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**Workshop Continuing Vocational Training Survey:
relevance, lessons learnt and ways forward**

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**The relevance of the Continuing Vocational Training Survey
for VET analysis**

Training from the perspective of employees and employers

A complementary approach to CVTS and AES in France

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In France, it was decided to carry out the Adult Education Survey (AES) with the same reference year as CVTS-3 and to combine both surveys (DIFES). These choices can be explained by context elements of two types: the institutional French environment which gives an important place to the training provided by firms throughout continual training and the political situation with the debates between social partners about employee training and the application of a new law. The compound interpretation of both surveys AES and CVTS completed with DIFES data appears very relevant. The double point of view of employees and employers gives a good vision of a subject at the heart of staff relations.

1. Context elements

All social partners and policy makers continually ask for trends in the continual vocational training system. That means knowledge of the range of training practices, access inequalities and limitations on training uptake. Stakeholders always need indicators to monitor and assess their actions. But, in France, the year 2005 was especially important for vocational training because it was the first year for the application of a new law on CVT.

1.1 Some points about the institutional French environment:

In France, adults undertake training on the initiative of their employers during their working hours and without the aim of formal training. The French vocational training system is so designed that the frontier between the age at which people undergo their initial education and training and that at which they carry out their occupational activities is more clear-cut than anywhere else in Europe. The State educational system is responsible for providing youths with their initial training, whereas French firms provide continuing vocational training for their employees. French firms actually are among those which have the highest training expenditure in Europe. On the other hand, France ranks last in the European Union in terms of providing employees with training leading to a diploma or recognized qualification. In 2003, only 1% of French employees declared that they had undergone training of this kind during the year. This paradoxical situation is probably one of the main characteristics of the institutional French environment.

The total economic expenditure for continual training in France reached nearly 26 billion euros in 2005. The distribution of these funds underlines the importance of the enterprises share which is more than 40% of the total expenditure. Enterprises are the main sponsor for employee training costs of which they bear over 80%. So in France, the training courses financed at least in part by enterprises are very relevant.

Moreover the training provided by firms was at the centre of a social debate in France in 2003-2004 with new negotiations between social partners and a new law which was first implemented in 2005.

1.2 The political and legislative context:

Negotiations between social partners about firms and training ended in September 2003 and constitute the bases of the French law of May 2004 on life long learning and social dialogue. The dominant aspect of this new organization set up with this law concerns the idea that training in companies is progressively becoming a subject of shared responsibility between the employer and employee. The new agreement introduces the idea of bargaining between employer and employee about training. The most significant elements of this bargaining are: first, the individual's right to vocational training (DIF: "Droit Individuel à la Formation") and second the possibility for employers to encourage the employee to carried out training which develops individual competences outside working hours¹. It also means there is the possibility for the employee of having a formal agreement with regard to the impact of training (e.g. in the form of a better job, promotion, wage rise etc.) with an upper limit of 80 hours per year. Within this framework, the agreement specifies that career guidance may provide the means to formalise this agreement between employers and employees. The individual right to training enables employees, on their initiative and with the company's agreement, to use a quota of 20 hours of training which can be accumulated over a period of 6 years with a total of 120 hours of continual vocational training. The individual right to training is therefore a bilateral encouragement to negotiate rather than a personal right. Employees must be informed of the number of hours to which they have a right and employers must answer their requests within a stipulated period, otherwise the agreement is automatic.

Considering these context elements, the simultaneous production of employee data and enterprise data were especially relevant and useful.

2. The 3 Continual Vocational Training databases in France

France used AES and CVTS as opportunities to clarify the principal aspects of the 2004 law. For that purpose the two questionnaires were completed with the same questions.

2.1 CVTS

The CVTS database in France is larger than the European one. A lot of French questions have been added throughout the questionnaire. The structural data on the enterprise have been enriched with a breakdown into social categories for the number of people employed, the existence of a merger, a takeover or a restructuring of the enterprise during the reference year and their links with the continual vocational training. Belonging to a group and the existence of a planned economic target are also available data.

The most important French added data concern the training policy of the enterprise with questions to all enterprises even for non training enterprises. Finally, questions about the link between training and mobility of employees have been introduced.

2.2. AES

AES was included in a larger survey in France "Formation Continue 2006 (FC2006)" which had roughly the same format the first edition 6 years before FC2000. FC2006 had a sample of 16 500 exploitable as answers from individuals. The main objectives of the national survey were : to outline the range of lifelong learning practices, to report on individual expectations and access conditions to lifelong learning, to describe the context and difficulties encountered by people who want to access lifelong learning and lastly, to investigate the different learning methods. In addition to AES variables, the data base brings together variables about the

¹ these hours will be paid at 50% of the employee's net wage

labour market situation, training access conditions, the organisation of the training, context and constraints for the individuals.

2.3 DIFES

Enterprises which employ AES respondents have been included in the CVTS sampling. The two European surveys AES and CVTS have been matched and we have matched data in DIFES (called "*Dispositif d'Information sur la Formation Employeur salariée*", which means *information plan for employer and employee training*). DIFES is an "employees first" methodology for creating an employer-employee linked survey. It involves a group of 1 800 individuals from AES matched with their company survey (CVTS3). By linking the data from both these surveys, this project aims to provide what is at the core of the law of May 5th 2004: negotiations or discussions between employers and employees about vocational training matters. DIFES adds to the employee's data details about their labour background, such as various ways to collect and to express needs in terms of training, the dissemination of information related to training, the frequency and contents of structured interviews conducted by the enterprise with its employees.

3. A thematic presentation of 3 sources of continual vocational training

It is the crossing of individuals and firms (firm's sector and size, the initial training level, the job occupied for example) which enables correct interpretation of the continuing vocational training uses. So Cereq chose to present the results of the French parts of the three surveys (AES, CVTS and DIFES) in the same book with a thematic presentation: "Quand la formation continue". To make reader comprehension easier, it was decided to set out the continuing vocational training cycle with successive examination of its origins, its access conditions, its development and its uses.

3.1. Training origins

It's with regard to the theme of training origins that the most important efforts have been made in France. Staff answers could be put in a more global context with enterprise data. It enables a better comprehension of how training enterprise policy has an influence on staff training (including information, needs expression, access rate, etc).

In France the existence of national training measures is known by nearly half of employees and more often the information has been delivered by their enterprise. On average, one enterprise out of two has campaigned for information about at least one of the training measures. The bigger the enterprise, the more it informs. These results underline the importance of the employer role for the information of the employees. And it is the combining of different supports which increases the information effectiveness.

DIFES results especially underline the importance of the diffusion of information about training by the enterprise on the differences between social categories. So, for management people, the fact that they are in an enterprise which informs or not, has nearly no influence on their probability of having training information. On the contrary, the knowledge of workers about training is directly correlated with the enterprise policy. The employer-employee linking enables analyses to go beyond the strict framework of company statements and sees how it contributes or not, to the development of employees possibilities in matters of training. In the same way, employees who have the highest training needs belong to enterprises where the conditions for employees are the most favourable, both in terms of opportunities and with the possibility of having discussions about the subject of training.

Training courses financing is assumed by employers most of the time. The highest are the enterprises expenditures in training, the more the enterprises use individual interviews to collect employee needs. In 86% of cases the main subject of the interviews is “the training employee wishes”. For 62% of training courses, the employees have undergone them on their employer’s request. Whatever the socio-professional group, interviews are the most frequent form used to express training needs. Individual interviews are systematized in 16% of enterprises and have become a central element for discussion for all staff. If a large number of employees in each enterprise are involved in the collection procedure of training needs, it is more unusual that an individual interview is automatically organized for all the staff.

3.2. Training access conditions

Conditions which contribute to the development of the training access of employees group together enterprise characteristics and individual characteristics. When they are presented together, it enables a more accurate view of the facts. Some information could only be found in AES data such as access rate according to the type of labor contract, the influence of the initial training and of age, or the training characteristics according to their aims and their field.

The bigger the enterprise is, the more important are their training efforts and the more the access inequalities are reduced. Belonging to a group and a high management staff rate are among the most important factors which contribute to the development of training activities in enterprises. Some economic sectors are also more favourable to the development of training policy.

Regarding the employees, employees in the public sector participate more in training than the employees of the private economic sectors. Young people participate more than old people but access inequalities between social categories are reinforced with age. We notice too that in the economic sectors strongly involved in training, the age differences are less marked. Nearly the same phenomenon can be observed with sex: there are minor differences between males and females access rates but some inequalities are greater according to the size or the sector of their enterprise.

3.3. Training organization and mode of enforcement

The two surveys are complementary in theme of training organization and mode of enforcement too. CVTS enables the quantification of training courses, AES confirms that employers are the most important sponsor of training with professional aims for the employees, but for the over professional training and self directed trainings the training costs for individuals concern travel payments or purchasing of materiel. In the same way, CVTS gives an accurate image of the volume of the training courses, but AES allows a better characterization of the others training forms like on-the job-training. AES also facilitates better comprehension of the individual reorganizations required to follow a training courses and the differences between males and females whereas CVTS gives only the use by the enterprises of the training hours outside working hours with a remuneration.

Study of training courses financing displays close links between the mode of financing and the type of training. For salaried people training, the principal sponsor is the employer. The more the training is linked to professional activity, the more the employer is implicated in the financing. Continuing vocational training courses are the most usual practice: around nine enterprises out of ten use them. In the meantime others practices are used like planned training through on-the job-training especially in low training economic sectors. AES data supplement this information with the repartition of training activities according to their type

and the socio-professional group. So beside training courses, the managerial staffs are those who have the most access to conferences, workshops, trade fairs and lectures. On the other hand, it's the workers who train the most frequently through on-the job-training.

The study of the different training policy types of the enterprises shows five big policy types using information of two kinds : intensity in training use and the stage of considering and structuring of the policy. So the majority of enterprises provide training but without them all having a real training policy. The policy is little organized, that means there are few collection procedures for the training needs of employees and few information campaigns on training activities. Training activities are outsourced and they aren't an element for career management. In the other groups of policy types, most enterprises have a training policy with elements for competency management and staff careers. Enterprises of the second policy type are little involved in training, they don't have any enterprise agreement which mentions training, and they don't have a structured policy and often no procedures to collect employee training needs. There is a third policy type is constituted with strongly involved in continuing vocational training enterprises that have an enterprise agreement and often an internal training center. The enterprises of the fourth group are involved in continuing vocational training too and they make a lot of use of the new French training programs like DIF and use the possibility of training their staff out of working hours with a wage participation of 50% from the enterprise. The enterprises of the latter group provide a lot of training with greater financial participation, high access rates and the length of averages training courses is the longest. The different policy types as much enterprise contexts are more or less propitious for an employee to start training. All employees with the same individual characteristics do not have exactly the same probability to being trained due to the training policy which is applied in his enterprise.

3.4. Training uses

The joint presentation of individual data and enterprise data about the continuing vocational training and careers management is very informative as it shows that training participation and professional changes are connected. This correlation is especially strong for workers and unqualified employees, although they are among the least likely to train (AES results). One enterprise out of three states use of continuing vocational training as an element of careers management (CVTS results). But this is included in a larger policy in which we can find formal procedures for identified employee needs and structural individual interviews (CVTS results).

Enterprises do not monitor the training, even for the monitoring of the trained employee's satisfaction. The different ways of enterprise management have an influence on the propensity to evaluate the training effects (CVTS results). Making staff a partner in the economic targets, and moreover using training as an element for careers management are both connected to a more frequent use of assessment methods. From a staff point of view, the main part of training activities is put into practice in their work. Moreover, in one training activity out of two, training activities are considered as transferable and can be applied to others activities or to others economic sectors (AES results).

All of these studies could inspire the way to apply the new French training programs and could be considered as help for public action management.

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Returns to in-service continuing vocational training in Austria

CONTINUING VOCATIONAL TRAINING SURVEY -
WORKSHOP

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Overview

- 1. Research Question**
- 2. Data**
- 3. Results**
- 4. Conclusions**



Research Question

Returns to continuing vocational training in Austria

Main Issue for this Workshop:

How CVTS can be of use for further research on returns on the investment in vocational training



CVTS - Data

CVTS 3 assesses the provision of continuing vocational training in businesses in terms of:

- the **costs** and **financing** of training
- the **types** (providers, topics) of training
- the **participation** (sex, age) and **intensity**
(hours)



but.....

.... the CVTS tells us nothing about returns on vocational training

- need to control for all other factors of production, not possible in an company-based survey

Why is it important for us to know about the returns?

- Training as an investment (in Human Capital) -> raises productivity?
- Political aspect of returns on VET (workplace competition vs higher productivity and job creation?)



Data to measure firm-productivity

- „Structural Business Statistics“ (LSE) includes data on
 - persons employed
 - stock
 - men/women
 - workers/employees/apprentices; etc.
- capital stock
 - investment in real capital
 - investment in software und concessions
- economic branches (ÖNACE)
- regional indicators
- corporate legal form

→ control for returns on VET



CVTS 2 and 3 and LSE 1999 - 2005

- Matching by Statistik Austria (due to data protection) via firm registration-number → connecting vocational training and productivity data. (3,350 observations)
- First time that these two data-sets have been matched in Austria



CVTS 2 and 3 and LSE 1999 and 2005

■ Gross Value Added (LSE):

- per actual hours worked, considering:
 - hours in vocational training and
 - part time work
- per employee

■ Vocational Training (CVTS):

- hours
- providers
- costs
- topics



Challenges:

- Isolation of the effect of training on productivity
- Collection of data for more than one point in time to exclude coincidences as
 - changes in product lines, real capital, ... (and the training that is caused by it in just this single moment)
- possible due to LSE and CVTS



The Hypothesis: In-service vocational training ...

- ...increases the returns of the firms,
and
-increases wages.
- There is a causal relation
(causality).



Results 1

	Mean
Productivity (per Employee)	
Gross value added/ hour (€) Gross value added/ year (€)	28 47.700
Training (per Employee)	
Costs (€/year) Hours (year)	145 6

N=3350, CVTS und LSE der Jahre 1999 und 2005. In € des Jahres 2005.



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Results 2: The Rate of Return on VET

- Returns on in-service continuing vocational training: 4%, i.e.: Enterprises with 1% higher net spending for training show a 0,04% higher productivity per working hour.
- Training raises productivity and growth. E.g.: A Firm that doubles its expenditure on in-service vocational training per employee from 145€ to 290€ raises its productivity by 1900€ on average. leverage effect: 1 Euro -> 13 Euros
- Training in Soft Skills yields higher returns than IT Courses
- Internal better than external trainings



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Results 3

- Further research by the Chamber of Labour: Impact of VET on wages:

Data of the Austrian Labour Cost Survey matched with **Verdienststrukturerhebung** showed that there is also a positive effect on wages -> higher wages are payed from productivity growth →

- Causality PROVEN



Conclusions regarding CVTS

- CVTS data are reliable – our results are robust and in accordance with other research conducted.
- It needs a stable, well defined range of core variables in CVTS that make panel research possible.
- Lack of matching CVTS (company data) with other surveys on VET/Adult Education as the AES (personal data). (data protection law?)

