel, are considered as the main obstacles.

Participation in training during working hours implies absence from work: small firms have difficulties in replacing workers who are absent, so this is a very real disincentive for training activities.

4.2. Training needs and driving forces

Predictions for skills needs in the various sectors of economic activity are conditioned by forecast developments in the overall employment situation. Such forecasts, formulated at European level, seem to suggest that (Cedefop, 2008c, Table 1, p. 41):

(a) in the food, drink and tobacco industries, employment may decrease by 0.4% in the 2006-15 period (following a decrease of 0.5% in the previous period 1996-2006);

(b) in the distribution industry, employment may increase by 0.6% (1.1% in the previous period 1996-2006);

(c) hotels and catering may increase employment by 1.7% (the second highest among all industries), although this is lower than the corresponding rate observed in the previous period (2.3%).

In view of the above predictions, it is very important that firms become aware of their future labour force needs and that these are accompanied by estimates of future employment composition in terms of skill types. The extent to which surveyed SMEs are aware of such needs was a crucial part of the surveys.

4.2.1. Awareness of training needs

(a) Bulgaria

All the interviewees claim to be aware of the training needs of their employees, relying primarily on their own judgment and sometimes (for the food processing sector) on sectoral organisation investigations. The predominant opinion of SMEs is that employees' representatives play only a minor role in the identifying and meeting their training needs, this being most vividly expressed in the retail sector.

There is a consensus among training providers on the need for new or updated skills in SMEs in the sectors under examination. The general opinion is that, for all personnel categories, shortages are acute: all, and particularly non-qualified, workers need training. Providers and sectoral associations believe that SMEs are not really aware of the training needs of their staff. Another important point, in the view of providers and associations, is that small firms and training providers are considered as partners in defining company or sectoral training needs, a point which clearly indicates differences in the opinions expressed by different groups of stakeholders.

Table 13. **Are you aware of the training needs of your employees? (Question 19)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
yes	68	100	44	72.13	57	91.94	57	93.44	226	89.68
no	0	0	17	27.87	5	8.06	4	6.56	26	10.32
TOTAL	68		61		62		61		252	

Table 14. **How have you identified the training needs? (Question 19)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
owner's own appreciation	68	86.08	42	73.68	48	39.02	56	69.14	214	62.94
employees' suggestions	7	8.86	8	14.04	41	33.33	12	14.81	68	20.00
commissioned investigation	1	1.27	1	1.75	14	11.38	0	0.00	16	4.71
sectoral organisation's investigation	3	3.80	4	7.02	17	13.82	7	8.64	31	9.12
other	0	0.00	2	3.51	3	2.44	6	7.41	11	3.24
TOTAL	79		57		123		81		340	

Table 15. **What is the role of the employees' representatives in the identification and satisfaction of training needs of your labour force? (Question 20)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
regular consultations	4	5.97	23	36.51	54	51.43	28	37.84	109	35.28
ad hoc consultations	2	2.99	34	53.97	14	13.33	12	16.22	62	20.06
employees' participation in committees	1	1.49	0	0.00	7	6.67	11	14.86	19	6.15
information received from external bodies	24	35.82	4	6.35	30	28.57	3	4.05	61	19.74
no such role	36	53.73	2	3.17	0	0.00	20	27.03	58	18.77
TOTAL	67		63		105		74		309	

(b) The Czech Republic

The analysis reveals that most SME owners claim to be aware of the training needs of employees; the highest level is in the food-processing sector. This does not guarantee the ability of owners to specify training needs, but only indicates their awareness of the positive aspects of training activities. Identification of training needs is mainly based on owner views complemented by suggestions from employees. Ad hoc consultations with employees are often regarded as an instrument for identification and realisation of training needs. Commissioned surveys or extensive needs analyses are rarely conducted. Besides, some owners (15%) do not take seriously the observations and/or recommendations of sectoral organisations.

Although training providers are almost unanimous in support for new and updated skills in the retail and tourism sectors, they have reservations about the food-processing sector. They may be influenced by small firms, unable to introduce new technologies due to financial constraints and not interested in training because of traditional practices and poor cash flow. The views of providers on shortage of personnel differ from those of SME owners. The reason may be found in the former’s association with particular subsectors of relevant sectors and not having a general view covering all professions in the sectors. The owners’ claim to be aware of training needs and 60% of providers feel that the situation in the tourism sector is impressive as the owners are appreciative of training needs. In contrast, most of them feel that owners in food processing and the retail sector are only partially aware of such needs. Providers further feel that it is the owner who should start establishing the training needs within the firms, assisted by external help. Providers stressed the need for evaluation of training to establish an impact and for further training in the post-training period.

Sectoral organisations have a mixed view about owners training awareness. Half think that owners are aware of employees training needs and the other half think that there is only partial awareness. They admit that, in many cases, neither the firms nor the training providers are interested in establishing the needs. Certain firms simply do not train their employees or, if they do, the relationship is as a customer looking for a ready-made product and the supplier delivering the product ‘off the shelf’, irrespective of the real needs of the customer.

(c) Romania

Most SMEs from the three sectors consider regular consultation with employees as important in identifying training needs, but they also take into consideration ad hoc consultations, employee participation in committees, and information received from external bodies.

With one exception, training providers from all three sectors considered that there is a need for new or updated skills for small firms. They identified a large group of personnel categories for which shortages are particularly acute, such as middle and top management and employees, or other persons who need qualification, requalification and specialisation. Finally, they believe that SMEs are not always conscious of training needs.

Training providers can only make direct observations; they do not have funds or instruments for elaborate market studies. Small companies do not evaluate employee training needs because they lack specialised personnel for such tasks. Small training companies generally deal directly with companies which need consultancy, adjusting quickly to client requests and to market competition.

Training offers addressed to SMEs are personalised and adjusted to reality, to needs, and to the culture of each organisation programme. Training providers believe that a personalised approach to training and consultancy is extremely important for the benefits to their clients to be real, adjustable to the requirements and sustainable. For open courses, training providers from the retail sector started from market requirements; for in-house courses they usually made the offer after they identified the clients' specific needs. In the tourism sector, before starting any training programme, training providers held discussions with clients on their specific needs and personalisation potential.

(d) Slovakia

The general opinion of SMEs, VET providers and sector associations is that SMEs and managers are aware of the training needs of their employees. They actively express their requirements and participate in training content definition. They recognise that the training practices and human resources management of other sectors are much better than those of the food sector.

There are some differences in SME awareness of training needs. SMEs are convinced of their awareness but VET providers and sectoral organisations are only partially convinced in this matter. A common view in all three groups of stakeholders (firms, training providers and sectoral associations) is that the role of the firms' owners in identifying training needs within their companies is of paramount importance.

VET providers have undoubtedly appreciated the needs for new and updated skills for SMEs, but cooperation between SMEs and VET providers in identifying training needs is not sufficiently developed.

Awareness of training needs: main points

- SMEs claim to be aware of training needs, based on their own understanding of such needs. Their ability to precisely define such needs, and to design programmes to cover them, is limited.
- No real participation of employee representatives has been noticed.

SMEs owners in some countries (notably Bulgaria) claim that their firms' training needs are largely determined by the content of relevant State or EU regulations.

Awareness of training needs: country- and sector-specific comments

Almost 90% of the SMEs interviewed (with rates ranging from 87% in the food sector to 95% in retail trade) argue that they are aware of the training needs of their employees. Slightly lower rates were noted in the Czech Republic (food and retail sectors). At the same time, they admit (85%) that identification of such needs is mostly based on owner appreciation and much less (27%) on employee suggestions.

No major country or sector-specific differences were noted. Whenever employee representatives get involved in identifying training needs, this is done mostly through regular consultations between themselves and the management of the firm and very rarely through employee active participation in committees.

4.2.2. Factors creating training needs

(a) Bulgaria

Competition seems to be the main factor behind creation of new training needs, according to the answers from SMEs, training providers, sectoral associations and government agencies. Depending on the specific sector, there were also opinions on various other factors. EU accession and the mandatory introduction of new food safety standards, EU directives and national legislation are considered by SMEs as the main factors creating new training needs in the food processing industry. Retail SME owners emphasised the relevance of new products traded, followed closely by new technology and, again, EU legislation. The growing number of new facilities is the main driving force behind SME efforts to improve the skills of their staff and hence raise the quality of the services offered in the tourism sector. Increased diversity of new personnel is also a frequent answer, the reason most probably being again the rapid development of the sector and observed shortages of skilled staff. New products or new tourist services are also considered by SMEs as relevant factors.

(b) The Czech Republic

All stakeholders agree that legal requirements prompted by national legislation and EU directives have had the most influence on new training needs. Competition was also mentioned as an important factor, though most retail and tourism owners did not put much stress on this: they highlighted other factors, such as new technology and products. SMEs in the food-processing sector, perhaps because of their size or because of the scarcity of funds invested in new technologies, mostly excluded new technology as a dominant factor.

Table 16. **What are the main factors creating new training needs? (Question 21)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
EU Directives	31	20.53	33	20.25	47	19.18	21	12.57	132	18.18
national laws	26	17.22	38	23.31	42	17.14	29	17.37	135	18.60
new technology	17	11.26	31	19.02	33	13.47	28	16.77	109	15.01
new products	41	27.15	35	21.47	49	20.00	40	23.95	165	22.73
increased diversity	13	8.61	3	1.84	21	8.57	14	8.38	51	7.02
competition	23	15.23	23	14.11	53	21.63	28	16.77	127	17.49
other	0	0.00	0	0.00	0	0.00	7	4.19	7	0.96
TOTAL	151		163		245		167		726	

Training providers did not focus on new technology and products, probably because they do not provide relevant training. Growing workforce diversity has been seen by government agencies as an important factor, but owners and training providers do not attach much importance to this aspect.

SME owners, almost unanimously, suggested that the offers covering new legislative requirements usually originate from training providers. They also mentioned that training in new technologies and products can be carried out externally or internally.

(c) Romania

The main factors creating new training needs are generally the same for all SMEs in all three sectors: EU directives, national laws, new technology, new products, increased diversity of new personnel hired and competition.

It is worth noting that all other groups interviewed, expressed similar opinions.

(d) Slovakia

The main factor creating training needs in the food processing sector was accession to the European Union and the need to adapt to EU food law. Other aspects, such as new technologies and products, are additional, but not as important.

It is surprising that VET providers do not recognise competition as a strong factor for the creation of training needs. In retail the most significant factor in this sense is new products: goods which are better recognised by training companies, sectoral and governmental bodies. There are other important factors but not EU legislation for retail and tourism. There could be two reasons for this. First, they are not aware what changes in national legislation are influenced by adaptation of EU Directives. Second, for these sectors the relevant EU Directives were reflected in national legislation already a few years ago (e.g. Council directive on package travel, package holidays and package tours).

Factors creating training needs: main points

- The 'new products' driving force seems to be effective in all sectors, including tourism.
- 'Technology' is also considered as an important factor generating training needs. These needs are driven by the specificity of the technological aspects introduced in production. For instance, the introduction of a new piece of machinery requires training on its functioning.
- The key is to inject the notion of continuing vocational training to those who manage SMEs, by training the owners first.
- A distinction must be made between 'driving forces' and 'facilitators'. They operate alternatively and they jointly result in the training process being carried out more efficiently.

Factors creating training needs: country- and sector-specific comments

In the food processing sector the main drives for training are: the need to comply with EU Directives, the equally crucial importance of compliance with national legislation and, to a lesser extent, new technology and new products. 'Competition' is also mentioned, particularly by Romanian, Bulgarian and Slovakian Small Firms.

In retail trade, new products create most of the demand for training, while in tourism, 'new forms of tourism' and competition seem to be the most important drives.

The identified factors creating training needs are essentially the same as those detected in the previous Cedefop survey in Germany, Ireland, and Greece (Cedefop, 2009a). In that survey, small firms in all sectors and countries emphasised the role of technological developments, national and European legislation/regulation and market competition in creating training needs.

4.3. Training practices in small firms

4.3.1. Bulgaria

SMEs from all of three surveyed sectors suggested that 'on-the-job training' is by far the most frequently used training practice. According to interviewees from the food processing industry, training practices in the sector also include open seminars and, to a lesser extent, intercompany seminars: these two are priorities for owners/managers. The reluctance of retail sector employers to spend on training led almost all interviewees (with only one exception in favour of open seminars) to use exclusively 'on-the-job' training practice. In tourism there is also a preference for on-the-job training, followed by open seminars, again attended mostly by owners and managers. Although training providers share SME owner focus on on-the job training, they, unlike sectoral associations, do not mention open seminars as a training practice. They do, however, mention use of 'intercompany seminars'.

The question 'What kind of training providers are used?' is generally answered by SMEs as 'the firm's owner himself/herself' and 'other more experienced employees'. However, the separate sectors vary: technology suppliers are quoted in food processing, and there is almost equal distribution between public training institutions, private training institutions, the firm's owner himself/herself and other more experienced employees in the tourism sector. The reason for the diversified opinions in the tourism sector can be sought in the high personnel turnover and seasonality of employment, which does not allow the same focus on experienced employees' as trainers.

4.3.2. The Czech Republic

The most frequent training practice in all sectors is 'on-the-job training', shared by training providers and sectoral organisations. In-house training occupies a marginal position in the retail and tourism sectors. No SME in the food-processing sector mentioned it. Training providers and sectoral organisations have confirmed this. Survey findings suggest that intercompany seminars have no place among training practices. Open seminars are preferred by about 25% of the SMEs in almost all sectors. Training providers agreed that this is the second most important training practice. Other practices (practical training or experience in other firms, training abroad, etc.) occupy an insignificant position (only 10%).

Training by the owner is a focus for firms in the food-processing sector (75%). This figure drops to 50% or less for tourism and retail. Food-processing firms do not place much importance on public training providers (33%), whereas almost all firms in the retail and tourism sectors attach great importance to such providers. Private training providers do not have the expected role (15%) in the provision of training to SMEs. Technology suppliers (50% of SMEs mentioned them as training providers) have an important role in the tourism sector, whereas their role is almost halved in the case of food-processing and retail sectors. The role of educational institutions is not very high (non-existent in the food-processing, 33% in the retail and tourism sector).

Table 17. **Which are the training practices used by your company? (Question 23)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
on-the-job training	68	64.15	57	62.64	60	56.60	56	48.70	241	57.66
in-house training	0	0.00	7	7.69	39	36.79	20	17.39	66	15.79
intercompany seminars	7	6.60	0	0.00	4	3.77	29	25.22	40	9.57
open seminars	31	29.25	19	20.88	2	1.89	8	6.96	60	14.35
other	0	0.00	8	8.79	1	0.94	2	.74	11	2.63
TOTAL	106		91		106		115		418	

4.3.3. Romania

Almost all SMEs in the three sectors suggested that training practices used by their companies are on-the-job training and in-house training (class type). Intercompany seminars, or open seminars are less in use. They also suggested that the most frequently used types of training provider are private training institutions and the firm's owner. In certain cases SMEs used other more experienced staff and technology suppliers. There is weak interest in public training or educational institutions.

Almost all training providers interviewed answered that most of the training practices used by SMEs are on-the-job training and in-house training (class type). Intercompany seminars, or open seminars are less in use.

According to the sectoral associations and government agencies, the most frequently used training practices are on-the-job training, intercompany seminars, in-house training (class type), open seminars, and distance learning courses. For example, the Chamber of Commerce and Industry of Romania – CCIR organises courses and seminars at its headquarters, the National Association of Travel Agencies in Romania (ANAT) organise courses in the ANAT Training Centre headquarters or in other locations throughout the country.

4.3.4. Slovakia

SMEs, VET providers and sectoral associations differ significantly in their opinion of usual training practices in food processing. SMEs prefer the use of 'on-the-job training' provided by the owner or more experienced staff. VET providers and sectoral associations suggested that open seminars were more important for them because of new information transfer, and it was the most frequent training practice.

Table 18. **What kind of training providers are used? (Question 24)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
public training institutions	33	20.00	46	41.82	25	15.24	8	5.71	112	19.34
private training institutions	28	16.97	8	7.27	32	19.51	24	17.14	92	15.89
firm's owner himself	42	25.45	23	20.91	27	16.46	21	15.00	113	19.52
other more experienced staff of the firm	36	21.82	16	14.55	41	25.00	32	22.86	125	21.59
technology suppliers	25	15.15	9	8.18	25	15.24	34	24.29	93	16.06
educational institutions	1	0.61	5	4.55	14	8.54	8	5.71	28	4.84
other	0	0.00	3	2.73	0	0.00	13	9.29	16	2.76
TOTAL	165		110		164		140		579	

The differences in opinion may imply that VET providers and sectoral associations are more concerned with training managers and/or owners. Managers and owners participate in the training organised by VET providers and transfer know-how to their staff. This is an important aspect for both SMEs and VET providers. The information flow starts at the training provider and is passed to the owner and/or to the plant manager, who then passes it further to the line personnel. Internal training provided by an external VET provider is less frequent than training provided by the company staff.

4.4. Preparation of training programmes

4.4.1. Bulgaria

SMEs from the three sectors surveyed stated that training programmes are prepared mainly by training providers, which may be public, private or technology suppliers. Awareness of training programmes that could be of interest comes mainly via information from sectoral associations; this is not appreciated by training providers, as they rely mainly on direct approaches to SMEs.

Training practices of small firms: main points

- The main training practice of SMEs in all sectors and countries surveyed is 'on-the-job training'. This is consistent with the experience in most other European countries. As previous surveys have shown, seven out of ten European employees think they acquire most of their new knowledge at work, a process which seems to be particularly suitable for small and medium-sized enterprises (Cedefop, 2007, p.15).
- 'Open seminars' is an interesting emerging practice in all sectors. These are becoming popular due to low cost, as some of them are funded by EU or organised by suppliers. For example, in Slovakia there were 64 such open seminars for the tourism sector.

Training practices of small firms: country- and sector-specific comments

More than 95% of the answers provided by small firms in all sectors and countries suggest that 'on-the-job' training is the training practice most widely used. 'In house training' and 'open seminars' are also used (27% of answers and 23% respectively). Open seminars are frequently reported for the food and the tourism sectors in Bulgaria and the Czech Republic.

The type of providers used varies from country-to-country and among sectors. Experienced staff from within the company frequently undertakes to train newly recruits. The owners themselves and public sector institutions are also very active training providers. Technology providers have a noticeably role in the food processing and retail trade sectors, while the owners' role in training is important in all sectors (but particularly so in the tourism sector).

'Relevance' and 'cost' are the most frequent criteria for selecting of training programmes from those offered. 'Lack of financial resources' is regarded by both SMEs and training providers as the main obstacle in their efforts to implement training programmes selected.

Table 19. **Who prepares the training programme(s)? (Question 25)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	**number**	**%**	**number**	**%**	**number**	**%**	**number**	**%**	**number**	**%**
owners	29	34.94	30	40.54	12	14.46	32	32.99	**103**	**30.56**
training providers	48	57.83	24	32.43	53	63.86	42	43.30	**167**	**49.55**
cooperation	6	7.23	13	17.57	18	21.69	14	14.43	**51**	**15.13**
other	0	0.00	7	9.46	0	0.00	9	9.28	**16**	**4.75**
TOTAL	**83**		**74**		**83**		**97**		**337**	

4.4.2. The Czech Republic

Preference for on-the-job training emphasises the staff role in the food-processing sector and, to a lesser extent, in tourism and retail. The role of training providers is also important. Depending on training types, the role of consultation with external experts has also been stressed. SMEs mostly get the training information from training providers and the media. The training providers agree with this as most of them approach the SME owners directly or publish information on their programmes on websites. Relevance of training is the most important criterion in course selection, followed by cost. The relative importance given to different factors varies among sectors. However, sectoral organisations believe that relevance is most important and cost is a secondary factor. Training providers take the opposite view. The majority of firms do not see problems in implementing the selected training programmes. Those who see problems, find them mostly in the 'indifference of employees', 'incompatibility with firm's organisation', 'lack of training providers' flexibility' and 'lack of financial resources'. These observations are in general agreement with the views expressed by training providers and sectoral organisations. However, the degree of importance given to those factors depends on the particular organisation and should not be generalised.

Table 20. **How do you become aware of available training programmes that could be of some interest to you? (Question 26)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
direct approach by training providers	22	18.18	39	43.33	52	34.67	47	50.00	160	35.16
info in media	25	20.66	31	34.44	33	22.00	10	10.64	99	21.76
info in sectoral association	37	30.58	13	14.44	28	18.67	15	15.96	93	20.44
from other businesses	1	0.83	3	3.33	37	24.67	12	12.77	53	11.65
other	36	29.75	4	4.44	0	0.00	10	10.64	50	10.99
TOTAL	121		90		150		94		455	

4.4.3. Romania

Romanian SMEs are interested in using specialists in training for training programmes. Most SMEs in all three sectors have indicated that the training programmes are prepared by training providers, or by their own staff in cooperation with external experts.

'Relevance', 'cost' and 'suitability of organisational arrangements' are the three most important criteria in selecting among the training proposals.

Table 21. **Which are the criteria with which you select among those offered? (Question 27)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
relevance	53	38.69	33	35.87	57	40.14	49	46.67	192	40.34
methods	6	4.38	11	11.96	19	13.38	3	2.86	39	8.19
cost	53	38.69	25	27.17	42	29.58	16	15.24	136	28.57
suitability of organisational arrangements	25	18.25	17	18.48	24	16.90	29	27.62	95	19.96
other	0	0.00	6	6.52	0	0.00	8	7.62	14	2.94
TOTAL	137		92		142		105		476	

Of 20 SMEs interviewed in the food processing sector, only one answered that it has no problem in its efforts to implement the selected training programmes. The rest indicated that the most frequent obstacles are ‘employees’ indifference’, ‘lack of financial resources’, ‘incompatibilities with firms’ organisation’ and ‘training providers’ lack of flexibility’. In the retail sector, from 22 SMEs interviewed, 12 (55%) indicated that they had no problem, while the rest mostly had problems such as employee indifference, training providers’ lack of flexibility, incompatibilities with firms’ organisation and sometimes lack of financial resources. Of 21 tourism SMEs interviewed, just one answered that they had no problem in their efforts to implement the selected training programmes.

Almost all training providers disseminate information on available training programmes through direct approach, media or information to sectoral associations. They consider the most important criteria for selecting training programmes from the SMEs to be costs, relevance and suitability of organisational arrangements. Some firms also quote other criteria, such as brand and supplier references. Because of lack of financial resources, many times small firms are willing to give up serious training programmes for lower quality programmes offered at lower cost.

Most of the training providers have problems in their efforts to implement the training programmes. The principal obstacles consist of employee indifference, owners’ lack of flexibility, lack of financial incentives, or inability by small firms to secure internal matching funding.

In shaping their offers for training services to SMEs, the sectoral associations in food processing consider news and legal modifications concerning companies, training needs expressed by participants in courses and seminars (through evaluation questionnaires filled in at the end of each event), wishes of sectoral associations to organise various activities (round tables, workshops, and seminars) aimed at bilateral exchange of information, professional training needs of employees, and existing training programmes. In the retail sector, sectoral associations use a weekly news bulletin transmitted online to members with questionnaires, news and information referring to their offer of training and also members' requests through the same information bulletin. They also take into account the annual evaluation established by professional commissions. In the tourism sector, sectoral associations take into account the annual evaluation established by professional commissions. Another example of working practice in the tourism sector is the annual questionnaires addressed to the companies to identify needs for improvement and qualification needs emerging because of changing requirements.

Almost all sectoral associations disseminate information on available training programmes that could be of interest to small firms through direct approach and media, and to sectoral associations through published news bulletins.

Table 22. **Do you face any obstacles in your efforts to implement the selected training programmes? (Question 28)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
yes	58	85.29	17	27.87	47	75.81	23	37.70	145	57.54
no	10	14.71	44	72.13	15	24.19	38	62.30	107	42.46
TOTAL	68		61		62		61		252	

4.4.4. Slovakia

Successful training programmes in the food processing sector are initiated fully or partly by SME personnel. They are offered by direct contact with the companies, or may be communicated via the media or staff. The relevance of the training programme is the most important selection criterion. Almost half (48%) of SMEs see some obstacles in its implementation, the most frequent being the cost of training (SMEs, VET providers and sectoral associations) and the low flexibility (time, place, content) of the training providers. Also relevant is the willingness of personnel to attend training.

Some SMEs have the feeling that they are not important to training providers, because of the small company size. If they were a larger company, more training offers could be made.

Training is important for all small companies in retail and tourism but many of them only focus on on-the-job training of new employees. In this there is a huge difference between micro companies and firms with around 50 employees. It is evident that the attitude to training depends on size, category and class of establishment. The approach of micro companies is more intuitive; they prefer ad hoc solutions and usually react slowly. Larger hotels of higher class have a more systematic approach to staff training.

Preparation of training programmes: main points

Training providers usually approach SMEs to offer training services, proposing programmes which are frequently considered by SMEs to be largely inappropriate or irrelevant for their real needs!

It is rare for small firms to have any active role in designing training programmes and the survey reveals (as it was also found in other Member States) this is usually done by external expert training providers.

Preparation of training programmes: country- and sector-specific comments

Training providers are, in most cases, the initiators of training programmes. Several small firms prepare their own programmes, while cases of cooperation are less frequent. Reliance on providers is particularly high in Bulgaria and Romania, with Slovakia following at short distance. In the Czech Republic most small firms seem to prepare their own training programmes.

Self-sufficiency is less the case in the retail trade sector.

Small firms become aware of training programme availability mainly through direct approach by training providers and, to a lesser extent, through information in the media or from respective sectoral associations. The latter seem to be particularly active in Bulgaria and Romania and less in the other two countries surveyed (especially in the food processing and the tourism sectors).

The criteria for selecting training programmes are relevance (by far the most important in all sectors) and their cost. Suitability of organisational arrangements is another relevant criterion for SMEs in Slovakia (especially in the retail trade sector) and in Romania in the tourism sector, but not necessarily in other cases.

In two of the four countries (Bulgaria and Romania) small firms suggested that they faced serious obstacles in staging selected training. In the case of Bulgaria, this is true of all three sectors; in Romania, the retail trade sector demonstrated a more balanced situation. In Slovakia, the only sector where serious obstacles were reported is the retail trade.

Employee indifference and programme incompatibility with firm organisations seem to constitute the main obstacles (with 59% and 51% of the answers provided). Lack of financial resources is also an important obstacle the food sector in Bulgaria and Slovakia, and in the retail and tourism sectors in Bulgaria.

It is interesting to note that ‘employees’ indifference’ seems to be a more important obstacle to training in the countries surveyed by this study, than in ‘older’ Member States. The same seems to be the case for ‘cost of training’. This difference may be interpreted as reflecting the relatively low level of awareness, among both employees and employers, of suitable and effective training opportunities and of funding sources.

4.5. Evaluation of training programmes

4.5.1. Usefulness of training

(a) Bulgaria

Training programmes offered to SMEs are generally considered useful, with the exception of the retail sector firms whose opinion is that external training services are of doubtful usefulness. When firms were asked to give their assessment of the quality of training programmes offered to them by different types of training providers, they expressed their preferences for sectoral associations and private trainers. Trainers' poor understanding of real company needs, training techniques used and trainers' skills are considered by SMEs as training providers' main shortcomings.

Training providers, both private and sectoral associations, see the training programmes they offer as very useful. This contrasts with SME views. Providers rate themselves most highly when it comes to assessing the quality of training services offered by different types of training institution. SME opinions do not afford much credit to sectoral associations for the quality of their training programmes, while educational institutions and non-profit organisations are assessed highly in this respect. As with training providers, sectoral associations rate their services as 'very satisfactory' for quality of training services offered by different types of training providers.

Asked about their own shortcomings, training providers admit that they occasionally lack experienced specialised trainers as well as training material and have little experience in using modern training techniques. Some 60% of the training providers state that they have no specific quality assurance approach, while only 20% mention that they have ISO certification. In identifying the main shortcomings of training providers, sectoral associations quoted inexperience in using modern training techniques, followed by disparities in trainers' and small firms' understanding of the real needs of the latter and shortage of experienced specialised trainers.

(b) The Czech Republic

SMEs are mostly indifferent to the usefulness of training. This attitude stems from their absence of training need awareness and their feelings of low quality of services provided by some types of providers. Except for tourism, firms are not happy about the services of the public agents and they also do not appreciate the services provided by non-governmental organisations. A high degree of satisfaction was expressed with the training services of technology suppliers and private training providers, although SMEs in the tourism sector are not much in favour of private providers. Sectoral organisations have the confidence of SMEs in tourism but in other sectors the situation is quite different. Educational institutions do not enjoy great confidence in any sector.

Table 23. **How useful do you consider to be the training programmes offered to your company? (Question 29)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
completely useless	2	2.94	6	9.84	0	0	4	7.27	12	4.88
useless	3	4.41	9	14.75	0	0	3	5.45	15	6.10
indifferent	23	33.82	31	50.82	2	3.23	13	23.64	69	28.05
useful	32	47.06	13	21.31	24	38.71	21	38.18	90	36.59
very useful	8	11.76	2	3.28	36	58.06	14	25.45	60	24.39
TOTAL	68		61		62		55		246	

Training providers and sectoral organisation are very certain of the usefulness of their services, particularly in the retail and tourism sectors. They rate highly the services of educational institutions and most are also satisfied with the services of sectoral organisations. While they offer positive evaluation of the services of private providers and technology suppliers, they are not at all happy with the services of non-governmental, non-profit organisations.

All stakeholder groups see the same shortcomings in training providers. These include: scarcity of experienced and specialised trainers, lack of specialised training materials, inexperience of trainers in using modern techniques, costs of training, time management by trainer, poor didactic skills, unpreparedness, and failure to understand needs of the trainees.

(c) Romania

More than half of the food processing SMEs consider training programmes useful. In the retail and tourism sectors the pattern is similar: 50% of SMEs consider training programmes as very useful and 50% as useful.

More than half the SMEs surveyed are not satisfied with the training services offered by public agents, sector associations, private trainers, technology suppliers, non-profit organisations, educational institutions.

SMEs from all three sectors consider the main providers' shortcomings to be poor trainer understanding of the firms, training material used, training techniques used, and trainer skills.

Table 24. **How satisfied are you with the training services offered by the different types of training providers? (Question 30)**

(a) public agents

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
1: not at all satisfied	0	0.00	7	11.48	16	25.81	4	6.56	27	11.69
2	13	27.66	11	18.03	10	16.13	2	3.28	36	15.58
3	15	31.91	9	14.75	6	9.68	2	3.28	32	13.85
4	19	40.43	24	39.34	3	4.84	3	4.92	49	21.21
5: very satisfied	0	0.00	3	4.92	0	0.00	2	3.28	5	2.16
not answered	0	0.00	7	11.48	27	43.55	48	78.69	82	35.50
TOTAL	47		61		62		61		231	

(b) sectors' associations

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
1: not at all satisfied	0	0.00	5	8.20	4	6.45	2	3.28	11	4.76
2	4	8.51	3	4.92	8	12.90	0	0	15	6.49
3	14	29.79	15	24.59	13	20.97	3	4.92	45	19.48
4	22	46.81	16	26.23	10	16.13	2	3.28	50	21.65
5: very satisfied	7	14.89	2	3.28	3	4.84	0	0	12	5.19
not answered	0	0.00	20	32.79	24	38.71	54	88.52	98	42.42
TOTAL	47		61		62		61		231	

(c) private trainers

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
1: not at all satisfied	0	0.00	5	8.20	0	0.00	0	0.00	5	2.17
2	7	14.89	4	6.56	0	0.00	4	6.67	15	6.52
3	15	31.91	10	16.39	5	8.06	7	11.67	37	16.09
4	22	46.81	16	26.23	14	22.58	8	13.33	60	26.09
5: very satisfied	3	6.38	13	21.31	15	24.19	3	5.00	34	14.78
not answered	0	0.00	13	21.31	28	45.16	38	63.33	79	34.35
TOTAL	47		61		62		60		230	

(d) technology suppliers

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
1: not at all satisfied	3	8.33	1	1.64	1	1.56	0	0.00	5	2.25
2	11	30.56	2	3.28	2	3.13	1	1.64	16	7.21
3	9	25.00	5	8.20	5	7.81	3	4.92	22	9.91
4	13	36.11	17	27.87	13	20.31	18	29.51	61	27.48
5: very satisfied	0	0.00	16	26.23	11	17.19	11	18.03	38	17.12
not answered	0	0.00	20	32.79	32	50.00	28	45.90	80	36.04
TOTAL	36		61		64		61		222	

(e) non-profit organisations

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
1: not at all satisfied	38	80.85	6	9.84	2	8.00	0	0	46	23.71
2	9	19.15	1	1.64	4	16.00	0	0	14	7.22
3	0	0	15	24.59	5	20.00	0	0	20	10.31
4	0	0	3	4.92	9	36.00	0	0	012	6.19
5: very satisfied	0	0	0	0.00	5	20.00	0	0	5	2.58
not answered	0	0	36	59.02	0	0	61	100	97	50.00
TOTAL	47		61		25		61		194	

(f) educational institutions

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
1: not at all satisfied	0	0.00	4	6.56	3	4.84	0	0.00	7	3.03
2	1	2.13	2	3.28	5	8.06	0	0.00	8	3.46
3	29	61.70	16	26.23	5	8.06	0	0.00	50	21.65
4	17	36.17	7	11.48	12	19.35	0	0.00	36	15.58
5: very satisfied	0	0.00	11	18.03	5	8.06	4	6.56	20	08.66
not answered	0	0.00	21	34.43	32	51.61	57	93.44	110	47.62
TOTAL	47		61		62		61		231	

Of the 19 training provider companies interviewed, only two consider programmes offered to SMEs as being ‘useful’, while 89% consider them ‘very useful’.

All training providers consider the training services offered by private trainers and technology suppliers satisfactory. The services provided by public agents, sector associations, non-profit organisations, and educational institutions are not considered satisfactory. However, most training providers are not in a position to substantiate their opinion, because they do not conduct any collaborative research work with their clients.

More than half the training providers (63%), consider the main providers’ shortcomings to be the following: trainers and firms differ in their understanding of the firm’s real needs, trainer inexperience in using modern training techniques, scarcity of experienced specialised trainers, and an immature training market (not able to select supplier according to training needs rather than other considerations). Two training providers answered that they did not know, the rest did not answer.

Providers use various methods for evaluating the usefulness and effectiveness of the training services they offer. They mentioned in particular the following: critique method, theoretical examination and practical testing, evaluating questionnaires for feedback from the trainees, theoretical and practical evaluation.

All sectoral associations consider their training programmes as very useful, one of the most important reasons being that courses are permanently oriented towards market demand. They are not satisfied, however, with the training services offered to SMEs by public agents, sector associations, private trainers, technology suppliers, non-profit organisations. They are, however, satisfied with the training services offered to SMEs by educational institutions.

(d) Slovakia

Most of the food processing SMEs consider training to be indifferent (43%). One third of respondents consider training as useful or very useful. This attitude is based on the experience of the SMEs with the training providers. The most frequent answer about shortcomings was ‘trainers have poor understanding of the real needs of the food processing companies’. The best score for VET providers in the food processing sector was given to the suppliers of technology or raw materials.

Table 25. **Based on your experience, which do you consider being the training providers' main shortcomings? (Question 31)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	**number**	**%**	**number**	**%**	**number**	**%**	**number**	**%**	**number**	**%**
trainers' poor understanding of the firm's real needs	42	38.18	35	45.45	38	41.76	22	33.85	**137**	**39.94**
trainers' skills	24	21.82	14	18.18	18	19.78	1	1.54	**57**	**16.62**
training material used	12	10.91	12	15.58	11	12.09	1	1.54	**36**	**10.50**
training techniques used	32	29.09	10	12.99	24	26.37	0	0.00	**66**	**19.24**
other	0	0.00	6	7.79	0	0.00	41	63.08	**47**	**13.70**
TOTAL	110		77		91		65		343	

Retail SMEs consider the proposed training programmes to be either 'useful' or 'very useful'. The same is true of firms in the tourism sector, with some exceptions associated with a particular negative experience with some training programme or a training provider.

All training providers for retail and tourism use some methods for evaluating the usefulness of training, based mainly on evaluation questionnaires, final test and feedback from employers. They have also developed their own system for quality assurance, using a selection of trainers and their continuing training.

Usefulness of training: main points

- Sectoral associations are preferred as training providers, by small firms.
- External providers are regarded as having poor understanding of SME needs.
- The general level of satisfaction with training programmes is low to moderate.
- There is a significant and widespread problem in post-training evaluation. This should better be conducted by SME owners themselves.

Training sessions provide the opportunity for a certain sector to gather and exchange experiences. Such opportunities, to meet and discuss with other professionals working in similar businesses are rare and are appreciated.

Usefulness of training: country- and sector-specific comments

Six out of ten small firms suggest that they consider the training programmes offered to them as 'useful' (36%) or 'very useful' (25%). Firms in the Czech Republic declared a much lower level of satisfaction (51% declared 'indifferent'), with such views across all three sectors.

The level of satisfaction differs significantly, depending on the type of training provider used. In particular:

- for public agents, only 24% of the surveyed firms answered 'satisfied' or 'very satisfied' (mainly in Bulgaria and the Czech Republic and, more specifically, in the Bulgarian tourism sector);

- for sectoral associations, the assessment is only slightly better (29%), again because of high levels of satisfaction in Bulgaria and the Czech Republic (food and tourism sectors);
- for private providers, the level of satisfaction increases to 40%, with the exception of Slovakia;
- for technology suppliers, the 40% satisfaction level is retained in all countries, but with variations: very satisfied small firms in the food processing sector in Bulgaria and the Czech Republic, much less so in the other countries.

SMEs do not seem to be at all satisfied with the other two types of provider (non-profit institutions and educational institutions),though there are isolated cases in the food sector in the Czech Republic and the tourism sector in Romania.

The low level of satisfaction across all types of training provider makes the question of shortcomings very relevant. The main shortcoming identified is 'trainers' poor understanding of the firm's real needs' (54%), with reservations as to the training techniques used and the trainers' skills following (25% and 22% respectively). In all four countries, the ranking of shortcomings is similar and so is the situation for the various sectors.

It is generally accepted that lifelong learning and continuing vocational training is not just beneficial for the individual concerned, but it is also profitable for employers and for society. Such benefits of equity in education have been measured by several empirical works.

These issues are also examined in subsequent sections of this study.

4.5.2. Impact on performance

(a) Bulgaria

Food processing SMEs view the relationship between training and their development mainly as allowing them to increase their competitiveness, expand their market share and, consequently, raise the level of their profitability. To the question 'What has been the impact of training on the existing qualifications and skills of the firm?', 75% of the interviewees answered 'positive'. In retail, training is viewed mainly as a factor increasing qualifications and labour effectiveness, so naturally its impact on the existing level of skills in the companies is considered positive. However, interviewees do not see any strong relationship between the overall performance of their firms and the training undertaken. In tourism, training is considered mainly as a tool for increasing competitiveness and the profitability of the companies. The effect of training programmes on qualifications level in small firms is considered positive and their impact on overall performance is believed to be considerable.

Training providers are more extreme than SMEs in their evaluation of the impact of training programmes on qualifications and skills of the small firm owners and employees; they rate it 'very good'. Sectoral associations are more moderate in assessing the influence that training has on the level of skills and qualifications in small firms and generally rate it as 'positive' or 'satisfactory'.

Table 26. **Has your company's performance been affected by training? Please describe and explain (Question 35)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
not at all	4	5.88	13	21.31	1	1.61	3	5.26	21	8.47
poorly	5	7.35	15	24.59	1	1.61	5	8.77	26	10.48
so-so	20	29.41	26	42.62	7	11.29	16	28.07	69	27.82
enough	30	44.12	5	8.20	26	41.94	22	38.60	83	33.47
very much	9	13.24	2	3.28	27	43.55	11	19.30	49	19.76
TOTAL	68		61		62		57		248	

(b) The Czech Republic

The role of good training on the development of the firm is well appreciated by most firms. Most of the SMEs in all three sectors are aware that training could positively contribute to the development of firms by better revenue earning, reducing the number of unskilled persons in the firm, bringing knowledge, obtaining new information, acquainting with new technologies and processes. These may lead to better quality of work, then to better functioning of the firm, without appreciable problems. However, they are also afraid of the negative impacts of training on the rate of departures of qualified and trained workers.

Training providers also believe in the positive impact of training on existing qualifications and skills of owners and employees. They find the following impacts: higher qualifications if training is targeted, required certification of certain workers in certain job positions, better productivity of skilled workers, better management quality, better functioning of company, personal growth and skills development, better use of employees with more responsible tasks.

The representatives of sectoral agencies feel that training may bring better support for management and, in most cases, the trained persons are very useful for the company operation because of their new knowledge and information, which are transferable within the firm. Training makes people able to react quickly and effectively to the actual needs of the company.

(c) Romania

Most SMEs from all three sectors consider that training programmes have positive effects on company development, although training programmes must be better adapted to company needs.

Sectoral associations consider the training impact as positive because it helps SMEs face new requests from the European single market. It increases the quality of services offered, allowing training participants in programmes to go deeply into specific terms, applications and case studies specific to the programme agenda.

(d) Slovakia

Food processing SMEs see training as having positive impact on company performance. Some specified the effect on product quality and internal communication. However, one in every four respondents does not see any positive impact from training. This means that a significant number of SMEs underestimate the necessity of training and see other factors as more important to the company performance, e.g. age and status of employees, quality of materials and/or equipment used.

Food processing VET providers and sectoral associations emphasise the positive effects of training on the general performance of the company, increase in individual employee performance, inter-company experience exchanges and better implementation of food sector regulations.

SMEs in retail and tourism sectors consider training necessary for their operation and success, but for different reasons reflecting sectoral specificities. Also, the impact on their qualifications and skills is different, though there are also some similarities, e.g. communication skills.

Most small companies confirmed the positive impact of training on their performances. Negative aspects are reported for the cases in which employees left for a competitor company after training.

Impact on company's performance: country- and sector-specific comments

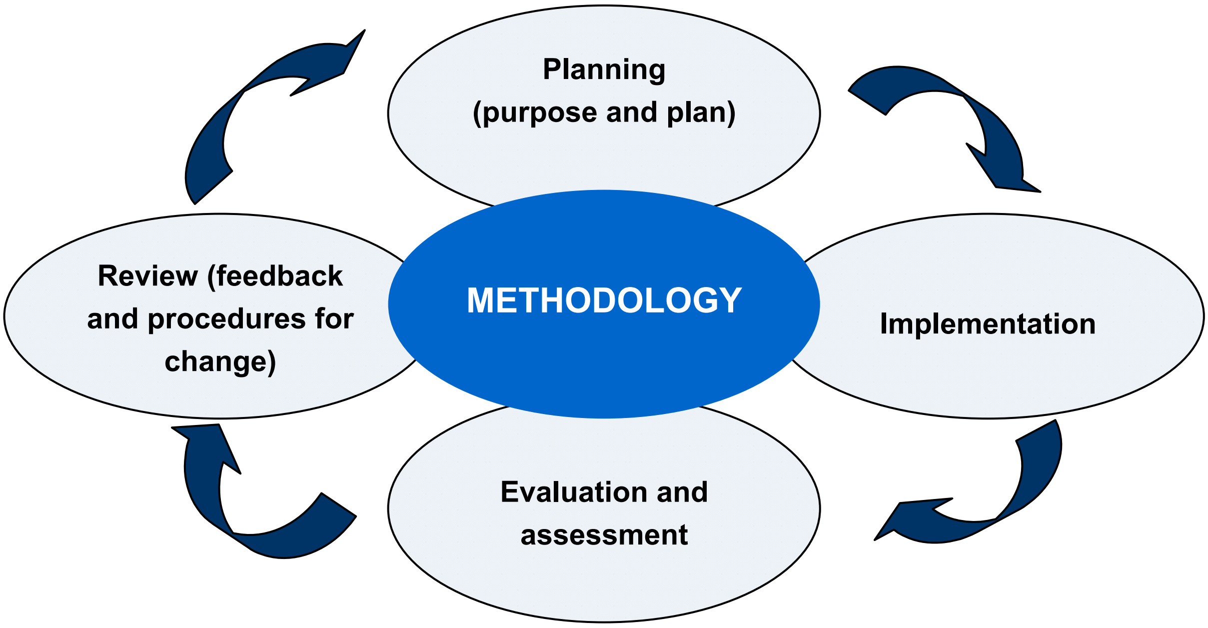
The overall assessment of the impact that training might have on companies' performance is positive. More than 50% of respondent SMEs characterised it as being 'sufficiently strong' or 'very strong'. The exception is small firms in the Czech Republic, which adopt a much more cautious view (particularly in the food processing sectors).

As in the previous Cedefop survey (Cedefop, 2009a), while experts see an impact in increased productivity, wage level and staff morale, very few were able to quantify that improvement.

4.6. Quality in SME training: lessons learned

Quality assurance in training programmes is assessed along the lines suggested by the European common quality assurance framework. This is summarised in the sequential consideration of four distinct (but interrelated) phases of needs identification, preparation and implementation of training programmes, education, and incorporation of evaluation results (see Figure 4). The tasks associated with these evaluation phases were investigated through the study questionnaires addressed to all surveyed groups; the views obtained are presented in this section of the report.

Figure 4. **The common quality assurance framework model**



Source: European Commission – Technical working group on quality in VET (2003).

4.6.1. Quality approach in small firms

(a) Bulgaria

According to the interviewees from the food processing industry, 'quality' is progressively considered a key element in developing human resources in any firm. Due to circumstances such as EU accession and the introduction of new equipment and technologies, requiring relevant training, employers do not have the luxury of considering whether or not to undertake a given training action in the retail sector. However, they tend not to consider the results of past training while developing future policy. In the tourism sector, only a little more than half of the interviewees consider 'quality' to be an important determinant of the development of human resources in small firms. Nevertheless, as a result of high personnel turnover and seasonality of employment, employers in the sector are considerably influenced by the results of training actions observed in the past.

Training providers are of a mixed opinion with respect to quality. Some, but not all, providers stated that small firms are interested in certification of training, showing lack of positive attitude towards training on the part of SMEs with respect to the opportunities that it may offer for their future development. Most training providers estimate that only 25-50% of their clients apply any quality assurance methods in their operation. According to sectoral associations, the significance of quality in developing human resources is generally moderate. As with training providers, they estimate that around 25% of SMEs apply quality assurance methods. The opinion of government agencies is that quality is still only partially viewed as important for the development of human resources in small firms.

Table 27. **To what extent and how is your current training policy (if you have one) and/or training practices influenced by the results of training actions taken in the past? (Question 36)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
not at all	14	20.59	23	37.70	3	5.00	5	8.62	45	18.22
poorly	3	4.41	17	27.87	4	6.67	5	8.62	29	11.74
so-so	14	20.59	15	24.59	6	10.00	15	25.86	50	20.24
enough	24	35.29	3	4.92	30	50.00	23	39.66	80	32.39
very much	13	19.12	3	4.92	17	28.33	10	17.24	43	17.41
TOTAL	68		61		60		58		247	

(b) The Czech Republic

Most firms have not considered a ‘quality approach’ in human resources development, understandable where there is absence of a well-drawn training policy or human resources development plan. Their human resources policy focuses on hiring of, if possible, competent persons, providing on-the-job training, conducting statutory training required by law, accepting training by technology supplier and having important (oriented mainly to specific job or task skills), or at least, interesting training programmes offered by external training providers. The decision to send employees to training rests solely with the owner. Except in the retail sector, there is no report that past training influenced present training practices. The cases in the retail sectors are the results of competition and fast changes in the retail market. The same was expected it in the dynamic tourism sector but, due to the specific providers, training practices remain mostly unchanged. A further reason may be found in the characteristics of the sector itself.

Although a classical quality approach is absent from all sectors surveyed, there is evidence of initiatives to motivate employees to raise their skills by self-study and non-formal education, at least in retail and tourism sectors and in a few cases in the food-processing sector.

Training providers suggested that SMEs do not look for accredited courses but for high quality effective courses: not all courses are accredited. It is difficult for SMEs to know or judge the quality unless some authority has accredited the course. This is one of the problems of further professional development of employees. Providers were not in a position to offer data on SMEs applying quality assurance methods related to products and services. The experts believe such SMEs do exist, but they are very few in numbers. Sectoral organisations believe that SMEs could have been interested in quality approaches provided they had no human resources and manpower constraints. They argue, however, that SMEs, even of small sizes, are slowly getting into the quality approach. Experts believe that SMEs will first attempt to have a quality approach in products and services and only after that they might consider implementing some kind of quality approach in human resources development.

(c) Romania

About three quarters of the SMEs in food processing stated that their current training policy and/or training practices are ‘enough’ influenced by the results of training actions taken in the past. In retail 44% said their current training policy and/or training practices are ‘so-so’ or ‘poorly’ influenced, while in tourism 50% of SMEs said current training policy and/or training practices are ‘very much’ influenced by the results of training actions taken in the past. SMEs in food processing use strategies beneficial in the past. In the retail sector, although SMEs have flexible training programmes, past results have little influence. Half of the SMEs in tourism have a regular ‘control and improve’ programme for employees. Previously trained personnel share good practices with colleagues who did not attend training.

(d) Slovakia

Most of the food processing SMEs have a positive attitude towards certified education; VET providers have the same experience. The food sector associations do not agree fully with them and they feel that a significant decline in the importance of the certified vocational education is unavoidable.

The smaller SMEs are less quality oriented (product and personnel). This is because of the local character of their products and market or because they do not have enough money to pay for quality personnel and for a quality management system.

In the retail and tourism sector the approach to quality as a key element of human resource development is different in each individual case. In some companies, particularly micro companies, there is not enough awareness of this principle. Other companies are aware, but are limited by time and financial resources. However, there are also companies which do a lot and this principle is a part of their corporate culture.

Quality approach to training of small firms: country- and sector-specific comments

Most of the small firms in the countries surveyed say that the results of training actions in the past strongly influence their current training policy. This is particularly so in the retail and tourism sectors, less so in food-processing.

Quality training is generally appreciated by small firms and all the other stakeholder groups but this seems to remain, in most cases, a theoretical, rather than applied, view. In many cases, it might be argued that the concept of quality is not sufficiently well understood.

Lessons to be learned: main points

Having presented the main findings of the surveys, it would be useful to consider some of the lessons learned. These 'lessons', presented by country, reflect the combined impression of experts participating in the study preparation.

Romania

- There are many outdated provisions in training of SMEs (no renewed programmes, especially by public sector providers).
- Providers (public sector) are not sufficiently proactive.
- Sectoral associations should be more aware of their members' needs.
- There is a very strong need for QA information, which may pave the way for QA adoption.

Bulgaria

- The evolution of training was primarily the result of the need to upgrade existing qualifications.
- Upgrading training provider efficiency is considered a 'key demand'.
- Supply-demand links: better communication and better understanding is indispensable for better cooperation and better training programmes.

Slovakia

- Limited supply of trained personnel leads to low quality of hired personnel and subsequently to increased need for training, which is constrained by low motivation.
- Owners and management need to be trained as a matter of priority.

The Czech Republic

- SMEs need to comprehend QA principles and systems.
- Higher involvement of professional associations in training of SMEs (not only large firms).
- e-Learning and self-study techniques would be welcome.

4.7. Policy recommendations

4.7.1. Government incentives

State initiatives and programmes to promote VET do not always proceed unimpeded, since many people (both employees and employers) are unaware of new skills that might be necessary for their work. This lack of awareness is estimated at 26% of EU-25 citizens. In addition, 20% believe 'they do not have time for training', 18% feel 'appropriate training is not offered' and 17% think 'employers do not make the necessary time or funding unavailable'.

(a) Bulgaria

SMEs from the food processing and tourism sectors are generally aware of available State support employee training, while small firms in retail are mostly unaware of opportunities. This can be attributed to the past experience (or lack of such in the case of the retail sector) with pre-accession instruments such as Phare and Sapard and the awareness of the opportunities that the available EU accession funds currently offer. However, SMEs have not yet managed to take advantage of these opportunities, mainly due to delays in starting programmes. Obstacles to use of incentives are led by excessive administration, which is considered to be the main issue that prevents SMEs from more effectively making use of available support. Nearly half of the training providers interviewed are not aware of the opportunities that Operational programme human resources development offers for staff training or simply consider that the incentives available are either very low or quite difficult to use.

Both sectoral associations and government agencies claim to have roles in policy making, implementing training programmes and accreditation of trainers and programmes (for government agencies alone). Among the main tools for performing these roles, both target groups point out information dissemination, training of trainers and delivery of training programmes, while funding of training remains mostly the priority of government agencies. Both groups agree that that there are State incentives in the form of EU funds for training and, while government agencies receive direct support from the State, in the form of training and technical assistance, sectoral associations do not see any available resources for strengthening their own training services' provision capacity.

Table 28. **Are there any incentives offered to you by the government/ and/or other public bodies for the training of your employees? (Question 37)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
yes	47	69.12	4	6.56	8	13.11	9	14.75	68	27.09
no	21	30.88	57	93.44	53	86.89	52	85.25	183	72.91
TOTAL	68		61		61		61		251	

(b) The Czech Republic

Even though there are some State training incentives, the interviewed SMEs are mostly not aware of them. The reason is the basic fact that SMEs are not searching for such information because training is not a priority area for them. Sectoral organisations conduct a very limited amount of training compared to their needs, and their main function is to provide information to members. Non-members, however, struggle to obtain such information. The real obstacles to exploiting State incentives are many, even in the case of interested SMEs. These include the need to provide matching funding, the absence of expertise to run such projects within the firm, and no established training needs.

(c) Romania

SMEs do not generally use incentives. They are unanimous in quoting obstacles to making use of available incentives as administration, low level of incentives, lack of information, and scarcity of matching internal funding.

All training providers answered that there are no incentives offered by the State.

Almost all sectoral associations interviewed consider that there are no incentives offered by the State for the training of the employees in the three sectors and government agencies contribute to this.

(d) Slovakia

Almost all food processing SMEs (86%) are aware of some governmental initiatives to support employee training but only one third has used such funds. They are not sufficiently informed about these incentives (62%) or may not apply for support because of excessive administration (29%). 10% of SMEs consider the incentives to be very low.

Table 29. **What do you consider to be the main obstacles in making use of available incentives? (Question 39)**

	Bulgaria		Czech Republic		Romania		Slovakia		Total	
answers	number	%	number	%	number	%	number	%	number	%
lack of information	20	18.02	48	57.83	36	33.96	28	50.00	132	37.08
'red tape'	45	40.54	16	19.28	42	39.62	4	7.14	107	30.06
level of incentives too low	20	18.02	5	6.02	24	22.64	5	8.93	54	15.17
scarcity of matching internal funding	26	23.42	9	10.84	4	3.77	0	0.00	39	10.96
other	0	0.00	5	6.02	0	0.00	19	33.93	24	6.74
TOTAL	111		83		106		56		356	

Only a third of food sector VET providers have some indirect experience with government funding. The cost of training provided by VET providers is reimbursed to the SMEs through the Job Office. Basic vocational education provided by secondary schools and/or by universities is 100% subsidised by the State.

Food sector associations are not subsidised by the government for vocational training. They are active in financing and/or policymaking of vocational training. The government subsidises two post-graduate VET providers, but their activities concern primary production and animal health or food industry regulators, not the food processors. This means that there are no direct funds supporting the training activities in the food industry. Some indirect government incentives for all SMEs are only now starting to emerge.

Awareness of incentives offered by government or other public bodies is very low not only in SMEs but also in VET providers and sectoral associations. Sectoral association are the bodies through which such public funded training could be delivered to SMEs, though VET providers should be the suppliers of this training. This very low awareness is surprising. In the tourism sector there are incentives offered (United Nations Development Programme, three Phare grant scheme, later operational programme under the ESF) but most SME owners are more interested in incentives related to investment rather than training.

Government incentives: country- and sector-specific comments

Although small firms in the countries surveyed do not seem to be satisfied with availability or the content of government incentives for employee training, they are aware that such schemes exist.

Such awareness is more developed in the food processing and the tourism sectors (and less so in retail trade).

Use of such incentives is hindered by several types of obstacles, of which the most important are: lack of information and 'red tape', with little differences in country and sector. Another obstacle frequently mentioned is the low level of incentives (food sector in Bulgaria and Romania, retail trade in Romania, tourism in Romania), combined with scarcity of internal matching funding (all sectors in Bulgaria).

PROPOSALS

The Czech Republic

- Support SMEs to upgrade quality in services; reintroduce ISO incentives
- Support owners in programmes of training needs identification: sectoral organisations' role ('train the owners'); Ministry of Regional Development: a 'good practice'; special provisions for 'micro enterprises'
- Better coordination and control of non-private providers (Ministry of Education)
- Monitoring of accredited programme implementation
- Social partners' role and participation formulation in VET policy
- Compulsory qualifications for more job profiles (Chamber of Commerce)
- Create climate for quality training

Slovakia

- Permanent training mechanisms for SMEs (training needs surveys, job profiles, etc.)
- More public funding but also provision of cofinancing
- Labelling (e.g. eco-hotels)
- Need for catalysts: facilitators

Bulgaria

- More funding should be made available through operational programmes
- Awareness campaigns on advantages of training will increase use of available funding
- Simplification of procedures (especially for 'micros')
- Evaluation/monitoring linked to firm performance
- Incentives for 'training of trainers' for training providers

Romania

- Data banks of training providers using quality assurance
- Tax incentives
- Registry of training providers
- 'Labour market' courses in schools

4.7.2. Recommended policy directions

Questions included within this sub-chapter are very difficult not only for small companies in all three sectors but also for VET providers and many sectoral associations. Many of them are strongly focused mainly on their day-to-day operation. Small organisations often have difficulty keeping track of all aspects of a situation (e.g. available incentives) and it is not so easy to propose policy recommendations. Nevertheless, the answers offer interesting material for analysis and policy recommendation.

(a) Bulgaria

According to training providers the key issues to be addressed in quality enhancement of training and, more particularly, the development of small firms, mainly relate to precise identification of SME training needs. Information seminars and conferences about available opportunities offered by EU funds in Bulgaria are viewed by providers as the main policy tool for promotion of VET quality in SMEs.

The views of sectoral associations with respect to the main challenges concerning training quality enhancement in SMEs relate to increasing the quality of training services through modern training methods and improving trainer' skills, as well as helping SME owners fully realise the positive impact of training on company performance. The reduction of bureaucratic obstacles in using EU funds and aiding the introduction of new forms and methods of training by the government are considered crucial for the upgrading of their organisation and contribution to SME quality training.

According to government agencies the main challenges to be addressed mainly relate to increasing the level of managerial skills and raising SME owner awareness of the advantages of training.

Basic recommendations for the State training policy include information campaigns for getting SMEs acquainted with the usefulness of training for overall performance and reducing the administrative obstacles for the effective absorption of the EU funds allocated to training small firms' employees. Pointed in the right direction and with the financial resources made available to them, SME owners will much be more successful in all the stages of an effective and efficient training cycle of needs identification, implementation, evaluation and change management.

(b) The Czech Republic

Training providers feel that the key issue is to increase owner awareness of the positive influences of training. SMEs must become really aware of the need for training and professional growth of their employees, without excess fear of mobility of personnel between firms. Training providers emphasise the training of trainers and call for financial incentives. Major obstacles in quality approach to training are seen by sectoral organisations as the absence of cooperation between small firms. They argue for cooperation between vocational training institutions at secondary and tertiary levels, and increased cooperation between small firms, particularly in less developed regions. To improve the position of sectoral organisations in vocational training, they must have adequate funding for personnel to manage educational activities. The experts stressed the need to train owners, networking of owners, strengthening the role of sectoral organisations in training, maximum efforts on accreditation of courses and counselled maximum in-house training, to intensify information campaign on trainings, to simplify the procedures for EU funds.

Policy recommendations as seen by the SMEs, training providers, sectoral organisations, government agencies and the investigators/experts may be summarised as follows:

(a) priority of owners towards training and/or human resources development issues is very low and this should be changed by intensive campaigns by sectoral organisations in association with other stakeholders;
(b) SME owners must be trained on issues of human resources management, as much as possible on a no-cost basis through open seminars, simple brochures, etc. The cost of such campaigns should rest with the sectoral/sub-sectoral organisations closest to the owners;
(c) constraints on training as mentioned by owners may be partially taken care of by regional or subregional networking of SME owners and by establishing regional or subregional centres of CVT, in cooperation with regional or subregional training providers. This may be supported, stimulated and propagated by sectoral or sub-sectoral organisations;
(d) a quality approach in training can follow a quality approach in goods and services, so the latter should be encouraged;
(e) training programmes should be, as far as possible, accredited. Training providers may also take the quality approach by introducing and adopting quality standards. All trainers should be experienced and qualified. Further training of training providers is essential;
(f) training should be provided as far as possible in-house. Certification of trainees after training is essential;
(g) procedures to obtain EU funds for training should be simplified as far as possible and be available to the smallest entity;

(h) the voice of social partners should be heard and considered in formulation of initial VET or CVT policy at regional, national and EU levels.

(c) Romania

Training providers indicate similar policy recommendations concerning upgrading of their own competitiveness and their contribution to SME training quality. Some of these recommendations are:

(a) offering simultaneously comparative training sessions;
(b) annual evaluation of vocational training programmes;
(c) incentives for lifelong learning;
(d) the role of evaluating quality to be allocated to professional associations;
(e) the training offer must match the real needs of the beneficiary; trainings must have an applied character;
(f) training must be structured according to the principles for adult learning; personalised training sessions, realised sessions based on clients' specific objectives and exigencies; offering parallel, demo training sessions.

Sectoral associations consider important the existence of an organisation to monitor training programme quality, as well as trainer quality. Also important are evaluation of training programmes and bringing them up to date to meet market demand, identifying consumer needs, requirements and preferences together with mobilisation of all resources to support research-innovation through professional training, education, and communication. Professional training programmes to improve competences or obtain qualifications by apprenticeship at the workplace for new jobs should meet labour market demand.

(d) Slovakia

Vocational education in the food sector in Slovakia requires substantial change. The challenges of better jobs in other industries and the low number of graduates coming from vocational schools will lead to a significant deficiency of food professionals in the future. The food industry does not have any institute for further education similar to other sectors and the government agency responsible for the food sector neglects it. The role of sectoral associations in vocational education is weak. Vocational schools are not prepared to provide basic and post graduate education.

Re-establishing the educational functions of sectoral associations, offsetting up an institute for further education in the food industry and more flexibility for the vocational schools to define curricula, and promotion of the food profession in general are recommended.

5. The 'generalised model' for training-related decision-making revisited

The survey results analysis and discussion in previous sections allows reconsideration of the 'generalised model' of small firms' decision-making for investment in training (see Section 1.4.) with reference to the four EU Member States surveyed.

The point of departure for this study was the hypothesis that: 'differences in the extent to which small enterprises in different national environments and sectors of activity adopt, introduce and maintain practices associated with investment in training of their employees (and, in any case, of their owners as well) may be explained by differences in sector- and/or firm-specific characteristics'.

This same hypothesis was stated and 'tested' in the previous Cedefop study on 'quality approaches to training by small firms' in Germany, Ireland and Greece (Cedefop, 2009a).

The survey results seem to confirm once more that it is not the sector classification per se that impacts on a firm's propensity to invest in training. Instead, there exists a wide range of interrelated factors (internal or external to the individual firm) that eventually influence each firm's training strategy and practice. Some of these factors are sector-specific (e.g. level of technology, rate of technological change, 'closeness' to the market, new product introduction). Others are specific to the individual firm (e.g. size of firm, employee mobility/turnover, and type of ownership/management, including management culture) or related to the external environment (e.g. labour market conditions, government policies and regulations, existence and strategies of specialised training providers, etc.). Many of them are common to all sectors and all small firms and it is not surprising that practices in small firms in the countries and sectors surveyed demonstrate many more similarities than differences, in their approach to training and to the quality of such training.

The overall conclusion, therefore, is that the initially proposed model may effectively serve as a framework for comprehending small firm behaviour in such matters. Further, that despite differences in the state of overall development, of institutional frameworks and of small firm characteristics in different countries being surveyed, the 'logic' of the model suggested seems to apply to both the older and the newer Member States.

Figure 5 copies the one initially incorporated in Chapter 8 of the previous Cedefop study for Germany, Ireland and Greece (Cedefop, 2009a), highlighting once more the factors whose significance has been sufficiently supported by the new survey results (not implying that the rest of the factors that the 'model' contains are of a lesser relevance).

These factors are:

(a) Firm characteristics:

size of firms, conceived as a proxy for 'degree of command over resources' and 'internal sophistication of management'. Small firms are clearly lacking crucial resources (both in quantitative and qualitative terms) and they therefore find it difficult to divert such resources to activities such as training which, although they may influence their future development, interfere with their every day functioning.

'Closeness' to the market. The closer the firm is to the market, as this is determined by the nature of its products or services, the stronger the incentive to present itself as a quality supplier. Final product suppliers and providers of services to final consumers unavoidably develop a motivation for hiring or/and developing employees who could better serve the market.

(b) Labour force characteristics:

'Specificity of skill requirements', determined either by technical or legal provisions, is a powerful drive for training. The survey highlighted such considerations for food processing, retail and tourism sectors in all countries covered by both Cedefop studies.

'Employees' mobility and labour market conditions', also affect propensity to provide training. Small firms were shown to be hesitant to invest in employee development whenever the probability of subsequently losing them is high. Competition for trained personnel and increasing flows of trained personnel moving abroad were mentioned as powerful deterrents owners in all countries surveyed.

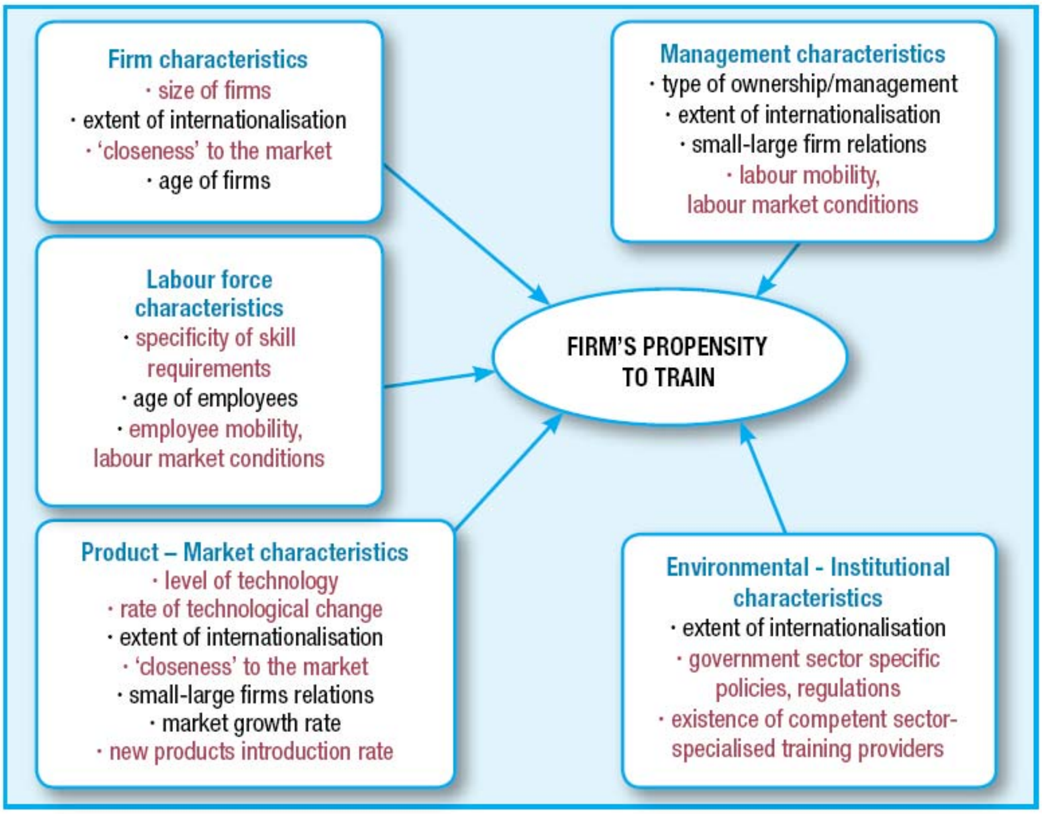
(c) Product/market characteristics:

in this group of factors, 'level of technology', combined with 'rate of technological change' and 'new products introduction rate', were also shown to be strong arguments for training aimed at continuously updating employee (and owner) skills and abilities to cope with changing conditions.

(d) Environmental/institutional characteristics:

in the survey, the relevance of legislation – both national and European – in determining employee suitability for undertaking certain key functions, emerged as strong drives for training. The characteristic examples in this context are hygiene requirements in the food processing sector and, to some extent, in food products distribution. Finally, the 'existence of competent sector-specialised training providers', aids, and probably reduces costs of, undertaking training programmes.

Figure 5. **Factors affecting a firm's training-related decision: their relevance to the four surveyed Member States**



6. Summary of findings, conclusions and recommendations

This final section of the report outlines the findings of the research carried out into quality approaches to training by small and medium-sized enterprises in the food, retail and tourism sectors in the four Member States surveyed.

As with the previous Cedefop study for Germany, Ireland and Greece (Cedefop, 2009a), the overall conclusion is that measures by policy-makers and training providers to supply training to SMEs are still quite some distance from achieving the robust approach to quality training envisioned in the EC's common quality assurance framework. Needs identification, training planning, implementation, assessment/evaluation and review/feedback all need development. Further, for the four Member States surveyed, there are characteristic elements associated with these countries' structural and institutional weaknesses. These differentiate not only the assessment of the present status, in terms of small firms' practices in the area of continuing training of their employees, but also the directions in which public policy in this area should proceed.

In particular it was noted that:

(a) small enterprises in these countries are aware that they do not spend as much on vocational education and training as their larger competitors. Additionally, they accept the validity of the argument that what training they do provide should meet an acceptable quality standard;
(b) there is a gap between what managers believe, in relation to quality approaches to vocational education and training, and what they actually do in practice;
(c) the absence of formal quality approaches to vocational education and training provision stems from several factors, including lack of the HR management expertise to enable quality approaches to staff development. Without proper structures and processes, SME managers are unable to identify skills deficiencies and put in place appropriate training interventions. Few of the companies surveyed had recognised this deficiency and had recruited specialised personnel to assess staff training requirements and evaluate the effectiveness of skill development/training provided. For assessment of training activities, quality criteria and indications specially

adapted to the needs and peculiarities of SMEs should be developed. The contribution of both VET providers and SME representative organisations (national and/or European level) could be important. Taking into consideration the yet undeveloped strategic culture in public and collective agencies, this particular task will need special attention and perseverance;

(d) a short-term planning horizon is adopted by most managers of small enterprises in these countries in relation to HR development. Unlike many of their larger competitors, small enterprises often do not view their staff as a source of competitive advantage and rarely make long-term training plans. There is also the issue that SME managers have a fear of staff being poached by competitors which reinforces their unwillingness to up-skill their employees in a generic way (SMEs are less averse to providing highly company-specific training). While such fears have been expressed by small firms in even more developed Member States, an additional element for the countries surveyed, is that trained employees may more easily decide to leave the country and seek employment in other EU Member States.

The study seems to suggest that in all four countries and all three sectors surveyed there is convergence to the following conclusions:

(a) understanding of marketplace signals by SMEs is a crucial first condition for stimulating training. The survey identified positive signals from the marketplace stipulating better quality in enterprise training. It has revealed the important role played by customers and suppliers in encouraging small companies to incorporate quality approaches to staff development. Further, small firms understand the signals emanating from national and European new legislation (creating frequent new needs for training) and also the impact that emergence of new technologies, new competitors, new products and new demand patterns have on their propensity to invest in upgrading employee skills. However, appreciation and transformation of such signals to actual training strategies and practices is frequently hindered by low managerial skills and insufficient development managerial culture;

(b) government response. Government agencies in the four countries have not been complacent about the deficit in enterprise training by SMEs. Various schemes have been discussed in the national reports but they are not adequately promoted and small firms rarely know of their existence or their precise content. Bureaucracy is considered an obstacle to private initiatives and, even when the benefit is obvious, difficulties such as lack of internal matching finance render them irrelevant;

The social partner role in steering and developing VET at national, regional, sectoral and local levels is important and increasing. While examples of stakeholder involvement are reported for 'older' EU Member States (e.g. France, Luxembourg, the Netherlands and others), the situation in the four States surveyed is still insufficiently developed;

(c) an important policy recommendation is for a more proactive agency role in identifying training needs. Public and private sector agency action in securing an improved situation is vital. In particular, the need for such agencies to become more active in identifying SME training needs is of crucial importance, given their inefficient operation so far;

(d) network approach to training. Despite the fact that isolated cases of small firm cooperation in training exist even in the four EU countries surveyed, such practices are regarded as exceptions. Individual firms seem to be unable to start such schemes and sectoral associations are not sufficiently well organised in such matters. Government incentives are weak. The experience of other countries could be transferred and, after appropriate adaptations could become a useful source of inspiration and practical solutions. In the previous Cedefop study (Cedefop, 2009a) it was shown, for example, that there has been a significant policy emphasis in Ireland on a network approach to training involving small enterprises (the Skillnets programme is a key example of this; the new County based tourism learning network initiative from Fáilte Ireland is another). This should be regarded as a 'good practice' which could be transferred to other countries.

According to the European Commission, technical working group on quality in VET (2003), the common 'core criteria' for quality in VET should be the following:

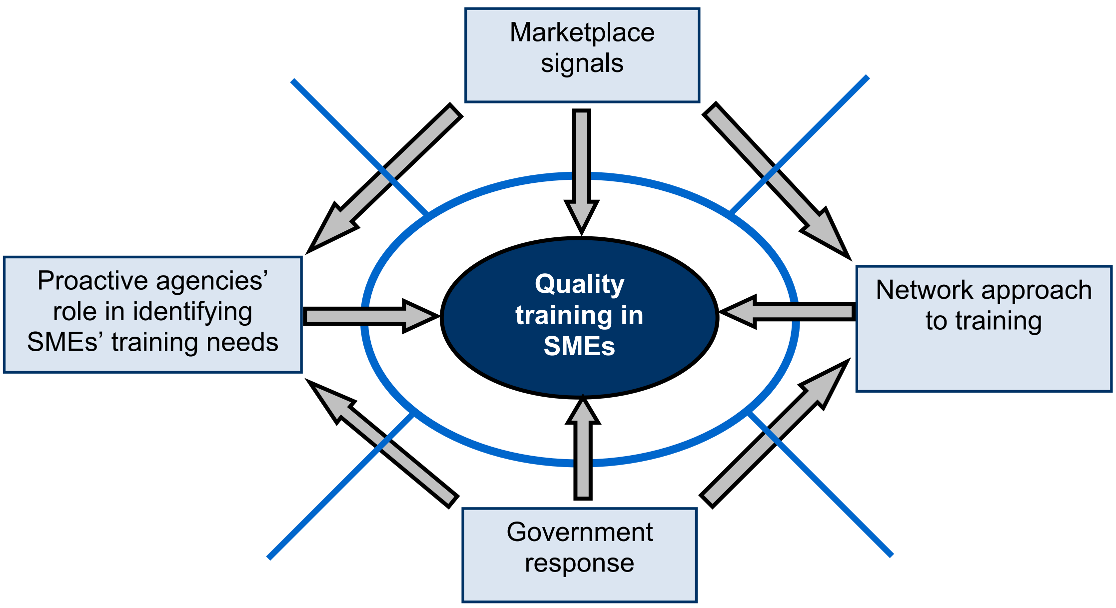
(a) clear purpose and consistent planning addressed to achieving the set aims. Existence of a systematic quality approach;
(b) existence of an implementation plan; allocation of resources and clear responsibility;
(c) existence of a well-described assessment system and a systematic evaluation strategy. Use of a consistent and accountable methodology for both assessment and evaluation;
(d) visible and documented connection between feedback mechanisms (evaluation results) and planning process.

The situation observed in the survey suggests that small firm training policies and practices fail to get anywhere near to satisfying the above criteria. While this is not a phenomenon particular to the specific countries (the situation in the countries covered by the 2009 Cedefop study was not much different), the implications of the combination of lack of quality approach and limited training being undertaken, may be severe for small firm survival prospects. Rather than being a country-specific weakness, the characteristics of small firms themselves (in any kind of national environment) seem to be a key factor explaining their low propensity to offer training, especially 'quality training' which implies cultural background, availability of resources, planning, functional dependence on outsiders, and exposure to funding agency auditing.

Investing in human capital does not usually produce tangible effects in the short term and it requires a strong corporate culture and strategic vision, elements that small firms do not seem to possess, particularly at individual enterprise level.

An indicative model for action emerging from the above recommendations, and the interrelationships generated among them, is presented in Figure 6. It is not at all accidental that the groups of basic factors which could, directly or indirectly, lead to more quality training in SMEs of the newer Member States, are the same as for the group of SMEs in the older Member States surveyed in Cedefop (2009). In this case, however, the new elements in the figure are the 'ring' imposed in the centre of the figure, representing the obstacles that have to be overcome for the expected result to be materialised, and the 'hurdles' associated with it and perceived obstructing the operation of the various links.

Figure 6. **Promoting quality training in SMEs: a model for action**



In particular, the study revealed a whole series of cultural, economic, technical and institutional factors which may reduce the strength of any influence (or the speed of any influence being felt) on small firms' decisions leading to quality training outcomes.

Such factors which have clearly emerged from the study's results are:

(a) deficiencies in searching, collecting and analysing information and understanding marketplace signals;
(b) small firms' lack of easily transferable resources (human, financial and other), coupled with scarce public funding and strict criteria for training grants;
(c) bureaucracy at all levels of central and/or regional government;
(d) small firms' traditional inhibition and reservations towards collective action in areas such as training;
(e) sectoral associations' low level of development, limiting their capacity to intervene and aid the formulation and implementation of firms' policies and practices.

All the above, plus the overall interpretation of the survey results and the insights gained through contacts and discussions with SME owners, government agency officials and training experts, suggest a number of directions for further work aimed at minimising the negative impact of these hurdles/obstacles and at promoting quality training in small firms in the newer Member States:

(a) Study the impact of individual factors inducing competences development in SMEs

The factors suggested by the generalised model presented in Section 1.4. and evaluated in Chapter 5 – whether firm-or-sector-specific – should be further investigated to determine the extent to which they significantly affect small firms' decisions, especially those related to investment in HR development. Previous works exist but need to be updated and tuned to the specificities of small firms. Better comprehension of small firms' decision-making process would allow policy-makers to customise policies and promote – quantitatively and qualitatively – such firms' training practices. Also, a systematic approach should be made to understand and evaluate the obstacles that small firms and all the other stakeholders have to overcome to benefit from the interaction of policies aiming at supporting their labour force upgrading.

(b) Appreciate and emphasise the private and social benefits resulting from quality training in SMEs (and others). Educate stakeholders accordingly

Resources – private and public – invested in developing the workforce imply substantial cost for government budgets and individual firm finances. The return on such expenditure should justify the initial investment decision. The fact that small firms frequently receive grants should not be interpreted as a license to spend freely. All stakeholders (governments, firms' owners and employees) should be made conscious of such simple calculations and of their responsibility to themselves and to the public for efficient resources management. It is expected that implementation of quality assurance clauses in applications for grants and awarding of grants on the condition that such clauses provide acceptable indications of the effectiveness of training-related programmes will significantly upgrade overall effectiveness of all firms' (small and large) practices. For SME employees in particular – whose conscious active participation in training programmes is not always to be taken for granted – the notion of 'investing in one's own future' should be systematically promoted. Their contribution 'in kind' (e.g. time outside working hours) may eventually pay off in upgraded skills and improved career prospects.

(c) Evaluate and regulate relations between SMEs and training providers, and training providers and government/funding agencies

In all countries and sectors surveyed the general finding has been that the training services market operates mainly on supply-led principles. The supposed beneficiary – especially when it is a small firm unaware of its training needs – rarely participates actively in negotiating the type of services it absorbs. While this is difficult to rectify, it should not mask the responsibility of training providers and funding agencies to accept the imposition of a range of quality assurance-related criteria on their requests for funding. A more regulated system of training grant approval seems to be necessary to redress, at least partially, the imbalance between training services supply and demand. Formal structures operating in other countries have been successful in guiding individual firms' training. The degree of formalisation of training services market structure and functioning is lower in the countries surveyed and it is argued that this may be attributed to cultural differences and other firms' characteristics. Regulating relations between the various parties should therefore also consider such differences.

(d) Appreciate SMEs owners' extended role as 'competences development relay agents and multipliers'. Owners conceived as both trainees and trainers may develop and support a whole new generation of suitable training and support programmes

This Cedefop study – in line with previous research – showed that an SME owner very frequently undertakes the role of transferring the knowledge received through own participation in training programmes, to people employed by him. In a way, the 'owner-trainee' subsequently operates as a 'trainer' and develops processes of non-formal training for others. Realising this fact implies that recorded training may constitute an underestimation of actual output for any given amount of initially recorded training. The issue of availability and quality of VET statistics has been highlighted elsewhere (see, for example, Cedefop, 2007, p. 65-66). The point raised here, that is whether the unrecorded training within firms should be added to the officially recorded training outside them, in the context of formally implemented, monitored and evaluated training programmes, is worth investigating. SME owners' propensity to pass on knowledge received and, even more important, thier efficiency in this transfer, are parameters that could be affected through suitable training and support programmes. Analysis and evaluation of alternative approaches to transfer know-how and benchmarking learning among SME owners in the same or related sectors could be a valuable source of inspiration on how best to support owners in this role.

Selected bibliographies and websites

Bulgaria

Bulgarian State Tourism Agency (2007). *National strategy for sustainable development of tourism of Bulgaria 2008-13*.

European Commission (2005). *Monitoring report on Bulgaria's preparedness for EU accession: communication from the Commission*. Luxembourg: Publications Office (Documents COM (2005), 534).

European Commission (2006). *Monitoring report on the state of preparedness for EU membership of Bulgaria and Romania: communication from the Commission.* Luxembourg: Publications Office (Documents COM (2006) 579. Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52006DC0579:EN:HTML [cited 20.8.2009].

International Labour Organisation (1996). *Tourism development in municipalities of Bansko and Razlog: tourist demand and impacts of tourism on local economy*. Geneva: ILO.

Ministry of Agriculture and Food (2007). *Bulgaria operational programme regional development 2007-13*. Sofia: Ministry of Agriculture and Food.

Ministry of Economy and Energy (2007). *Bulgaria operational programme competitiveness 2007-2013*. Sofia: Ministry of Economy and Energy.

Ministry of Economy and Energy (2008). *Annual report on the condition and development of SMEs in Bulgaria 2007*. Sofia: Ministry of Economy and Energy. Available from Internet: http://www.mee.government.bg/ind/doc_eco/Annual.Report.SMEs.Bulgaria.2007.EN.pdf [cited 20.8.2009].

Ministry of Labour and Social Policy (2007). *Bulgaria operational programme human resources development 2007-2013*. Sofia: Ministry of Labour and Social Policy.

Ministry of Regional Development and Public Works (2007). *Rural development programme (2007-2013)*. Available from Internet: http://www.esiweb.org/pdf/bulgaria_BG-RDP-2007-2013%20third%20official%20version-annexes.pdf [cited 20.8.2009].

National Statistical Institute (2004). *Labour market survey, June 2004: employment structure*. Sofia: National Statistical Institute.

United Nations Development Programme (1998). *Challenges to sustainable development in Bulgaria*. New York: UNDP.

World Travel and Tourism Council (2005). *Bulgaria report 2005: special country report*. London: WTTC.

The Czech Republic

Chamber of Food Industries (2006). *Annual report of Czech food industries 2006*. Prague: Chamber of Food Industries.

European Commission – DG Enterprise (2001). *Managing the impact and use of information and communication technologies based services in the tourism sector: final report of working group E*. Available from Internet: http://ec.europa.eu/enterprise/tourism/docs/working_groups/finalreporte_june2001_en.pdf [cited 21.8.2009].

Eurostat (2005). Food, beverage and tobacco. In *European business – Facts and figures*. Luxembourg: Publications Office, p. 47-69.

Eurostat (2007). *Tourism statistics*. Luxembourg: Publications Office (Eurostat pocketbooks). Available from Internet: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-DS-07-001/EN/KS-DS-07-001-EN.PDF [cited 21.8.2009].

Leidner, Rüdiger (2004). *The European tourism industry: a multi-sector with dynamic market: structures, developments and importance for Europe's economy*. Luxembourg: Publications Office. Available from Internet: http://ec.europa.eu/enterprise/library/lib-tourism/doc/european_tourism_industry.pdf [cited 21.8.2009].

Ministry of Regional Development (2004). *Process of implementing and updating the State tourism policy concept by the Czech Republic up to 2006*.
Ministerstvo průmyslu a obchodu [Ministry of Industry and Trade of the Czech Republic] (2006). *Panorama českého průmyslu* Panorama of Czech Industries]. Prague: Ministerstvo průmyslu a obchodu. Available from Internet: http://www.businessinfo.cz/files/2005/071122_mpo_panorama_zprac_prum_2006_okec_15_22.pdf [cited 21.8.2009].

Ministerstvo zemědělství [Ministry of Agriculture] (2006). *Panorama potravinářského průmyslu* [Panorama of food industries]. Prague: Vydalo Ministerstvo zemědělství České re publiky. Available from Internet: http://www.mze.cz/attachments/Panorama_2006_nova_verze_po_tisku.pdf [cited 21.8.2009].

Romania

Bucharest Chamber of Commerce and Industry (www.ccib.ro).

Institutul National de Statistica (2006). *Romanian statistical yearbook*. Bucharest: Directiunea Statisticei Generale.

Institute of Food Bio resources (www.bioresurse.ro).

Ministry of Agriculture and Rural Development (www.madp.ro).

Ministry of Labour, Family and Equal Opportunities (www.mmssf.ro).

Ministry for Small and Medium Enterprises, Trade, Tourism and Liberal Professions (www.mimmc.ro).

National Agency for Agriculture Consultancy (www.consultantaagricola.ro).

The National Association of Rural, Ecological and Cultural Tourism in Romania (www.antrec.ro).

National Association of Travel Agencies in Romania (www.anat.ro).

National Council for Adult Vocational Training (www.cnfpa.ro).

National Council of Small and Medium-sized Private Enterprises (2008). *White Charter of SME in Romania*. Bucharest: CNIPMMR.

The National Organisation of Spas (www.spas.ro).

The Romanian Association for Accommodation and Ecological Tourism Bed and Breakfast (www.bed-and-breakfast.ro).

Romanian Chambers of Commerce and Industry (www.cci.ro).

Romanian Hotel Industry Federation (www.fihr-romanianhotels-org.ro).

Romanian Trade Promotion Center (www.crpc.ro).

World Travel and Tourism Council. *Romania, the impact of travel and tourism on jobs and the economy*. London: World Travel and Tourism Council. Available from Internet: http://www.wttc.org/bin/pdf/original_pdf_file/romania2006.pdf [cited 21.8.2009].

Slovakia

Criria, Ľudovít (2005). Kolektívne pracovné vzťahy v maloobchode, železničnej a leteckej doprave. In: Stredisko pre štúdium práce a rodiny. *Kolektívne pracovné vzťahy vo vybraných odvetviach ekonomiky*. Slovenkskej republiky. Bratislava: Zborník (www.ceeol.com).

Etrend: Expert na ekomiku a financie (www.etrend.sk).

HNonline Spravodajský server Hospodárskych novín (www.hnonline.sk).

Ministerstvo školstva Slovenkskej republiky. *Národný program pre učiace sa regióny, SOP Vzdelávanie* [s.d.].

Ministerstvo školstva Slovenkskej republiky. *Stratégia celoživotného vzdelávania a celoživotné poradenstva* [online]. Available from Internet: http://www.rokovania.sk/appl/material.nsf/0/72D2F96631133B00C12572BA002D7D25?OpenDocument [cited 28.8.2009].

Národná štúdia MaSP (2006). *Comparative SMEs studies*. [online].Available from Internet: http://leonardo.fiit.stuba.sk/ [cited 20.8.2009].

Oravec, Jan (2005). Small and medium-sized enterprises in Slovakia. Michigan: University of Michigan (Policy Brief, 28). Available from Internet: http://www.wdi.umich.edu/files/Publications/PolicyBriefs/2005/PB28.pdf [cited 6.10.2009].

Štatistický úrad Slovenskej republiky [Statistical Office] (http://portal.statistics.sk).

Štátny inštitút odborného vzdelávania. *Odvetvová analýza potrieb zamestnávateľov a pripravenosť absolventov pre vstup na trh práce*. Slovenskej republiky.

Štofilová, Jana (2007). Obchod a vzdelávanie. In *Ekonomika firiem 2007 Zborník medzinárodná vedecká konferencia, Košice 2007.*

Urbanismus a územní rozvoj časopis ročník, III., číslo 3/2000.

Zväz obchodu a cestovného ruchu SR [Association of Trade and Tourism] (www.biznis.sk).

European bibliographical references

Business Europe, CEEP, CES, UEAPME (2007). Key challenges facing European labour markets: a joint analysis of European social partners. Brussels: Business Europe. Available from Internet: http://www.etuc.org/IMG/pdf_Broch_key_challenge2007.pdf [cited 15.1.2009].

Cedefop (2005). *Skillsnet sector flash – Tourism*. Thessaloniki: Cedefop. Available from Internet: http://www.cedefop.europa.eu/etv/Upload/Projects_Networks/Skillsnet/Flashes/Flash_2005_Tourism.pdf [cited 15.1.2009].

Cedefop (2007). *Zooming in on 2010: reassessing vocational education and training*. Luxembourg: Publications Office. Available from Internet: http://www.cedefop.europa.eu/EN/publications/12986.aspx [cited 21.3.2010].

Cedefop (2008a).*Cedefop's medium-term priorities, 2009-11: enhancing European cooperation in vocational education through evidence and expertise: continuity, focus and flexibility*. Luxembourg: Publications Office. Available from Internet: http://www.cedefop.europa.eu/EN/publications/12932.aspx [cited 21.3.2010].

Cedefop (2008b). *Evaluation of Eurostat education, training and skills data sources*. Luxembourg: Publications Office (Cedefop Panorama series). Available from Internet: http://www.cedefop.europa.eu/EN/publications/12926.aspx [cited 21.3.2010].

Cedefop (2008c). *Future skill needs in Europe: synthesis report*. Luxembourg: Publications Office. Available from Internet: http://www.cedefop.europa.eu/EN/publications/12968.aspx [cited 21.3.2010].

Cedefop (2008d). *Skillsnet sector flash – Agrifood.* Thessaloniki: Cedefop. Available from Internet: http://www.cedefop.europa.eu/etv/Upload/Projects_Networks/Skillsnet/Flashes/agrifood.pdf [cited 15.1.2010].

Cedefop (2009a). *Quality in VET in European SMEs: a review of the food processing, retail and tourism sectors in Germany, Ireland and Greece*. Luxembourg: Publications Office (Cedefop Reference series). Available from Internet: http://www.cedefop.europa.eu/EN/publications/5057.aspx [cited 21.3.2010].

Cedefop; Hassid, Joseph (2003)*. Internationalisation and changing skills needs in European small firms: synthesis report*. Luxembourg: Publications Office (Cedefop Reference series; 23).

Cedefop; King, Richard (1996). *Relationship between food manufacturers and retailers and possible implications for training.* Luxembourg: Publications Office.

Cedefop; Kruse, Wilfried (1995). Guide to training in the retail trade. Luxembourg: Publications Office.

Cedefop; Warmerdam, J. (1998). *Sectoral approach to training: synthesis report on trends and issues in five European countries.* Luxembourg: Publications Office.

Cedefop; Warmerdam, J. (1999). *Innovation and training in the agribusiness complex: Synthesis report of a study in various product chains in five European countries.* Luxembourg: Publications Office (Cedefop Panorama series). Available from Internet: http://www.cedefop.europa.eu/EN/Files/5099_en.pdf [cited 27.1.2010].

Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training ('ET 2020'). *Official Journal of the European Union,* C 119, 2535.2009, p. 2-10. Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:119:0002:0010:en:PDF [cited 15.1.2010].

Council Resolution of 15 November 2007 on the new skills for new jobs. *Official Journal of the European Union*, C 290, 4.12.2009, p. 1-3. Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:290:0001:0003:EN:PDF [cited 14.1.2010].

Euro-chambers (2006). *Euro-chambers position on knowledge transfer.* (Position paper, August 2006). Available from Internet: http://www.eurochambers.eu/DocShare/docs/1/FJAKPDMBCBKIHIHFKLMFHNPB5AYHSKBP6THN414NQOQH/EUROCHAMBRES/docs/DLS/Eurochambres_Position_on_knowledge_transfer-2007-00216-01-EN.pdf [cited 15.1.2010].

European Commission (2002). *European social statistics: continuing vocational training survey (CVTS2) – Data 1999*. Luxembourg: Publications Office. Available from Internet: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BP-02-007/EN/KS-BP-02-007-EN.PDF [cited 15.9.2009].

European Commission (2003). *The observatory of European SMEs* [online] http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-observatory/index_en.htm#h2-2003-observatory-reports [cited 15.1.2010].

European Commission (2005a). *The activities of the European Union for small and medium-sized enterprises (SMEs) SME envoy report: Commission staff working paper* (SEC (2005) 170, 8.2.2005). Available from Internet: ftp://ftp.cordis.europa.eu/pub/incubators/docs/sme_envoy_report_2005_en.pdf [cited 15.1.2010].

European Commission (2005b). *Implementing the Community Lisbon programme: a policy framework to strengthen EU manufacturing – towards a more integrated approach for industrial policy.* Luxembourg: Publications Office (Documents COM(2005) 474, 5.10.2005). Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0474:FIN:en:PDF [cited 15.1.2010].

European Commission (2007)*. Small and medium-sized enterprises – Key for delivering more growth and jobs. A midterm review of modern SME policy.* Luxembourg: Publications Office (Documents COM (2007) 592, 4.10.2007. Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0592:FIN:EN:PDF [cited 15.1.2009].

European Commission (2008a). *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions 'Think small first' a 'Small business act' for Europe.* Luxembourg: Publications Office (Documents COM (2008) 394 final, 25.6.2008). Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0394:FIN:en:PDF [cited 14.1.2010].

European Commission (2008b). *Key messages from the Employment in Europe 2008 report – Communication from the Commission*. Luxembourg: Publications Office (Documents COM (2008) 758) Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0758:FIN:EN:PDF [cited 21.8.2009].

European Commission (2009). *A shared commitment for employment: communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee*. Luxembourg: Publications Office (Documents COM(2009) 257, 3.6.2009. Available from Internet: http://ec.europa.eu/social/BlobServlet?docId=2798&langId=en [cited 15.1.2009].

European Commission – Technical working group on quality in VET (2003). *A European common quality assurance framework: final version, October 2003*. Available from Internet: http://www.cedefop.europa.eu/etv/Upload/Projects_Networks/Quality/key_documents/TWG_-_A_European_Common_Quality_Assurance_Framework.pdf [cited 21.8.2008].

European Training Foundation (2001). S*ummary and analysis of the feedback from the candidate countries on the Commission's Memorandum on lifelong learning: cross country report*. Turin: European Training Foundation.

Recommendation of the European Parliament and of the Council of 18 June 2009 on the establishment of a European quality assurance reference framework for vocational education and training. *Official Journal of the European Union,* C 155, 8.7.2009, p. 1-10. Available from Internet: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:155:0001:0010:en:PDF [cited 12.10.2009].

For more information on Quality in VET and SMEs, please refer to: http://www.cedefop.europa.eu/EN/about-cedefop/projects/quality-assurance-in-vet/index.aspx

Becoming a member of the 'Quality assurance in VET' virtual community allows access to the following national reports on which this work is based:

Cedefop (2009). Marinescu, Carmen Valeria; National Council of Private SMEs (2008). *Quality approaches in small and medium-sized enterprises (SMEs) in the food processing, retail and tourism sectors: the case of some new Member States. National report of Romania.*

Cedefop (2009). Todorov, Todor; Danailova, Irina; University of National and World Economy (2008). *Quality approaches in small and medium-sized enterprises (SMEs) in the food processing, retail and tourism sectors: the case of some new Member States. National report of Bulgaria.*

Cedefop (2009). Vochozka; Josef; Ganguly, Prabir; Euro service group (2008). *Quality approaches in small and medium-sized enterprises (SMEs) in the food processing, retail and tourism sectors: the case of some new Member States. National Report of Czech Republic.*

Cedefop (2009). Weiss, Pavol; Kerekréty, Jozef; Institute of Tourism (2009). *Quality approaches in small and medium-sized enterprises (SMEs) in the food processing, retail and tourism sectors: the case of some new Member States: national report of Slovakia*.

ANNEX 1

Composition of the research team

Bulgaria

University of National and World Economy
Studentski grad 'Hristo Botev', 1, Eight December Blvd.
1700 Sofia, Bulgaria
Tel. +359 29623903
National team leader: Statty Stattev
Expert: Todor Todorov
Expert: Irina Danailova
todorov@nbadvisors.net
irina.danailova@gmail.com

The Czech Republic

EURO Service Group, s.r.o.
Ul. Miru 3267
738 01 Frýdek – Místek, Czech Republic
Tel. +420 558628880
National team leader: Prabir Ganguly
Expert: Josef Vochozka
josefvochozka@seznam.cz
PrabirGanguly@seznam.cz

Romania

National Council of Small and Medium-sized Private
Enterprises in Romania
P-ta Valter Maracineanu no. 1-3, floor 1, sector 1,
cod 010155, Bucharest, Romania
Tel. +4021 3126893
National team leader: Ovidiu Nicolescu
Expert: Valeria C. Marinescu
Expert: Mirabela L. Borcos
carmen_marinescu@smeprojects.ro

Slovakia

Ústav turizmu, s.r.o./Institute of Tourism, Ltd.
Odborárske nám. 3
812 07 Bratislava, Slovakia
Tel. +421 255561858
National team leader: Pavol Weiss
Expert: Jozef Kerekréty
Expert: Dimitra Ioannou
turpw@nextra.sk
ustur@nextra.sk
dioannou@teamdc.eu

Scientific advisor

Joseph Hassid
Professor of Industrial Economics
University of Piraeus
Karaoli Dimitriou 80
18534 Piraeus, Greece
Tel. +30 2104142287
jhassid@unipi.gr

European Centre for the Development of Vocational Training

Quality in VET in European SMEs

A review of the food processing, retail and tourism sectors in Bulgaria, the Czech Republic, Romania and Slovakia

Cedefop

Luxembourg:
Publications Office of the European Union

2010 – VI, 114 p. – 21 x 29.7 cm

ISBN 978-92-896-0648-6
ISSN 1831-5860
Cat. No: TI-BC-10-001-EN-N
doi:10.2801/ 28845

Free download at:
http://www.cedefop.europa.eu/EN/Files/5504_en.pdf

Free of charge – 5504 EN –

Quality in VET in European SMEs

A review of the food processing, retail and tourism sectors in Bulgaria, the Czech Republic, Romania and Slovakia

TI-BC-10-001-EN-N

Small firms are predominant in all European economies. They are important for employment and hence also for social integration. SMEs are also considered to be important drivers of innovation and experimentation, but tend to carry out little training. This becomes crucially important in the light of globalisation and the financial crisis, two phenomena that intensify competition for markets, capital and jobs. Against this backdrop, human resource development through lifelong education and training becomes a decisively important factor.

Although skills development in SMEs is less than is needed, there is a wide variety of training courses available to them. This potential, and SME limited resources in terms of budget and time for training, increase the importance of the quality of the training provided. For this reason, the present study addresses the questions of whether these firms have a quality approach to training and how, under what conditions, such approaches are or could be introduced and maintained, and what are the internal and external barriers to training.

The study sets out to investigate small enterprises in specific sectors (food processing, retail distribution and tourism) in which SMEs, and especially micro and small firms, are present in four newer Member States (Bulgaria, the Czech Republic, Romania and Slovakia) and to draw comparisons between them. Particular emphasis is placed on 'sector logic', the sectors' special characteristics, and the national, cultural and institutional environments. A comparison is also drawn between the findings of the present study and those of a previous one on the same theme that covered three 'older' Member States: Germany, Ireland and Greece.

European Centre for the Development of Vocational Training

Europe 123, 570 01 Thessaloniki (Pylea), GREECE
Postal address: PO Box 22427, 551 02 Thessaloniki, GREECE
Tel. +30 2310490111, Fax +30 2310490020
E-mail: info@cedefop.europa.eu

visit our new portal **www.cedefop.europa.eu**

5504 EN

http://www.cedefop.europa.eu/EN/Files/5504_en.pdf

Publications Office