

Thematic working group on professional development of VET trainers

Support to trainers competence development in small and medium-sized enterprises

Outcomes of peer learning activities

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Introduction

This paper builds on research findings and, mostly, on the third peer learning activity (PLA 3)⁽¹⁾ of the Thematic working group (TWG) as regards opportunities and support for competence development of in-company trainers in small and medium-sized enterprises (SMEs). The PLA was co-hosted by AFPA⁽²⁾ in Strasbourg (France) and by BiBB⁽³⁾ and Gewerbe Akademie Offenburg (Germany).

During the PLA, the discussions focused on:

- (a) specificities and challenges of competence development in SMEs, the role and tasks of their trainers;
- (b) opportunities for competence and professional development for in-company trainers and those responsible for competence development of employees (provided by the state, sectors, professional associations, training providers);
- (c) examples of support measures to trainers and training in SMEs⁽⁴⁾.

The paper contributes to developing guiding principles on the changing roles, competences and professional development of trainers in VET, as indicated in the [Bruges Communiqué](#) (Council of the European Union), which will be one of the outputs of the [Thematic working group](#) (TWG) on professional development of VET trainers.

1. The European context: training and trainers in SMEs in Europe

Small and medium-sized enterprises (SMEs) are defined officially by the EU as those with fewer than 250 employees. Furthermore, their annual turnover may not exceed €50 million or their annual balance sheet - €43 million. For statistical purposes, SMEs are divided into three categories according to their size:

- micro-enterprises - fewer than 10 employees,
- small enterprises - 10 - 49 employees,
- medium-sized enterprises - 50 - 249 employees (European Commission, 2003).

SMEs are the most important form of business organisation in all countries of Europe: they represent 99.7% of all enterprises, employ 93% of the workforce and account for two-thirds of the gross value added. Furthermore, most SMEs are in fact micro enterprises (92.5%) that alone employ around one-third of the European workforce (Eurostat, 2013a). Between 2002 and 2010, SMEs also created 85% of net new jobs in the EU (European Commission; EIM Business and Policy Research, 2012).

SMEs gained greater policy attention due to their capacity to contribute to economic prosperity and growth through combining tradition with innovation, finding niches for business, creating employment, developing new products and services as well as through socially responsible attitude. SMEs also play an important role in developing their local communities. Even in the economic downturn SMEs retained their position as the backbone of the European economy; however, it takes them longer to recover (European Commission;

⁽¹⁾ Peer learning is one of the methods of learning and exchange of experience among the participating countries on issues of common interest. PLA 3 took place in Strasbourg and Offenburg on 28-30 October 2013.

⁽²⁾ The National Association for vocational education for adults (*Association nationale pour la formation professionnelle des adultes*).

⁽³⁾ The Federal Institute for Vocational Education and Training (*Bundesinstitut für Berufsbildung*).

⁽⁴⁾ Mainly examples and newly identified information from PLA 3 are presented. For more examples, see the outcomes of PLA 1 and PLA 2 online.

Ecorys, 2012) and makes them depend heavily on external support mechanisms and policies.

SMEs are important players in providing training and competence development (Eurostat, 2013b):

- (a) About one fourth of SMEs provide apprenticeship (type) initial vocational training⁽⁵⁾. For example, in Germany 60% of apprenticeships take place in SMEs, similar situation is in Austria, Switzerland, and Turkey.
- (b) Two-thirds of small and medium enterprises (63%)⁽⁶⁾ provide continuing training (CVET) to their employees; half of the companies provide courses internally.
- (c) 45% of employees in medium and 46% in small enterprises took part in training (compared to 49% in large enterprises). There are differences in the participation rates between the countries, with the Nordic countries showing highest rates and Southern and Central European countries the lowest. At the same time, in Finland, Hungary, Ireland, Lithuania, Malta, the total monetary expenditure on training in SMEs equals that of larger enterprises (Cedefop, 2010a).

Table 1. SMEs in Europe - Annual enterprise statistics by size class, data 2010

	SMEs	Micro	Small	Medium	Large
	1-249	1-9	10-49	50-249	> 250
Number of enterprises	21, 731,303	20,154,303	1,355,000	222,000	42,421
Share in total	99.68%	92.45%	6.22%	1.02%	0.19%
Persons employed	89,586,900	39,645,700	27,230,700	22,710,500	43,157,400
Share in total	67.46%	29.85%	20.51%	17.10%	32.50%
Value added (EUR Millions)	3,422,300.20	1,261,663.40	1,080,760.90	1,079,875.90	2,518,044.40
Share in total	57.55%	21.22%	18.17%	18.16%	42.34%

Source: Eurostat, 2013a.

In-company training, especially, in micro and small enterprises, is provided by two groups of employees:

- (a) the comparatively small group of in-company trainers who perform training tasks as the major part of their occupational role;
- (b) the comparatively large group of employees, whose occupational role includes a particular training-related function (owner, general manager, supervisor, skilled worker).

Owners of SMEs form a group that deserves special attention for awareness raising and capacity building measures, including training, due to their role of:

- decision-maker on training needs and delivery;
- training planner and trainer;
- finding appropriate and relevant measures and applying for funding;
- entrepreneur.

⁽⁵⁾ These data should be treated with caution. Micro enterprises are excluded here.

⁽⁶⁾ This is, nevertheless, less by approximately one-third than large companies (93%). A similar difference applies to companies providing CVET courses internally (50% versus 85%) while the difference in providing external CVET is not so big (see Annex for more details).

For more than a decade, the European Commission and the Member States work to support and encourage small enterprises through establishing a comprehensive policy framework and mainstreaming SME-friendly policies throughout Europe (European Commission, 2008). SMEs strategies exist in all countries and will be revised in the coming years. The ‘Think small first’ principle is put forward to make the SME dimension an integral part of all EU policy-making, including social, health, employment and education and training policies. However, there is still a gap between the principle and its application both in EU cooperation and in national support structures (European Commission and FBH, 2011).

24 out of 28 EU MS adopted or implement measures to promote the upgrading of skills in SME and all forms of innovation in 2012/13 (European Commission; PricewaterhouseCoopers et al, 2013) but the following challenges need to be addressed:

- training of the existing workforce is not an explicit part of such measures, which most frequently aim at simplified access to public research infrastructure, use of R&D services, and recruitment of skilled employees;
- the initiatives aimed at training and trainers are fragmented, often competing/obstructing one another;
- implementation strongly depends on changes in policy priorities (for example, in the UK Skill Councils that became less prominent with the change of the government);
- entrepreneurial education focuses on start-ups but should include attitudes to training and lifelong learning, both of entrepreneurs themselves and their employees.

2. Supporting SMEs in training the young

The participation of SMEs is critical for the successful implementation of the [European Alliance for Apprenticeships](#), which will require more support to SMEs from the policy level.

SMEs can help equip the young with the skills needed for the labour market but they need support in at least two aspects that can prevent them from doing so for the lack of time and resources:

- (a) accreditation as a training company to be able to accept trainees;
- (b) identifying and training qualified workers to supervise trainees.

Taking apprentices is a good way for SMEs to acquire workers with the right mix of skills for the company’s needs and to lower recruitment costs through screening potential employees. It also increases in the long-term their influence on the content and organisation of VET to meet the future needs.

As discussed in the TWG’s previous [PLAs](#), when workplace learning is part of initial vocational training programmes (for example, apprenticeships, practical training, practicum, alternating training), national laws or regulations set minimum quality standards to companies providing work placements. It is important to note that the **same requirements apply to all enterprises**, regardless of their size. The compliance with requirements and accreditation is ensured by state authorities or relevant chambers, often with special support given to SMEs.

In **Austria**, training in companies is regulated by the Vocational Training Act (*Berufsausbildungsgesetz*, BAG). Every company – even a one-person company – can train apprentices if it guarantees that they are assisted appropriately. The Federal Economic Chamber determines the suitability of companies to provide apprenticeship and issues declaration (certificate) entitling them to recruit apprentices.

In **Germany** according to the Vocational Training Act, all companies, including one-person companies, need to comply with the same rule: they have to be accredited for apprenticeship by the relevant chamber. Chambers are supervisors and coordinating bodies responsible for apprenticeships. They verify the suitability of premises and trainers in the company, organise final examinations in occupations, supervise initial VET and advise companies and trainees. Companies are visited by an advisor from a chamber. A study (BiBB, 2007) showed that more than half of the companies in Germany are satisfied with the existing rules. Chambers also work with SMEs so that they take more apprentices.

In **Wallonia** (Belgium), a company needs to arrange a tutor for students in 25+ alternative schemes and for the unemployed.

In **Poland**, apprenticeship is regulated by the Education System Act of 7 September 1991 (with further amendments). All companies, regardless of size, need to comply with the eligibility requirements set by the Act to the employer or employees who need to be qualified to take a student for apprenticeship. The employers are responsible for prepare qualified teacher or instructor of apprenticeship.

2.1. Complementing/enhancing the SME capacity to ensure quality of apprenticeship

As the requirements to companies that are willing to take apprentices define minimum standards, most companies are usually accredited. However, it is often difficult for SMEs to ensure all the learning content necessary for a qualification: they may lack suitable training personnel or have narrow specialisation. Some countries have developed provisions to complement the training potential of SMEs and compensate for size-related challenges. Several approaches are used:

- (a) creating special (inter-company) structures or training centres where all qualification content is provided in full;

In **Germany**, more than two-thirds of young people in the dual system receive their IVET in SMEs. But often, SMEs do not have the capacity to provide the full range of training. To assist them in doing so, the Vocational Training Act or the Crafts and Trades Regulation Code provide for inter-company support. **Inter-company vocational training centres** (*überbetriebliche Berufsbildungsstätten, ÜBS*) support companies by providing complementary training to the in-company one, keeping training in line with the technological, environmental, economic and societal developments, ensuring quality of IVET through employing qualified trainers and cooperation between the learning venues. Inter-company centres support SMEs in terms of costs, competition and time resources needed to work with apprentices. The centres also conduct training for business owners, managers, women entrepreneurs. The centres are often sponsored by autonomous bodies in the relevant sectors of industry (chambers) with the Federal Ministry for Education supporting the sponsors with investment subsidies in line with the Vocational training Act. Up to now, more than 1,000 training centres and 27 competence centres have been created. Intercompany training centres make significant investments (partly funded by the state) to keep their equipment up-to-date. The centres also engage in further training: preparing for Master Craftsmen (*Meister*) exam, specialised technical courses, courses for business owners, mobility, etc. Inter-company training centres operate in the crafts sector, however, similar forms can be found in industry and agriculture.

In **France**, a House Centre organises several companies to have apprenticeships in a branch. The centre provides classroom and workshop environments. Training staff consists of craft trainers with different levels of knowhow, formal teachers and visiting professionals (former journeymen). Craft trainers are certified by the body of the journeymen.

In **Spain**, the Confederation of Employers can hire apprentice tutors for SMEs.

(b) supporting networking and grouping of companies and training institutions;

In **Austria**, companies that cannot provide training for the job profile completely have the possibility to use complementary practical training in a **training alliance**. The company can provide training if complementary training measures are conducted in another company or educational institution (for example, in the Economic Promotion Institute (WIFI) or bfi) that are suited for this purpose. It must, however, be able to train the knowledge and skills vital for the apprenticeship occupation. The part that will be acquired outside the company is defined in the apprenticeship contract.

In **Germany**, companies form **training structures** (*Ausbildungsverbände*) with four traditional models:

- 'lead enterprise with partner enterprise' (*Leitbetrieb mit Partnerbetrieben*): the lead enterprise bears overall responsibility for training, but parts of the training are conducted in various partner enterprises,

- 'training consortium' (*Ausbildungskonsortium*): several small and medium sized enterprises (KMU) work together and take on trainees. If one enterprise cannot obtain a specific content the trainee goes into the other enterprise (rotation principle). The enterprises also sign a cooperation agreement; they work together equally and train their own trainees independently.

- 'training to order' (*Auftragsausbildung*): some periods of training take place outside the regular enterprise, perhaps in a nearby large enterprise with a training workshop, on the basis of an order and against reimbursement of costs.

- 'training association' (*Ausbildungsverein*): the individual enterprises establish an organisation for the purpose of the training, which takes over the organisational tasks (like contracts etc.), while the master enterprises offer the training. The organs of the association are the general meeting and the honorary committee. A statute regulates rights and obligations of the members.

In **Finland**, a student can take apprenticeship in several companies.

(c) subsidies and financial incentives to compensate for engagement of staff, apprentice wages, etc.;

Apprenticeship training is subsidised by the state in many countries to a different extent, including subsidies to companies. Incentives for enterprises evolve dynamically: countries provide, develop new and adjust existing schemes for financial support to enterprises that train (Cedefop, 2012).

In **France**, apprenticeship is under the responsibility of regional governments. The state provides training allowances for companies for tutorship of apprentices. In-company tutors can get small increase to their salaries too. There are also incentives to senior workers to become tutors.

In **Poland**, all employers (regardless of whether it is SMEs or large enterprise) receive financing of education costs, if the employer has an agreement with young worker. Young worker (aged 16-18 years) can be a student of a VET school or not (only training with the employer). The employer receives grant for education after graduation in the case, when young worker passed the exam at the Regional Examination Commissions or the Examination Board representing chamber of craft within the Polish Craft Association (ZRP).

In **Austria** besides basic subsidies for apprentice remuneration, there are subsidies for continuing training measures for apprentice trainers.

(d) non-financial incentives and acknowledging good practice;

In countries with long-term tradition of apprenticeship and strong chambers (Austria, Germany and Switzerland), companies are more open and willing to participate in VET (economic conditions provided) where traditions in combination with other factors (governance, financial incentives) contribute to the success of VET provision. On the other hand, tradition can be a barrier to adopting new forms, for example, apprenticeship in the school-based systems where companies' involvement is not easy. Some countries work to establish traditions that acknowledge good practice or establish new practices (using new, emerging industries as pilots):

In **Romania**, SMEs are involved in the national competition of young entrepreneurs. They participate in assessment of projects; provide prizes, assess the participants, etc.

In **Austria**, the Ministry of Economy confers the state prize "Best training companies – Fit for future" in the categories of small, medium-sized and large enterprises. The objective of the prize is to improve quality, innovation and sustainability in apprenticeship training and involve more companies in providing apprenticeship (www.ibw.at/fitforfuture).

In the **UK**, new sectors (for example, media sector) build their ways based on today's reality.

In **Poland**, in 2012 the Ministry of Education within the project co-financed by ESF "A vocational school, the school of a positive choice" launched a competition for the best schools cooperating with employers. The best employers and schools have been rewarded. The resulting short films promote cooperation between schools and employers in the field of practical training.

2.2. Supporting apprentice tutors/trainers in SMEs

In most countries, one of the requirements to the work-based part of IVET programmes is that trainees/apprentices should be accompanied by qualified trainers/tutors. Qualification requirements for trainers in companies who work with trainees differ. As in the case of accreditation of companies to receive trainees, minimum requirements to the qualifications

of trainers/tutors are the same to SMEs and large companies (for example, Austria, Belgium, Estonia, Germany, Romania, Turkey, Switzerland).

In **Germany**, a tutor should be professionally and personally qualified. Trainers in companies should be registered by the company with the competent body as a trainer responsible for training. Responsible trainers can also be company owners and master craftsmen. One of the elements in the master craftsman (*'Meister'*) exam assesses the ability of the "*Meister*" to conduct training. At **national level** the Skilled Crafts Act stipulates that if the entrepreneur does not possess the respective skills to organise and conduct training in his/her company, he/she needs to ensure trainers who can deliver training for the staff. Trainers' pedagogical competences are proven by the AEVO exam (the Ordinance on the Trainers Aptitude).

In **Belgium**, a tutor needs to have at least 5 years of professional experience and a pedagogical training, which can be acquired in three ways: education (*Certificat d'aptitude pédagogique*); a 40-hour training from public providers or professional branch; or validation of competences.

In **France**, a tutor (*maître d'apprentissage*) is compulsory even in SMEs and craftsmen workshops. Generally, this employee is not trained to train but has responsibilities for the trainee (following the Labour law and also providing assessment/feedback on the trainee's performance). The new reform foresees compulsory training for trainers in companies (40 hours) so that they understand the essence of VET programmes. A trainer diploma will be developed under the responsibility of the Ministry of Education.

Based on these requirements, companies need to identify and nominate such individuals as well as ensure or support their training, if necessary. In many cases, owners of SMEs can be apprentice tutors (in France and Romania, for example, these cases are even stipulated by law). But most apprentice tutors are skilled workers who work with apprentices in addition to their job responsibilities. They are expected to have some pedagogical and methodological competences, even if there is no mandatory training or exam involved.

How can tutors from SMEs meet these requirements? How can SMEs free experienced employees from the production floor? This calls for and special support to help tutors plan and handle learning situations in the workplace environment through flexible and short-term modes of provision, methodological tools, including those online. SMEs owners and managers also need to be well-informed about the available support.

External bodies and organisations, depending on the national VET structure and culture, support trainers in SMEs:

- (a) **public agencies and/or training providers** in school-based systems;

In school-based contexts, VET providers are responsible for the content of the qualification (for example, Finland, France) and also for working with trainers in companies (Finland, Estonia).

In **Estonia**, schools provide information, training and counselling to apprentice trainers in companies. Supporting the reform, the government allocated additional budget for 2013/14 for the curricular reform. One of the measures is training in-company trainers to better support students in VET practice and to inform them on the new developments in VET. The SME focus is not explicit but as SMEs are main businesses that provide practice places, they will definitely benefit from that.

In **Poland**, VET curriculum is prepared in cooperation with employers. One of the projects (financed by the ESF) implemented by the Ministry of National Education was aimed to provide professional in-service training programmes in enterprises for teachers of vocational education and training, practical training instructors. These activities will continue at the regional level in the new financial perspective 2014-2010, using EU funds.

In **Finland**, the relation between quality of VET and competences of tutors is reflected in the national guidelines on quality. Training of workplace instructors (skilled workers who take care of young workers) is the responsibility of training providers, more specifically, VET teachers who educate in-company instructors on the qualification requirements. Training providers are encouraged to make links with SMEs; the state supports it through projects and guidelines.

(b) **chambers** in work-based systems;

Chambers provide basic training to meet the minimum requirements and continuing training for better professionalization of in-company trainers.

In **Austria**, the ‘trainer academies’ (Ausbilderakademien) are an example of successful support for the continuing training and professionalization of apprenticeship trainers at companies. IVET trainer colleges are designed as regional institutions aiming to meet the respective needs of trainers and companies. Thus also the certification steps are designed differently in the regions, with the IVET trainer colleges’ common goal being on the continuing training and professionalization of IVET trainers and consequently on quality assurance of dual training.

The IVET trainer college itself is not a physical training institution but must be seen as an initiative to structure and promote the continuing training of apprenticeship trainers. Attendance is voluntary. IVET trainer colleges have been set up in the provinces of Vorarlberg, Tirol, Carinthia (Kärnten), Styria (Steiermark) and Upper Austria (Oberösterreich). IVET trainer colleges are mostly initiated by the regional economic chamber in cooperation with the Economic Promotion Institute (WIFI).

The access prerequisite for these programmes is, in all cases, successful completion of the IVET trainer examination or the training for trainers followed by the vocation-specific interview.

The following levels can be reached: certified apprenticeship trainer (*Zertifizierter Lehrlingsausbilder*); licensed apprenticeship trainer (*Ausgezeichneter Lehrlingsausbilder*); qualified apprenticeship trainer with diploma (*Diplom-Lehrlingsausbilder*).
www.ausbilder.at

Apart from training, the most typical way of supporting trainers in companies is to provide **guidelines and didactical tools**. Some countries (governments or chambers) worked to develop tools specifically targeted to SMEs to explain competences needed for qualifications, to advise on organising learning, to assess learners’ competences and other issues.

In **Germany**, the Federal Institute for Vocational Education and Training (BIBB) developed **guidelines for trainers in SMEs** to support skilled workers providing training in performing their training tasks easier and better and also to suggest ideas how to cope with difficult situations. The guidelines were developed based on the inputs of heads of training, trainers, skilled workers with experience of providing training, lecturers and training experts [link].

In **Austria**, [training practical guidelines](#) for all apprenticeship occupations are provided by the relevant chambers to support apprentice tutors, especially, in sectors with few training companies, for example, a bricklayer.

In **Estonia**, the Foundation Innove developed guidelines for training for companies.

In **France**, the Confederation of SMEs (CGPME) mandated its intermediary body [AGEFA-PME](#) to support the provision of apprenticeships in small enterprises. A web-service portal and [methodological toolbox](#) for apprentices and **tutors** advises the SMEs on providing apprenticeships, including information on apprenticeship tax credit and regional aids and on the value of apprenticeships to SMEs.

Trainers from SMEs also benefit from **informal knowledge-sharing and support** in training-related skills (for example, how to prepare and implement project work). So far this kind of support has not been frequently recorded.

In **Austria**, the chambers took on board informal exchange of experience and peer learning of SMEs apprentice tutors, who found it most effective. SME tutors meet on a regular basis in a café, for example, to share their concerns and approaches in dealing with young apprentices in their companies.

In **Germany**, the Gewerbe Akademie trainers pointed out that they attend industry events, fairs, informal meetings with colleagues in the industry to update their knowledge on the new developments and technology in their industries.

3. SMEs and continuing training

A recent SME Performance Review (European Commission; PricewaterhouseCoopers et al, 2013b) indicated a contrast between the positive performance of SMEs in emerging economies and that of the EU MS, pointing that the former are set on a development path supported by skill development and technology upgrades. Research also points to a positive effect of the share of innovation expenditure in GDP and of the share of workforce with the medium-level skills on the SME growth in the EU Member States (European Commission; PricewaterhouseCoopers et al, 2013b). One of the fundamental principles of the Small Business Act (European Commission, 2008) is to promote the upgrading of skills in SMEs and all forms of innovation; therefore, workforce training should be one of the main elements of policies that support it (European Commission; PricewaterhouseCoopers et al, 2013a).

SMEs (as well as large companies) engage in training their staff driven by:

- (a) external to business requirements and challenges (technological, regulatory, demographic, social);
- (b) the need to increase internal capacity to adapt and change (developing new products);
- (c) customer demands challenging the existing sets of skills, need for more client-oriented skills;
- (d) employees' will for lifelong learning and need to keep skilled employees in the company.

They also take trainees from adult training providers, for example, from the schemes for the unemployed (for example, in France AFPA sends its trainees to enterprises in the regions).

It should be borne in mind that official statistics (see Section 1) only partly reflects the reality of training in SMEs who already carry out a good deal of it. Workplace learning is by far the main form of training in SMEs, especially, micro and small ones (Brown, 2005; Cedefop, 2009, 2010c; OECD, 2013). SMEs use both formal and informal training (KISA – knowledge intensive service activities) as ways of acquiring the right skills. However, they report better learning outcomes from informal activities. Mentoring is another important technique for new employees, which assists with knowledge building, understanding job content, develops company focus and provides assistance if required (OECD, 2013). Informal training is more appealing to SMEs due to the minimal cost and time efficiency; it takes place on the job, does not distract the employee from work and builds their hands-on experience.

3.1. Enhancing the SME capacity for training

There is no well-structured regulatory base for further training and, especially, training provided by enterprises⁽⁷⁾.

One of the main obstacles that often prevent SME owners from taking systematic approaches to training and competence development is the difficulty to assess their training and competence needs, identify relevant training offers and providers, and use available training incentives (OECD, 2013). Most SMEs rely on spontaneous and intuitive actions and use in-house training as an option rather than on drawing up competence development plans (European Commission and FBH, 2011).

Efforts to support training and training capacity in SMEs focus on measuring and demonstrating benefits and returns on investment in training; identifying and anticipating skill needs; communicating skill needs; translating skill needs into training programmes. Various players (state, public agencies, chambers, trade unions, associations of SMEs, public and private training providers) come to provide support to SMEs in developing systematic approaches to their workforce training through:

- (a) putting SMEs skill development as priority in the broader national programmes and in the EU-funded programmes (the European Social Fund, the Cohesion Fund, for example);

In **Poland**, priority for 2013 in the national programme Operational Programme Human Capital is upgrading skills of workers and managers in companies and several projects support training companies and entrepreneurs, focusing on employees' professional capacity. The programme is managed by the national Polish Agency for Enterprise Development (PARP), which implements development programs of entrepreneurship and innovation, including innovation development of human resources (www.inwestycjawkadry.info.pl).

In **Finland**, developing and enhancing competences of SMEs employees is among priorities of the national Education and Research Development Plan 2011-16, the Vocational Adult Education Act and of the Guidelines for Entrepreneurship education. Adult learning providers can apply for grants to develop projects that support local and regional enterprises in skill development, for example, in training needs assessment, competence

⁽⁷⁾ See also the outcomes of [PLA 1](#) and [PLA 2](#) online.

mapping, developing training plans, training entrepreneurs, etc. The funding is provided by the Ministry of Education and Culture while the Finnish Board of Education and regional centres for economic development, transport and economy assess and manage applications. During recent years, the budget has been approximately 6 million EUR, depending on the Government's budget.

(b) providing quality development services;

External experts and bodies, state development agencies or sector organisations, to mention a few, step in to help SMEs identify skill gaps, develop training plans and, possibly, implement them.

In **France**, a national reform (a law of 2009) re-designed the role of OPCAs (*Organisme paritaire collecteur agréé* – joint collector agency that collects training tax from companies) to tackle the needs of SMEs. The new role of OPCA is to assist SMEs in developing training plans, including needs analysis, definition of requirements for vocational training, identification of collective and individual needs in relation to the business strategy, and in developing and implementing training projects. OPCA also advises on training provision and choice of training providers and can purchase collective training for SMEs.

In **Portugal**, Portuguese Business Association - Chamber of Commerce and Industry (*Associação Empresarial de Portugal, Câmara de Comércio e Indústria, AEP*) implements an [SME training programme](#) with a strong emphasis on diagnosing the training needs of companies rather than promoting existing programmes. The programme aims at raising competitiveness and competences of both SME owners and workforce. It includes needs assessment, building a development plan, consulting and guidance, in-company training and a social responsibility project, made up for each company. The programme supports a network promoting a culture of lifelong learning. The programme is financed by the government and EU funds. The programme received positive feedback from companies for the relevance of the provided training.

In **Iceland**, a concept of a **Training Planner** was developed by the [Starfafl Vocational training Fund](#) to help SMEs find relevant training for their staff to increase competitiveness. The Training Planner is an external HR consultant lent to a company from a large training provider. He/she works with the company to assess training and learning needs, examine the competences needed for the jobs, designs a tailored programme and learning activities for the company. The cost of the consultancy can be shared by the provider and the company. The training provider has the overall responsibility for the implementation of the training programme. The Icelandic experience shows that such training plans serve a solid basis for in situ training that is relevant both to the company and employees. To share the experience, a transfer of innovation project, [Training Planner](#), was developed by Icelandic, Austrian and Spanish providers (Study visit group report, 2010).

In **the UK**, since 2010 Local Enterprise Partnerships (LEPs), locally based bodies of employers, local authorities and education and training providers create local strategies for training and identify areas for growth. Sector Skills Councils, sectoral employer bodies, develop training priorities and programmes for organisations in their sectors that include training of SMEs staff, managers and owners for their training functions. There are no such programmes at the national level.

(c) supporting networking and pooling the resources

Training networks are a powerful means of addressing the complex training needs of SMEs and developing a new range of training services that match their specific constraints and requirements. Working together in strategic networks facilitates for SMEs access to resources; sharing information, exchanging knowledge, advice, developing ideas and learning from each other's experiences (Brown, 2005; Cedefop, 2009; European Commission and FBH, 2011).

Networking within supply chain led by a large company is another effective way of motivating SMEs that are much readier to take part in an initiative explicitly approved by a major customer than when they are approached directly by providers of education and training. Participation of large manufacturers in networks was a powerful initial hook for SMEs to engage in learning and training (Brown, 2005).

A case study from the aerospace sector in the UK describes how the **aerospace supply chain learning network** was set up to provide opportunities for collaborative learning and knowledge development across organisations and companies involved in the supply chain. The intention was to train 'change agents' in each of the companies who would then be responsible for learning, development and process improvement in their own organisations. The lead company persuaded their suppliers to identify key individuals with central responsibility for shop floor innovation in supply management. These people, nominated as 'change agents', also followed a course on Stimulating Competitiveness in Supply Chains. They were invited to a series of one week, intensive workshops at the lead company, led by the **engineering tutor** together with help from the **learning support tutor**. The tutor role involved providing advice, guidance and information and supporting all aspects of learning.

There were obvious advantages to the lead that saw rapid benefits in terms of the cost, quality and delivery performance of suppliers. There were also competitive advantages for all the companies in the network (Brown, 2005).

Networking through **associations, chambers of commerce and with other companies** is not often utilised by SMEs; however, it can provide a forum to exchange ideas and experiences as well as association to working groups, committees and trade associations. The collaboration between companies and organisations within the region provides opportunities for all involved, which not only promotes competence development but also provides a framework for innovation (OECD, 2013).

In Ireland, [Skillnets](#) (funded from the National Training Fund through the Department of Education and Skills) fund groups of companies in the same region/sector, and with similar training needs, through **training networks** that deliver subsidised training to Irish businesses. In each Skillnet, 3-4 enterprises cooperate to carry out a training project that individual companies would be unable to undertake alone. Since the network is led by an enterprise, they decide what training they need, as well as how, where and when it is delivered. As a result, the model is very flexible and can be adapted to the current and future skill needs.

Each network employs a network manager to work with member companies ensuring the training is enterprise-led and sector/area specific. Skillnets promotes networking events which foster co-operation and collaboration between enterprises.

The Skillnet approach has been more successful than other approaches in engaging SMEs (in 2008, 95% of all funded companies, 63% being micro enterprises).

In the **Austrian** composite skills training model (Qualifizierungsverbund) at least three independent enterprises develop a tailored skills training scheme for their staff and coordinate its implementation. The measures are conducted by external providers, with one enterprise taking over the central project coordination. To implement these training models, the PES provides intensive process support and financial assistance (Federal Ministry for Education, the Arts and Culture (BMUKK), 2008). http://www.cedefop.europa.eu/EN/Files/3060_en.pdf

(d) providing financial resources and incentives;

Existing financial incentives have been adapted to the training needs of SMEs, for example, training vouchers, tax reductions. It should be noted though that generally these incentives apply to externally provided training. There are no provisions on what this training should be and how provided, including requirements to trainers.

Training vouchers appear advantageous to encourage training in SMEs as they are easy to use and respect the freedom of choice. They are implemented in several countries (Belgium, Germany, Ireland, Spain (Basque country), Italy, the Netherlands, Austria, the UK (England, Scotland, Wales)), but often experimentally – many schemes are pilot projects. Small companies can benefit more from training funded through training levies (Austria, France).

In **Belgium (Wallonia)**, companies have to use 1.9% of their payroll on training; this is monitored and in case of non-compliance, the company needs to pay back to the branch. Companies should declare annually all training activities (formal, non-formal and informal) provided both, internally and externally. There are also training checks for SMEs, which give them a possibility to buy training at half-price (the other half is paid by the region). The checks should be used at a training operator recognised by the region. No in-company training is involved.

In the **former Yugoslav Republic of Macedonia**, the agency for the promotion of entrepreneurship through its regional network has been running a voucher system which provides SMEs with access to training and advisory services free of charge or on a cost-sharing basis <http://www.cedefop.europa.eu/EN/publications/12894.aspx>.

Other incentives, for example, training leaves, tax reductions, are used too.

In **Belgium** (Flemish community) since 2006, the ‘budget for economic advice’ targets SMEs. Support can be provided for training, counselling, and tutorage for talented entrepreneurs and knowledge transfer. Every two years, SMEs can receive a total maximum subsidy of max EUR 5 000 (35 % of the costs). The amount for training is limited to EUR 2 500. Obligatory training (regulated by law) is not eligible for support.

Financial initiatives alone are not sufficient to increase CVET in SMEs; they need to be accompanied by different kinds of support and guidance to SME owners on financial provisions, training options, establishment of learning-conducive work organisations as well as to employees about available options for getting support for further training.

(e) providing flexible and customised training programmes;

Training programmes and methods available on the market are often unsuitable for SMEs size and needs; besides, traditional training programmes provided by VET institutions tend

to handle skills separately (work process, managerial, teamwork) while SMEs have the need for skills bundles. As a result, SMEs often opt for private training providers who are able to provide more customised training and flexible provision but they also tend to be more costly, which has impact on training budgets. Nevertheless, private training providers are important players and policies can be reflected upon how to cooperate/involve them better in SME related policies.

In **Malta**, the Employment and Training Centre is planning to offer a ‘train the trainer’ course.

3.2. Supporting adult trainers in SMEs

Various legislative provisions, EU, national and local approaches, programmes, initiatives and projects have been elaborated and piloted for people in charge of training and skills development in SMEs. Approaches, if any, vary across countries and sectors but the overall picture appears as rather fragmented and project-based initiatives, very often with limited potential for sustainability (with the exception of few countries).

Owners often participate in external courses themselves and subsequently pass on the new knowledge and experiences to their employees. In many cases, when external training is not affordable, owners assume the role of trainers; however, they usually have little or no formal expertise as trainers. Investment in their development can result in more training at the lower levels in company (a ‘cascade model’ most frequent in relatively small firms) (Cedefop, 2009). There will be a need to train new owners as an estimated 6 million small business owners (one-third of EU entrepreneurs) will be retiring over the next ten years (European Commission, 2008); this opens an opportunity to be used to train owners who are aware of the benefits of skills development in their companies and of available mechanisms and ways to achieve that.

There are very few programmes and initiatives that specifically address training needs of employees with the training function in SMEs; support to in-company trainers is usually part of programmes with broader SME support agenda, including projects funded within the EU programmes. Some examples can be identified:

In **Finland**, one of the measures envisaged in the national Education and Research Development Plan 2011-16 is training of the on-the-job instructors in SMEs; the training will be provided by training providers.

In the **Czech Republic**, the Association of management trainers and consultants ([ATKM](#)), developed a series of projects (financed from the ESF) to upgrade the competences of training consultants working with SMEs in the Moravian-Silesian region and to support networking and CPD of trainers in the country. Modules for the advanced training of trainers were designed and implemented in the Czech language (innovation). Some of the topics included the use of interactive training methods, the use of ICT, transition from training to consultancy, providing personal training, coaching, etc. Trainers were themselves actively involved in the design, delivery and evaluation of training (Cedefop, 2010b). However, the initiative is facing a serious challenge from the newly established free initiatives in the new programmes.

In **Luxembourg**, the Business Mentoring programme supports mentoring of less experienced business owners by experienced entrepreneurs providing (European Commission; PricewaterhouseCoopers et al, 2013).

An interesting approach is emerging to entrust skilled employees with the learning enabling function in the company. Not specifically a trainer, this ‘enabler’ or ‘counsellor’ or ‘tutor’ will identify the need for training and skills development in the company and who can make suggestions for applicable solutions. Due to the limited personnel and financial resources of many SMEs, this can prove an effective solution for implementing a continuous and on-going practice of HR and skills development policies. But it is crucial that the person entrusted with this role be prepared sufficiently and trained for the ‘enabling’ role (European Commission; ORSEU, 2009). The importance of skills to work with other employees and train them is seen as increasing in importance in the future (construction sector in European Commission and FBH, 2011).

In the **Netherlands**, the government-funded innovation projects led to the creation of the Innovation Officer Scheme where SMEs get a public grant to hire an innovation officer, an employee whose main responsibility is to enhance innovation in the company (European Commission; PricewaterhouseCoopers et al, 2013).

In the **UK**, union learning representatives (an evolving system started in 1997) are representatives at the workplace who provide information and guidance on learning opportunities to their members. They also assist and advise the union branch on training and development issues when they are part of collective bargaining. Union learning representatives have to create a learning committee with the employer to oversee all workplace learning issues and develop a learning agreement on learning and development policies.

See also examples of a Training planner (Iceland) and an aerospace supply chain learning network (UK) above.

Thus, the palette of questions regarding the training needs and successful approaches towards developing the skills competences of training staff in SMEs remains open and worth further policy attention, research and cooperation among the stakeholders. The recently launched Cedefop’s study on supporting continuing professional development of trainers in SMEs will provide more insights into how enterprises support training of their employees, and more specifically, those with the training function, how trainers develop their competences and which support measures they would need and be willing to use (results are expected end 2014).

4. Guiding principles

- (a) Small and medium-sized enterprises are important players in the field of vocational training and lifelong learning. They should be supported within the broader context of re-inventing and improving apprenticeship in Europe and at improving the skills and competences of the workforce for lifelong learning and employability. Developing the training capacity of companies can be considered as part of incentives to SMEs (both financial and non-financial), to involve them in providing apprenticeship places.

- (b) In providing VET, the same rules and principles usually apply to all companies, regardless of their size. SMEs (and especially micro enterprises), consequently, face external and internal organisational (not possible to send employees for longer training) as well as financial barriers. This is the area where most support in terms of resources and structures is required. SMEs depend very much on external support mechanisms and SME-friendly environments. SMEs need special support and, in most cases, guidance to access and benefit from measures available to all companies. Training in SMEs should be explicit in the SME promoting strategies and policies of the MS within the Small Business Act activities.
- (c) Skills and competence development in SMEs should be explored and supported with a broader way of thinking, well beyond the formal training perspective. There is a need for better understanding of the importance of informal training for SMEs when developing awareness raising approaches and support measures.
- (d) It should be acknowledged that skills development is a resource intensive activity. Public measures to support training by SMEs should consider providing flexible solutions and ensuring quick provision of the necessary competences, simultaneously, focusing on areas that stimulate and offer to SMEs a way to systematise their training practices. The potential that exists to develop a pathway for informal skills to be recognised by qualifications should be better explored and promoted (Council of the European Union, 2012).
- (e) Setting minimum requirements to competences of training staff in companies through regulation is a good way to help guarantee the quality of training. However, imposing additional regulatory requirements, for example, in relation to trainers or even training, might not be the most effective solution as the simplification of regulatory frameworks is one of the key concepts as regards SMEs.
- (f) State (public) funding is in fact significantly involved in supporting training (apprenticeships and VET/LLL), including in SMEs. Structured, long-term, state-funded support and guidance can be provided to SMEs that ensure training (for example, by making available support materials, handbooks, guidelines - Finland, Germany, Austria). Recognition of the need for supporting the 'training function' in enterprises at the state level can lead to establishing or using more effectively existing frameworks.
- (g) A coordinated approach to the implementation of SME support strategies by various actors is essential to maximise the effect on and the potential of SMEs. The decision on the right mix of incentives, rights and obligations, lies with the participating countries (Council of the European Union; European Commission, 2010); however, a clear indication of a coordinating body is crucial:
 - a. in some countries, chambers are in a better position to take the leading role (Germany, Austria, Switzerland);
 - b. in some others, national agencies would be more trustworthy to SMEs (for example, the public National agency for the implementation of projects and programmes for SMEs and the National Council for SMEs (employers' confederation) as is the case in Romania);
 - c. in other countries good cooperation mechanisms between VET systems (providers) and companies would allow for providers to take the leading role (Finland, Belgium);

- d. the role of the regional level deserves more attention (in France where VET is governed by regions, in the UK where growth strategies are region-led).
- (h) All support measures, including financial incentives, need to include building the capacity of SMEs: to manage the available and received funds, develop their business towards innovation, to maintain and increase competitiveness after successful start-up. Support to training capacity should be part of these measures too. This will have a long-lasting sustainable return on investments in SMEs.
- (i) Many policies and initiatives evolve currently. It is worthwhile considering creating traditions that would acknowledge and promote good practice, ensure sustainability and mainstreaming of various projects' results in VET and, especially, in lifelong learning.

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Annex. Provision of continuing vocational training in companies, by size – data 2010, CVTS (Eurostat, 2013b)

Countries	Training enterprises as % of all enterprises - any type of vocational training			Percentage of all enterprises providing CVT courses						Enterprises providing any other form of training as % of all enterprises - Any type of other forms of CVT			Enterprises providing any other form of training as % of all enterprises - CVT in work situation		
	Small	Medium	Large	Internal courses			External courses			Small	Medium	Large	Small	Medim	Large
European Union (27)	63	81	93	50	66	85	86	91	93	49	66	81	31	46	63
Belgium	74	94	99	62	75	95	87	95	93	58	79	92	35	61	80
Bulgaria	27	49	80	57	61	89	74	82	83	24	45	76	18	34	62
Czech Republic	68	90	97	35	45	58	82	90	94	55	77	89	38	58	70
Denmark	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Germany	69	82	96	64	77	93	88	93	97	63	74	89	41	52	76
Estonia	64	83	97	47	64	87	93	96	95	51	69	86	32	50	62
Ireland	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Greece	24	46	83	49	50	68	74	84	89	20	38	62	9	20	43
Spain	72	90	97	34	60	84	92	92	93	51	66	76	33	49	59
France	72	95	98	40	49	75	92	97	99	42	57	65	21	33	40
Croatia	53	73	86	33	52	65	90	92	98	40	58	71	22	36	51
Italy	53	77	91	53	67	85	71	79	85	38	61	80	21	41	60
Cyprus	68	88	100	50	50	92	85	87	97	63	77	96	37	56	85
Latvia	37	54	82	59	66	82	69	84	91	30	45	65	20	30	50
Lithuania	48	67	89	51	62	65	88	95	98	42	58	78	21	32	50
Luxembourg	66	86	100	70	83	96	86	97	95	55	72	89	34	54	77
Hungary	43	74	95	45	51	71	86	92	98	31	58	84	17	27	52
Malta	49	73	90	65	80	86	74	83	93	47	71	86	30	56	69
Netherlands	75	89	97	51	77	93	96	97	98	66	76	89	35	49	65
Austria	85	96	99	59	80	95	93	95	99	75	84	95	35	60	62
Poland	16	41	75	52	62	77	85	92	96	9	28	55	5	16	38
Portugal	61	86	97	41	60	80	83	90	96	51	74	91	38	56	74
Romania	20	36	64	53	54	70	69	74	83	16	29	54	7	15	35
Slovenia	64	84	95	68	79	90	82	90	96	60	81	93	43	63	77
Slovakia	65	84	90	52	67	86	90	92	97	58	74	83	29	44	56
Finland	70	91	90	39	59	89	92	97	98	51	81	84	32	51	74
Sweden	85	96	99	66	84	98	91	97	94	72	84	91	47	63	72
United Kingdom	78	93	98	58	73	86	80	84	82	72	87	96	56	73	86