



Guide for Training in SMEs



European Commission

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Guide for Training in SMEs

European Commission

Directorate-General for Employment, Social Affairs and Equal Opportunities
Unit F.3

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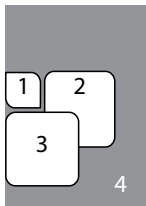
ORSEU

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Introduction

WHY THIS GUIDE AND WHO IS IT FOR?

Today more than ever before, the skills, motivation and activation of employees are crucial preconditions for the sustainable success, productivity and innovation of enterprises. However, the situation of SMEs with regard to training is characterised by a paradox.

On the one hand, continuous training and lifelong learning (both for workers and managerial staff) are regarded as crucial elements of competitiveness against the backdrop of globalisation. On the other hand however, statistics show that continuous training and qualifications are less likely to be available to employees working in SMEs than to those in large companies.

This Guide illustrates how training and skills development could successfully be developed and implemented in small and medium-sized companies despite both the internal and external barriers SMEs face in this context.

Based on a number of thematic topics, this Guide starts with the typical challenges SMEs regularly face when it comes to training and skills development. The Guide describes how to cope with them and develop innovative and successful solutions, e.g.:

- **Improving the framework conditions of training and skills development** – overcoming organisational barriers and obstacles for training; unlocking financial means to support training activities; developing a forward-looking HR and skills development policy.
- **Developing suitable methods and techniques of training** – training methods that are based on the specific needs of micro and small enterprises.
- **Addressing current and structural challenges of competence development** – such as the competition for qualified personnel, which is increasing, especially with regard to demographic change.

This Guide has been written for the key actors involved in SME training: company owners, management representatives responsible for training, employee representatives and trade unions, social partners and professional organisations at the sectoral and national level. There are indeed many parties who play an important role in the development and implementation of SME specific frameworks and in training and skills development programmes. As the Guide will outline, cooperation between these different parties is often a crucial element for developing training in SMEs.

HOW TO USE THIS GUIDE

After providing background information on the main issues in Part I, this Guide will address 12 thematic topics grouped into three main sections (Part II). Each topic is structured in a similar way, providing information on the main challenges and focussing on the experience of good practice and innovative solutions made in the context of the specific theme. Since this Guide is based on practical experience it is also accompanied by a number of practical examples of good practices. In the preparation of this Guide, around **50 practical examples** were documented. Each section provides references to these practice sheets, which are available at the DG Employment, Social Affairs and Equal Opportunity website.

In addition to putting the issues of training and skills development into the wider context of SME development in Europe and presenting practical information on framework conditions, initiatives and measures of support at the European level, each section of this Guide also offers additional information, often with direct references and links to the respective sources. The first part of this Guide also summarises basic information and facts about SME development and major challenges in Europe today.

The Guide and the practice sheets are also available online:

<http://ec.europa.eu/restructuringandjobs>

LEARNING FROM EACH OTHER

Each of the 12 sub-sections highlights major lessons to be learnt, crucial factors of success and aspects of transferability.

METHODOLOGY

The first task was to draw up an analytical chart listing the problems encountered in SMEs with regard to training. The collection of practices has been based on this analysis chart. An initial list, consisting of more than 100 European cases, was prepared with the help of several EU institutions (e.g. DG Enterprises, ESF, Leonardo, CEDEFOP etc.), national social partners' member organisations after consultation with ETUC, UEAPME and BusinessEurope, and independent research (other good-practice catalogues, SME experts, previous forums on restructuring, etc). From this first list, 50 cases were selected representing best practices in training and skills adaptation for SME employees and managerial staff (see the Annex). It was necessary that these practices apply to all types of SMEs (craft, micro, medium-sized) and different sectors of activity, and that they allow for national diversities.

Part I

Background Information

SMEs in Europe – Facts, figures and trends

'Given the fact that SMEs account for 99 % of all companies in Europe, it is extremely necessary to mobilise and adapt to small businesses all existing policies and tools, both at European and national levels.'

EU Employment Commissioner, Vladimír Špidla, at the opening of the 'SME Restructuring Forum' 26 November 2007

The position of SMEs in the European economy

Micro, small and medium-sized enterprises constitute the dominant form of business organisations in all countries of the European Union. With a total of some 23 million enterprises, more than 99 % of enterprises in the European Union are SMEs. SMEs greatly contribute to employment and wealth in Europe: SMEs account for nearly 70 % of European private service jobs, and in Europe's industries, the number of those employed by SMEs is high, particularly in sectors such as construction, metal products and the wood and furniture related industries. Finally, SMEs generate large portions of wealth in the EU: in real estate, recycling and construction activities, it is greater than 80 %, and in the whole private economy their share in wealth creation is estimated at between 55 % and 60 %.

Micro enterprises, many of them craft enterprises, are the real pillars of the European economy. The vast majority (over 90 %) are micro enterprises with fewer than ten persons. They alone employ more than one third of the European workforce and produce more than 20 % of economic value added.

Self-employment, i.e. an enterprise with only one employee, accounts for 16 % of total employment in the EU.

The second-largest SME group is made up of small enterprises, defined as companies that employ 10 to 49 persons. In 2005, this group consisted of about 1.3 million enterprises (excluding agriculture, financial services and public services) employing a workforce of around 26 million throughout Europe, i.e. around 7 % of all European enterprises and around one fifth of their workforce. Finally, only slightly more than 1 % of all companies are medium-sized enterprises defined as having 50-249 employees. Medium-sized enterprises employ about 21 million people, i.e. nearly 17 % of the private European workforce.

What is an SME?

Companies classified as 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 may not exceed €43 million.

SMEs may be divided into three categories according to their size: micro-enterprises have fewer than 10 employees, small enterprises have between 10 and 49 employees and medium-sized enterprises have between 50 and 249 employees.

Links

Recommendation 2003/361/EC regarding the SME definition:

http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm

European portal for SMEs:

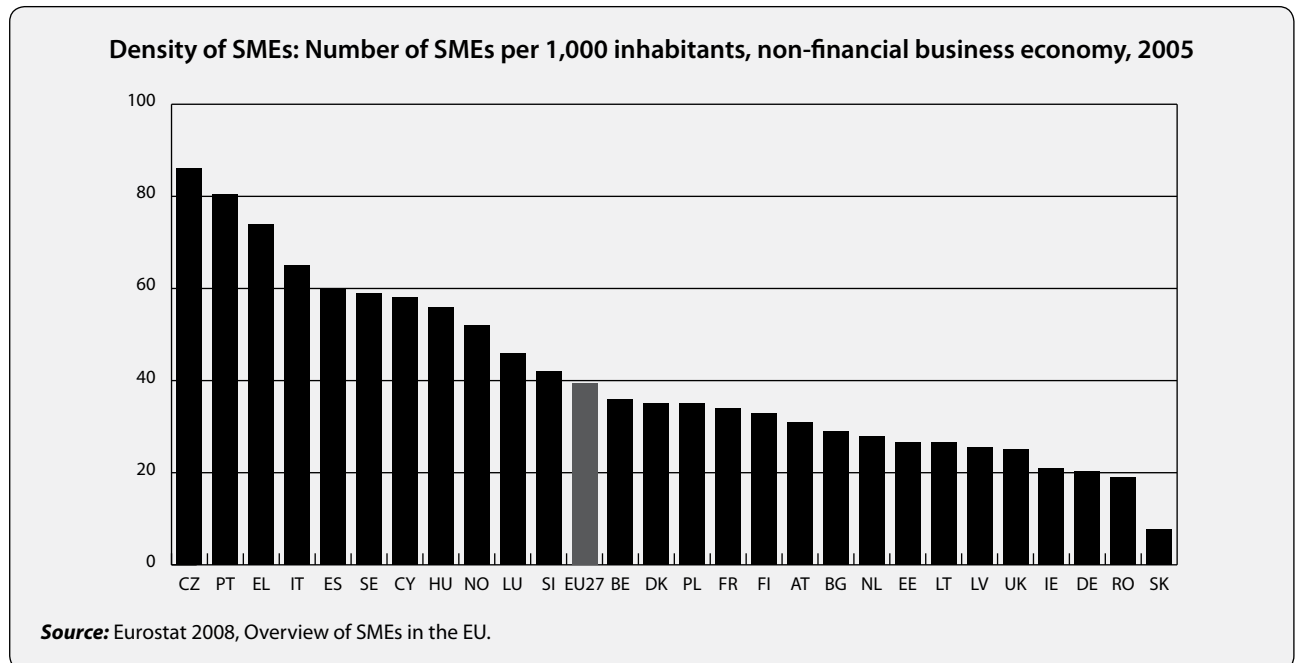
<http://ec.europa.eu/enterprise/sme>

Statistics on SMEs in Europe:

<http://epp.eurostat.ec.europa.eu/>

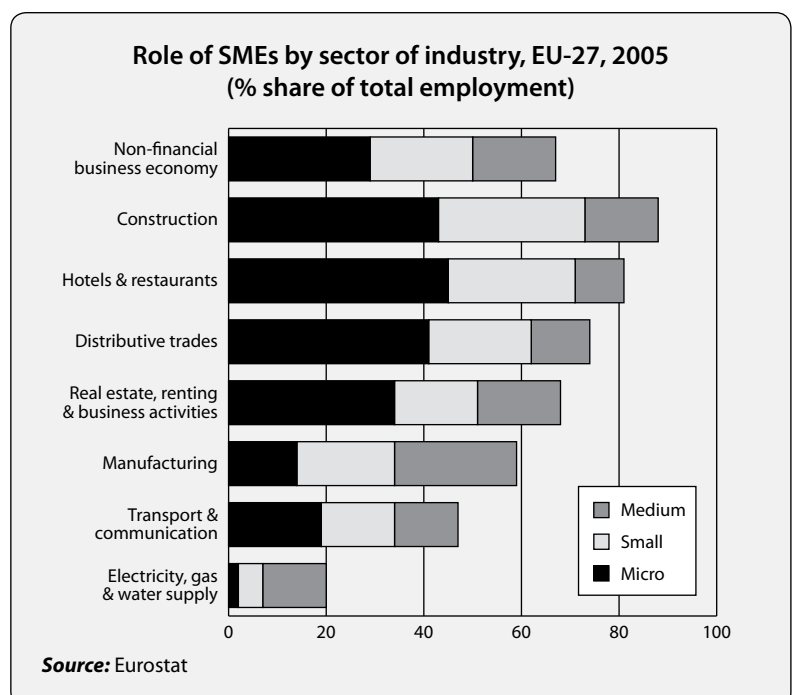
Large national and sectoral variations in the European SME population

The geographic variety of SMEs across Europe reflects specific patterns of industrial structures, economic traditions and other framework conditions, in particular within the economic and social transformation process in the Central and Eastern European Member States.

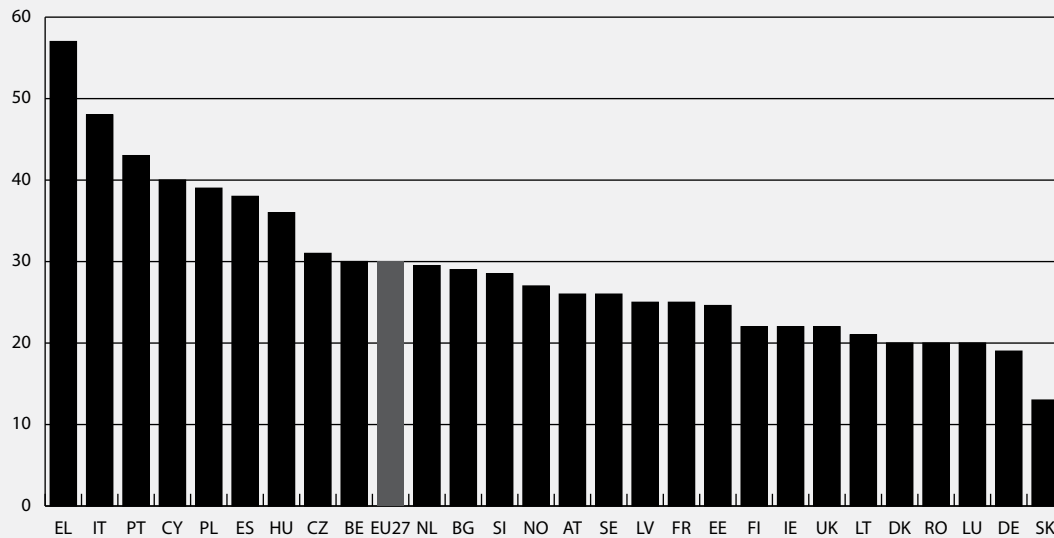


In 2005, there was an average of nearly 40 SMEs per 1,000 inhabitants within the non-financial business economy in the EU-27. The highest densities of SMEs were recorded in the Czech Republic with more than 80 and Portugal with around 80 SMEs per 1,000 inhabitants, followed by the three Mediterranean countries of Greece, Italy and Spain. At the other end of the scale, Romania and Slovakia recorded the lowest density of SMEs.

Within EU Member States, the relative importance of a particular size class varied widely; if for example the total share of particular size groups in overall employment is taken into account, the champion of micro businesses is Greece with micro enterprises employing nearly 60%. Also in Italy, Portugal, Cyprus, Poland and Spain, the share of micro enterprises in overall employment is significantly above the EU average of around 30%. On the other end of the scale, the share of micro companies in Germany, Denmark, and Romania is low with only about 20%, the lowest being Slovakia with just 13%.



Micro enterprises: Share in non-financial business employment, 2005



Source: Eurostat 2008, Overview of SMEs in the EU.

The role of SMEs is characterised by significant variations in economic activities as well. The employment share of SMEs varies between under 20 % in the energy and water sector to more than 80 % in the construction sector and in the hotel and restaurant business. Also, distribution, trade and business services/activities are sectors where around three quarters of all employees are working in SMEs.

There are also differences of position in the three SME size groups in major industry sectors. Sectors which are particularly dominated by micro enterprises (as a share of total employment) are real estate (55.8 %), hotels and restaurants (44.8 %), the motor trade (42.9 %), retail trade and repair (42.6 %) and construction (42.6 %). In contrast to this, small enterprises strongly contribute to the workforce in sectors such as metal products, machinery and equipment (34.1 %), construction (30.5 %), wood and wood products (30.3 %) and the motor trade (29.2 %). Finally, medium-sized enterprises are strong employers in manufacturing sectors, particularly in the production of rubber and plastics, textiles, pulp, paper and paper products and clothing.

In general, smaller enterprises account for a greater role in labour intensive sectors with a lower labour productivity than their larger counterparts. In 2003, labour productivity in the EU was on average highest in the energy sector and in the mining and quarrying sector – both sectors dominated by large companies – while it was lowest for typical SME businesses like hotels and restaurants.

Think small!

The European Commission has developed and implements a range of policy measures specifically meant to assist SMEs in Europe. These policies are aimed at creating conditions in which small firms can be created and can thrive. If the EU is to achieve its goals of speeding up economic growth and creating more and better jobs, it will be SMEs which will play the most important role, in particular because SMEs are the main source of new jobs in Europe.

As early as 2001, EU leaders at the Santa Maria da Feira European Council approved the '**European Charter for Small Enterprises**' which calls upon Member States and the Commission to take action to support and encourage small enterprises. Since then, several initiatives have been carried out in order to improve the framework conditions for SMEs in Europe.

European SME Policy

Today, European policy in relation to SMEs is mainly concentrated in five priority areas:

- promotion of entrepreneurship and skills
- improvement of SMEs' access to markets
- cutting red tape
- improving the growth potential of SMEs
- consultation with SME stakeholders

Links

SME envoy:

http://ec.europa.eu/enterprise/entrepreneurship/sme_envoy.htm

SME pages of DG Enterprise:

<http://ec.europa.eu/enterprise/sme>

Information on the Small Business Act for Europe:

http://ec.europa.eu/enterprise/sme/index_en.htm

The Charter to support Europe's small firms:

http://ec.europa.eu/enterprise/entrepreneurship/charter_en.htm

SME Performance Review:

http://ec.europa.eu/enterprise/entrepreneurship/craft/sme_perf_review/spr_main_en.htm

Guide for the promotion of SMEs at EU level ('press/visitors pack'):

http://ec.europa.eu/enterprise/entrepreneurship/docs/sme_pack_en_2008_full.pdf

In order to better integrate the SME dimension into EU policies, a special SME envoy¹ has been appointed within the European Commission's Enterprise and Industry DG and in June 2008, the Small Business Act for Europe was adopted as a comprehensive policy framework for the EU and its Member States.

The Small Business Act is based on the 'Think Small First' principle – being SME-friendly should become mainstream policy in Europe. To achieve this, the interests of SMEs should be irreversibly anchored in policy making, from regulations to public services, in order to promote SME growth and help them effectively tackle problems and barriers.

The Small Business Act is a package of measures based on ten principles:

- Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded
- Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance
- Design the rules according to the 'Think Small First' principle
- Make public administrations responsive to SME needs
- Adapt public policy tools to SME needs: facilitate SMEs' participation in public procurement and improve the use of State aid for SMEs
- Facilitate access to finance for SMEs and develop a legal and business environment encouraging timely payments in commercial transactions
- Help SMEs to benefit more from the opportunities offered by the Single Market
- Promote the upgrading of skills in SMEs, and all forms of innovation
- Enable SMEs to turn environmental challenges into opportunities
- Encourage and support SMEs to benefit from the growth of markets

(¹) For further information visit: http://ec.europa.eu/enterprise/entrepreneurship/sme_envoy.htm

Training – A key to success and adaptation

Challenges SMEs in Europe are facing today

Micro, small and medium-sized enterprises face particular problems due to their small size and limited resources. Starting up a new business and getting the required capital is a challenge, as is finding the right kind of finance to expand an established business. Due to their limited resources, they suffer more from red tape and administrative burdens than larger enterprises. They often struggle to keep on top of new developments in information and communication technologies, and encounter difficulties finding qualified staff as well as providing them with adequate training and education. Moreover, finding successors for retiring business owners can also be problematic.

These challenges are not new. However, broad economic trends such as globalisation of the economy, technological progress and the trend towards a more knowledge-based economy, as well as the enlargement of the EU and the completion of the internal market, have considerably changed the challenges that SMEs face today.

SMEs in the EU observe that competition in their markets has increased over the past two years. According to the 2007 European SME Observatory Survey, 60 % of managers stated that competition has recently intensified. In response to tighter competition, the primary strategy of SMEs is to put more effort into the quality of products and marketing as the SME Observatory Survey illustrates: 64 % would improve their product (or service) quality, 62 % would increase product differentiation, and 61 % would increase marketing efforts in response to increased competition. Interestingly, cutting costs is only the fourth most popular strategy adopted by SMEs in an effort to keep up with tighter competition.

Pressure for innovation and quality

According to the 'Observatory of European SMEs 2007 – a telephone survey amongst European SME managers – there is a significant lack of high-tech innovation activities in SMEs. Only about every tenth Euro spent by European SMEs is spent on a new or significantly improved product or service. Almost four out of ten SMEs in Europe say that they do not have new products or that they do not have income from new products. While nearly 40 % of micro firms (and 37 % of SMEs in general) cannot report any turnover from improved products or services; the figure among large enterprises was 24 %.

When asked about the main constraints on innovation, almost one in 10 managers in the EU said that *problematic access to finance, the scarcity of skilled labour, the lack of market demand and expensive human resources* are the key challenges to their innovation plans. Overall, human resources seem to be the most important single factor: 17 % of European SMEs complain about the scarcity or the cost of labour in this context.

A different rationale of innovation in small companies

'So far, innovation policy in Europe has been focussing nearly exclusively on R&D and the High-Tech sector and has missed the reality of the majority of innovative SMEs. For them, innovation is a permanent process and they are not engaged in research as officially defined.'

UEAPME, 'European Innovation Policy: Take SMEs on board too,' Brussels, 31.10.2006.

www.ueapme.com

Challenges emerging from globalisation for micro and small companies

The following new challenges arising from the increased internationalisation of doing business in Europe and the entering of new countries into the global economy are particularly noteworthy:

- Increasing competition by foreign suppliers, a general trend towards franchising and the emergence of large companies with local subsidiaries in sectors like bakeries, opticians, cleaning etc.
- Change in demand structures and markets, e.g. in the context of large enterprises relying increasingly on foreign suppliers, the increasing role of environmental issues.
- Changes in the labour market in the context of labour migration, increasing reliance on flexible labour (seasonal work, job agencies, part-time work etc.) and pressure on labour costs.
- Changes in political and other forms of regulation, e.g. the decreasing role of local financial institutions like savings banks or co-operative banks and the increasing role of institutional investors.

However, with regard to innovation it is also important to understand a major difference between small enterprises and large companies which is not apparent in these figures. As the umbrella employers' organisation of European SMEs, UEAPME, has stressed, innovation processes in crafts and small enterprises are different and are '*characterised more by on-going permanent processes and less by linear technical-driven inventions*'.

Therefore, in order to exploit the innovation potential of SMEs, there should be a more comprehensive approach towards innovation in Europe, including not only high level research and technology but also issues such as the supply of qualified labour, improvement of the regulatory environment, work organisation, networking and new market methods.

Challenges due to demographic change

One major challenge that many SMEs will face during the coming years is the issue of business transfer due to the retirement of the owner of the enterprise. As the EU Commission outlined in a recent communication on this issue, according to estimates one third of EU entrepreneurs and mainly those running family business will retire from their business within the next ten years. Up to 690,000 small and medium-sized enterprises and 2.8 million jobs are affected by business transfer operations every year (*Implementing the Lisbon Community Programme for Growth and Jobs: Transfer of Businesses – Continuity through a new beginning, COM (2006) 117 final*).

Challenges due to demographic change do not only arise in the context of business transfer and the need to improve and facilitate the transfer of ownership to younger generations, either by assisting new entrants into SMEs or by making a choice of internal employees.

Other issues in connection with demographic change are challenges arising from the changes in the age structure of the European population, the subsequent decrease of the population of working age and the ageing of the companies' workforce. While measures like the increase of the employment rates of women and older employees are important in this context, other and more pro-active responses are necessary, e.g. the receiving and better labour market integration of immigrants, seizing the opportunities offered by older employees and the 'silver economy' and adequate social protection measures.

It is important to stress that small and medium-sized companies are clearly more adversely affected by these demographic changes and trends than larger companies since in general they have more difficulty in attracting and retaining qualified employees than large enterprises. Therefore, particularly in countries with a significant share of large companies and labour shortages, SMEs are already facing certain challenges. Therefore, an increasing number of countries have established schemes and programmes in order to be better prepared to support companies adapting to the challenges of demographic change.

SMEs see many challenges arising from demographic change: How to attract young employees and retain them after vocational training? How to improve the image of micro, small and medium-sized companies? How to better integrate older employees or migrant workers?

Learn, learn, learn!

According to a recent European study compiled by CEDEFOP, there are around 100 million workers who are at risk due to their level of qualifications, and 20 million unemployed. At the same time, 80 million people are considered to be low-skilled. Europe's population is ageing and companies face more and more skills shortages. To be fit for future jobs, workers need higher skill levels, and up-to-date competences.

Also, in the context of the development of Europe towards a more services-oriented economy focused on ICT and 'green' technologies, its workforce needs to adapt to new requirements and develop new skills: Around 20 million new jobs could be created in the EU-27 by 2020, according to a study presented by the EU Commission in December 2008. The study, which was compiled by CEDEFOP, forecasts that almost three quarters of these new jobs will be in the service sector. Furthermore, as the EU shifts towards a knowledge-based economy, the number of jobs requiring a high level of education will rise from 25 % to 31 %. All things considered, the study projects that between 2006 and 2020, over 19.6 million additional jobs are expected to be created (CEDEFOP: Future skill needs in Europe. Focus on 2020, Thessaloniki).

However, the actual number of jobs created will depend on the global economic environment. The current financial crisis and its impact on the real economy make the pessimistic scenario more probable. The more pessimistic scenario projects a generation of fewer jobs in the service sector with some growth. In this scenario, the rise in unemployment in the manufacturing industries will be more significant.

In view of this, the importance of training and the adaptation of qualifications and skills is obvious and should be a priority of politics both at the European level and below at national, regional and local government levels. At the EU level in December 2008, the Commission also launched the 'New skills for new jobs' initiative in order to ensure a better match between the skills that workers have and the available jobs. The initiative will also take into account the growing importance of soft skills, such as problem-solving, analytical skills, self-management and communication skills, but also language skills, digital competences and the ability to work in a team will become more important.

Common responsibilities of the EU Social Partners

Since 1986, the European Social Dialogue has produced a series of 'Common Opinions' or joint statements on policy, many of which have dealt with education and training. In 2002, the ETUC, UNICE/UEAPME and CEEP adopted the 'Framework of Actions for the lifelong development of competencies and qualifications'. It represents significant participation on the part of the social partners in the field of lifelong learning. It commits the social partners, at national and European levels, to work together on the development of competences and the acquisition of qualifications, as major aspects of lifelong learning. The European Social Partners have monitored the progress annually and they conducted a comprehensive evaluation of this work in 2006. The report analysed the impact of more than 350 selected social partners' initiatives.

EU goals on education and training

The EU Commission in the context of its 'Education and Training 2010' work programme has defined the following goals to be achieved by 2010:

- The highest quality will be achieved in education and training and Europe will be recognised as a worldwide reference for the quality and relevance of its education and institutions.
- Education and training systems in Europe will be compatible enough to allow citizens to move between them and take advantage of their diversity.
- Holders of qualifications, knowledge and skills acquired anywhere in the EU will be able to get them effectively validated throughout the Union for the purpose of career and further learning.
- Europeans, of all ages, will have access to lifelong learning.
- Europe will be open to cooperation for mutual benefits with all other regions and should be the most-favoured destination of students, scholars and researchers from other world regions.

New skills for new jobs

Communication of the EU Commission: New Skills for New Jobs Anticipating and matching labour market and skills needs, Brussels, COM (2008) 868/3

EU Social Partners' Framework of Actions for the lifelong development of competences and qualifications

The Framework identifies four priorities and fields of joint responsibility between the social partners:

- Identification and anticipation of needs in terms of skills and qualifications, both at enterprise and at national/sectoral level.
- Recognition and validation of skills and qualifications, including the provision of a system of transferable qualifications and the identification of links and complementarities between recognised diplomas.
- Information, support and advice for employees and businesses.
- Mobilisation of all the available resources for the lifelong development of competences by all parties (enterprises, public authorities and social partners), together with the effective management of funding resources, particularly the European Social Fund.

ETUC/ UNICE/UEAPME and CEEP: 'Framework of Actions for the lifelong development of competencies and qualifications' 2002

Training in SMEs – Main challenges

SME-specific training challenges

Against the background of intensified competition from foreign countries in the context of EU enlargement and globalisation, SME actors throughout Europe today regard the need to improve their innovation capacity and the upgrading of qualifications and skills as a crucial challenge. It is also important to note that this challenge is faced not only by larger SMEs but by micro companies and the craft sector as well. In particular the capacity of SMEs to innovate requires a complex set of skills, networks and processes. In this context, it has also been stressed that **the strategy of SMEs in Europe to compete at the price level with low wage countries is not a real alternative**. Cost competition is currently won by emerging countries, even when taking into account the better productivity of European workers.

The lack of skilled labour is a problem for more than one third of all SMEs in the EU

Here, let it be noted that SMEs are already carrying out a good deal of vocational training but that, at the same time, many employees are leaving SMEs for better paid positions in large enterprises, leaving the company to bear the cost of training, without reaping the rewards.

Recent surveys have stressed significant gaps in participation rates for employee training by firm size. In general, the participation rates in large enterprises are much higher than in smaller companies. At the same time there are strong differences between European countries. The Nordic countries have the highest rates while Southern Europe and Central and Eastern European countries show the lowest participation rates.

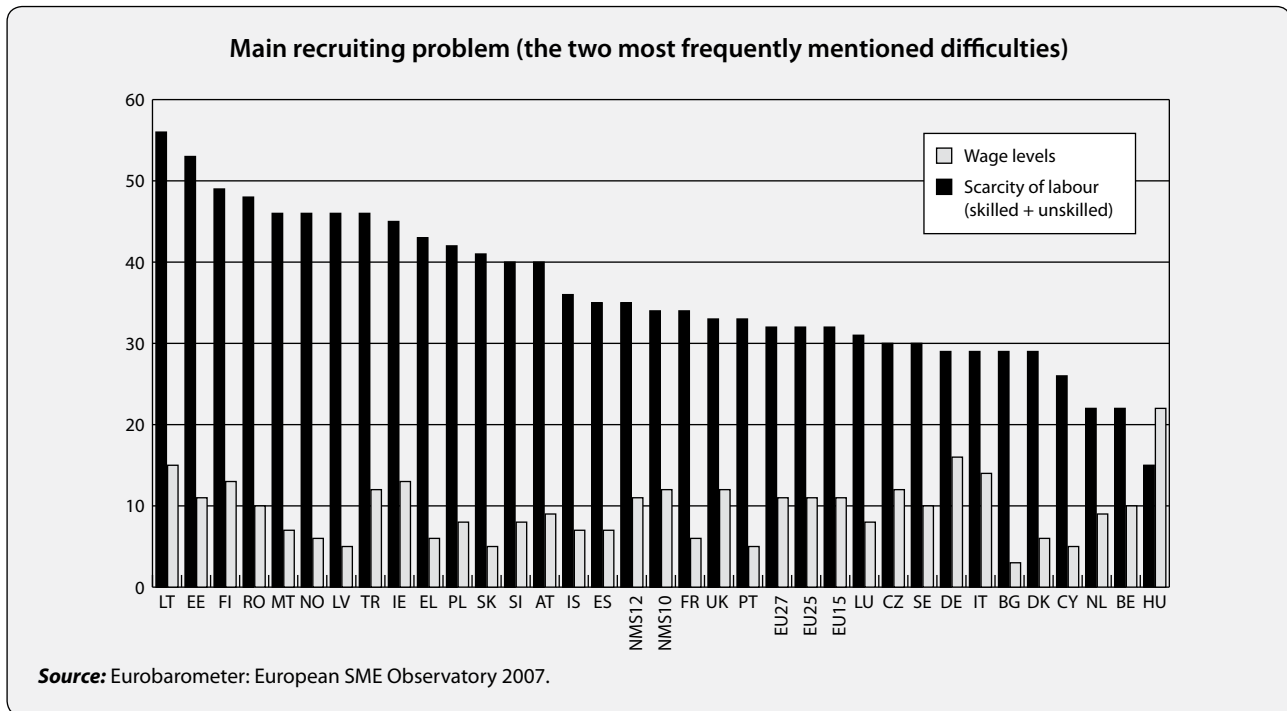
Official statistics on training and further qualification rates only partly reflect the reality of training in SMEs. In particular in the small enterprise sector, training often takes place in the form of informal competence and skills development and on-the-job- training, neither of which are taken into account in official statistics. There is clearly a need for tailor-made solutions.

The issue of a skilled workforce, educational attainment and access to continuous training is crucial in this context

As the recent European SME Observatory Survey illustrates, the lack of skilled labour is a problem for more than one third of all SMEs in the EU, with significant differences. While it seems that the problem is least widespread in countries like the Netherlands or Germany (re-

ported only by 20-25 % of the managers interviewed), it is a major concern for almost three quarters of managers in other countries (72 % in Lithuania, 50 % in Estonia, more than 50 % in Greece, Romania and Finland). Looking at SMEs that are having problems filling their job vacancies, the survey stresses that these SMEs primarily complain about the scarcity of skilled labour. 28 % of SMEs in the EU indicate that this is their primary concern in recruiting. If the problem of the limited availability of unskilled labour (5 %) is added, it becomes clear that one third of European SMEs are struggling to find the necessary human resources. Though SME managers also mention that the high wage levels expected by candidates are a serious problem when recruiting, the scarcity of skilled and non-skilled labour is the most important barrier. As the graph indicates, in all but one European economy, the scarcity of labour is a more significant problem than high wage levels.

Existing training offers and programmes are normally designed and organised from the point of view of larger companies and they simply don't fit into the organisational needs of smaller companies



A catalogue of practical challenges

When it comes to training and skills development, SMEs face a number of very practical and organisational problems: **How to identify a training programme suited to the company's specific needs? How to find financing for training courses? How to organise training, for example further training for workers in micro companies where each worker is needed every day? How to attract more qualified young people?**

These are the typical problems that SMEs throughout Europe are currently facing when it comes to training and skills development. SMEs and, in particular, micro and small companies are facing both external and internal barriers and obstacles with regard to improving their skills base. There are also financial as well as organisational barriers. It is more difficult for micro businesses and small firms to find the financial resources needed to offer training to their employees. Nor do they have the means to send their experienced staff and workers on longer training courses. Training programmes and methods available on the market are too often unsuited to the size and needs of this type of company.

The following sub-sections stem from the obstacles and challenges that SMEs in Europe are facing in everyday life and provide an idea of what a solution might look like. Based on 50 cases of good practice which provide examples of successful solutions, these sections describe innovative ways to address each practical challenge, crucial factors of success and other lessons to be learnt with regard to transferability.

We have grouped the individual challenges around three basic aspects:

- Addressing SME internal barriers and obstacles for training
- Finding suitable methods and techniques for training
- Coping with current and structural challenges of competence development

Overview of practical challenges and benchmarks

Addressing SME internal barriers and obstacles for training

- Organisational barriers and obstacles
- Financial means and resources for training
- HR and skills development policy/plans/anticipation
- Perceptions of training needs (by entrepreneurs/managers and employees)
- Resource pooling and SME cooperation in training and competence development

Suitable methods and techniques of training

- Training methods addressing the specific needs of SMEs, such as on-the-job-training, job rotation etc.
- Training and competence development for managerial staff/entrepreneurs
- Validation of informal skills and qualification

Coping with current and structural challenges of competence development

- Demographic change and the greying of the workforce
- Recruitment/attracting younger and qualified employees
- Competence development in the context of internationalisation
- Improving and addressing gender equality and opportunities for women

Part II

Training in SMEs

– Practical Guide and Benchmarks

1. Addressing SME internal barriers and obstacles for training

'I only have three workers. How do you want me to send two of them to a training centre?!'

1.1 SOLUTIONS FOR ORGANISATIONAL PROBLEMS AND BARRIERS

Summary

Overcoming organisational problems and barriers is a crucial precondition for becoming more active in developing skills and training in SMEs. As the examples and good practice experience in this section show, there are many innovative ways and instruments to address organisational challenges and tasks. For example, new forms of training such as e-learning, open and distant learning or the support of external coaches have helped many SMEs in Europe to manage these problems. A 'do-it-yourself-aid-kit' and the 'virtual future clinic' as an online platform are other effective tools. As our examples in this section show: there is no single best solution for dealing with organisational problems and barriers for training in SMEs – practical answers have to address the specific conditions and framework of the respective enterprise, sector, region etc.

Good practice experience

How can SMEs successfully manage the imperatives of work and at the same time organise training for their workers?

Let's take the example of North-East France, the Lorraine region, formerly a leading industrial area. This is also a green region with plenty of centenary forests and sawmills. These companies are historically small or medium-sized. There is no training centre specialising in their industry nearby and transportation is not readily available to employees. Moreover, these companies have difficulties recruiting qualified workers. Thus they recruit people who have neither specific skills nor experience in this field of work making it imperative to train them. How to do so?

Open and distant learning in a French company - training courses took place at the worksite

It can be hard to see the forest for the trees. Therefore, external help and advice is required.

Three small sawmills were accompanied by a training institution to implement the appropriate measures to train their workers. A first e-learning activity was set up in 2003. It was not successful, because of its over 'bookish' and too theoretical approach, and the training units were not synchronous. The companies wanted less theoretical knowledge and more practical courses. Another reason for the failure was that there was no clear delineation of working and training time before the training began. Taking these problems into account, the new programme concentrated on specific contents, and an 'individual training agreement' was signed by the employee, the employer and the training centre. This agreement specified the training modalities and the commitments of each party.

The chosen method was open and distant learning. The training courses took place at the worksite. This was a first concrete response to the organisational issues of the company. The employees attended these courses regularly after work (232 hours). In practice, distance training meant that the employees gathered in a room made available to them on the company's premises and connected to the Internet to attend live courses with trainers who were located in another town. Communication took place via video conferencing. GRETA (the training centre) lent computers, headphones and webcams to the companies.

Professional assistance and the implementation of flexibility management in the company

The case is typical of an efficient and innovative ad hoc solution, taking into account the needs of the companies, and the solutions available at the local level. These sawmills anticipated change and reacted promptly in wishing to invest in training. But there were organisational issues which could have hindered the project. Actually, this project was organised by an efficient intermediary who was able to identify the company's needs and offer a tailored solution.

In the project TAS for Agriform, weekly meetings were organised in common or private (company/ houses) meeting areas, at compatible times with seasonal work and the farmers' daily commitments

In order to take make allowances for the organisational constraints that exist in SMEs, the training provision should be sufficiently flexible and innovative. The project TAS for Agriform was specially developed to allow for entrepreneurs' and workers' time constraints, which are even more of a problem in small agricultural businesses.

In Luxembourg, the **National Institute for the Development of Continuous Vocational Training** offers 4-day training sessions that can be spread over 3 or 4 months, including accompaniment, guidance and coaching directed by the manager. This flexibility is highly appreciated by the beneficiaries. The organisation of work is not disrupted. As the administrative director of an SME located in Luxembourg says, *'From an organisational viewpoint, I liked the dispersion of the four training days over a four-month period, because otherwise I would have had big difficulties managing these training courses (given the preparation needed for the sessions) and my work. Moreover, this long period allowed me to make contacts with other participants.'*

Anticipation of change is the key to success for SMEs. More than other companies they immediately feel the negative effects of change. In this context, **SMEs need to be assisted and supported in organisational matters in regard to upcoming change.** The following projects have the focus of assisting SMEs in different, but certainly innovative, ways to effectively handle and prepare for changes. For example, the capacity of SMEs to adapt and be flexible should be supported by external consultants.

Training courses spread over 3 or 4 months

The initiative **Flexibility Coaching** in Austria offers professional assistance and the implementation of flexibility management in the company. The services offered by the so-called flexibility team include up to 15 days of consulting, in which the companies' ability to manage upcoming problems independently is developed.

The 4T programme in Finland or the MicroInnoChange project in Germany also offer organisational advice, **guidance and a set of tools for local SMEs.** Through MIC, a *'do-it-yourself-aid-kit'* will be made available to company owners, who could then easily use future-oriented strategies in their daily business management.

The Finnish **4T programme** has developed the *'virtual future clinic'* as an online platform providing an overview of various action plans for SMEs. Companies can search for matching tools to help them better understand and respond to changes.

Flexibility coaching in Austria started with a consulting project for one single company and has then transformed into a successful nation-wide job market instrument funded by the Employment Office of Austria.

The companies are contacted by the Austrian employment service (AMS). The service, including up to 15 consulting days (analysis of circumstances, development of an individual flexibility strategy, etc.) is free of charge for the participants.

The flexibility team offers know-how in 7 HR-related fields: 1) diversity management, 2) productive ageing 3) mobility, 4) working hours, 5) flexible workforce 6) further qualification and training, 7) organisation.

Examples of specific tools: Annual working time model, early warning system for fluctuations in demand; advice on new job perspectives for women; measures for women after maternal leave and parental part-time work regulations

An important key to success can be found in the construction of local networks, aiming at assisting SMEs in organisational matters. In the case of LISP and O2K in Italy, specific participatory bodies (instances) were set up for the management or coordination of these local networks. The *'district committees'* serve as discussion platforms between the local government and social partners in the Italian project LISP.

A general framework can be necessary for small companies to start reflecting on their organisation and training policy. Precisely this aspect is addressed in the case of the **Small Firms Initiative** in the UK. The initiative provides financial support for small firms for a specific analysis of their situation and skills needed. Then, participating companies were helped to develop a training plan and a business plan. The overall aim is to encourage SMEs to engage in

training using the *'Investors in People'* programme, which is an assessed standard for organisations investing in skills development for their employees, as a framework (see box below). The main goal is to raise the awareness for training, to highlight lifelong learning opportunities among SMEs and to show that SMEs should not be excluded.

The Investors in People standard (UK)

The Investors in People standard was introduced in the UK in the 1990s and was highly recognised as the premium standard and regarded as the main example of good practice in this field. The standard is a series of guidelines to help companies, whatever their size or type of organisation, improve the way they work. As indicated on the Investors in People website: 'You have to meet the same criteria – or 'indicators' – as other organisations, but the Standard recognises that you will meet them in your own way. Investors in People recognises that organisations use different means to achieve success through their people. It does not prescribe any one method but provides a framework to help you find the most suitable means of achieving success through your people.' Tools are available free of charge to work with the standard.

Over 30,000 UK organisations are now recognised as Investors in People, covering a wide spectrum of UK industries. Following the idea of Investors in People, the UK government gave an impetus to small firms, which are traditionally not as engaged in training measures as medium sized and large companies. The Small Firms Initiative encourages companies with max. 49 employees to take up the Investors in People standard. Small firms were encouraged to analyse their skills and then become engaged in suitable training for the promotion of business development. See <http://www.investorsinpeople.co.uk/>

Factors of success and main elements of transferability

- **Avoiding pitfalls:** Though there are many programmes and initiatives in the context of training and skills development via e-learning, 'open' or distant learning, there are also major pitfalls – in particular training programmes which do not reflect the real needs and practical preconditions at the enterprise level.
- **Orientation towards real needs:** Therefore, in order to be successful, such programmes have to be embedded and rooted in the local enterprise community from the very beginning, i.e. as early as at the design and programming stage.
- **Direct links:** Also, in order to address organisational barriers and lack of flexibility for training, competence development and innovation in micro and small companies, local and sectoral professional and training institutions, as well as public authorities, have to develop direct channels to the enterprise be it by consulting, coaching or active local networking – integrating SMEs directly into programmes and frameworks is a crucial factor for success.
- **Concentration and partnership:** In addition to enterprise managers and owners it is important to bring together not only training institutions and funding sources but also other key actors representing SMEs, in particular chambers of crafts and/or commerce, employers' and trade union federations – often one programme implemented wholeheartedly is much better than five programmes implemented just because there is funding.

Good practice reference at a glance

The following cases of practice presented in our documentation of good practice are also interesting in the context of this topic:

- Flexicurity Coaching for companies (AT01)
- REINO – Renewal and innovation to business transfer of micro companies (FI02)
- Training Pass (FR05)
- Open and remote learning in four sawmills (FR03)
- Hungarian Association of Craftsmen's Corporation IPOSZ (HU01)
- Skillnets Initiative (IE01)
- TAS for Agriform (IT03)
- Corporate Training Fund (PL02)
- IEFP (PT01)
- Guidance in the Workplace Transfer (SE02)
- Train to Gain (UK02)

'Even if I wanted to I cannot afford the cost of training...'

1.2 FINANCIAL MEANS AND RESOURCES FOR TRAINING

Summary

The lack of financial means is often one of the most serious difficulties when it comes to training in SMEs. However, SMEs can be helped in several ways. For example, the special tax collection institutions for the purpose of training in SMEs or other public organisations are highlighted in this chapter. But these or other forms of financial support are generally not sufficient: Therefore it is important to support SME managers, employees or entrepreneurs by other means, for instance when looking for public subsidies or European funding, as access to information is often complex. Public aid can have an impact on related organisational matters. For instance, the company can be reimbursed for the absence of an employee. To facilitate access to training at a very low cost, even at a null cost, vouchers have been introduced and tested in many European countries. One of their most obvious advantages is their simplicity and their positive impact on the awareness of training needs. Finally, it is important to note that training does not have to be necessarily expensive to work well. Informal forms of training or on-the-job forms of training can also perfectly address the needs of skills and competence development. However they have to be well organised with the needs and objectives clearly identified.

Good practice experience

Among the issues that SMEs face with regard to training, financial issues are obviously paramount. *'Even if I wanted to offer training, I couldn't afford the cost,'* is often a small company manager's argument.

Sending an employee to a training centre for several weeks is costly, even though parts of the cost might already be covered (for instance by taxes on the payroll).

The role of joint collection bodies, which are entitled to collect special taxes for training measures and to define training for each sector, can also be expanded to offer incentives and free schemes to companies addressed.

Joint collection bodies, which are entitled to collect special taxes for training measures and to define training for the branches

A particularly interesting way of financing training and skills development is demonstrated in the case of the **HRDA (Human Resource Development Authority)** in Cyprus. By law, the so-called 'HRDA levy' applies to all Cypriot enterprises, which contribute 0.5 % of their payroll

to the HRDA fund. The main responsibility of this semi-State organisation is to subsidise training courses and support the institution of a training infrastructure. Every semester, all training institutions in Cyprus submit their application for subsidies to the HRDA. In the case of Cyprus, all companies automatically and regularly allocate a budget for training and skills development. This system has succeeded in developing vocational qualifications on the island. The successful cooperation of social partners in this project is noteworthy.

In France, **Agefos-PME** is a collection body dedicated to SMEs. It has developed several innovative tools for them, with the aim to facilitate their access to training. Among the initiatives proposed by the regional agencies of Agefos-PME is the **'Training Pack' (Pass' Formation)**. This is a series of training modules sometimes completely financed by Agefos-PME for its members (with the participation of the ESF, the State and local authorities) – or offered at a very low cost (EUR 200 a day for instance). More importantly, Agefos-PME **covers 100 % of wages during training and 100 % of any additional costs (travel and accommodation)**. In order to overcome organisational barriers, the training modules are short. They last five days maximum. The contents of these training modules have been specifically designed for SMEs: management, HR, commercial, languages, law, etc. The participants of the **MCAST and Malta Chamber of Commerce, Enterprise and Industry Diploma in Manufacturing Excellence** will also receive 100 % reimbursement in the form of income tax credits, while companies sponsoring their employees' fees will receive a 17.5 % company tax credit.

Financial incentives from the (regional) government

In some UK programmes (**Small Firms Initiative** and **Train to Gain**, linked to the *Investors in People* initiative), the financial incentive is very strong. In Train to Gain, the company is reimbursed when employees are absent because of training. The German project **WeGebAU**, launched by the Federal Em-

ployment Office, offers a very similar incentive. WeGebAU is a preventative programme to reduce the risk of unemployment for older employees and low-skilled workers. The focus of WeGebAU is to support SMEs in training and further qualification of their employees. Currently, many companies lack specifically qualified workers. Thanks to the financial assistance offered by WeGebAU, employees are able to easily access training programmes in order to acquire specific qualifications. The low-skilled employees of SMEs are one of the two target groups addressed (along with senior workers). Again, the company is reimbursed for social insurance costs and the absence of employees participating in training measures. This means that the remaining issue is not financial in nature, but rather organisational (see Chapter 1). If an employee's absence is anticipated, the company can deal with local networks (if they exist) to change its organisation and deal with the absence. Another solution can be job rotation in cooperation with other companies. This idea also needs to be managed by a functioning governing body at the local level.

Vouchers are increasingly used to provide incentives for training to SMEs. In Belgium and Germany, for instance, vouchers have been successfully introduced to raise the share of SME workers who have access to continuous training.

Solving financial problems and overcoming obstacles by vouchers, cheques ...

In the **Wallonia region (Belgium)**, the **training voucher**, initially intended for small companies only, is now available to all companies with fewer than 250 workers. **The cost of one training hour is subsidised by 50 %**. The company can choose different certified training centres and pay them directly using the voucher. The objective for 2007 was 60,000 vouchers, plus 75,000 'language' vouchers, with an overall budget of EUR 9 m. Almost 8,000 companies have used the voucher. The voucher has wide visibility and has been used to develop other schemes (language vouchers for instance). Companies with fewer than 20 workers represent 87 % of the companies and 70 % of the vouchers; companies with fewer than 50 workers represent 96.5 % of the companies and 87 % of the vouchers. The number of beneficiaries (workers) was 20,336 in 2007, compared to 15,111 in 2006. Assessments show that the participation of blue-collar workers in training has been raised thanks to the voucher.

In Germany, The Ministry of Labour in the federal state of **North-Rhine Westphalia** initiated the **Training Cheque** in 2006 with the aim of supporting the qualification and further training of employees of SMEs. The overall objective is to increase the employability of workers and consequently the competitiveness of SMEs. The training cheque strongly encourages employees of SMEs to consider lifelong learning as an important part of their working life.

The Training Cheque (*'Bildungsscheck NRW'*) offers financial support for individual applicants interested in, or in need of, qualification and training courses. **Each participant is entitled to a 50 % subsidy (EUR 500 maximum) for the cost of training.** The other half has to be covered by the participant or his/her company.

From 2006 to 2008, more than 130,000 consulting sessions took place in companies. 300,000 training cheques were distributed to employees. In a survey, 86 % of all participants provided positive feedback on the benefit of their new skills acquired through the training cheque.

Vouchers have many advantages. One of them is their efficiency in **meeting supply and demand**, while respecting freedom of choice. They can target a specific category of workers with training needs (see its implementation in the German state of Hesse, see above box). Another aspect is the **freedom of choice**. For instance, the training cheque is not bound to any specific course and may be used for numerous qualification measures. However, it is necessary that the training centres be given accreditation. Another advantage of training cheques is their **visibility**. As a result, in both countries, there has been a large increase in awareness and a general positive appreciation of the tool. Access to training is made more visible when a person has the chequebook in his/her hands.

The *'Qualifizierungsscheck'* in Hesse

The 'Qualification Voucher' in the Federal State of Hesse is a similar initiative to the Training Voucher in North Rhine-Westphalia. It differs in certain categories from the training vouchers in NRW: More targeted, with a clearly defined target group - employees of SMEs who do not have an official job qualification in their current employment or who are older than 45 years. Only one coordinating organisation '*Weiterbildung Hessen e.V.*'

But simply introducing a voucher cannot be enough. There is a general need for support and guidance in SMEs with regard to their HR management. This is a significant issue and the focus of the following chapter.

Factors of success and main elements of transferability

- **Measures should be based on an overall needs assessment:** Sometimes cheaper solutions are better than formal and expensive classroom training, provided that needs are well assessed and that employers have enough qualitative information about the training and learning opportunities accessible to them.
- **Simplicity, flexibility and adaptability:** It is important to avoid solutions that are too complex, as they are difficult to implement. One-week training courses should not necessarily begin on Monday and finish on Friday – this may not respect the user’s rhythm and needs. Flexibility in training (for instance, spreading these five days over several months) is often much better suited than other solutions to the needs of micro companies in particular. However, it is necessary that this be based on good organisation, not on improvisation. Here, SMEs can be assisted by the financing bodies and/or training providers themselves.
- **The covering of trainees’ wages:** In many cases this is a crucial factor because in particular, smaller enterprises are not able to substitute the wage of an employee at a training course. This emphasises importance of public subsidies. It is very important that the focus be placed on the quality of targeting. SME employees have less access to training than employees in larger companies. Public employment and training policies should then insist on making more means available to those workers who have fewer opportunities. Covering their wages could be a concrete, efficient response to the needs of SMEs.
- **Vouchers can provide good awareness of training opportunities:** They make the process simpler while partly or completely financing the cost of training. However, it is fundamental that the quality of training is regularly monitored and evaluated (through accreditation measures). It is imperative to avoid as best as possible any windfall and selection effect. A pitfall to avoid is that those workers with the most urgent need for training (less qualified; older workers, employees in restructuring companies etc.) are not underrepresented in such programmes.

Good practice reference at a glance

- Training Voucher Wallonia Region (BE01)
- HRDA (CY01)
- WeGebAU (DE03)
- Training Cheque NRW (DE05)
- Pew@re (DE01)
- SiGePool (DE02)
- Relanz@ (ES01)
- Pass Formation (FR05)
- INFPC (LU01)
- Renowator (PL01)
- Corporate Training Fund (PL02)
- Train to Gain (UK02)
- Unionlearn (UK01)

'Do I have any idea of how employment will look like in my company in one year? Not at all! You know how it works in SMEs...'

1.3 HR AND SKILLS DEVELOPMENT POLICY

Summary

Although human resources and the skills base for many micro, small and medium-sized companies are the most important factors for competitiveness and success, HR and skills development in many SMEs are not organised in a systematic way or with a medium or long-term approach. This section illustrates how human resources and the enhancement of skills can be supported and improved by external advisory services, diagnostic tools and other practical instruments. 'Flexibility coaches', 'skills brokers', mediators and facilitators can also have a positive influence on the long-term goals of SMEs regarding training. Such functions can also be organised internally, for instance by an employee who is entrusted with the role of identifying the need for training and skills development in the company and who can make suggestions for applicable solutions. In particular, in view of the limited personnel and financial resources of many SMEs, this new role of 'enabler' or 'counsellor' or 'tutor' is an interesting solution for implementing a continuous and ongoing practice of HR and skills development policies. But it is crucial that the person entrusted with this role is prepared sufficiently and trained for the 'enabling' role.

Good practice experience

Existing management models and consulting plans mainly focus on larger companies and do not correspond to the specific needs of SMEs. However, there are a large number of SMEs in the EU, and they represent up to 99 % of all companies. In many cases, these companies lack systematic human resource and business strategies; they primarily focus on their day-to-day business or simply do not have access to current information. SME company owners often classify management tools as too abstract or too bureaucratic.

SMEs tend to be left alone in their human resource management, as many companies lack the culture and often the information, tools, expertise and necessary support.

Projects that encourage SMEs to develop their own culture of lifelong learning and skills anticipation

To overcome this disadvantage, many projects are being developed throughout the EU, with the aim of giving this support to SMEs. Some have already been presented in the section above. They show that with guidance and advice, and if necessary with consultation, SMEs can successfully face many challenges. As a consultant for **Plateforme RH** (France) pointed out, some companies were hindered in their economic development because they had difficulties with recruitment or with finding suitable training programmes. A close look at the situation, however, revealed that innovative solutions were indeed feasible. In one case, it was possible to progressively transfer workers from one restructuring SME to another one facing recruitment needs. The platform helped the former to retrain workers and prepare them for new tasks. In another case, a small electric company was looking for very specific training. Because this company was a leader in a particular innovative activity, it was difficult to find an appropriate training provider for the new workers. Hence the idea, developed in cooperation between the platform and the SME, was to create an in-house training centre in the company. The company has been guided through all the different steps. Another example of the positive effects of external advisory services is the case of a small company manufacturing medical prosthesis, the take-over of which had been anticipated for a sufficiently long time before its creator's retirement.

Different initiatives have been undertaken to increase the managerial capacity of SMEs in relation to anticipation of change

These initiatives are effective insofar as they have helped SMEs to prepare for and manage change.

One of the primary tasks of **Flexibility coaching in Austria** was to strengthen the ability of each company to independently manage upcoming problems. With this forward-looking and proactive approach, many companies were able to better anticipate changes on their own.

The **MIC – MicroInnoChange** project, for instance, developed four different approaches to anticipate and manage change in four countries and industries: automotive suppliers in Germany, machinery manufacturers in the Netherlands, the metalworking industry in Spain and carpentry/wood processing in Italy (see box). All the tools and instruments form a complementary system and fit the specific needs of SMEs. Future-oriented strategies for daily management can be implemented in companies.

MIC – MicroInnoChange: different approaches to anticipation and management of change

Over two years, the project partners have developed tools and instruments which allow an extensive anticipation of change and an implementation of future-oriented:

- Strategies in the daily management of SMEs (NL). The Dutch approach created a strategy toolbox, analysing several management tools in order to find the matching one for SMEs. Through this aid-kit all tools were adjusted and made easily understandable.
- Approach for owners and executive staff of SMEs (DE). The German approach offered a self-applicable toolbox, which can be easily used by company owners to analyse their business, market and environment situation. It serves as an 'aid to self-help' toolbox.
- Approach for multiplier organisations: chambers and associations (ES). The Spanish approach aims at raising awareness in as many companies of the sector as possible and defines a toolbox for multipliers.
- Mixed approach for advisors, multipliers and owners of SMEs (Italy).

The anticipation tools were used for different cases, for instance an automotive supplier (35 employees) in Germany which followed an action plan including the systematic and future-oriented planning of training courses for the staff. In Italy, a familial carpentry SME (owned by a brother and a sister) implemented a change-process with the help of a consultant. This process included training sessions on the anticipation and management of change.

See <http://www.mic-project.org/download/microinnochange-brochure-2007.pdf>

Many projects worth highlighting demonstrate the development of new roles, internal to enterprises, designed to support them in the implementation of adapted HR and training policies. These roles are named 'enabler' or 'counselor' or 'tutor' in some cases.

The Enabler is certainly one of the most important projects for improving the development of skills in European SMEs. It has resulted in a series of operational concepts (the first rank being that of the 'enabler' function itself) and techniques. The starting point of the project was the lifelong learning contradiction between the strong discursive ideals on an official level and the weak practices on a local, workplace level, especially in SMEs. The initiators of the Enabler

project wanted to devise strategies which could be used to promote learning programmes in SMEs. There are many obstacles to introducing lifelong learning in the SMEs, but there are also solutions. **The idea is that these solutions, which are complex 'cannot be organised from above but must be developed from below'.** (Quotation from the website of the project.)

The Enabler project: empower an employee within an SME by means of a training package, so as to develop the SME by looking at staff competence and their training needs

Facing this reality, the initiators of the project have suggested the creation of a new role within European SMEs: the Enabler. *'The Enabler is, most importantly, an insider, an employee within SMEs that, by means of a training package, has been empowered to functionally develop the SME by looking at staff competence and their training needs. The Enabler is not necessarily an expert in things such as training or validation etc. but will have enough competence to manage what the SME really needs and be able to find the appropriate training tools inside or outside the workplace. The Enabler training package works best with small businesses that don't have HR, but it can be adapted to all SMEs.'* He or she will have to analyse the real needs of employees in the enterprise, and find solutions to face these needs, in

To sum up – The 'Enabler' is the contact person for learning and supports everything that is important for competence development. The person is chosen as an Enabler because of well-developed skills in communication and team development. The Enabler is an experienced member of staff and has a good reputation and basis for strong relationships with all levels in the company. S/he:

- is an insider - an employee who knows the business and staff well
- finds out what the company needs and uses in-house training to meet these needs
- finds what staff have to offer each other in terms of training and/or finds outside help

particular, the appropriate training tools, inside or outside the workplace – the Enabler, of course, is still dependent on external consultants for more complicated matters. Here it is very important that the Enabler first receives very specific and targeted training from the training package.

What does this training package consist of? It is available online.² It is a sort of toolbox/handbook with a complementary set of digital learning objects and pictures to illustrate key aspects. This is a ‘stand-alone training package’, but is complimented by an online chat room, where new and experienced Enablers will be able to share ideas or experiences. This training package is best used with companies that do not have HR, but it is adaptable to all SMEs.

Different training modules are available:


The first one helps assess the **training needs** within the company. As indicated on the website, ‘Knowing what exists exactly within the workforce and what should be developed to increase knowledge is an essential part of management strategy. Training needs are competences that allow the business to perform to its best and that are missing within the workforce.’ For this, access to useful tools like ‘How to prepare a Matrix Skills’ are made possible with the online toolkit. Such ‘How to’ series can prove very important for the Enabler.

The second module concerns **training resources** and insists on the fact that it is possible to consider resources other than books, teachers, etc. Many ideas are given. We will also show that training resources can be diverse in the next chapters.

Training an ‘Enabler’

At the end of the first module, the goal is that the participant is able to:

- Perform a training needs assessment
- Successfully discuss with the management and the workforce the necessity of competence development
- Analyse the status-quo of the knowledge and experience of the company’s workforce
- Find out which competencies are missing (current and future)
- Fix upon who and which teams need what kind of training
- Validate the training offers of external trainers and vocational training companies



‘How to - Prepare a Skills Matrix’

Introduction

A Skills Matrix is one of the most simple, but highly effective, tools available to assess training needs. It is easily reviewed and updated, and presents the skills of team members in a single chart.

This guide examines how a Skills Matrix will help you to:

- Review the skills and competences required for roles within the team
- Assess training needs
- Identify gaps in skills within the team
- Build commitment to the development of new skills.

Definition

A Skills Matrix is a table that clearly shows the skills held by individuals in a team, and the skills gaps within a team.

Key steps in preparing a Skills Matrix

To get the most out of your Skills Matrix you will need to:

1. Identify the job roles in your team

↓

2. Review and code standards of performance

↓

3. Assess the requirement for on-the-job training.

An example of a completed Skills Matrix is provided at the end of this guide, as well as a blank proforma. Lock at the example, photocopy the proforma, and using your own team as a guide, follow these steps to prepare a Skills Matrix.




(For more on Organisational Training Plans, see ‘How to Develop an Organisational Training Plan’).

Example Matrix for an Administration Team

| Name | Skill | diary Management | Taking an Enquiry | Delivering Stationery | Presentation of Reports | Keeping small Records | Use of Marketing Database | Confidentiality | Emergency Procedures |
|--|---------|------------------|-------------------|-----------------------|-------------------------|-----------------------|---------------------------|-----------------|----------------------|
| Sarah | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] |
| Annie | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] |
| Michelle | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] |
| John | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] |
| Sonia | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] |
| Karen | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] |
| Matthew | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] | [Skill] |
| No. of people required to be competent | [Skill] | 3 | 7 | 3 | 6 | 7 | 6 | 7 | 5 |

KIV

Does not require training
 Requires training
 Currently being trained
 Trained
 Experienced, could train others

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Source: <http://www.qualitysouthwest.co.uk/docs/How%20to%20-%20Prepare%20a%20Skills%20Matrix.pdf>

(2) <http://test.berida.com/xldv/FrontEnd/Default.aspx>

The *third module, in-house training*, concerns matching training needs with the training resources available in a given company, and how to make it all work. Motivation is important, and the Enabler should act as a coach.

The role of these counsellors or facilitators is very important in the end, regardless of whether they are external or internal resources. They can be the real coordinators of an anticipative approach involving all the local actors and stakeholders. In a way, this is a new approach to empowerment and self-development in SMEs. A good social dialogue seems to be a precondition for the success of these 'enabling' actions.

Factors of success and main elements of transferability

- **Increase managerial capacity to innovate in relation to change:** Networking with other companies or stakeholders in the sector can help with the anticipation of change and the development of perspectives. Social partners play an important role in facilitating, organising and coordinating such networking structures.
- **Human resources and skills development policy preconditions; the development of new roles and new internal functions:** Planning and decision-making processes can be supported quite easily and efficiently by new internal functions such as 'facilitators' or 'enablers'. In particular, from the SME point of view these new functions are interesting since they rely on existing resources and staff, and do not require extensive and/or additional resources. However it is important that managers or employees are fully supported and integrated in the whole business process and are well-prepared to carry out the role.
- **Public authorities, chambers, professional organisations and social partner federations:** These play an important part in encouraging the development of new roles in the context of a more systematic HR and skills development policy in SMEs; e.g. by means of public campaigns and experimental funds. SMEs can develop new experiences within the framework of European programmes.
- **An active learning pedagogy and orientation, the commitment of the employer to lifelong learning and its integration in all parts of the business:** These are decisive factors of success.
- **Close and effective relationships with organisations in the field of training, HR and workforce development outside the enterprise:** These are also factors leading to success. Here again, social partners and other organisations play an important role as moderators, providers of information and 'first stop' agencies of information. Furthermore, 'How to ...' guides and tools for needs assessments etc. are important practical instruments of supporting an improvement in HR and skills development policy.

Good practice reference at a glance

- Flexibility Coaching for Companies (AT01)
- Pew@re (DE01)
- Innomet (EE01)
- 4 T (FI01)
- Plateform RH (FR02)
- KEK GSEVEE (GR01)
- Skillnets (IE01)
- LISP (IT02)
- INFPC (LU01)
- SME Counselling (RO01)
- SME ACTor (RO02)
- The Enabler (SE01)
- Guidance in the Workplace Transfer (SE02)

'I have been doing this work for 20 years! I don't need to be trained...'

1.4 PERCEPTIONS OF TRAINING NEEDS BY WORKERS AND MANAGERS

Summary

For many reasons, some 'cultural', arising from the specificity of the sector or business but also certainly due to a lack of opportunities, information and resources, in many SMEs training is not perceived as important by managers, entrepreneurs and workers alike. In particular, in micro and small companies in the craft industries, training is generally done on the job, quite unconsciously and informally. Hence conventional classroom training might not seem necessary. Perceptions always depend upon the set of opportunities at ones disposal. Therefore, when it is frequently repeated, that 'existing training programmes are not suitable for SMEs', this tends to be taken at face value resulting in fewer training activities carried out by SMEs. This is why it is important to stress that there are many examples of good practices, in particular with regard to making possible suitable training and skills development in SMEs. The examples presented in this section offer different solutions for different challenges: For instance, taking note of the training or skill needs in a company on the basis of tools adapted to SMEs. Other examples of improving the perception of training needs are initiatives and tools to inform SME managers, entrepreneurs and workers about existing opportunities, thereby also raising the awareness of training opportunities.

Good practice experience

In SMEs, only a handful of people carry out many daily tasks. In many cases, there is no time to focus on rather abstract issues. The lack of anticipation is a quasi-cultural issue for SMEs, more or less linked to a weak or even missing HR culture and HR tools. To face the rapid changes of markets and the demands of a knowledge-based society, it is necessary to help SMEs develop suitable skills development policies in accordance with a lifelong learning approach. All employees, young or old, should have access to lifelong learning.

Equipping SMEs with Human Resource tools to modify their perception of training needs

Many initiatives try to incorporate such a long-term perspective and to formalise action plans, aiming at equipping SMEs with HR tools and at modifying their perception of needs. *'I have been doing this work for 20 years! I don't need to be trained...'*, and, *'You know what it is like in SMEs, it is hard to have a long term vision,'* are phrases one often hears in small businesses. But this may be often explained by a lack of information and affordable training opportunities. When more information is given, associated with genuine opportunities, the scope is widened. In general, as research shows, when people have more information and more opportunities for training, they take advantage of them.

Hence public schemes can have an impact on such 'cultural' factors, in the sense of 'orientating' preferences and showing that training is not reserved only for employees in big companies. In all this, the factor of **spreading information** is crucial.

If workers and employers do not generally see the need for training and lifelong learning, it is often because they have never taken the time to fully assess which skills are needed by using adapted tools and formalised procedures. This is why in many projects an **external assessment of needs** is the key to raising employers' and employees' awareness of the importance of skills and continuous learning. **Everything starts with a good diagnosis. If a diagnosis is offered at no cost, employers are much more likely to be interested.**

Training Needs Analysis is an assessment conducted to ensure that there is a need for training and to identify the necessary content of the resultant training programme

In **Luxembourg**, the **National Institute for the Development of Continuous Vocational Training** has put in place several measures specifically addressing SMEs in order to advise and inform them about continual vocational training and the possibilities of financial aid. When analysing the applications for financial aid that the institute has received,

they realised (or at least they verified) that SMEs applied for less aid than big companies. A mission for this institute was to change attitudes and habits by informing more SMEs about financial aid provided by the state. Individual appointments and information sessions to inform managers about the actions and services of this institute were organised (for instance on the co-financing opportunities).

How does the business broker support work specifically?

'Your business broker will arrange to visit your office at a time that suits you. They will:

- Identify the skills that will boost your business: Your business broker works with you to identify skills that will make a real difference to your business – now and into the future.
- Create a tailored package of training.
- Find reliable local training providers.
- Find funding to complement your investment.
- Evaluate the training to ensure real results. You want the best value for money from your investment.'

From www.traintogain.gov.uk

The goal of the project **Competencies for the Knowledge Society** is to help managers of SMEs in the metal sector to identify key, transversal and competence needs and, on that basis, to define the appropriate HR strategies. In the end, a guide was distributed to more than 1000 companies with the overall goal of improving the management of intellectual capital.

Train to Gain is the national skills service that offers advice on all training programmes in the **UK**. The project supports employers in the improvement of employee skills as a way of improving business performance. In order to do so, **skill brokers** (or business brokers) first assess needs, and then help to access training providers. In a certain sense, as the case study below shows, the idea can be described as making things easier than they first seemed.

'Driving Success at Radio Taxis'

Radio Taxis (Fareham), a Hampshire-based business operating a taxi service within the South Hampshire area, is made up of over 90 self-employed drivers who operate under the company banner, as well as ten full-time office support workers. Over the last year, Steve Clark, has taken on the role of business leader and was made aware of the Train to Gain service through meeting one of the Skill Brokers, Emma Clark.

The solution:

- Needs analysis
- The skill broker identified a course covering a variety of issues, many identified as being important to the drivers, including transporting children, dealing with emergencies, health and safety at work, customer services and safe driving practices
- It was necessary to find a provider that was sufficiently flexible. As Emma, the skill broker says, 'Some of the learning was even conducted through information packs provided for the drivers to study whilst waiting for their next passengers!'

The results were positive.

'We are really grateful to Emma for suggesting the Train to Gain service. Not only has it helped us maintain our competitive edge but also to retain and grow our business across the Fareham area – we're now the biggest.'

From <http://www.traintogain.gov.uk/>

In Lille (France), the local Chamber of commerce and industry, in cooperation with employment operators created the '**HR Platform**'. Its goal is principally to help SMEs define their training needs and find access to public financing. Crucial in this guidance is the needs analysis that occurs at the beginning of any relationship.

In the same employment area, the Craft chamber has developed an initiative called **RH+**. The goal of this initiative is to **raise craft employers' awareness in the field of human resources, from training needs to management of change**. The objectives of this initiative were to **offer a proactive and tailored approach to the needs of crafts**. This case has proved that giving good information to craft employers makes them aware of their opportunities.

Opening the door to external guidance really looks like a good start. This is the central message of the **Guidance in the Workplace** project. Another step is to determine specifically the guidance a company needs, thereby paving the way towards the use of training centres as well as envisioning in-house training. In general, such tools are well received by SMEs. They can be brought in from the outside by an institute or professional body. **It is very important that they be tailored for the specificities of small or medium enterprises: A referential that is too abstract would not perform well at all.**

This is why different projects have developed specific diagnostic tools after a thorough analysis of the SME concerned. The Estonian project **Innomet** developed a web-based tool to improve skills assessment in SMEs, with a first – and successful – application to SMEs in Estonia’s mechanical sector. The Innomet website is dedicated to **skills assessment not only in SMEs, but also in educational institutions**: comparing and crossing these assessments helps to improve the matching up of companies and training institutions. Another result is a functioning database offering a rapid view of skill needs by region, profession and skill type (see screen capture).

The initial goal of **Ecasme** was to address the low adoption of training by SME workers through an **online toolkit for training needs assessment**. A prototype online toolkit has been developed involving a panel of 20 SMEs. The background is that online or web-based training is seldom used in SMEs, although it is becoming increasingly pervasive in large organisations.

With online toolkits, it is easier to define a more permanent use of assessment tools.

The next example shows that employers, or even employees, can be equipped with innovative tools to internally assess skills and training needs. Understood as lifelong learning, these assessments can be repeatedly implemented to encourage **a permanent culture of skills and training assessment**. In all cases, the role of a new person (either external or internal to the company) is emphasised – that of the **‘learning facilitator’** or **‘enabler’** or **‘counsellor’** (see Chapter 1.3.). For SMEs lacking an HR culture or HR function, the role of these new intermediaries in a knowledge-based society tends to be crucial.

How can the learning culture in SMEs be expanded? The project **‘SME Counselling’** considers that **the best counsellors in the field of lifelong training should come not from foreign or external bodies, but from in-house well-known persons (the managers within their company)**. *‘New management techniques (coaching, mentoring) should be enriched; hence the managers should also be able to give ‘front-line’ information/advice/counselling on lifelong learning and act like ‘on-the-job’ learning facilitators or learning brokers.’*

The screenshot displays the 'Innomet' web application interface. At the top, there is a navigation bar with 'Courses calendar', 'Reports', and 'Login to system'. The main content area is titled 'Overview of skill values - report parameters'. It features several filter sections: 'profession' with a dropdown menu, 'skill type' with a dropdown menu set to 'Special skills', and 'skill' with a 'Close, editing box' section containing dropdowns for 'type' (set to 'all types'), 'profession' (set to 'all professions'), and a 'search term' input field. Below these are buttons for 'Show skills meeting the conditions' and 'Show all skills'. At the bottom, there are dropdowns for 'region' and 'sector', each with a 'Call reports' or 'Call sectors' button. A 'Show report' button is located at the bottom left. The interface is in Estonian, with 'TÖÖKESKKOND (LIVE)' in the top right corner.

Factors of success and main elements of transferability

- **Increase information on training opportunities through dialogue:** A sense of resignation ('training is not made for us' or 'we do not need training') often stems from poor information about the range of training opportunities. Too often, it also results from the isolation of the entrepreneur and his/her short-term constraints. Therefore, the crucial point should be to make things look easier than at first glance! Here again, professional organisations, chambers of business and/or crafts as well as the social partners and public authorities are playing an important role in raising the awareness and perception with regard to training, lifelong learning and the general need to take care of skills and competences.
- **Role of guidance:** Take some time! Open the doors! Guidance will often be needed, given either by an external facilitator or persons that are internally trained for this role. Guidance should be effective, simple, flexible and accessible. Even if small companies are not that often represented by trade unions and employers' organisations, it is important that guidance counsellors cooperate and work with social partner organisations since they are well aware of both the practical needs and available resources for training.
- **A simple, adaptable and accessible definition of competences:** The enterprise should benefit from a needs analysis tailored to its size (in particular for micro companies) and sector. Both the workers and the entrepreneur should actively participate in this assessment. The assessment tools should be very concrete. When used by other actors, in particular by the public employment services, they can stimulate a new exchange of information. This may be very useful, in particular for sectors with recruitment problems. Assessments should be made regularly, following a lifelong approach.
- **Embed activities in measures and programmes of support at local, regional and national levels:** As good practice shows, activities that raise awareness and improve the perception of training are more efficient and sustainable if they follow these rules.

Good practice reference at a glance

- Innomet (EE01)
- Competencies for the Knowledge Age (ES02)
- Ecasme (IE02)
- INFPC (LU01)
- New approach to training (LV01)
- SME Counseling (RO01)
- The Enabler (SE01)
- Guidance in the Workplace Transfer (SE02)
- Unionlearn (UK01)

'Together we can'

1.5 RESOURCE POOLING AND SME COOPERATION IN TRAINING AND COMPETENCE DEVELOPMENT

Summary

'Together we can be better ...' The involvement in networks, cooperation or cluster activities also enables SMEs to engage more effectively in ongoing training and competence development. Such networks can help them to find access to information, increase awareness of the importance of anticipating change and develop training. Networks can be organised on a local basis, generally with a strong sectoral dimension; in some cases, communities of practice can be set up through online forums, thereby attaining a transnational character. As good practice illustrates, clearly defining aims (for instance, improved working conditions in the construction sector or the development of quality in rural tourism) or finding solutions for typical problems (lack of resources or organisational constraints in developing apprenticeships) are important elements in making programmes and initiatives effective and suitable. Finally, resource and knowledge pooling often lead to results and activities for SMEs which would not have been possible to achieve with the isolated approaches of enterprises left to their own devices.

Good practice experience

As already outlined above, anticipating change is more difficult for SMEs than for larger enterprises, a major problem being that they do not have the appropriate structures or resources to implement HR processes, retrain staff and create tools for reacting quickly and efficiently, etc. As also seen above, raising awareness of the need for change is crucial.

The establishment of SME networks and clusters is a successful approach to create a new dynamic

When they join forces, SMEs are in a better position to manage a positive restructuring, in the sense of constant adaptation to the changing patterns of the markets.

The exchange of information can be enhanced by bringing SMEs of the same sector together who share knowledge in related business activities. Beyond that, it is possible to **implement coordinated strategies for training and create new opportunities for upskilling workers, managers or entrepreneurs.**

The work done by the **French Textile and Clothing Institute**, in the context of the European **Pro-Crisis project**, illustrates how local SMEs can anticipate and prepare for change through very practical and tailored training. After a thorough analysis of needs and consumption patterns in this sector, the goal was to 'enrich' or upgrade the work in SMEs in order to increase the SMEs' performance and quality. A group of SMEs, located in the Cholet local district – historically a leading textile region – was chosen. Rather than following a lean-production model, the goal was to increase the quality of the upward service (design, innovation, relationships with clients, etc.). **Raising workers' polyvalence** was conceived as a key to increasing the overall quality of the service and the SMEs' competitiveness. The idea was to improve reactivity in the face of the new opportunities provided by globalisation.

The success of the operation was largely based on the tailored aspect of training provided by the Institute: it was a very practical training, done in situ, and starting directly with the products of the company so as to be very **operational**, creating a direct link with the everyday work and the challenges faced by SMEs. The training was also **personalised** and accessible through **work in small groups.**

The Leonardo project Pro-Crisis also served to disseminate these kinds of good practices and to promote **transnational cooperation** in the clothing sector. Benchmarking, know-how exchanges and meetings occurred in order to facilitate the transfer of good practices and cooperation in addressing the current challenges of the sector in the face of globalisation.

Networks and clusters also serve to pool resources and knowledge, with in certain cases an impetus given from outside

In Baden-Württemberg (Germany), **Pew@re** offers support for strategic HR development concepts in SMEs. A number of HR tools were introduced in participating companies, which previously lacked effective HR management. The focus of the programme is

to **support SMEs in elaborating strategic human resource development concepts** that are suitable for the specific situations of SMEs, and to establish a cooperation network of SMEs in order to solve these problems.

The programme strives to facilitate the qualification and training process among SMEs by bundling resources. Through cooperation in so-called '**learning networks**', common strategies for HR development applicable to each company are developed. The Pew@re team coordinates and manages the network, organises workshops and regional meetings and arranges for external consultants/experts. Through ongoing consultation and exchange of information and experiences, HR strategies are altered according to need and changes in the companies. Also, regional knowledge about SMEs has been gathered. The programme eventually raised awareness among employers in the federal state of Baden-Württemberg.

Another German case is the Kompetenzzentrum (Centre for Competence development) **SiGePool**, established by the working group and network 'Health and Qualification' (Arbeitsgemeinschaft Netzwerk für Gesundheit und Qualifikation) of the Healthy Construction work network in the district of Heinsberg. The programme has established **a network of SMEs and a common platform for information and action**. The starting point was the risks faced by workers in the construction sector, but also the observation that employees had low rates of further education and entered retirement very early. The sectoral dimension here is central in the creation of a network aiming to improve work conditions and the quality of work. However, implementing training in small companies in the construction sector can be very hard, for organisational and financial reasons. Here, through resource pooling, the benefits are manifold: **the cost is reduced** for the employers, and **training is made more accessible to employees**, leading to a net improvement in their working conditions. There is a '**network effect**' or a positive snowball effect; everyone in the network receives the information that training is not as difficult to implement when companies cooperate.

Pooling of resources: a common apprenticeship programme

The Austrian chemical company **KCCS** was in urgent need of qualified workers, but could not train apprentices on its own due to its small size. The joint apprenticeship programme for chemical technicians is a company-based initiative in cooperation with two other companies from the neighbouring business park. The three companies have already been cooperating in the training of 'regular' apprentices (testing, trial apprenticeships, selection of apprentices) and have been sharing costs and training places.

The KCCS works council started this successful programme in 2003 with full backing from the managing director. The works council is in charge of qualification plans and initiated this programme for chemical technicians. This joint programme is equivalent to a regular apprenticeship.

For employees, the programme is a convenient opportunity to complete an officially recognised apprenticeship, in the profession they have previously worked in without formal training. The advantages for them is that they can stay in their regular job (no need to go back to school) *and acquire a recognised qualification increasing their career prospects and capabilities on the labour market. Employees who have successfully completed the programme, receive a pay rise for skilled workers (around EUR 370 a month).*

Another form of cooperation was observed in the chemical production company **KCCS**. Although there was a demand for qualified staff and apprentices for the job of chemical technician, the company did not have the resources to offer this apprenticeship programme. KCCS started cooperating with two other chemical companies in **a joint apprenticeship programme**. This pooling has proved very efficient for qualifying employees, irrespective of their age and former educational background (see box).

In Ireland, the **Skillnets initiative** has created many '**learning networks**' among companies, which closely cooperate in order to engage in training. The project is co-financed by the National Training Fund.



© Focus Training

Among the advantages of Communities of practices: their little cost and just-in-time learning - workers learn when they feel they need to

The funds are derived from 0.7 % of each employer's wage bill in Ireland. Again, a national law defines the financial means and consequently facilitates the extensive upskilling and training of employees. A Skillnet Learning Network is **a group of companies working together to provide training for their collective staff**. Learning Networks are made up of companies that have come together due to geographical location or being in the same sector. The Learning Networks are funded by Skillnets to deliver grant-aided training and the companies also contribute matching funding (see box below).

Communities of practice have developed in other sectors such as the tourism industry, where SMEs represent the majority of businesses (hotels, restaurants, bed & breakfasts, rural tourism, leisure activities, etc.).

Under the impulsion of the Latvian Country Tourism Association, a Leonardo project created a common framework for **improving training for quality in European rural tourism**. Training for quality is an important component of the business strategies in this sector, as the consumer is highly sensitive to quality criteria and indicators (such as quality standards, awards, etc.). In order to benchmark rural tourism quality schemes and criteria, a review was made in 7 countries with well-established traditions and efficient quality schemes in rural tourism. **This community of practice resulted in greater awareness and the launching of appropriate training schemes in the different countries**. It has developed incentives among the participants for training through cooperation and networking.

Skillnets

Skillnets is a state funded, enterprise-led support body dedicated to the promotion and facilitation of in-employment training and upskilling as key elements in sustaining Ireland's national competitiveness.

Skillnets supports and funds networks of enterprises to engage in training under the Training Networks Programme. **These enterprise networks, now referred to as 'Skillnets', are led and managed by the enterprises themselves to design, manage and deliver specific training programmes across a broad range of industry and service sectors nationwide**. The Skillnet network programmes receive grants drawn from the National Training Fund thereby enabling network member companies to avail of significant discounts on market training rates. The member companies also contribute to the grant aided programme with match funding to a ratio agreed by the network.

Since 1999, Skillnets has facilitated over 18,000 Irish enterprises, in over 200 networks to improve the range, scope and quality of training and allowed over 150,000 employees to upskill and meet their work related training needs.

Over 82 % of the participating companies in the Training Networks programme are either small (fewer than 50) or micro (fewer than 10) enterprises. **For many of these firms their involvement in Skillnets is their first significant involvement in training and often it is their first time to be involved in making real and informed decisions about what training to provide**. Training Networks can assist small firms to access training more easily, more quickly and more cost effectively. This experience is helping to **de-mystify training** for small companies by developing practical tools to analyse and meet training needs, quickly, locally and effectively. An interesting feature is the collaboration in most networks between large and small firms and the active partnership between owner-managers and employees within the companies.

The networks cover a variety of SMEs: for instance, the craft butchers skillnet or the Irish hardware skillnet; some are transversal like the women-at-work skillnet; others are regional.

From <http://www.skillnets.com/skillnets/about/index.html>

Still in the tourism sector, another interesting form of pooling is to be found in the Communities of Practice set up under the **Work and Learn Together** project. To deal with the challenges faced by SMEs in the tourism sector, the project has created communities of practices that support the lifelong learning of employers and employees in the workplace. **Active online working groups** were created so as to allow SME workers, employers, managers and experts, etc. to exchange information about their difficulties, their questions, their answers, their strategies and also to form collaborations. Several working groups were then set up, each dealing with a different field of the tourism sector: Rural tourism, Bed & Breakfasts; Hotels and Restaurants; Sports and Theme Camps and Health and Fitness centres etc. The idea was to use the opportunities offered by information technologies to develop competences. Hence the creation of several online forums where SME managers and employees can share ideas, ask questions and propose answers or give advice to people in a similar situation. If a specific issue occurs in a spa in the Netherlands, it is possible that someone has already found an appropriate answer in Estonia or Spain! Among the different advantages of these online communities of practices, the **low cost** of the tool and its simplicity of use are to be noted. But also notable is the twofold idea of **informal-learning processes in organisations**, which allows learning around problems that really matter, and **'just-in-time learning': workers learn when they feel they need to**.

An active learning philosophy and the role of facilitator

In pooling resources and coordinating actors, the role of the facilitator – as defined in the box below in the context of the **SME ACTor** project – is central. The philosophy of action is also important – one can say that an ‘action learning’ philosophy should be at the heart of pooling strategies.

‘Action learning’

Action learning is based on the assumption that people learn more effectively when working on real time problems occurring in their own settings.

<http://www.smeactor.eu/project.php>

SME ACTor promotes an ‘action learning’ philosophy and supports facilitators of *SMEs in the acquisition of action learning techniques*.

The role of facilitators

‘A facilitator is a professional engaged in supporting and valorising people directly involved in the aggregation and co-operation processes of SMEs, by promoting and making easier (i.e. facilitating) activities of inter-organisational non-formal learning, networking and the animation of local expert communities.

His or her role is based on the ability of managing co-operation processes using action learning methods, assuming that people learn more effectively when working on real time problems occurring in their own settings.

In assisting people in learning processes, the facilitator/mediator can play different roles:

- To be a moderator in working groups, workshops debates, etc
- To be an expert in process management
- To train on specific methods and tools
- To coach participants

A facilitator/mediator can be:

- A consultant
- A trainer of local VET structures
- A professional or a manager from employers’ associations or local development agencies’

From : <http://www.smeactor.eu/facilitators.php>

Vocational learning goes beyond lesson-based activities and occurs in a non-traditional way at both the individual and organisational levels. In addition, **the human resources for playing the role of facilitator/mediator will be already-existing local resources**, such as:

- consultants supporting groups of companies in co-operative projects,
- professionals/managers from sectoral/employers’ associations,
- professionals/managers from local development agencies,
- trainers from the local VET system.

As a result of this project, about 30 **Learning laboratories** were established in 6 countries. These ‘Labs’ were conceived as ‘learning spaces’ where facilitators **operating in favour of SME aggregation apply action learning methods in the field and identify the possible good practices of projects supporting SMEs**. In addition, facilitators in companies benefited from a curriculum for improving action learning. 40 different methods and tools have been emphasised, such as: *Brainstorming, to-do forms, stakeholder analysis, customer and supply needs analysis, contract with myself, field-of-force diagrams, planning and problem-solving tools, SWOT analyses and visualisation techniques*, etc.

In short, all the approaches reviewed here show that SMEs do not have to be negatively challenged because of limitations in size and location. Certainly, many lessons can be learnt from cooperating and resource pooling.

Factors of success and main elements of transferability

- **For successful cooperation and networking projects, as well as for the pooling of resources and knowledge, the role of the coordinator is crucial:** In any cooperative process, a coordinator who is well-versed in the issues of SMEs should be designed and equipped with sufficient means. The coordinator should build bridges between the social partners and the different players of the territory (training centres, public authorities, public employment services, chambers of commerce, etc.). The diffusion of simple and relevant information to the participants of the network is very important.
- **Successful cooperation is built on concrete programmes and the results expected:** From the very beginning, co-operation should be constructed around a concrete programme designed to solve a specific problem facing SMEs, for example in the field of apprenticeships or lifelong learning. Concentrating and pooling resources is thereby important for solving the problems encountered by SMEs who have limited resources for organising apprenticeships and initial vocational training programmes. Other fields where resource pooling and cooperation on concrete programmes and the results expected seem to be useful are recruitment, age management, diversity and gender equality.
- **Network effects:** the more participants there are in a network, the more effect it has. However, the optimum size of networks and cooperation bodies varies depending on the context and the specific framework conditions. The question here always has to be: what will provide the companies concerned with the best added value?
- **Assessing results is important:** A culture of results evaluation should be promoted: What are the positive effects of cooperation? What are the remaining obstacles for cooperation? This might help to implement a continuous process of improvement of practices.

Good practice reference at a glance

- Pew@re (DE01)
- KCCS (AT03)
- Competencies for the Knowledge Age (ES02)
- Plateform RH (FR02)
- Pass Formation (FR05)
- IPOSZ (HU01)
- Skillnets (IE01)
- Work and Learn Together Project (NL02)
- IEFPP (PT01)
- SME ACTor (RO02)

2. Implementing suitable methods and techniques of training

'Training should be tailor-made! We have very specific needs in terms of training, we need something special'

2.1 TRAINING METHODS ADDRESSING SPECIFIC NEEDS OF SMES

Summary

When analysing good practice regarding the training methods suited to the specific needs of smaller companies, taking particularly into account the size and sector of the enterprise, there is an impressive variety of different innovative techniques:

E-learning and 'blended' learning can be of high relevance in many cases, for developing either general skills or specific skills. The benefits are numerous. On-the-job training can pass through several tools and be facilitated by internal resources. In all of this, however, the value of traditional training sessions (in a training centre) should not be dismissed. The emphasis put on these innovative techniques does not question the relevance of conventional training, which can lead to real improvements, provided the organisational and financial matters, if they exist, are solved. It is all a question of adaptation to needs, which vary from one SME to another and, within a single SME, between workers at different times.

Good practice experience

There are plenty of training and qualification institutions in the EU offering a wide range of courses for numerous target groups. Often, the content and procedures of such courses do not sufficiently address the situation of SMEs. On the one hand, the content of training may not match the precise needs of small or medium companies, in particular the ones operating in some very specific sectors (and hence looking for specific skills); it is very likely that a **mismatch** between the demand and the available supply will result from this situation. On the other hand, the procedures through which training is provided may not coincide with workers' or employers' expectations, and with the organisation of the SME, as already illustrated in Chapter 1.1.

Possible mismatch between formal training courses and training needs in SMEs

However, **there is great potential for innovation in terms of training supply, either in its content or in the way it is provided. There is no one single best solution, i.e. the 'training centre' or 'classroom'.** Although these options should not be devalued, for they often prove very

relevant to the needs – different alternatives or complementary models exist. The goal here is not to list the different innovations in the field of lifelong learning, but to identify the most interesting ones that have been conceived for, and implemented in, SMEs.

Developing e-learning and blended learning

As already outlined earlier in this Guide, **distance learning** can be particularly adapted to the needs of SMEs for geographical reasons (located in remote areas), supply-based reasons (absence of relevant training centres), or organisational ones (difficulty in sending a worker out). In the case of the French sawmills seen above, the organisation of the training (with specific rooms in the company and sessions after the working day) permitted the success of this training approach. This shows that distance learning will not work by itself, as if by magic: it has to be prepared, materially and 'organisationally' speaking.

'**E-learning** is more than just the use of digital media including CD-ROMs and the Internet. Employees in SMEs use e-mail on a daily basis for sharing knowledge and ideas'

'**Blended learning** means e-learning needs that are coordinated by a teacher in a face-to-face learning situation within a structured learning programme'

This statement would also apply to **e-learning**, which can be considered a form of distance learning. E-learning is developing rapidly in SMEs. Very often, e-learning can be used at the diagnosis phase (assessment phase) and/or to launch communities of practice.

In rural tourism, the training demands are very specific due to the nature of the establishments – mostly small, family run businesses where service providers usually have no education in tourism and have very limited time for training activities. Therefore the **training methods have to be time and cost efficient and very practical**. Under the project **New approach to training for quality in European rural tourism**, the goal was to develop tools to establish quality criteria so as to meet the relevant standards. Innovative tools, adapted to SMEs in the rural tourism sector, have been developed, such as web-based instruments, in addition to classical modules and quality inspection. A virtual training module (inspector training module – see picture) was used to check whether the establishment satisfied all the quality criteria. It provided guidelines for improving work and quality, referring to a very complete series of items specifically designed for assessing the quality of a rural tourism establishment. It could be used to complement more conventional courses or visits.



Some other projects use e-learning, among other things, to **develop ICT-related skills within SMEs, as these skills tend to be decisive in the knowledge society and economy**. **Sme.net.pl** promotes the development of innovative blended learning content for e-business skills. The project has set up a virtual learning environment, where SMEs can interact with trainers and other participants in between classes. It resulted in an innovative, blended learning programme (that is, combining both e-learning and the traditional classroom) aimed at increasing the effective use of the Internet by SMEs. E-learning tools can also be developed to enhance a specific skill in SMEs, such as **language skills**.

The benefits of e-learning

E-learning seems to be a method particularly well adapted to SMEs; it suits organisations with fewer employees. As a **very flexible** tool, it can be **adapted to a daily work schedule**. Moreover, the **course length can vary** from several days to several weeks. Last but not least, another advantage for organisations is the **cost**, often lower than other types of formal in-house training.

Concerning employees, of course a precondition is that they are **motivated**. Another point is that e-learning will best suit employees that prefer to learn alone at their own pace. **Associated with more traditional forms of learning (like face-to-face interaction), all employees can however benefit from e-learning**. Indeed, it can be fully automated or live. In the case of a live e-learning course a tutor can interact with employees to support them in the learning process. In certain cases, it can lead to a **recognised qualification**.

To choose e-learning courses providers, managers/entrepreneurs should check with organisations that know the business (like trade associations, business branches' professional bodies, trade unions, colleges, learning centres etc.). Private consultants with the relevant experience in business can be of some help. Generally, there are government-funded initiatives that may lower the cost.

Blended learning has been developed through innovative multimedia modules in the **PaperTrain** project coordinated by Dutch companies. The goal of this project is to attract new workers to the paper industry. Training is therefore conceived in a way that is attractive to newcomers and young people. To meet that challenge, training modules were conceived following a modern learning approach about the ways to make and process paper, including many **multimedia elements**. As a result, the package (called FOCUS) contains over 3000 clips made of practical examples, questions (self-tests for instance) and tasks. Some 29 different modules cover such topics as pulp preparation, the paper machine and paper processing (see image). The modules can be adapted to suit the production process or the product of a particular company (customisable).



In the project **TAS for Agriform**, the objectives were similar. The background was the negative perception of training in agriculture. Nonetheless, businesses here (generally micro) face real training needs in order to face new consumers' demands in particular (demands for quality or security) or changing technologies. Entrepreneurs may also develop inadequate marketing and management strategies. They are not trained enough, and are aware of that, but they often refuse to go to conventional training courses because they find them too scholarly, and above all inefficient; they are short of time and they are lacking in self-confidence and they don't think they can manage.

This project tried to overcome these obstacles. It took into account two conditions for succeeding: **the training has to provide a 'return on investment' with concrete results in order to be considered a priority by the trainees, and it has to allow conciliation with their professional constraints.**

The main tool was a *toolbox/pedagogical briefcase*, prepared for the external consultant from the project. His/her role consists in activating reflective pathways starting from stories which present a professional practice problem and introducing new knowledge and management techniques (for this, *comic strips* showing professional practice familiar situations, introducing a professional practice problem, using technical language in a structurally simple narrative, are used). Based on an analysis of the group's needs, the training concentrates on skills in areas such as organisational management, marketing, the traceability of production processes and the quality of products and processes.

'Tell me and I forget; show me and I remember; involve me and I will understand'(Chinese Saying - Quotation on the Ecasme website)

Another very well-adapted approach to training in SMEs is the development of **informal and on-the-job training**.

This is one of the specificities of the INFLOW projects, managed by a UK team but implemented in several countries and several contexts. Many examples are on offer to illustrate the relevance of this approach to small businesses. A good example, for instance, is an experiment into the **management of informal learning** in a luxurious hotel in the UK (Swinton Park, see Section 2.3.) or the case of a trucking company that developed **mentoring** and **job rotation** schemes (Jiffy Trucks, see the Inflow website).

Organising informal learning: mentoring, job rotation, job shadowing, etc.

On-the-job training is also an essential part of **Train to Gain**. **Skill Brokers** organise apprenticeship programmes as a combination of on-the-job and off-site training and a variety of courses specifically designed for small companies.

Extract from The Enabler. **'Usually we think of resources in terms of books, teachers, computers etc. Resources can be more than that.'**

'You should look for both known and unknown competences in your fellow workers. **There are probably resources hidden in the teams, in the production process, in the machinery, in handbooks and in the work culture etc.** Those hidden resources are often in the form of tacit knowledge – i.e. knowledge that is not on qualification or 'labelled' but exists only 'in the hands and heads' of people as a result of extensive experience.

We can illustrate this hidden knowledge with an example. Suppose that you dismiss all the personnel in a company and employ new ones overnight, do you think that the production process would be intact? Would the employees keep up with the quality standards? Of course the production process would collapse immediately! The competence of the workers has been wasted.

The work routines have been eliminated. It will be almost impossible to replace the individual and organisational learning overnight. It can be replaced on an individual level when older workers retire and new ones replace them but even this is incremental and a long-term process that can be difficult to organise.

It is important to get rid of the old ways of thinking – school is out until proven to be the only solution. **Anything that contains knowledge can be used as a training resource.** People, things and processes that contain knowledge surround you. Just take a closer look. It is all about using imagination. Ask the question; whom or what can I use to make this understandable?

It is important to get rid of the old idea of one teacher, one training material. A company is a system, almost like a living organism. There is a flow of people and the knowledge they carry with them – from supply salesmen, via the people in the production process to the company's own sales and support people – and material – from material and manuals, etc. supplied to products sold and service replacements. **Try to think in terms of several tutors taking care of different parts of what your fellow workers need to learn something about.'**

<http://test.berida.com/xldv/FrontEnd/Default.aspx>

Self-learning at the workplace has been developed in the case of **HOTSME**, a project targeting small and medium-sized hotels. Self-learning at the workplace through adapted tools is promoted as **an efficient way to enhance skills (soft skills) that are rarely taught in classrooms; such as attitudes and leading and uniting a team, etc.** – and more generally, speaking and interpersonal skills. A main feature of these learning services is **a learner-centred approach of facilitation of learning processes, which is in contrast to traditional top-down classroom-style training.** Coordinated by the Maltese Hotel and Restaurant association, this project was also implemented in Germany, Denmark, Lithuania, Poland and Spain.

At first, a methodological guideline was elaborated and distributed to training providers and facilitators in tourism SMEs (*pre-course information for facilitators: defining the global dynamics of our hotel/restaurant and identifying our strengths and limitations; analysing our potential and improving on our limitations; overcoming barriers to learning etc*) The goal was to launch the process of continuing learning, presenting the advantages of self-learning, the methods and the demands.

Secondly, four professional modules were developed, focusing on issues crucial to today's tourism sector, like sales and customer care, etc.

Facilitators might help SMEs in developing self-learning at the workplace

If at first glance on-the-job or informal learning can look easy (implemented in-house, no apparent organisational problems, high flexibility), this is certainly misleading. The successful character of the previous initiatives is highly linked to substantial preparation. **It is necessary to know what the needs are** (hence the importance of a properly designed assessment phase, with tools adapted to the nature of the company and its sector) **and what the objectives are.** In the case of HOTSME, the needs were indeed rather diverse, much depending on some cultural elements (from rather technical needs like language competence in Denmark, to needs related to the general attitude of Maltese employees towards the clientele – an attitude sometimes described as too shy).

A methodological scheme and the prior training of internal **facilitators** (here, Hotel & Catering College teachers/tutors) is also necessary. Again, training – whether based on informal schemes or not – won't function alone and without preparation. In a certain sense, this form of training requires the training of the future trainers or training facilitators! In the case of HOTSME, the role of these facilitators was crucial in order to **overcome inhibitions in regard to learning**, which is a reality for many people (often the result of former negative experiences). As a result, a **culture of self-learning** blossomed.

Overcoming inhibitions for learning

From the point of view of employees, the outcomes were improved soft skills, such as better team working, more responsibility and a more active interpretation of the professional role. For hoteliers, this experience contributed to improving their competitive position. All of these new techniques represent new approaches that might be adapted to the needs of SMEs.

Earlier in this Guide, **other innovative forms of training** were mentioned, which gave concrete, tailored answers to the needs of a particular SME in any particular context. We have mentioned the setting up of a **common apprenticeship scheme** between three small Austrian chemical companies; here a traditional learning tool (apprenticeship) is used, but adapted to the peculiarities of restructuring and proactive small companies in an industrial district. A small French company looking for very specific skills (because of its leading position in an emerging market) was helped by an advisory service to create its **own in-house training centre**.

The methods chosen for developing skills and knowledge in the **Open2Knowledge** (Italy, not in the final list) project are non conventional, but result in positive indicators. The choice was to develop **peer reviews, benchmarking tools** and a **permanent watch**. The roles of **'enterprise tutor'** and **'socio-corporate mediator'** were enhanced to coordinate this informal skills development and Lifelong learning (LLL). In the same country, the **LISP** project developed **'Change Labs'** to steer a participative management of change. These Change Labs were designed as interactive learning tools where entrepreneurs, technicians and consultants can discuss solutions and best practices and rethink organisational systems. The main interest behind all these measures is to help local manufacturing industries to remain on the market and to prevent the loss of the strategic skills and competences of local subcontractors as an effect of the international relocation of production processes.

Factors of success and main elements of transferability

- **Tailor-made solutions exist – the crucial task is to identify them:** Therefore the most important task in the context of training is to receive the best possible advice, preparation, guidance and support. Here, besides training institutions themselves, social partners' organisations, professional institutions and other parties play an important role.
- **Training methods must follow needs, objectives and expected results:** An obligation to produce results (with a prior definition of objectives) can be a powerful incentive. An upward preparation is then necessary, which implies some social dialogue in the company. Employers, but also employees, should define what the objectives are and what the most appropriate method for attaining them is. One can say that the best method is the one which provides the best expected results given the needs, and the one that adjusts best to workers' and managers' constraints and characteristics. To make this all simpler, many diagnostic tools exist. External or internal guidance is recommended.
- In particular the 'informal' context of the training courses implies the **active participation of the entrepreneurs/managers**, with lots of discussions, debates, etc., and the motivation of workers. This should also be prepared in advance.
- If in-house training (using e-learning or other tools) is envisaged, it is necessary to **adapt the working times and the working space**. This should lead to a minimum of formalised procedures.
- During training, the use of **realistic examples and experiments** is very likely to produce better results. It is not because the training looks complicated that it will be most efficient – quite the contrary! To reduce individual reluctance to undergo training, the use of blended learning is recommended. Furthermore, using the very specific case of the company and its products, rather than taking a too conceptual approach, results in the more active involvement of the participants.

Good practice reference at a glance

- MIC (DE04)
- Relanz@ (ES01)
- 4 T (FI01)
- Open and Remote Learning for Sawmills (FR03)
- Competence Cells (FR04)
- Skillnets (IE01)
- POLARIS (IT01)
- TAS (IT03)
- New approach to training (LV01)
- HOTSME (MT02)
- PaperTrain (NL01)
- SME.net.pl (PL03)
- IEFPP (PT01)
- SME ACTor (RO02)
- Train to Gain (UK02)
- INFLOW (UK03)

'I had to learn the job of manager on my own...'

2.2 TRAINING AND COMPETENCE DEVELOPMENT FOR MANAGERIAL STAFF AND ENTREPRENEURS

Summary

The performance of an enterprise and its economic success depend very much on the capacity and competence of the entrepreneur and the managers to permanently adapt to changing environments and market conditions. Therefore, the continuous development of skills, competences and knowledge is a self-evident task, with managers and entrepreneurs as a specific target group in the field of training and competence development programmes. There are specific training programmes targeting managers and entrepreneurs, and in some cases the future SME entrepreneurs, preparing them for the job. Another key issue is business transfer. Given the demographic changes, there are millions of jobs that might be affected by an unprepared transition. Hence the role of the different tools presented here, like take-over training or even 'vaccination' (a metaphor – of course – for anticipation).

Good practice experience

Training is, of course, also important for managers and entrepreneurs! Differing from managers in bigger companies, those in SMEs rarely have an initial training period in management schools. Often, after a takeover, former employees are driven into the leadership of the business. Upskilling is often necessary in order to meet the changing demands of the clientele, to develop the company and to adapt the organisation and processes, etc.

The Wallonian training institute for SMEs and crafts businesses offers specific **Entrepreneurship training**, aiming at preparing the trainees to exercise management functions in a small or medium-sized company or to take up an independent job in more than 100 identified professions. **Being an entrepreneur is a job that needs to be learnt. Many competencies are needed to manage a company – and more specifically a small company, or an independent company.** The average duration is two years, but it can last from one to three years, depending on the situation. It consists of theoretical lessons, which are given eight hours a week in a centre. The courses cover management skills (company creation, fiscal and financial aspects, commercial skills, etc.) and professional skills (marketing, company localisation, technologies, etc.). The module on how to create a company comes at the end of the period. In all the professions where entrepreneur training is organised, it is possible to complete a training course in a company. It is particularly well-adapted for young people who do not have long professional experience or who wish to put into practice the knowledge obtained during their initial vocational training. Specific 'Take Over counsellors' offer adapted sessions for workers wishing to take over their company. An illustration of the success of **'Take Over training'** can be found in the case of biologists working on DNA who created a successful start-up, after being trained in management.

Training schemes for entrepreneurs and managers need to be adapted to their proper time and organisational constraints

Business transfer is a critical challenge. In many cases, SMEs are traditionally family-run, and owned by an older entrepreneur. According to the Finnish project **REINO**, each year approximately **610,000 SMEs** with about **four million jobs** will face a generation transition over the next ten years in the EU. This transition may often lead to a sale of the business or the cessation of operations, since small companies have particular limitations in their preparedness for such an event.

Anticipating business transfer

Success in generational and ownership transfers is a crucial political, economic, and industrial policy issue that affects the continuation of entrepreneurial activities and the preservation of jobs. Micro-companies especially lack the knowledge, financial means and time to adequately prepare for such a transfer. Also, transfer processes are very delicate issues and require emotional intelligence. Withdrawing from the business and passing it on to another person can cause high anxiety and stress for the entrepreneur.

REINO focuses on very small (micro) companies in Finland and thus offers an analytical approach for examining and coordinating the transfer situations of micro companies. The project provided **a toolbox of methods and operations suitable for successfully carrying out business transfers**. It set up a so-called Business Renewal Centre, responsible for supervising and offering assistance in the transfer processes in four countries.

Business transfer: anticipation and vaccination?

One of the pilot projects of REINO consisted of the promotion of the EBO (Employee Buy-Out) model as a well-known, accepted and recommended method for ensuring the sustainability of the company. In many cases, the reliable employees of the company have been in the company as long as the entrepreneur and they share part of the mental property of the owner. Although not considered by the entrepreneur, the company employees would be the best possible successors. By exploring the potential of EBO and by achieving proven results, this pilot project will contribute in raising awareness of entrepreneurs, employees, as well as trade unions, entrepreneurial associations and employment organisations about the usefulness of the method as an option for business transfer. The main target groups for the pilot activities are the entrepreneurs and employees of micro companies approaching transfer in the region of North Karelia.

The experiences, methods created, and thus the good practices identified during this piloting process have been reported in a compact manual to be used by all interested in the model. This manual includes several case studies where business transfer through EBO proved to be successful. For instance, a printing factory (a small micro company with only one employee in addition to the entrepreneur), a transport company or a physical therapy business. In total, 9 very instructive case studies are presented in this manual. The document concludes with an 'EBO plan'.

Available at <http://www.reinoproject.eu/Reino.aspx?cat=201>

The training of managers and entrepreneurs can also be conceived as transforming them into 'knowmakers', i.e. **knowledge producers and knowledge users**. This is the name of a Spanish programme whose main objective is to develop a training plan for SME managers. Managers at all management levels are to be provided with the necessary skills and competences for the application of Knowledge Management procedures and systems in their own organisations.

As mentioned above, **Competencies for the Knowledge Society** also aims at proposing strategies for change to **improve the management of intellectual capital**. It is specifically aimed at managers, in particular in the metal work sector.

Factors of success and main elements of transferability

- **Training schemes for entrepreneurs and managers** need to be adapted to their schedules and organisational constraints
- **Financial incentives and specific accompaniment** can be recommended as ways of involving entrepreneurs and managers in the training process. Specific incentives should be developed for companies preparing for business transfer, as many jobs depend on the success of this operation. In many cases, takeover counselling should be considered.
- The technical quality of the training is important. Training schemes should definitely go 'straight to the point'.
- For entrepreneurs and managers, training should be conceived as a **lifelong perspective**.

Good practice reference at a glance

- Competencies for the Knowledge Society (ES02)
- REINO (FI02)
- KEK GSEVEE (GR01)
- TAS (IT03)
- HOTSME (MT02)
- SME.net.pl (PL03)
- IEFP (PT01)

'My competence and skills are not acknowledged...'

2.3. VALIDATION OF INFORMAL SKILLS AND COMPETENCE

Summary

Micro and small enterprises, in particular in labour intensive sectors and fields of activity, greatly depend on the ability of workers to fulfil new skills and competence requirements, hence the importance of informal learning processes and results. With regard to the validation of these informal learning results, there are an impressive number of national (or intra-regional) legal frameworks, public schemes and sometimes private initiatives that are worth documenting since they illustrate the potential that small businesses have of becoming 'learning companies'. In this sense, the validation of informal learning is not only an individual project — it is also a collective project, involving everyone in a company. There are many ways to organise and document informal learning, as the table at the end of this chapter illustrates and the case examples show. Improved quality of work and overall performance of the company, a change of mentality and increased confidence are important results. From the individual standpoint of the workers concerned, the validation of prior skills and working experience is also important since it enhances their opportunities on the labour market.

Good practice experience

In order to create more flexible qualifications, all the available knowledge, skills and competences, irrespective of where and how they have been acquired, need to be used. In the EU, issues of lifelong learning, knowledge-based economy and institutions validating informal and non-formal skills and qualifications have been the focus of much attention. Almost all the countries have developed national or regional systems for the validation or accreditation of informal skills and competences. The methods may differ but the principles are more or less the same.

Sometimes, this is also referred to as the '**accreditation of prior experiential learning**' or the recognition of prior learning, putting the focus on the fact that previous life and work experience can be important assets in a professional career, though they are not always formalised in a recognised qualification.

Accreditation of prior experiential learning is based on the principle that **people can and do learn throughout their lives in a variety of settings**. People can gain a range of strengths and skills through family life (home-making, caring, domestic organisation) and work (paid or unpaid), as well as through community, voluntary or leisure activities. Experiential learning or learning from experience is different from 'formal learning'. It is more personalised or individualised, and is acquired in an unstructured way. It is often unconsciously gained. It is however just as real as learning gained in a formal academic setting. What is more, it is usually more permanent: it is not readily forgotten or lost.

The benefits of accreditation of prior experiential learning for SMEs

Knowledge is everywhere!

In France, the **VAE** (*Validation des Acquis de l'Expérience*) system was set up in 1985 and reformed in 2002. Today it is a mainstream channel for developing vocational qualifications in France, with more than 20,000 people accredited in 2005. The VAE process enables one to get all or part of a certification (diploma, certificate with a professional attainment or professional qualification certificate) based on his or her professional experience, i.e. a certification of the skills that he or she has acquired through experience (salaried, non-salaried or voluntary). This experience, related to the intended certification, is validated by a panel. All certifications registered on the National Repertory of Vocational Certifications are available through the VAE. Any individual, regardless of his or her age, nationality, status or level of education, who has had at least three years of salaried, non-salaried or voluntary experience, can undergo the VAE process.

The candidate can be accompanied during the process, which generally lasts between 6 months and a year. In some sectors, such as personal care or childcare, where recruitment difficulties are high, where a qualification is needed and where prior experiential learning really does matter, the VAE is strongly supported by public services. Unemployed

people wishing to work in these sectors can obtain personalised guidance to validate their prior learning experiences and find a job more easily. These sectors are dominated by SMEs, both in the non-profit sector and in the profit sector, with a constant increase in the number of micro-businesses and independent workers.

MCAST Diploma Material

The diploma material is a hybrid of:

- Class work.
- Hands-on mentored training - practical work training will be located at the participants' own place of work.

The course is split into 40 hour-long study modules, each covering a different aspect of manufacturing:

- Strategy, operations, internationalisation, planning and scheduling, management, materials, quality, energy and water usage, lean manufacturing, financial management, product development and innovation, supply chain and project management.
- The course qualification has been designed to reach Exit Level 4 on the Malta Qualifications Council framework for lifelong learning, making participants ideal candidates for first-line management positions.

This framework can be promoted by **collective actions**. One case study dealt with the cooperation of a public employment service and a joint collection body for training in SMEs in the region around Lens, formerly an important mining area. The action targeted five enterprises, including two small subsidiaries and a small company. One of the objectives was to **approach employees and draw their attention to VAE, inform them of its advantages and then accompany some of them through the process**. This facilitated much of the work of the managers in these companies. The external guidance made the participants more confident.

The Maltese project **MCAST** is also based on such a method. The Diploma in Manufacturing Excellence is specifically designed for the validation of informal learning. Employees from the manufacturing sector without formal qualifications but with more than five

years of work experience benefit from the course and receive an official diploma. In this regard, the Maltese model offers both a validation of informal learning and a very SME-friendly training method. The fact that participants were reimbursed for 100 % of their expenses was decisive for the success of this programme.

Validation and accreditation of informal learning in the workplace

In the UK, validation of informal learning is appreciated as a way of recognising employees' skills. The individual and the company

are both awarded for their role in the promotion of informal learning. For instance, companies can become designated as 'Learning companies'. In this model these awards or standards play a great role in skills policy.

The **INFLOW** project highlights the concept of **on-the-job informal learning** in the UK. The objectives were to develop a model for:

- The identification and recognition of informal learning taking place within SMEs in terms of, for instance, communication/working as part of a team/other generic skills.
- Extension of this informal learning to other employees.
- Recording the evidence of this informal learning e.g. in an electronic portfolio or other records.
- The development of adapted methodologies for the accreditation of the informal learning achievements (for example with awards or other certifications).

The project has devised and developed a model for the recognition, validation and accreditation of informal learning in the workplace based on the research undertaken, the transnational partnership's expertise and consultation with key participants including end-users. It has been successfully piloted in six Member States and within 75 SMEs ranging in size from 6 to 223 people. The following is an example of an INFLOW project.

'Swinton Park — the first to receive European recognition for informal learning'

Swinton Park Hotel is a luxury hotel situated in an ancient castle in North Yorkshire. It employs about 40 full-time staff and around 30 part-time staff depending on the season.

An issue – which is common for the tourism sector – is the high rate of turnover. The INFLOW project led to a series of interviews with the managers and the employees. **It appeared that most of the training in Swinton Park is on-the-job. Both managers and employees learn by doing and upskilling through the practical day-to-day routines of task completion and problem solving.**

This SME implemented an **enabling induction programme (assimilation of new staff)**, a pairing up process (**job shadowing** – see box below) and a **job rotation** method.

It is reinforced by staff reviews that take place after the first three months on the job. Managers and new staff can then discuss any problems that have occurred in the weeks prior to the review. These reviews are undertaken informally.

Exchange of knowledge and information throughout the business is an actively pursued management policy. Opportunities for informal learning are provided and understood as being beneficial to the business as a whole as well as to different groups or teams within the business, and individual employees, who encourage each other's learning within their departments and in the greater context of the workplace as a whole.

The hotel has recently been awarded the European Institute for the Promotion of Informal Learning (EIPIL) Award. As the first hotel in Europe to attain this certification, Swinton Park has shown how it effectively uses various methods of informal learning during the day-to-day running of its business.

'As well as attending courses at a local college or community centre, the staff at Swinton are encouraged to learn "on the job",' said Andrew McPherson, General Manager. 'The system works very well. New employees learn from our more experienced staff and consequently develop an understanding of the methods we use within the hotel.'

Swinton Park has been recognised as actively pursuing and developing various processes of informal learning. Over the coming year the hotel will be encouraging its staff to work towards and receive individual informal learning qualifications. These individual awards are certified by ASET.

The **European Initiative for the Promotion of Informal Learning (EIPIL)** provides identification for informal learning within companies. EIPIL evaluates the impact of informal learning on business performance and advises on how this might be enhanced. This initiative also offers support to company staff for the internal management of strategic and operational processes associated with the recognition, validation and accreditation of informal learning in the workplace.

EIPIL offers the following awards:

- *Company Award* – a badge of achievement for the whole company - morale booster - good for publicity and recruitment.
- *Individual Awards* achieved through 'supervision' by other company staff. As EIPIL puts it, these awards can act as motivators for staff, stimulation and entry to continued learning and development within the company and potential pre-selectors for further promotion/developing roles within the company.

Finally, the initiative proposes the provision of external facilitators to support the achievement of individual awards by company staff — either by supporting internal staff or carrying out in-company roles and by offering support in the use of technology to capture informal learning and knowledge management within the company through the development of e-portfolios and e-logs.

From <http://www.inflow.eu.com/UserFiles/File/CASE%20STUDIES%20Swinton%20Park%20Vers%202.pdf>

From <http://www.mrsconsultancy.com/Services/Pages/News/Swinton.htm>

From <http://www.eipil.net/pages/course.htm>

The INFLOW project has succeeded in showing the benefits of informal learning and encouraging its recognition. It also showed how SMEs could profit from this type of programme. Individual awards have provided valuable recognition of on-the-job learning and the capacity to undertake further vocational training. Secondary impacts were apparent in teamwork and organisational cultures.

What is job shadowing?

Job shadowing is a very simple method. One employee shows another employee all the aspects of their job. The job shadower learns by observing and by instruction. It is well-adapted for integrating and training new employees in a company, or somebody without previous practical experience of the job. It is also a very economical approach to in-house training.

In the case of the luxury hotel, this method was much appreciated. As the front-of-house manager says, illustrating the shadowing process for new members: 'New members... the only way really they are ever going to learn is by working with other receptionists, that is, to learn from each other...' For a ground floor cleaner: 'If you're shadowing somebody, they show you how to do it, and you can almost take on their technique of doing it.'

A clear need for facilitation and guidance with mentors

The success of these kinds of initiatives depends on a collective approach involving social partners and well-informed participants. One instruction given in the Enabler project to the future in-house Enablers is

to look for knowledge where it is. As the next box shows, there is plenty of informal learning that can be observed at the workplace. *'As an Enabler you can also encourage employees to "bring home" new knowledge and different perspectives from the outside. Information that your own people bring back from fairs, customers and suppliers will often be a good starting point for discussions about what is going on in your business, and what ought to be learnt in order to be able to take advantage of future opportunities. Just one word of warning: not all learning is good for a company. Sometimes bad habits and ineffective routines are passed on. If you feel unsure of the real value of some of the "learning" going on, ask the "teachers" why this way of doing something is preferable and for whom. In short, when you have an idea about what ought to be learnt, start to look for people in your own company that might be able to function as mentors for others and impart the kind of knowledge that needs to be gained. If you cannot fill all the slots, try customers and suppliers and others in direct contact with the company. If you are still short of mentors, look for external experts, trainers and teachers to use as fill-ins.'*

A list of potential informal learning that may be observed in the workplace

- Learning new things under the responsibility of the boss or an experienced worker
- Learning new things with the help of an experienced colleague
- Learning by doing work with a growing degree of difficulty
- Learning by using handbooks, manuals etc
- Learning by asking for help/advice from an immediate superior
- Learning by asking for help/advice from an experienced colleague
- Learning by asking for help/advice from a supplier
- Learning by asking for help/advice from experts in other hospitality companies
- Learning by asking for help/advice from the technical division of an importer/supplier
- Learning by solving problems by yourself
- Learning by practising with new machines/hardware/software
- Learning by visiting other establishments in the same sector
- Learning by visits to fairs
- Learning by the regular rotation of tasks which can keep your skills up to date
- Learning from suppliers' instructions
- Learning by doing non-routine jobs
- Learning by solving problems together with colleagues
- Learning by explanations from experts/experienced people
- Learning by direct employee participation
- Learning from the experiences of clients/users of products
- Learning from the complaints of clients
- Learning by involvement in management, planning, etc
- Learning by self-study from the text-books of apprentices etc
- Learning by doing jobs in your own time

Source: CEDEFOP Work and learning in micro-enterprises in the printing industry, 1998

Factors of success and main elements of transferability

- **Validation and recognition of informal learning correspond to a real need:** It allows the improvement of competences and processes at low cost. For the worker, the added value is quite evident: workers identify their competences and have them recognised. For the company itself, this can lead to recognition as a 'learning company'. This type of recognition (sometimes in the form company awards) makes more sense in some national contexts and training systems than in others. Nevertheless all EU countries promote the validation of informal learning. For SMEs, it is one of the easiest tools for improving qualification levels.
- **Validation practice has to be embedded in a larger environment of objectives, orientations and strategies:** The process can be long. Some informal learning schemes require time and energy from other workers, such as mentors. Therefore, workers and entrepreneurs have to be actively motivated throughout the planning and implementation of such schemes.
- **Enabling and supportive environments in place at EU, national, sector and occupational levels:** These should stress the added value and the win-win-outcome of informal learning schemes for both companies and workers are the crucial factors of success.

Good practice reference at a glance

- KCCS (AT03)
- Prior Learning Validation (FR06)
- MCAST (MT01)
- INFLOW (UK03)

A factor of success can be the promotion of recognition of prior informal learning by public **support and framework programmes**. In sectors where skill gaps are important, like in personal care for instance, this method can be a tailored tool. However, a resulting problem is that increasingly qualified personnel will be more costly, and of course, might be tempted to leave the company for another perhaps larger one.

3. Addressing current and structural challenges of competence development

'Our workforce is greying...'

3.1 COMPETENCE DEVELOPMENT IN THE CONTEXT OF DEMOGRAPHIC CHANGE

Summary

Age management has become a central challenge for companies in general, and in particular for smaller companies since they face additional difficulties in attracting and retaining a qualified workforce. Therefore, lifelong learning and skills development strategies adapted to the needs of older workers are important. In certain traditional sectors like footwear or the leather industry, the economic performance of the sector today directly depends on the capacity of entrepreneurs and employees to retain older workers. As the examples in this section illustrate, specific training modules can be elaborated to keep older workers developing and adjusting their skills. In addition, further instruments such as short-term exchange schemes or mentoring can be suitable for an enterprise. Other major issues are the improvement of working conditions and the setting up of healthcare arrangements for older workers. A crucial precondition for the implementation of more activities that benefit the 'greying' workforce in small and medium-sized enterprises is making entrepreneurs aware of how vitally important this section of the workforce is — a question too often ignored. Guidance, information, public campaigns, testimonials, or even 'ambassadors' organised by professional organisations, chambers and/or social partners and public authorities at national and regional levels play a crucial role in this context.

Good practice experience

Although the intensity and timing of demographic change may vary in different EU countries, the outcome will be the same. People's average life expectancy will increase by nine years. In the EU employment strategy older employees are regarded as one of the key elements for future work productivity.

By 2050, the elderly will constitute 33 % of the population compared to only 19 % today

Skill trends in the labour market indicate that the demand for skilled employees will continue to increase while demand for low-skilled workers will decrease. Here, a lifelong learning strategy and a continuous strategy for updating skills are very important for senior employees in order to allow them to remain on the job market for as long as possible.

The first issue is the greying of the workforce, and consequently, **the necessity to develop tools to transfer their knowledge and know-how**. The second issue that needs to be dealt with is **developing efficient age-management strategies** on the labour market and improving the environment and the perspectives of older employees at work.

In traditional sectors like footwear or the leather industry, economic performance depends on the capacity of entrepreneurs and employees getting older to stay in the running

Another issue is the **greying of the management**, as mentioned earlier, and the question of business transfer addressed by the Finnish project **REINO** (see previous chapter).

In response to the second issue, several European projects have developed a successful approach to greying. In Poland, one of the two target groups of **Renowator** was people aged 45 and older. **Renowator** developed an original approach to maintain this group's employability and enhance their adaptability in the ICT-sector. This project also targeted women returning to the labour market, still focussing on ICT-related skills.

The main concern of **ACTION-L.IN.C** is to assist leather and footwear SMEs in dealing with issues linked to ageing workforces and age management. The aim is to **facilitate the training and retention of ageing workers by implementing innovative age management, tailored training and by conducting awareness campaigns.**

Short-term exchanges in the leather and footwear industry

Short term exchanges provide a plethora of benefits, such as:

- An opportunity to exchange experience and know-how
- Help with future corporate decisions
- A network of contacts can develop into business relationships and create a set of connections to professional contacts
- Employers have the opportunity to meet with prospect suppliers or customers and to conduct transnational business agreements

Source: 'Short term exchanges between SMEs - Preparation manual'

http://www.actionlinc.eu/internal%20docs%5Cdeliverables%5CE_3_3%20Short%20term%20exchanges%20Preparation%20manual.pdf

The manufacturing of leather products is concentrated mainly in southern European countries. It is severely affected by globalisation. *'The sector requires manual labour, usually offering jobs to persons with insufficient training, but the sector also uses high-level technological procedures and requires know-how and new skills in general. This sector consists exclusively of SMEs, many of whose managers find it difficult to establish long-term strategies aiming at continuous modernisation in conjunction with the improvement of the business's performance. They also have difficulties when it comes to investing in training, improving employment skills, specifically those of ageing workers, and promoting better working and health conditions to maintain the staff's working ability.'*³

The **leather industry** is particularly concerned about greying. A strategy for innovative age management was set up on the basis of **modules adapted to the needs of this industry**, such as 'management and behavioural approaches to occupational guidance and redeployment', 'motivational approaches and systems', 'lifelong learning opportunities and training organisation', '**flexible working hours and improvement of the working environment**', '**healthcare arrangements**', '**promoting links between generations**' by promoting the concept of '**mentoring**', with tools for choosing the mentors and trainees, and a specific tutoring methodology. It also promotes short-term exchanges (box).

The message: when workforce ageing is successfully managed, age does not become a barrier to employment

These modules are practical, easily-accessible tools that assist managers, employers, employees and social partners in ensuring that an ageing workforce is successfully managed and that age does not become a barrier to employment. Many tools like training methodologies or e-mentoring were made available.⁴

The programmes, which were available online, focused on knowledge and skills (like the acquisition of new IT skills) and on attitudes towards learning, training and new technologies. In this project, the **public awareness campaign** was of great significance. It not only sensitised social partners but public authorities as well.

Encourage training for older employees to avoid the risk of being excluded from the labour market

WeGebAU – already mentioned above – also addresses people from the age of 45. This training programme aims at improving and updating the skills of older employees in accordance with the changing needs of the job market. Training fees are covered by the Federal Employment Office. As mentioned above, SMEs are reimbursed for the absence of workers during training. According to the German Institute for Employment Research, preventive training and qualification programmes are rather unknown or rarely used by German companies. In recent years, WeGebAU has become known among SMEs. Again, raising awareness has proved to be a necessity. As a result, by mid-2008, more than 4,000 older employees had benefited from the WeGebAU training programme.

⁽³⁾ Deliverable 'The age management in Greece', from www.actionlinc.eu

⁽⁴⁾ The tailor-made training methodology consisted of three sections: 1st stage: Diagnosis and recording of employment needs; 2nd stage: Diagnosis and recording of the characteristics of human resources (employed – unemployed); 3rd stage: Diagnosis of training needs.

The **Qualification Cheque** issued by the German state of Hesse (see Part II) offers financial help for upskilling and training to employees of SMEs who are older than 45 years of age.

Attitudes towards older workers can change. Anti-discrimination campaigns can be created. Creative initiatives, like the French website jenefaispasmonage.net (in English, <http://idontlookmyage.net>) (not on the final list), aim at changing recruitment and HR practices in SMEs.

Two of the most interesting projects with regard to greying have been built around the idea that attitudes can be changed, through the transfer of knowledge, dissemination of good practice and exchange of experiences. SAW (Seniors and Workplaces) in Denmark, and WAGE (Winning Age, Getting Future) in Austria, fight prejudices towards older workers. One of their common ideas is to show that older workers offer opportunities, not drawbacks for SMEs.

WAGE (Winning Age, Getting Future) is a network of social partners, institutions, organisations and businesses which focuses on the successful management of demographic change. One of its main objectives is to **transfer and disseminate knowledge on how to improve the environment and perspectives of older employees at work**. WAGE and its partners offer a wide range of tools, workshops and consulting programmes, which do not exclusively focus on SMEs. For instance:

- **Self-checking:** Companies can use the online 'quick-check' to analyse whether an age-friendly working environment is given (photo).
- **Consulting programmes** for qualification and lifelong learning, for small companies (max. 50 employees)
- Consulting and support for the creation of a **network** (synergies) among SMEs
- **Age management consulting** for SMEs in Upper Austria
- **Health Check** at work for SMEs
- Special **workshops** on issues like burn out

Transferring good practices

Based on the analyses of the international project partners of **SAW (Seniors and workplaces)**, one observation was that low-skilled senior workers are particularly prone to being excluded from the labour market. Special attention is paid to low-skilled older women, a particularly vulnerable group on the labour market. In addition, SAW conducts an awareness campaign intended to promote a more sensitive approach to seniors' problems and opportunities for seniors at local and European levels.

Transferability of the SAW Project: an inspiration for Ireland

In Ireland, a new national agreement – 'Towards 2016' was negotiated and accepted by trade union partners, employers, the Irish government and the representatives of the Seniors Citizens Parliament. Future pension problems, the protection of labour standards, a national skills strategy for lower-skilled workers and numerous other senior-relevant topics are addressed in 'Towards 2016'.

Besides this, a testimony reproduced in a SAW newsletter is interesting. 'SAW has been an exciting source for inspiration,' confirms Joe Brennan, who is a senior shop steward in the Dublin Health Services Branch at Clonskeagh Hospital in Dublin, Ireland. 'The only way to maintain people in the labour market is to give them new conditions,' he says and points, for example, towards shorter working weeks, homework and new working fields as resources.

A key innovative element of this Danish project is Senior Advisors at Work or so-called **Good Will Ambassadors**. They deliver, propose and present the good practices identified in the project to local actors and companies. They also raise awareness for the importance and potential of older workers in the job market.

Why not introduce these Ambassadors in all other European countries?

Last but not least, a two-fold project led in France (**Quinq & Sens** and **Investing in winning solutions**) is aimed at encouraging training for seniors through various channels: **guidance for employers** on how to address this question in their HR policy, **advice for ageing employees on how to build a training project**, and **information aimed at counsellors** (of employment or training agencies) that is meant to raise awareness regarding senior work and greying. The project was developed because of insufficient training among seniors, the lack of tailor-made training courses for these employees, and the difficulty in raising employer and employee awareness of this issue in SMEs as they do not consider it a problem.

As with other projects discussed, informing employers of the public funding available is of vital importance. This generally results in increased awareness.

Some tools for raising employers' awareness of senior work

The tools used were **information meetings** with **testimonials of company managers** who have led training actions for seniors and speeches from public players, the free delivery of a CD-ROM to all the member companies, messages on the radio and a mini-website...

A more specific service developed by Agefos-PME was dedicated to employees aged 45 or more who want to begin a training process. It is a **tailor-made advice** to employees for the management of their own second-part career, linked with the company's project. It can facilitate their job retention, their professional evolution or facilitate a redeployment of the worker. The employee is followed during the whole training course, at the beginning (to define precisely the professional plan), during the training, at the end and after the end. A tool was created: a 'dashboard', which facilitates the following of their progress.



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Factors of success and main elements of transferability

- Effectively addressing demographic challenges at the company level in many cases preconditions a **change of attitude**, both on the entrepreneur and management side (orientation towards younger workers) and on the side of the workers (in particular with regard to learning, knowledge and experience). Furthermore, **avoiding the stigmatisation** of older workers is a crucial precondition for success in developing and implementing training programmes for older workers.
- **Social partner organisations and other key actors outside the companies** play a crucial role in changing awareness and perception. This is necessary for success in developing a more positive environment for active age management and improving the integration of older workers in small and medium-sized companies. They also play an important role when addressing other demographic challenges (transfer of business).
- **Many innovative and practical instruments** have been developed which can easily be transferred, such as **self-check tools**, including attention to health and working conditions. Special **counsellors experienced in age management** can activate the use of this knowledge during their regular visits to SMEs, by integrating it into the general training policy of the company (instead of dealing with it separately).
- An important factor and feature of successful schemes as described in the good practice examples, is to draw SME managers' and entrepreneurs' attention to the positive results that these programmes have on the development of the business and the added value they bring. This means that **age management and/or training measures should not be regarded as isolated issues, or mere social policy activities but as ways of generating added value for the company**.
- **The testimonials of SME managers** who have implemented specific training programmes for seniors are crucial. An entrepreneur is more likely to listen to the real experience of other entrepreneurs than to those of any other actor! This means that age management measures adapted to demographic changes can be implemented with local and sectoral cooperation and with the help of networking.

Good practice reference at a glance

- WAGE (AT02)
- SiGePool (DE02)
- Training Cheque NRW (DE05)
- SAW (DK01)
- REINO (FI02)
- Quinq & Sens (FR01)
- ACTION L.IN.C. (GR02)
- TAS (IT03)

'It's harder and harder to attract qualified young people to SMEs!'

3.2 RETAINING WORKERS AND MAKING SMES MORE ATTRACTIVE TO YOUNG AND QUALIFIED PEOPLE

Summary

One of the most challenging tasks — also against the background of demographic change — for many micro, small and medium-sized companies is to retain qualified and trained workers and to attract a qualified workforce. As survey polls regularly show, in most cases, young graduates tend to gravitate towards large companies and are only rarely interested in SMEs. Today, many craft businesses and micro enterprises with jobs, which are not very attractive to employees, are already facing a severe scarcity of labour and personnel. As the cases summarised in this section show, SMEs can attract workers in many ways. They are often on the cutting edge of innovation; they can offer young employees rapid career advancement, etc. In sectors experiencing recruitment difficulties, a negative image often needs to be corrected. But only by keeping a constant eye on working conditions will a sector eventually become attractive to younger workers. Here again, social partners' organisations play an important role due to their influence in public policy debates, as well as through social dialogue with political actors and educational institutions at the national and sectoral level.

Good practice experience

For younger and qualified workers, the comparative advantages of working for a large company can be greater than working for a small one. In general, wages and career prospects are more attractive. Very often as well, working for an SME is seen as the first step of a personal trajectory in the labour market. How to attract younger workers and among them, qualified workers? How can SMEs solve the following paradox, which is that they will not necessarily profit from the training they offer to younger workers, as turnover rates show?

To attract young workers, it is necessary **to work on improving the image of a job**. **Innomet** in **Estonia** has promoted employment in the metal work industry. In the **Netherlands**, the **PaperTrain** project offers practical courses on how to attract younger workers to the paper industry. Two factors were behind the development of this project: the important need for training in the paper, board and corrugated board industry and the younger workers' disaffection with conventional training courses. To meet these two challenges, the project provides more practical training courses and visual training materials, within a blended approach.

Working on improving the image of a job

Attracting younger workers to SMEs can also be achieved by introducing employability-enhancing programmes with a **social inclusion** dimension. The main objective of the **Embarcate** project in Spain (not on the final list) is to facilitate access for vulnerable unemployed groups to employment in the fisheries sector. Training is seen as the most important tool to achieve a lasting labour insertion aboard fishing vessels. The programme offers qualified and modular training, especially adapted to the needs of users. Participation in official courses is required by the community to enable trainees to go aboard fishing vessels. First they take the basic courses needed for training, and pass tests in swimming and language, and subsequently, they partake in supplementary training modules which improve employment skills (nets and gear, fresh fish handling and work competency).

Similarly, in the UK, the ESF-financed programme **Employ (JC+)** (not on the final list) tries to support SME development and improve business competitiveness by addressing environmental performance. It provides opportunities for SME employees to upskill and develop. Simultaneously, it helps the unemployed return to sustainable employment by gaining new and transferable skills that correspond to local labour market skill shortages. The initial stage of the project will last for 18 months, and aims to work with 60 SMEs, place 80 unemployed individuals and train 200 current employees.

Attract vulnerable, unemployed groups

Tutoring is also used in many SMEs. Opticians in France have developed a 'junior-senior-tutorial' system in order to reduce the rate of turnover. But the likelihood of young qualified workers leaving the company is high. A general manager of a group of franchised small boutiques came up with the idea that the new employer reimburse the cost of training to the former employer in the event of a premature change of workplace.⁵ Another entrepreneur, the creator of a small private crèche in Paris, has applied for public aid to 'pre-recruit', to allow her to recruit and train people in this crèche, with the goal of having them work there when she opens for business in 6 months.

Developing cooperation between universities and SMEs

'Entrepreneurship training' is an initiative already mentioned, developed for SMEs by a Belgian training institute. It aims at solving recruitment difficulties in sectors like construction, automotive, personal care and catering. The training scheme is designed

for young workers with the goal of offering them a range of new qualifications, including entrepreneur-orientated ones. It has succeeded in attracting new professionals to SMEs who are prepared to take on managerial tasks now and in the future.

Creating **links between SMEs and universities** is also a way to make SMEs more attractive to qualified young workers. Several projects have been launched under the framework of the Leonardo da Vinci programme. It is now a component of the Erasmus programme, called the University-Enterprise Cooperation.

As far as promoting skills and vocational education directed at young people, the annual event called **EuroSkills** should not be forgotten. At EuroSkills, hundreds of talented and skilled young people and VET students from across Europe show off their skills through competitions and demonstrations. This is a good occasion to showcase the skilled trades that flourish in Europe.

To attract qualified workers, it is necessary to improve working conditions through a better social dialogue. Experience on resource pooling for SMEs shows that it is possible

Beyond all these initiatives, the focus must certainly be on the **improvement of working conditions in SMEs**. This is an overarching concern. The fact is that compared to larger companies, SMEs – or more precisely

the smallest ones – have neither the same obligations nor the same culture of a formalised social dialogue around specific topics like work organisation or working conditions. When these issues are tackled in SMEs – at least in the smallest – it is often in an informal manner, which does not result in a long-term approach. In many cases there are pressing needs for improving working conditions in order to attract and maintain a qualified workforce.

Initiatives can be taken by partners to **develop social dialogue in SMEs**. This has been the case in the construction sector in France. In March 2006 in the Poitou-Charentes region, the employers' representatives of the craft sector, and the five unions representing the workforce signed a **regional 'charter of progress'**. The goal was to reinforce an ongoing improvement of the image of work and jobs in the sector, which faces many recruiting difficulties. This charter made several propositions concerning the integration of workers, the investment in human capital, risk prevention, working conditions, and the struggle against illegal work, promotion and communication.

Formalisation and improvement of the reception of newcomers in companies

In the wake of this initiative, a **regional Health and security committee** was created for crafts in the construction sector (these committees are only compulsory for companies with more than 50 employees). This committee is the first of its kind to exist in France's construction sector. Based on the principle of mutualisation and resource pooling, it has copied the existing model for crafts and self-employed workers in agriculture. This regional Health

(⁵) 'SMEs are concerned about the training costs of their young employees', Les Echos, 23 April 2009.

and security committee is composed of five members of the craft industry and five members of workers' unions. Among the concrete outcomes achieved by this structure, one can point to the **formalisation and improvement of the reception of newcomers in companies**. Often newcomers, in particular young workers, are left alone when arriving in a company. Their day of arrival may not coincide with the entrepreneur's agenda. The resulting tool is a 'reception booklet' distributed to all newcomers.⁶ A charter for young apprentices, signed by the company's supervisor, is also distributed.

Factors of success

- **Communicating about the opportunities in SMEs:** If graduates immediately direct themselves towards large companies, it may be because, during their schooling, they were rarely approached by representatives from SMEs. Image campaigns and improving the public perception of 'traditional' jobs and professions, and occupations connected with micro and small companies is therefore an important factor in successfully increasing the overall attractiveness of SMEs for younger and qualified people.
- **Social dialogue on working conditions:** Working conditions are a crucial element in the attractiveness of a business and workplace for an employee. It has to be stressed that working conditions are not only characterised by pay and wages but also by more qualitative factors. However, many SMEs suffer from the lack of tools for organising a social dialogue capable of improving working conditions. When social partners manage to implement such tools at a local level (with the aim of pooling resources and to have an impact on as many SMEs as possible), this has a direct effect on working conditions and on retaining workers.
- **Training targeting sectors with recruitment difficulties:** Younger workers can be guided towards sectors in which they are sure to find jobs and have career prospects. The existence of recruitment difficulties should not, however, lower the need for qualifications and skills adaptation, as if anybody could do the job. An important factor of success in this context is also to **adapt the content of continuous training to younger workers' needs**.
- **Implementing anticipation of skills and competences at the company level:** If qualified workers leave SMEs, it is often because they do not clearly see their possible evolution and career prospects within the company. This is linked to a lack of anticipation by human resources in SMEs.

Good practice reference at a glance

- FIT (AT04)
- Entrepreneurship Training (BE02)
- Euroskills (EU01)
- PaperTrain (NL01)

⁽⁶⁾ http://www.capeb.fr/INTERNETCAPEBWeb/Regional20A/Images/1%20Livret%20d%20accueil%20sommaire%20objectifs_tcm259-4509.pdf

'We might have a chance abroad, but...'

3.3 COMPETENCE DEVELOPMENT IN THE CONTEXT OF INTERNATIONALISATION

Summary

Internationalisation makes competence development a necessity, either for SMEs to seize the different opportunities in foreign markets, or to adapt themselves to global competition. In the first case, acquiring the specific skills and competences in language, communication, commerce, etc. are decisive. Formal training can be completed with distance learning in many cases, or even with informal learning, such as through visits to foreign companies or mobility schemes.

In the second case, in which SMEs have to react to pressure from new competitors, training is the key to successful adaptation. Tailored approaches that stem from the challenges of a specific enterprise should be developed with clearly identified objectives: increasing performance or quality, fostering innovation, etc. Enhancing the quality of the product or the service offers a comparative advantage to SMEs. Because of this, the training should respect their organisational constraints.

Good practice experience

In the context of internationalisation, competence development is vitally needed. This is the case when internationalisation is seen as an opportunity for expansion as well as a threat to one's activity. On the one hand, certain types of competences are required for SMEs having – or wishing to have – a presence in other countries; language competences or cultural skills are needed for working in a transnational environment. On the other hand, competition with other countries at the global level renders the acquisition and development of knowledge a comparative value. More generally, seeing other ways of doing things is rewarding. Exchanges and opportunities to visit abroad, both for the manager or entrepreneur or the employees – and in turn the welcoming of visitors to a company – can prove very fulfilling.

Internationalisation entails the acquisition of specific skills and competences so as to limit the so-called psychological distance

or a plumber), to the ones already acting at an international level. In between are the so-called 'global' enterprises, for which internationalisation makes skills development decisive.

Much depends on the type of SME concerned, from the ones embedded in a very local context, with no threat from global competition (take an electrician or a plumber), to the ones already acting at an international level. In between are the so-called 'global' enterprises, for which internationalisation makes skills development decisive.

In this perspective, some competencies need to be constantly improved to limit barriers or reduce what has been coined the '*psychological distance*,' that is, the sum of all the cultural and linguistic differences having an impact on the circulation of information and decision-making in international transactions. The greater the international experience, the smaller the psychological distance.

To develop language and communication-related skills, innovative methodologies (e-learning for instance) can fit within the organisational constraints of SMEs

For employees, managers and entrepreneurs, improving language skills is obviously important when working with foreign partners. In all EU countries, training centres offer language courses with that aim. For example, a '**Commercial English for SME Employees**' project, as its name indicates, aims at identifying both the tools and methodologies for English teaching and self-learning to SME employees. The target groups for these activities are SME employees with purchasing, sales, post-sales assistance and secretarial responsibilities.

The **Hungarian Association of Craftsmen's Corporations (IPOSZ)** has implemented language learning initiatives for its members, with very concrete outcomes, such as being able to understand a simple foreign-language homepage or creating their own foreign-language one.

As already seen earlier in this Guide, tools and methodologies should be strongly linked with the working environment of the potential users. Training needs to match the organisation of a small company. This is why as far as language training is concerned, e-learning, Open and Distance Learning (ODL) or blended learning, including tools like DVDs, CD-ROM and the Internet (with chats, webcams, etc.) should be prioritised.

In sectors exposed to international competition, like the textile or wood industry, training is the key to adaptation. Employees can improve their technical skills and acquire new skills (such as polyvalence)

Trainers should also take into account the precise activity of the company and offer up-to-date training, starting with the everyday needs of each category of employee.

Beyond learning a new language, the acquisition of communication and cultural skills is also crucial. Many commercial transactions have failed because of a non-verbal miscommunication! This is why many projects in the tourism sector put these 'soft skills' at the centre of their approach – see for instance the **HOTSME** project.

Specific training courses on legal frameworks and management rules can also be provided to managers using ICTs.

For SMEs adapting to a new international situation, training can be provided to help with expectations and change. This is the case in many industrial sectors such as the textile business. In these sectors, the comparative advantages for many European SMEs can be found in the quality of the service and reactivity of the production, rather than the lower costs found in low-wage countries. The **Action-L.IN.C** project or the 'Competence Cells' developed by the **French Textile and Clothing Institute** clearly aim at improving professional quality and competences to remain competitive. For French employees in the small or medium-sized textile industries, polyvalence has become the keyword. For textile designers, the acquisition of new skills in marketing and design, has been important in developing activities in the face of relocation threats.

The situation is comparable in the wood and furniture industry. In Tuscany (Italy), the **Centro Sperimentale del Mobile e dell'Arredamento**, a consortium association of SMEs, promotes new attitudes towards innovation and internationalisation. It provides different services to its members (R&D, technology transfer, promotion abroad, etc.). Training is seen as the enhancement of the wealth of entrepreneurial, managerial and specialist technical skills of the woodworking, furniture and furnishing sectors.

Through its vocational training centre, and with a more inter-sectoral approach than the previous organisations, the **Hellenic Confederation of Professionals, Craftsmen and Merchants** (KEK GSEVEE)

also helps SMEs to grasp international opportunities or adapt to change. It is oriented towards European integration and networking and offers support for the stronger international orientation of Greek SMEs.

In Europe, different tools are used to launch strategic partnerships or exchange knowledge with foreign actors

Finally, **different tools can be developed at the European level**, helping SMEs to establish proactive networking at an international level.

The **EU-INDIA SME-LEARN-NET project**, which is co-financed by the EU under the EU-INDIA Economic Cross Cultural Programme, is a good example. It has developed a partnership between research institutions, academia and SMEs and their clusters in Italy, Finland and India (the project adopts a cluster-focused approach). The chosen sectors were textiles (silk), handicrafts and leather. The goal is to promote exchange and research on the educational methodologies suitable for SMEs and micro enterprises. The project also facilitates exchange and collaboration among SMEs in these countries, with the intention of triggering **strategic partnerships, new value chains and value networks**. Knowledge and know-how are transferred and shared. The project facilitates the pooling of experience, while dealing with the cultural diversity and gender issues that (may) characterise SME clusters.

Erasmus for Young Entrepreneurs (launched February 2009) is another type of tool developed at the European level. Inspired by its cousin Erasmus, it aims at helping new entrepreneurs to acquire the relevant skills for managing SMEs by spending time in a business in another EU country. It contributes to improving their know-how and fosters cross-border transfers of knowledge and experience between entrepreneurs. Training here takes the form of on-the-job training and informal learning mainly through a prolonged integration in another environment and job-shadowing. According to a Eurobarometer survey, more than four-fifths (81 %) of young European would-be entrepreneurs say that participation in the Erasmus programme could be useful for them. Nearly two in three young entrepreneurs, who have started up a business in the last three years, answered that they are ready to host a young entrepreneur or would-be entrepreneur from another EU Member State.

Activities of the new entrepreneurs during the stay abroad may include:

- Shadowing a senior host entrepreneur
- Market research and developing new business opportunities
- Project development, innovation and R & D
- Taking a fresh look at existing business operations
- Understanding SME finance
- The branding, sales and marketing of the host entrepreneur's company
- Work on concrete projects from one or more of the above mentioned areas

FROM <http://www.erasmus-entrepreneurs.eu/>

Factors of success

- **Competence development in the context of internationalisation and globalisation is not a general objective of its own or a universal task of all types of SMEs:** Some SMEs – in particular those entirely orientated towards local markets – are only indirectly affected by globalisation; Here the effort of adjustment and training makes little sense. Programmes and measures aimed at improving the capacity of SMEs in global and transnational market environments should be developed and designed strictly orientated towards the needs, concrete objectives and expected results of the specific business.
- **Anticipation of change should be a permanent concern:** SMEs should be supported in their market watch and be given advice in their adaptation processes with regard to internationalisation and dealing with the challenges of globalisation.
- **Adaptation should lead to a clear analysis of training needs, in conjunction with the strategy of the company:** In this context, the participation of third parties organising exchanges of information between clusters or branches in different countries is important. Enhancing quality and performance will make clients loyal, even if the cost is higher compared to other providers, but only if they feel that service is superior as well. Developing reactivity through a bigger polyvalence of employees for instance, is an example of this.
- **Thinking of new forms of learning that are well adapted to the organisational constraints of SMEs:** E-learning and distance learning (with CD-ROMs or DVDs) etc., are adapted to the learning of languages. Also the implementation of non-conventional forms of learning, through international mobility or even the reception of foreigners in one's company will contribute to the internationalisation of a business and increase cross-cultural competences.

Good practice reference at a glance

- MIC (DE04)
- Euroskills (EU01)
- Open and Remote Learning for Sawmills (FR03)
- Competence Cells (FR04)
- KEK GSEVEE (GR01)
- Work and Learn Together Project (NL02)
- IEFP (PT01)

'A girl selling a car or driving a digger?!...'

3.4 IMPROVING AND ADDRESSING GENDER EQUALITY AND OPPORTUNITIES FOR WOMEN

Summary

Improving gender equality and equal opportunities for women is an issue which is unfortunately rarely addressed by SMEs, but mainly by larger companies running impressive programmes described in glossy documentation and brochures. Compared with larger companies, where this issue receives more attention from human resource managers (even though inequalities remain fairly high), smaller companies lack tools and sometimes awareness when it comes to gender and equality issues. Some SMEs do gain from experience and use particular methods that illustrate an interest in respect to gender equality at work. However, 'old habits die hard'. This is why many initiatives' first consideration is how to change people's perceptions and stereotypes. This can be done through methods of self-assessment or external evaluations/audits. What is important is what is done after this phase of raising awareness. Specific training can be offered to managers to develop a gender-friendly work organisation.

Good practice experience

Despite a progressive raising of awareness concerning gender equality at work, much progress remains to be made. While social partners in large companies have had the possibility – and in certain cases the compulsion – to negotiate agreements and implement procedures in this field, it is obvious that SMEs still lag behind. As researchers have shown, with the absence of HR qualified professionals in SMEs (which is the majority of cases), there is a lower level of adoption of formal equality policies.⁷ An expertise in the field of HR is very positive in this respect, even if the final outcomes in terms of equality may not always correspond to the initial objectives.

Much progress remains to be done in the field of gender equality in companies

Women still face barriers in employment, including less access to work-based training and fewer promotional opportunities. (This Guide focuses on these concerns, but it should not be forgotten that women also contend with other issues such as unequal pay.)

The practice of equal opportunity in SMEs is still on an uneven par with that in larger companies. Research in the UK has shown that more than a fifth of SME respondents admit to asking questions about applicants' childcare commitments during recruitment.⁸ 44 % admit to asking different questions of men and women, and nearly a third state that they apply different selection criteria to male and female candidates. Only 35 % report that interviewers were trained in equal opportunities, and the same number report that they made appointments 'guided by instinct'. The study concludes that SMEs demonstrate a preference for flexibility over formal policy and an ignorance of 'good practice' and legislative requirements. It suggests that despite the persuasive business (not to mention ethical) case to be made for the introduction of gender-based equal opportunity practices in small businesses, the formalisation of procedures — that is key to the promotion of equality — appears to be undermined by an SME's desire for informality, flexibility and autonomy.

Compared with larger companies, the lack of tools and methodologies in human resources in SMEs impedes the implementation of equal opportunities practices

(7) Woodhams, C and Lupton, B (2006) 'Equal Opportunities Policy and Practice in Small Firms: The Impact of HR Professionals'. Human Resource Management Journal Vol. 16, No 1, pp 74-97

(8) Gender-Based Equal Opportunities in SMEs: Establishing Policy and Practice

Key areas of the Breakthrough project

- Setting the Equal Opportunities Agenda
- Creating & Defining Jobs
- Finding Employees to fill Jobs
- Selecting to fill Jobs
- Developing within your Organisation
- Paying your Employees
- Offering Flexibility
- Sexual Harassment in your Organisation

<http://www.business.mmu.ac.uk/breakthrough/index.html>

This report was part of an equal opportunities project called **Breakthrough** managed by researchers at the University of Manchester. The tool 'breakthrough' identifies weaknesses and strengths in SMEs' equal opportunity policies/provisions enabling them to adopt the best employment practices and avoid legal challenges. It **encourages the mainstreaming of equal opportunities in SME organisations by encouraging SME managers to review their pay systems or adopt new forms of work organisation.**

As is the case for older workers, working against stereotypes is often necessary. In some male-dominated sectors, the promotion of female employment passes through a first phase to increase representation. In Austria, '**FIT – Women in crafts and technology**' is a programme which counters the weak representation of women in manual and technical professions. The objective of the programme is to support stronger female participation in initial training and enable more women to enter 'non-female' professions, for example in metalworking. But this segregation is a social construct which can be modified. Research has shown that women who decide to take up a job in crafts and manual/technical occupations achieve excellent exams results and are highly motivated and skilled persons.

It is necessary to go beyond initial prejudices that employers may have – but also to prove to women that they should not internalise gender norms as being a matter of fact. To do this, the FIT programme has three stages:

Working on representation and against stereotypes

It is necessary to go beyond initial prejudices that employers may have – but also to prove to women that they should not internalise gender norms as being a matter of fact. To do this, the FIT programme has three stages:

- **Orientation Phase:** The programme starts with a preparatory seminar where young women receive information on selected artisan and mechanical occupations. They learn more about occupational profiles, labour market chances and receive a basic qualification in IT and social competences. This phase lasts around 10 weeks, includes a practical training course and ends with individual training and career planning.
- **Vocational preparation phase:** If women are interested in taking up a technical occupation (e.g. production technician, electronics technician or hearing device technician) they receive a special technical preparation and a basic qualification for the chosen occupation. This phase lasts 12 weeks and also includes practical training.
- **Vocational training:** Women are able to complete vocational training in the chosen field of work with financial support from the AMS. The training is completed with a certified vocational qualification and/or school graduation.

The occupations cover a wide variety of professions such as dental technician, carpenter, car mechanic, hearing device technician, IT technician, mechanical engineering technician or design draughtsman.

Discrimination is apparent even in job titles, as was just shown. This is why the adoption of gender-neutral language itself is a significant symbol. Addressing this issue, the project **WAGE**, already mentioned for its achievements in the field of demographic change, has also produced a Guide on gender mainstreaming in personnel policy, accompanied with guidelines for gender-neutral language.

Gender-neutral language is the first step!

A free training course for managers and entrepreneurs on this issue offers guidance to SMEs for implementing equal opportunity

In the Picardy region of France, the Regional Delegation for Women's Rights and Equality, in cooperation with training institutions and financiers, provides **assistance and guidance on gender issues for SMEs.**

Two free days of training are offered, including training on legal obligations and work organisation to implement equality measures in human resource management based on an appropriate methodology, and guidance for SMEs wishing to improve their practice of equality at work, including the diagnosis and elaboration of an action plan. Designed for managers and entrepreneurs, this innovative action is co-financed by the State and the EU.

In order to break stereotypes, another initiative has been implemented at an international level.

'Break gender stereotypes, give talent a chance!' is a project prepared by the International training centre of the ILO (International Labour Organisation), in partnership with Eurochambres in the framework of the contract 'Raising the awareness of companies about combating gender stereotypes' commissioned by the European Commission, DG Employment, Social Affairs and Equality of Opportunities.⁹ It aims to inform companies, particularly small and medium-sized enterprises, of the benefits that they can derive from overcoming gender stereotypes in business management. It provides a useful toolkit for the full and better use of individual talents within a company, and is available in different languages (English version: <http://www.businessandgender.eu/countries/ie/toolkit-en>). This toolkit includes a handbook that gives guidance on how to use the information provided to set up training and advisory sessions, or introduce human resource management practices to overcome gender stereotypes. It is based on 5 'Learning Units' using concrete materials (resources, exercises, timeframe, tips for trainers, etc.).



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In 2008, around 700 business relay agents – staff from business support institutions, SME advisers, SME owners, HR managers and other key actors – were trained to use and further disseminate concepts and tools tailor-made for their respective countries. A number of small and medium-sized European companies will test the measures and tools for overcoming **gender** stereotypes and improving business competitiveness. This initiative aims to assist European SMEs in increasing their productivity and boosting their competitiveness by breaking down the invisible barriers created by gender stereotypes, thereby maximising the potential of their employees.

Extract from the Handbook: Illustration of the results of an exercise.

'Having assessed your approach to marketing to women, how would you label yourself?'

| | |
|---|--|
| Eyes Shut | My marketing style is not influenced by the gender of my customer base |
| Stereotyped | I market on the basis of certain 'pre-set' ideas of what women and men customers 'should be or like' |
| Think Gender | I target women and men specifically, using highly-targeted products or marketing campaigns which focus on a purely female/male segment |
| Oriented and prioritised across genders | I actively survey women's and men's needs and expectations and use this knowledge to rethink my entire business and marketing approach to my core customers – both male and female |

What is interesting is that this goes beyond the ethical aspect, and highlights concern from the viewpoint of efficiency considerations. In effect, gender stereotypes are pre-determined judgments which can often prejudice our capacity to see the real occupational skills and creativity of individuals. They can be detrimental to good business management by imposing unnecessary limits on the full use of human talent in a company.

⁽⁹⁾ See: <http://www.businessandgender.eu/the-action>

Using game plays to evaluate one's proper stereotypes

To break stereotypes, the use of game plays can be of great success, as shows a **Grundtvig** project co-managed by a trade union. This trade union has tested the game play on its members and on students. This game play can be used to diminish the stereotypes held by employment and training actors as well!

During the game, people successively become a man or a woman, an immigrant, a disabled person, but also a manager in a company or an agent of the employment services. After playing the game, the way we think and judge others can substantially be modified...

Ref.: Project 'Voice across boundaries', Grundtvig

Finally, another aspect can be the updating of the skills and competencies of women returning to the labour market, for instance with regard to new technologies. A lack of knowledge in this field can seriously impede the successful return to employment. Also, a continuous adaptation of ICT-related skills in restructuring companies is necessary. This is why the **Renowator** project in Poland targets people with employment-related difficulties, like women returning to the labour market after maternity leave, or workers over 45. It defends a policy of equal opportunities for men and women, with the aim of suppressing inequalities in the job market resulting from age, sex or the lack of access to innovative technologies. Given that the focus is put on ICT-related skills, a correlated goal is the development of an information society. Another goal is to help SMEs to anticipate change and help their workers to acquire new skills in ICT. At the end of the programme workers can obtain certification in new areas of work such as an e-learning consultant, an evaluator of e-content, a data analyst, a market analyst, a client-needs analyst, a project management specialist, a feasibility study specialist, or a logistics advisor. Acquiring these skills will allow them to stay employed, help them to find employment or start their own enterprise.

Factors of success

- **An approach that does not make actors feel guilty:** Any process in the context of gender equality should avoid starting from deficits, problems, inequalities and other negative points of departure. Instead, the process should start from considerations about business objectives and improvements in performance and results, e.g. by developing and supporting the potential of *all* the people in the company.
- **The use of auto-diagnosis tools** that help people – managers, entrepreneurs, employees, but also training providers or employment agents – to visualise their gender stereotypes or prejudices (against women... but also, of course, in certain jobs, against men) are a perfect point of departure from which to raise awareness. Furthermore, they can be implemented and carried out without any significant organisational, technical or financial resources. In most cases, this experience will result in immediate effects, for instance in the adoption of **gender-neutral language**.
- **The co-organisation, by public actors and training providers, of training in the field of human resources and management:** This helps SMEs to respect the law and implement tailor-made methodologies for equality at work and is another important factor of success.
- **In SMEs, respecting the equality of access to training for both men and women:** This should be quantified and assessed. Workers' representatives could monitor improvements in this field.

Good practice reference at a glance

- FIT (AT04)
- Competence Cells (FR04)
- Renowator (PL01)

Concluding remarks

AN IMPRESSIVE SNAPSHOT AND MANY IDEAS TO THINK ABOUT

'The greater the obstacle, the more glory in overcoming it.'

The fifty cases of good practice and further initiatives that make up this Guide show a wide and rich diversity of practices and experiences in Europe. In the end, they all come to the same conclusion: If SMEs see training simply as an obstacle course, the obstacles can be easily overcome. However, this can only be achieved if SMEs receive help, support and guidance in approaching training measures.

This Guide has often highlighted the fact that many SMEs are confused and not that well informed about the large range of training opportunities in their countries. The bulk of different training programmes has often hindered entrepreneurs and employees in SMEs in making decisions on training. Also, organisational barriers, the lack of financial resources or a mismatch between actual training needs and supply are widespread barriers.

The fifty cases of good practice prove at least, that innovative solutions are offered addressing the common constraints of SMEs in regard to training. Each case has its solution.

If a handful of keywords were needed to summarise the main experiences throughout the EU, the following ones would be significant:

- **Anticipation:** In a rapidly changing economy, the anticipation of skills and competence should become second nature to SMEs. They need to be equipped with adapted tools and advice in human resource management.
- **Social dialogue:** Anticipating skills and competence implies plenty of dialogue between workers and employers. Assessment tools can offer an initial basis for this dialogue to be implemented. The proximity between managers/entrepreneurs and employees in small and medium-sized companies provides many opportunities for a common construction of company plans with regard to human capital.
- **Assessment:** A permanent, lifelong culture of assessment should be promoted. In the context of a knowledge society, skill needs are rapidly changing. Needs assessment is therefore a first step to anticipating needs and relevant social dialogue. Evaluation of the results regarding the chosen objectives is also an element of a permanent culture of assessment. Modifying the perception of needs is an important challenge, but European SMEs can do it.
- **Collective approach:** SMEs should not be left alone. They are often at the centre of networks, including other SMEs and larger companies, public institutions in the field of training or employment, professional bodies and federations and social partners. These networks need to be active. In view of the current economic crisis, a collective investment in SMEs will prepare them for the future.
- **Guidance and accompaniment:** The Guide has insisted on this element. When they step forward, beyond their initial reluctance to receive external guidance offered by professional or public actors (chambers of commerce, experience gained by others in their sector, etc.), SMEs can benefit from tailor-made tools to overcome obstacles (financial or organisational) in the field of training. Whether they are within or outside a company (or both), facilitators and enablers correctly trained to do their job can be promoted in their function.
- **Opportunities:** Plenty of opportunities exist for SMEs, but the right information is often missing. SMEs might not always be aware of these opportunities, considering them inaccessible or not intended for them. This is not the case. When correctly equipped and enabled, SMEs can more easily take advantage of these training opportunities, eventually resulting in new economic and social opportunities for the company and its workers.

The initiatives presented here demonstrate that these opportunities are real and that new ones can be thought of in Europe. Many other good practices exist – see Part III containing further documentation of case studies and databases – and many others remain to be invented. Of course, each company’s situation varies according to its sector, size and region and there is no universal solution to all their problems. However, these factors of success offer important lessons which might facilitate better and more successful training methods in the future.

Part III

Further information and annex

EU resources

LITERATURE, WEB-LINKS, TRAINING-CHECKLISTS, ONLINE-TOOLS, ETC.

Organisations

- European Commission: <http://ec.europa.eu>
- Cedefop: <http://www.cedefop.europa.eu/default.asp>
- Skills and employability department of the ILO: <http://www.ilo.org/skills/lang--en/index.htm>

Communications from the European Commission on SMEs

- 'Implementing the Community Lisbon programme. Modern SME policy for growth and employment:'
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0551:FIN:EN:PDF>
- Small and medium-sized enterprises - Key for delivering more growth and jobs. A mid-term review of Modern SME policy:
http://ec.europa.eu/enterprise/entrepreneurship/docs/com_2007_0592_en.pdf

On the website of DG Employment, Social affairs and Equal opportunities

- Restructuring and jobs: <http://ec.europa.eu/restructuringandjobs>
- The first SME week: <http://ec.europa.eu/social/main.jsp?catId=103&langId=en&newsId=504&furtherNews=yes>
- Restructuring Forum: Adaptation of SMEs to change
<http://ec.europa.eu/social/main.jsp?catId=103&langId=fr&eventsId=167&furtherEvents=yes>
- New skills for new jobs: <http://ec.europa.eu/social/main.jsp?catId=568&langId=en>

On the website of DG Enterprise

- Promoting SMEs and Entrepreneurship:
http://ec.europa.eu/enterprise/entrepreneurship/index_en.htm
- The Observatory of European SMEs:
http://ec.europa.eu/enterprise/enterprise_policy/analysis/observatory_en.htm

DG Education and Culture – Lifelong learning programme

- Lifelong learning programme and other activities.
- Presentation: http://ec.europa.eu/education/lifelong-learning-programme/doc78_en.htm
- Erasmus success stories: http://ec.europa.eu/dgs/education_culture/publ/pdf/erasmus/success-stories_en.pdf
- Grundtvig success stories: http://ec.europa.eu/dgs/education_culture/publ/pdf/grundtvig/success-stories_en.pdf
- Support for mobility - practical guide, from DG EAC:
http://ec.europa.eu/education/vocational-education/doc/mobilityguide_en.pdf
- Overcoming Obstacles to Mobility for Apprentices and Other Young People in Vocational Education and Training – summary report:
http://ec.europa.eu/education/more-information/doc/moveitsum_en.pdf
- Eurotrainer: Study on VET trainers in enterprises:
http://ec.europa.eu/education/more-information/doc/eurotrainer1_en.pdf
- Leonardo da Vinci
- Compendium & Products: http://leonardo.ec.europa.eu/pdb/index_en.cfm
- Projects databases: http://ec.europa.eu/education/leonardo-da-vinci/doc1241_en.htm
- Success stories: http://ec.europa.eu/education/leonardo-da-vinci/doc1204_en.htm
- Building Skills and Qualifications among SME Employees. Leonardo da Vinci Good Practices Series:
http://ec.europa.eu/dgs/education_culture/publ/pdf/leonardo/bestpractice07_en.pdf

- Development of skills within companies, in particular SMEs. Thematic analysis of the Leonardo da Vinci Programme Phase 2 Final report:
<http://www.skillsweb.eu/Portals/0/008-final%20report%20thematic%20monitoring.PDF>
- Mobility creates opportunities. Leonardo success stories:
http://ec.europa.eu/dgs/education_culture/publ/pdf/leonardo/mobility_en.pdf
- Leonardo da Vinci – Thematic monitoring. From projects to practice. Recommendations from the Thematic Monitoring Group on e-learning (TG5):
www.ciriusonline.dk/Default.aspx?ID=5788&M=News&PID=9447&NewsID=3276
- Leonardo da Vinci Thematic Group on 'Transparency, Validation & Credit transfer':
<http://www.tg4transparency.com/index.asp>
- Focus on project practices:
http://www.tg4transparency.com/A_focus_on_project_practices.pdf

Good Practices Brochures and Other Research Projects

European Social Fund, Equal

- Equal and Art 6. Innovative and socially responsible restructuring. A brochure with good practices:
http://ec.europa.eu/employment_social/equal/data/document/esf-isr-restructuring_en.pdf
- Education and Training in the European Social Fund 2007-2013, a document prepared by the EC:
http://ec.europa.eu/employment_social/esf/docs/tp_education_en.pdf
- European Social Funds Success stories website, with case studies ranged in different categories:
http://ec.europa.eu/employment_social/esf/library/library_en.htm?openTab=success_stories
- Equal Human Capital and Restructuring: a Focus on SME Investment:
http://ec.europa.eu/employment_social/equal/policy-briefs/etg3-hum-cap-restru_en.cfm

Cedefop

- SME case studies on the Cedefop website:
http://www.cedefop.europa.eu/etv/Projects_Networks/SocialP/browse2.asp?section=22

DG Enterprise and industry

- 'Employment through innovation'- Pilot projects for crafts and small enterprises. DG Enterprise and Industry:
<http://ec.europa.eu/enterprise/entrepreneurship/craft/craft-bestpractices/projects.htm>

Other Sources

- Modernising and diversifying SMEs on the OECD website:
http://www.oecd.org/document/55/0,3343,en_21571361_38013663_38040375_1_1_1_1,00.html
- Challenging the myths about learning and training in small and medium-sized enterprises: Implications for public policy. Employment Working Paper No. 1 2008. ILO:
<http://www.ilo.org/public/english/employment/download/wpaper/wp1.pdf>
- The Trainer Guide, a Leonardo project: <http://www.trainerguide.eu>
- European networks to promote the local and regional dimension of lifelong learning (the R3L Initiative):
<http://assets.in.gr/dGenesis/assets/Content202/Attachment/learningregion.pdf>

Specific Key Issues

Internationalisation of SMEs

- European Commission. *Supporting the internationalisation of SMEs. Final Report of the Expert Group*. Enterprise and Industry:
http://ec.europa.eu/enterprise/entrepreneurship/support_measures/internationalisation/report_internat.pdf
- Supporting the internationalisation of SMEs - Good practice selection:
http://ec.europa.eu/enterprise/entrepreneurship/support_measures/internationalisation/internat_best_en.pdf

E-learning for SMEs

- E-learning Europa: promoting innovation in lifelong learning:
<http://www.elearningeuropa.info/main/index.php?page=home>
- Learnovation: building a culture of innovation in learning:
<http://www.elearningeuropa.info/learnovation>

Read More

- More resources on the online library of CEDEFOP:
<http://libserver.cedefop.europa.eu/F>
- Reports and studies on the website of DG EAC:
http://ec.europa.eu/education/more-information/moreinformation139_en.htm#move
- Skill needs on CEDEFOP website: Online publications and working papers:
http://www.cedefop.europa.eu/etv/Projects_Networks/Skillsnet/Work/pubwork.asp

Social Partners**Business Europe**

- Entrepreneurship & SMEs pages:
<http://www.buinesseurope.eu/Content/Default.asp?PageID=443>
(with papers on SMEs and conference reports)

UEAPME

- Education and vocational training on the UEAPME website:
<http://www.ueapme.com/spip.php?rubrique72>
- Work priorities for 2008 onwards:
http://www.ueapme.com/IMG/pdf/UEAPME_training_priorities_2008_EN.pdf

ETUC

- <http://www.etuc.org/>

OVERVIEW OF 50 CASES OF GOOD PRACTICE

| Ref. | Cases | Country | Type of SME | | | Sectoral approach | Addressing SME internal problems and barriers for training | | | | | Suitable methods and techniques of training | | | Addressing current and structural challenges of competence development | | | |
|------|-------|---------|-------------|-------|--------|--|--|----------------------|----------------|-----------------|-----------------------|---|-------------------------------------|------------------------------------|--|--|--|------------------------------|
| | | | micro | small | medium | | 1.1. Organisational barriers | 1.2. Financial means | 1.3. HR policy | 1.4. Perception | 1.5. Resource pooling | 2.1. Training methods | 2.2. Managerial staff/entrepreneurs | 2.3. Validation of informal skills | 3.1. Greying | 3.2. Recruitment/ attracting younger and qualified employees | 3.3. Competence development in the context of internationalisation | 3.4. Opportunities for women |
| 1 | AT01 | Austria | | | ● | none | ■ | | ■ | | | | | | | | | |
| 2 | AT02 | Austria | ● | ● | ● | none | | | | | | | | ■ | | | | |
| 3 | AT03 | Austria | | ● | | chemical | | | | | | | ■ | | | | | |
| 4 | AT04 | Austria | ● | ● | ● | none | | | | | | | | | | ■ | | ■ |
| 5 | BE01 | Belgium | ● | ● | ● | none | | ■ | | | | | | | | | | |
| 6 | BE02 | Belgium | ● | ● | ● | none | | | | | | | ■ | | | ■ | | |
| 7 | CY01 | Cyprus | ● | ● | ● | none | | ■ | | | | | | | | | | |
| 8 | DE01 | Germany | ● | ● | ● | none | | ■ | ■ | | ■ | | | | | | | |
| 9 | DE02 | Germany | ● | ● | ● | construction | | ■ | | | ■ | | | | ■ | | | |
| 10 | DE03 | Germany | ● | ● | ● | none | | ■ | | | | | | | ■ | | | |
| 11 | DE04 | Germany | ● | ● | | automotive, wood, metal | ■ | | | | | ■ | | | | | ■ | |
| 12 | DE05 | Germany | ● | ● | ● | none | | ■ | | | | | | | ■ | | | |
| 13 | DK01 | Denmark | ● | ● | ● | none | | | | | | | | | ■ | | | |
| 14 | EU01 | Europe | ● | ● | ● | none | | | | | ■ | | | | | ■ | | ■ |
| 15 | EE01 | Estonia | ● | ● | ● | metal | | | ■ | ■ | | | | | | | | |
| 16 | ES01 | Spain | ● | ● | ● | none | ■ | ■ | | | | ■ | | | | | | |
| 17 | ES02 | Spain | ● | ● | ● | metal | | | | | ■ | ■ | | | | | | |
| 18 | FI01 | Finland | | ● | ● | metal, electronic, textile | | | ■ | | | | ■ | | | | | |
| 19 | FI02 | Finland | ● | | | manufacturing, business services, artisans | ■ | | | | | | ■ | | ■ | | | |
| 20 | FR01 | France | ● | ● | | none | | | | | | | | | ■ | | | |
| 21 | FR02 | France | ● | ● | ● | none | | | ■ | | ■ | | | | | | | |

European Commission

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'The Guide for Training in SMEs' gives interested stakeholders information on how training and skills development can be pursued in the context of an SME. The guide details some of the key challenges SMEs face and information on how to deal with them and find innovative solutions. It also provides various examples from across Europe that stakeholders can benefit from. In addition to the guide, there is an annex of '50 Cases of Good Practice'.

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