

ESF CO-FINANCING FOR VOCATIONAL TRAINING: GRANT SCHEMES FOR TRAINING OF EMPLOYEES IN LITHUANIA

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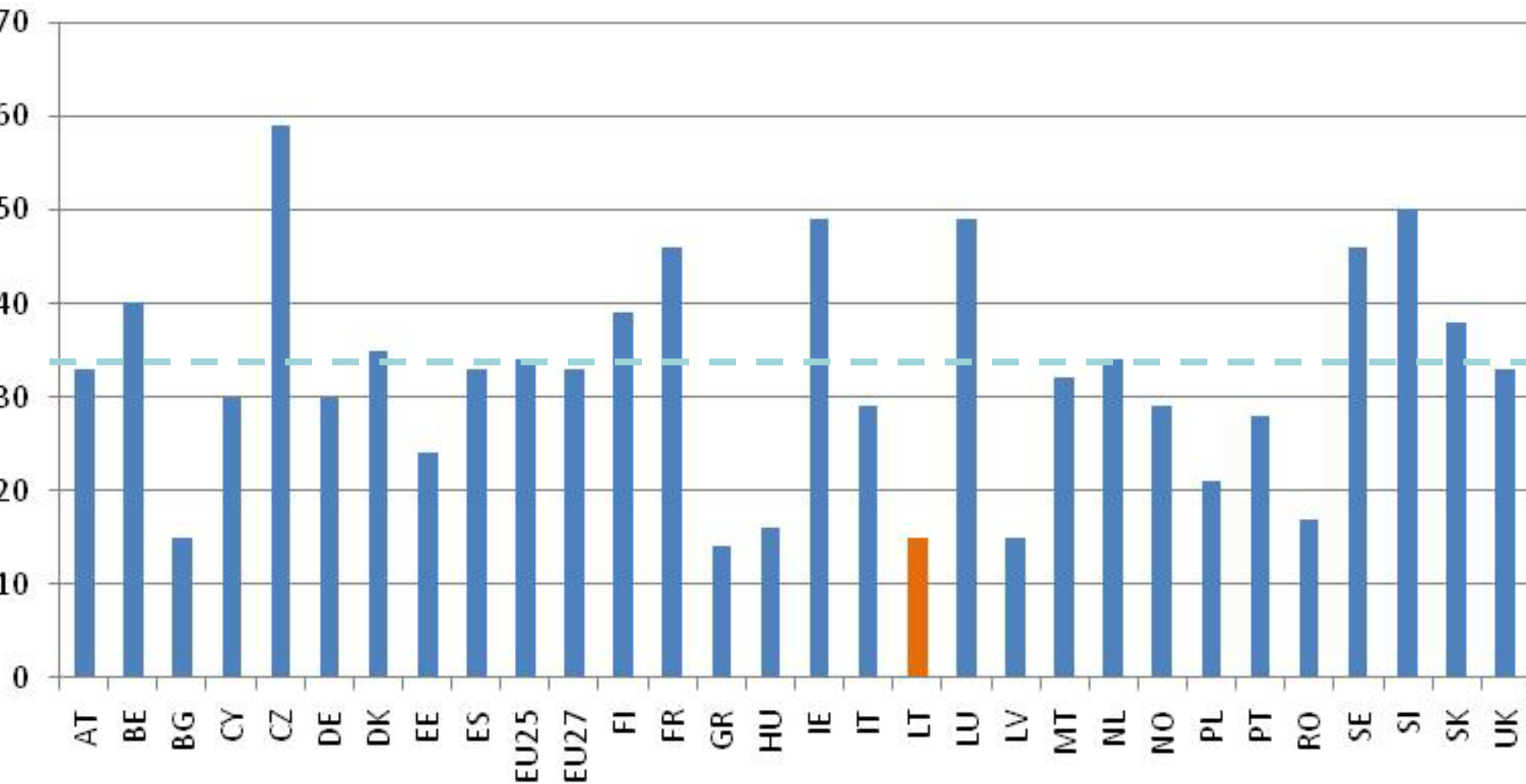
Presentation plan

1. Grant schemes for the training of employees under 2004 – 2006 SPD
2. Evaluation of the grant schemes:
 1. Positive experience
 2. Shortcomings
 3. Challenges for the new programming period
3. Assessment of the 2007 - 2013 programming period

- Financial source: Grants provided for the training of employees under SPD 2004 – 2006 measure:
 - 2.2 “Development of Labour Force Competencies and the Ability to adapt to changes”
- Aim of the programme: to improve labour productivity and competitiveness of economy by stimulating investment of organisations into training of their employees.
- Total public funding: 66.290.000 € (the greatest single source of public support to CVT between 2004 and 2008).

The rationale for public investment

Percentage of employees (all enterprises) participating in CVT courses, 2005



- Broadly formulated multiple objectives (for example: *to raise the qualification and knowledge level of employed population*);
- Multiple target groups of beneficiaries:
 - Employees of private sector companies;
 - Civil servants;
 - Employees of public service providers.
- Priority to the groups less participating in CVT (*Employees of SMEs, socially disadvantaged employees, employees working in regions, which are undergoing substantial economic restructuring*)

- Grant applicants:
 - Private sector employers;
 - Public employers;
 - Employers' associations;
 - Establishments for education, VET, science and studies, nongovernmental organizations (for IT literacy projects only)
- Training content and training providers chosen by project promoters;
- Prioritised training content: general training (e.g. IT literacy, languages)

- Rate of assistance for public sector employers 75 –100 %;
- Rate of assistance for private sector employers:

	Large enterprises	SME's
General training	60 %	80 %
Training of socially disadvantaged employees	+10 %	+10 %
Specific training	35 %	45 %
Training of socially disadvantaged employees	+10 %	+10 %

Physical Performance

- Total number of projects financed under the measure 245;
- Total number of people trained 143.965 (by 15/03/2008)
- Total number of employees of private sector enterprises trained 61.530
- Number of private sector employers that received grant for employees training – 426 (by 2008)
- Volume of private investment 21.640.987 €

Positive experience

Employees

High levels of satisfaction with training both employees and employers

New skills and skills improvement

Training transfer

Improvement of quality of work

Positive impact to the workplace quality of trainees in terms of job satisfaction

Enterprises

Improved competitiveness, 74%

Improved quality of goods and services, 67%

Implemented innovations (of products or services (60%), technological (48%) or managerial (52%))

Reduction of costs as a result of training, (43 % of private sector enterprises)

Noticeable impact on productivity levels

Improvement of skills

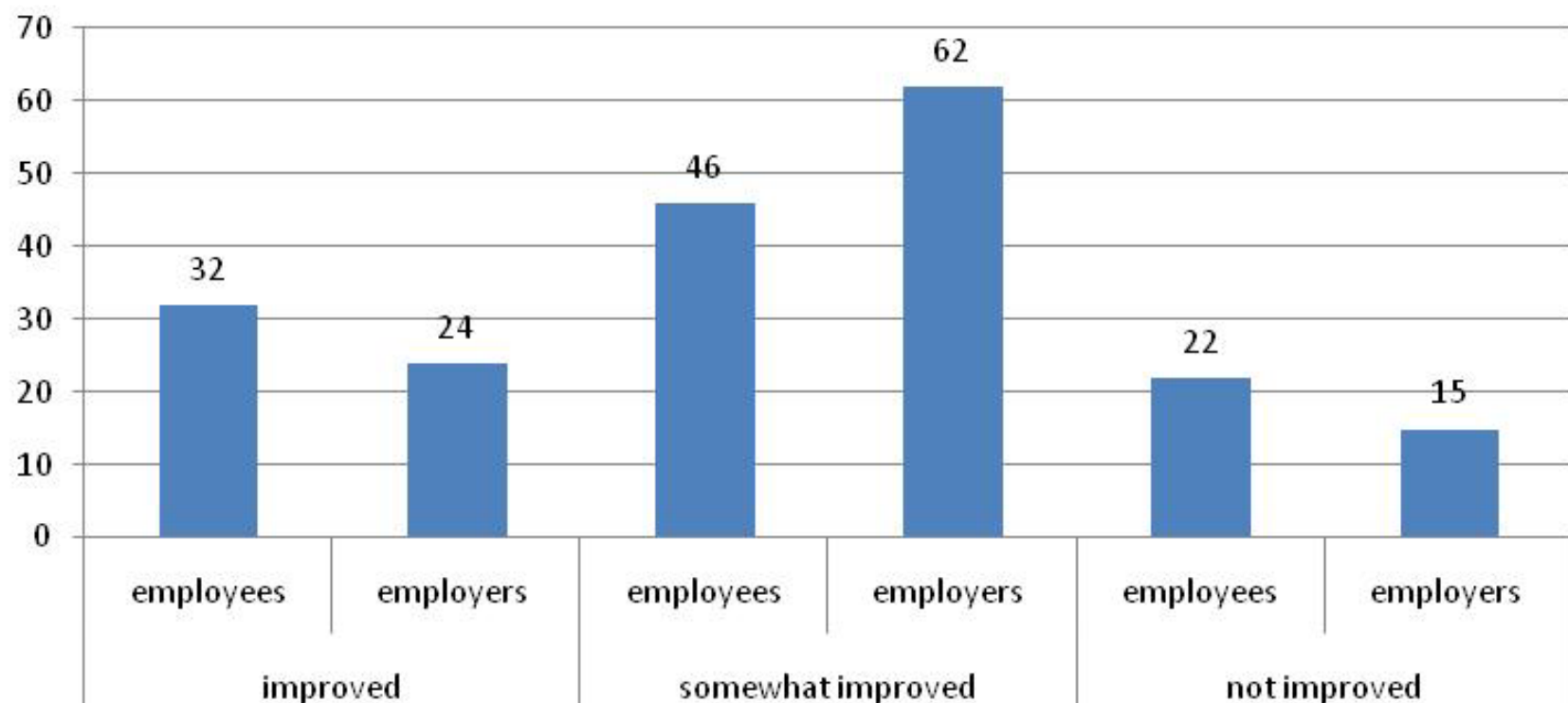
Employees	Agree	Somewhat agree	Disagree
Gained new skills	66 %	26 %	8 %
Improved existing skills	66 %	29 %	6 %
Obtained qualification that didn't have before	32 %	37 %	31 %
Employers	Agree	Somewhat agree	Disagree
Gained or improved skills of employees matche my expectations	38 %	60 %	2 %

Training transfer

Employers	Most of the training participants	Some of the training participants	Haven't used yet
Do training participants use their training at work?	68 %	31 %	1 %
Employees	Straight after training in my work, I have need and possibilities	After some time, if I get possibility to use training	I believe, I'm not going to use my training
When are you going to use newly learned skills on the job?	76 %	22 %	3 %

Improvement of work quality

improvement of work quality of training participants according to employees and employers, %



Positive effects of training on learning motivation of employees (86 % of trainees agreed or strongly agreed that they have a better appreciation of the value of learning after training)

Positive attitudes of employers to more accurate training planning (training strategy linked to analysed training needs, linking training and strategic objectives of organisation) (62 %)

Positive attitudes of employers towards further training (98%)

Positive effect of publicity of training measures among enterprises that did not participate in the programme

Shortcomings

◀ Structural assistance mostly used for the training of groups mostly participating in training under market conditions, lack of take up by small enterprises, less qualified and elderly employees; ▶

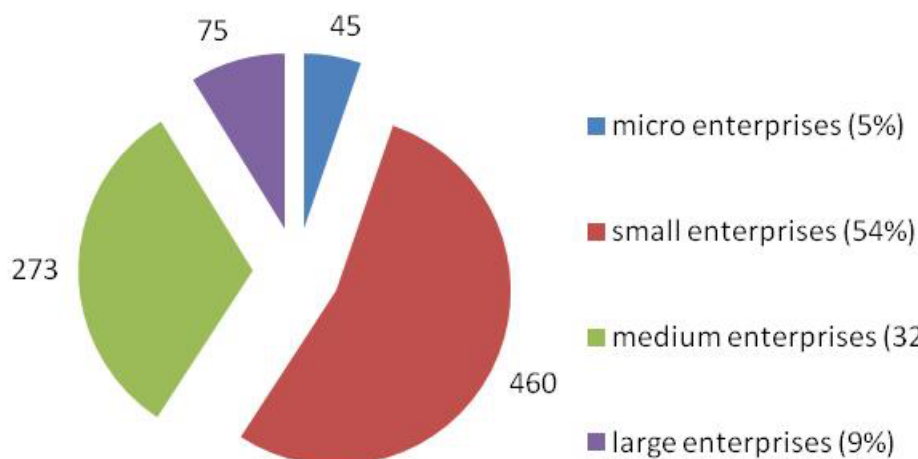
Insufficient quality of training planning resulting in insufficient relevance for improvement of professional qualifications of employees and achievement of strategic objectives of enterprises;

Deadweight effects (reduced rate of private spending on training, dependence on structural support, ▶
◀ replacement effect.)

Challenges for the new programming period

- To develop consistent and effective intervention logic;
- To address the major training inequalities in the country (especially small and micro enterprises, older and low-skilled workers);
- To promote better quality of training planning on the level of enterprises;
- To require higher employers' contribution to training of their employees (lower deadweight effects and higher independence from SF support);
- To avoid the distortion of competition through concentrating on sectorial training needs and working through employers' associations and partnerships;
- To promote more attention to sustainability of training on the level of enterprises.

- Separated measures for training of employees in public and private sectors, civil service;
- Improvements due to the grant schemes for private employers:
 - Priority to the projects of sectorial employers' associations;
 - Priority to the small enterprises (different rate of assistance to small and medium enterprises);
 - Priority to the professional qualifications;
 - Requirements for better justification for training based on training needs assessment;
- Lower and more differentiated rate of assistance;
- Better balance of assistance due to size of the enterprises



Source:

**THANK YOU FOR YOUR
ATTENTION!**