

Company Training in Ireland

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FAS
December 2001**

Contents

	<u>Page</u>
Executive Summary	3 - 5
Acknowledgements	6
1. Introduction and Methodology	7 - 9
2. Company Training in 1999	10 - 19
3. Training of Employees	20 - 24
4. Companies' Training Policies and Practices	25 - 30
5. Comparison with Previous 1993 Survey	31 - 34
Appendices	35

Company Training in Ireland – Executive Summary

I – Introduction

This report presents the main results of a survey of company training in Ireland in 1999. The survey forms part of a European survey under the responsibility of the European Commission and Eurostat. The survey was conducted by FAS in 2000 in co-operation with Enterprise Ireland and the Central Statistics Office. The survey is broadly similar to a previous EU-wide survey in 1993.

The survey covered companies employing 10 or more persons in manufacturing, construction and market services. All employees with the exception of apprentices were included.¹ The response rate to the survey was disappointing. However, questionnaires were completed by 400 companies and these results have been ‘grossed-up’ to represent the full ‘population’ of 14,268 companies employing 607,911 persons.

2 – Main findings of study

The key results of the survey are summarised below:

Extent of training

Seventy-nine percent of companies carried out some training in 1999. Nearly all companies employing 50 or more persons trained. Training was most prevalent in manufacturing and financial/business services, whereas construction and transport/ communication companies were less likely to train. Even taking account of size and sector, overseas subsidiaries were more likely to train.

Who undertook training?

About a quarter of a million employees attended formal training courses during the year; 41% of all employees. Employees in larger companies were more likely to receive formal training. Overall, a higher proportion of females than males attended training courses.

Employees spent 1.4 million days on training courses; the equivalent of 2.4 days per employee.

¹ Thus, in broad terms, continuing rather than initial training is the scope of the survey.

There was a tendency for managers/professionals and clerical/services workers to be more likely to receive training, whether formal or otherwise, than craft and other manual workers.

What sorts of training were provided?

Health/safety/environmental protection training was the most commonly provided type of training course. This amounted to 20% of all training course time. The other two major areas were computing/IT (17%) and machine operation/quality control (16%). Two-thirds of training course time was delivered through internally-managed courses. Of the externally-managed courses, private training organisations were by far the largest providers.

Costs of training

Overall, companies spent €364 million on training courses in 1999 (including labour costs of internal trainers and participants). This represented 2.4% of their labour costs. This percentage was greater for companies employing 250 or more employees (2.9%), companies in the chemicals (3.3%), engineering (3%) and other services (5.4%) sectors. It was also greater for overseas companies (3.6%).

Average expenditure on training courses per employee was €600; per person trained €1450.

Training policies and practices in companies

Two-thirds of companies assessed the skills and training needs of their employees while just over half assessed the companies' future development and/or skill needs. Four in ten companies had a training plan. Those that did not have a plan were mainly smaller companies. Of those companies that provided training courses, under half had any formal means of evaluating them. The most common method of evaluation was by "measuring satisfaction levels of people after training".

Non-training companies – their views

One in five companies provided no (non-apprenticeship) training in 1999. The main reasons companies gave for this were that their employees' skills already met their needs, and that they always recruited people with the necessary skills. Relatively few cited reasons of cost or time for not training.

Comparison with 1993 survey

In general, the results of the 1999 survey were quite similar to the earlier 1993 survey. The percentage of companies providing any training

remained nearly the same between the two surveys (77% in 1993, 79% in 1999) as did the percentage of employees attending training courses (43% and 41% respectively).

The major changes between the two surveys were the increased duration of time spent on training and the increased cost of courses. Average duration rose from 1.7 days per employee in 1993 to 2.4 in 1999. The cost per day of training courses also rose from an estimated £139 in 1993 to £198 in 1999.

3 – Conclusions

The survey showed that most companies in Ireland provided training for their employees. However, there were still many small companies that did not provide any training, particularly formal training courses.

However, the ‘training effort’ has increased from the previous survey – especially due to an increase in the amount of time spent on training courses. It will be interesting to see how the Irish position compares with that of other European countries when the international results are published in 2002.

Acknowledgements

A large number of people contributed to this survey. Firstly, recognition should go to the companies who responded to the survey. This required a significant input of time and effort on their part. Secondly, we would like to acknowledge the work of various staff within the Planning and Research Department; a number of University of Limerick students on co-operative education, Dympna Harper who undertook telephone interviewing and Sheena Stewart who was involved both with the postal survey and in the preparation of this report. Thirdly, we thank Mr Tony Hall who organised the survey work in relation to Enterprise Ireland companies. We also acknowledge the contribution of the CSO in providing us with population data and Mr James Williams of the ESRI in drawing a sample from the ESRI database.

The survey was part of an EU-wide survey and we therefore were pleased to work in co-operation with the team from Eurostat; Mr Michael Skaliotis and Ms Katja Nestler in particular. Mr Ettore Machetti from the European Commission also provided positive support while Mr Norman Davis advised us technically as part of the contract support team. The European Commission provided 65% funding support for the Irish survey.

We also want to acknowledge the good working relationship with MRBI Ltd and two former FAS staff who undertook telephone follow-ups for us; Mr Joe O'Hara and Mr Don Fitzmaurice.

Ms Marina Doyle was employed as a full-time consultant to FAS for the duration of the project.

CHAPTER 1

Introduction and Methodology

1.1 Introduction

This report presents the results of a survey of training in Irish companies in 1999. The survey was conducted by FAS and forms part of an EU-wide² survey under the authority of Eurostat and the European Commission. FAS carried out the survey in Ireland under contract to, and with the financial support of, the Commission, and with the co-operation of Enterprise Ireland and the Central Statistics Office.³ This report presents the national results for Ireland. The international results will be produced and published by Eurostat in 2002.

1.2 Coverage

The survey was designed to be broadly similar to the 1993 survey also conducted on an EU-wide basis. Thus it covered all training carried out for employees of companies except training of apprentices and others with a similar training contract. The coverage was of all companies employing 10 or more persons in industry and market services. Thus, primary production (agriculture etc.) and the public sector (e.g. health, education, defence and the civil service) were excluded.

The definition of training used in the study was based on the following points:

- The activities must be planned in advance,
- They must be financed wholly or partly by the company,
- The primary objective must be the acquisition or development of skill or knowledge,
- There must be a specific allocation of time,
- There must be a training mediator (person or piece of equipment),

² A number of other countries, including EU-applicant countries, also conducted the survey.

³ The financial support of the Commission for the survey in Ireland is acknowledged.

- No distinction is made between education and training (i.e., all activities resulting in the development of skills/knowledge are included).

The survey covered six types of training including training courses, training in the work situation (i.e. on-the-job training), conferences, job rotation, learning/quality circles and self-learning. The important feature in all cases was that the activities complied with the overall definition of training given above – i.e., a planned effort primarily oriented to skill/knowledge development.

It should be noted that the amount of information obtained varied according to the type of training concerned. Thus, for example, companies were only asked to indicate cost information in relation to training courses.

1.3 Methodology

The sample design for the survey was based on a framework of 30 sectors (NACE groups) and 6 size categories. The Central Statistics Office supplied FAS with information on the number of companies and their total employment within this framework.⁴ Sample sizes were based on guidelines provided by Eurostat. The list of companies to be sampled was provided by the ESRI. The original estimated population size was 15,310 and the sample size 2,074. In accordance with procedures established by Eurostat on an EU-wide basis, one quarter of the sample was to be interviewed personally, the rest by post with telephone follow-up. The personal survey was conducted by MRBI Ltd on contract to FAS. The postal/telephone survey was conducted by FAS directly. Enterprise Ireland conducted the survey in relation to companies within their remit. The survey fieldwork was undertaken from March to December 2000.

Unfortunately, the response to the survey was poor. Many companies failed to respond either to personal, postal or telephone approaches despite repeated reminders. In the end, 400 completed usable responses were obtained, a response rate of only one in five. These companies employed 95,235 persons (excluding apprentices). The results from these companies were then ‘grossed-up’ to represent the revised total estimated population of 14,268 companies employing 607,911 persons.⁵

⁴ The most recent data from the CSO at the time of sample design was for 1997 (Census of Services) and 1998 (Census of Population).

⁵ Full details of the statistical aspects of the survey are presented in ‘CVTS2 Survey: Ireland Quality

The low response rate to the survey was extremely disappointing and must raise questions about its reliability and unbiasedness. There is no practical way of overcoming such issues but they are partly alleviated by keeping the presentation of the results in the report to a fairly aggregated level of eight sectors and three size groups.⁶ At that level, the results seem plausible.

1.4 Presentation of Report

Chapter 2 of the report presents the main results in relation to companies' training activity – viewed principally from the companies' perspective. Chapter 3 concentrates on the data from the viewpoint of the employee. Chapter 4 covers the qualitative aspects of the survey and Chapter 5 compares the results with that of the similar survey in 1993.

Report', Roger Fox, August 2001, FAS.

⁶ The three size groups are small (10-49), medium (50-249) and large (250+).

CHAPTER 2

Company Training in 1999

This chapter will present the main results of the survey in relation to the amount of training undertaken by companies, the types of training and companies' expenditure on training in 1999.

2.1 Number of Companies Undertaking Training

Seventy-nine percent of companies carried out some training in 1999 (11,288 out of 14,268 companies). In very small companies (10 – 19 employees) 71% carried out training, while in the next size category (20 – 49 employees) the percentage had risen to 84%. Nearly all of the medium-sized and larger companies provided some training.

Because it was mainly small companies that did not provide training, the vast majority (92%) of employees worked in companies that provided training. Put alternatively, only 51,200 employees (out of 608,000 in the study) were employed in non-training firms.

Figure 2.1 presents the percentage of companies providing training by sectoral group.⁷ The lowest rate was in Transport, Communication (36%) while Construction (59%) was also below average. High levels were found in Chemicals and Allied Products (94%), Other Industry (94%) and Financial, Business Services (90%).

Figure 2.2 shows the percentage of companies that trained their employees in relation to a number of different types of training.⁸

⁷ Results are presented in eight sectoral groups in this report.

⁸ Note that many companies used more than one type of training so that the percentages add up to more than 100%.

FIGURE 2.1: Percentage of companies training by sector

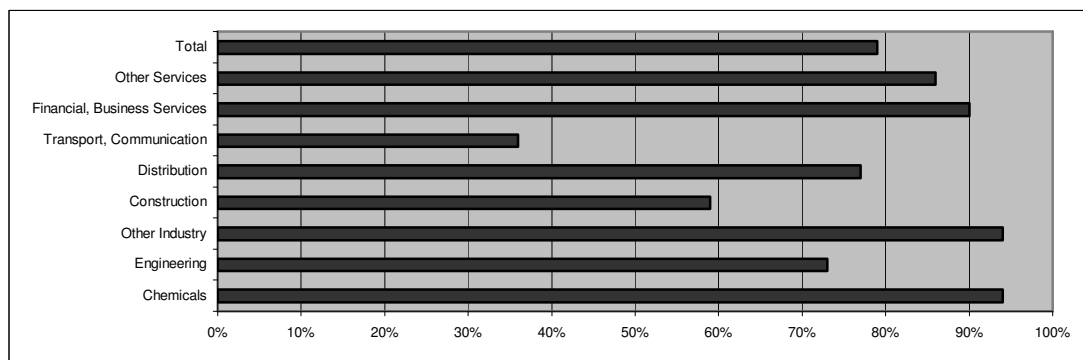
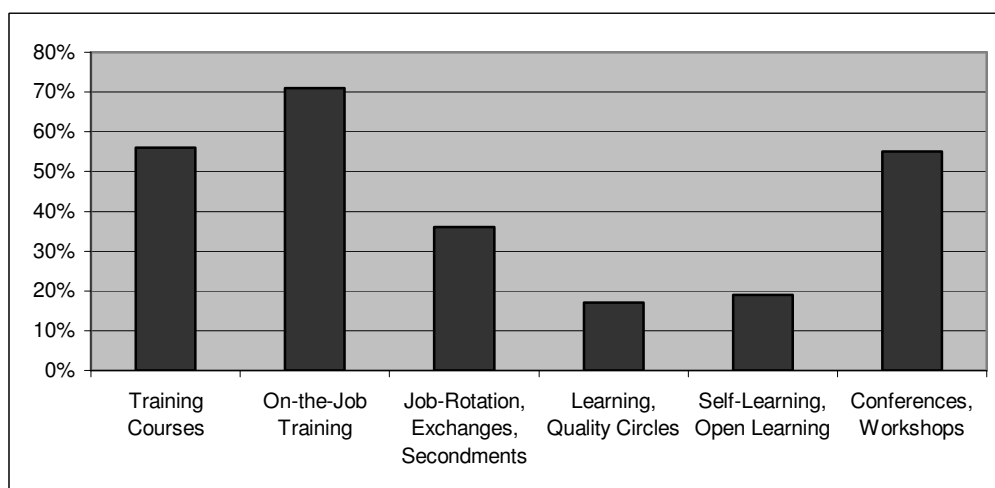


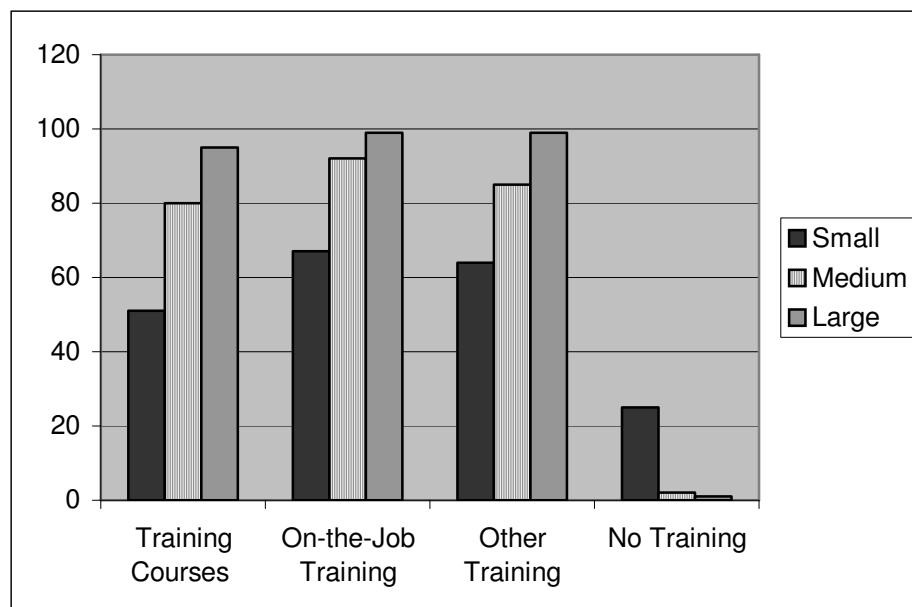
FIGURE 2.2: Percentage of companies carrying out training by type



A little over half of companies used formal training courses to train their staff. The most common type of training was on-the-job training (70% of companies). Over half of companies also used conferences, workshops. About one third of companies used job rotation, exchanges or similar methods of training while one in five used self or open learning. A further question found that more companies sent people on externally-run courses than ones managed by the companies themselves.

Figure 2.3 shows the percentage of companies carrying out the main types of training by company size group.

FIGURE 2.3: Percentage of companies carrying out types of training by size⁹



As would be expected, it shows that medium and large sized companies are significantly more likely to provide training and this pattern applies across all types of training. At least four in five medium and large companies provided training courses, on-the-job training and other forms of training.

The survey questionnaire asked companies to indicate whether they were a subsidiary of an overseas company or not. It was thought that this might affect their behaviour in relation to training and this was borne out in the results (Table 2.1). About 12% of the companies were overseas subsidiaries and 99% of these stated that they provided some type of training in 1999 for their staff. This can be compared with 76% of non-overseas companies. The same difference was found in respect of training courses; 94% of overseas companies compared to 51% of other companies. These differences might reflect the size or sector of overseas companies. But in fact size was not an explanation – nearly all overseas companies trained and more than nine in ten provided training courses whatever their size. In contrast, while nearly all large and medium-sized Irish companies trained, the percentage providing training courses was down to 75% for medium-sized and 47% for small companies (Table 2.1). Similarly, the percentage of overseas companies providing training

⁹ Small is (10-49), medium (50-249) and large (250+).

courses was noticeably greater in seven out of the eight sectors used in the analysis (Chemicals was the only exception).

Table 2.1
Training Activity by Nationality and Size Group (%)

	Small	Medium	Large	Total
% Training (Any)				
Overseas	100	98	99	99
Non-Overseas	73	98	100	76
% Training Courses				
Overseas	94	93	93	94
Non-Overseas	47	75	94	51

2.2 Type of Training Courses

A little over half (56%) of companies provided training courses for some or all of their employees. This section provides information on the volume and type of training courses.

In total, it is estimated that 10.1 million hours were spent on training courses during 1999. Of the 10.1 million hours spent, 4.2 million (41%) was spent in large companies, so showing the importance of such companies in the training course market.

The number of days spent on different types of training courses is set out in Table 2.2. This shows that Health, Safety and Environment Protection was the most common type of training, making up 20% of all days on courses. The other two major areas were Computing (17%) and Machinery Operation and Quality Control (16%).

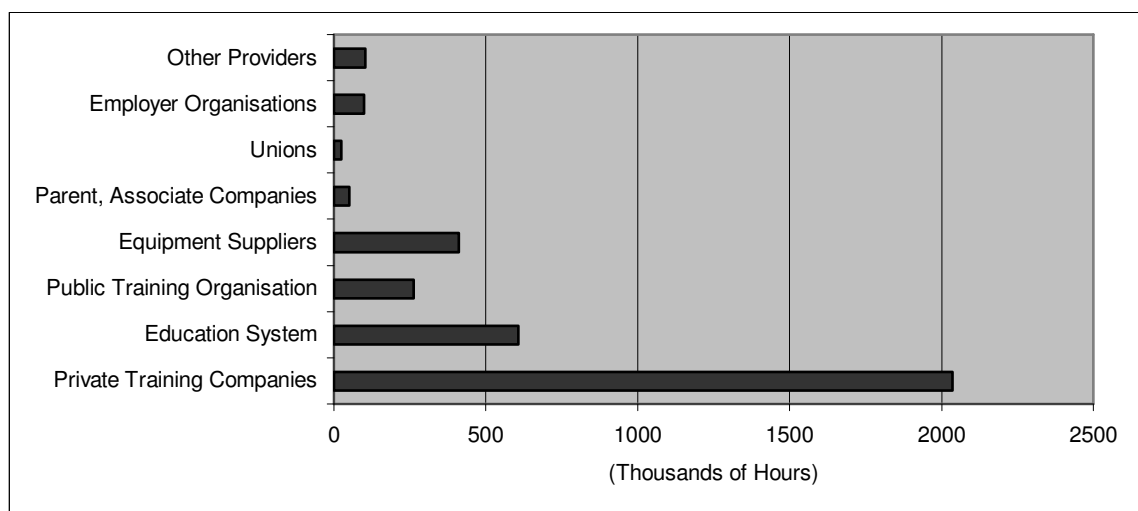
Table 2.2 also distinguishes between companies in the industrial (including construction) and services sectors. For industrial companies there was a relatively greater percentage of training denoted to computers and machine operation/quality control. Services companies, in contrast, concentrated on sales/marketing, health/safety/environment and services.

Table 2.2
Number of hours on training courses by type

Type	Total Hours (‘000)	Total %	Industry %	Services %
Foreign Languages	98	1	2	-
Sales, Marketing	808	8	3	12
Accounting, Finance	368	4	3	4
Management, Administration	915	9	9	9
Secretarial, Office Procedures	197	2	1	3
Personal Development, Induction	980	10	11	9
Computing, Computer Application	1,715	17	22	13
Machine Operation, Quality Control	1,640	16	28	7
Health & Safety, Environment	1,992	20	13	25
Services (incl. Tourism, Driving)	800	8	1	13
Other	592	6	7	5
Total	10,105		4,433	5,672

Figure 2.4 shows the breakdown of total hours (3,592,000) spent on externally-delivered training courses according to the main type of provider. Private training providers made up the large majority of training course hours at 2,036,000 (57%). The education system, public training bodies and equipment suppliers were the other significant types of providers.

FIGURE 2.4: Providers of Externally-Delivered Training Courses



2.3 Expenditure on Training Courses

Overall, companies spent €364 million on training courses in 1999. This figure takes account of direct costs, overhead and internal training costs, the labour costs of internal trainers and participants, and levy payments. Table 2.3 shows how the total cost was made up. The major components of costs were fees to external training providers (€118 million, 32%), the labour costs of employees while on training courses (€145 million, 40%), and the labour costs of company staff involved with training (€85 million, 24%). Relative to these costs, levy payments (€5 million) and grants/subsidies (€9 million) were very small.

Table 2.3
Costs of Training Courses by Type (€Million)

Fees to External Providers	118
Travel & Subsistence Payments	11
Labour Costs of Internal Training Staff	85
Costs of Premises, Equipment Etc.	8
<i>Total Direct Costs</i>	<i>223</i>
Labour Costs of Participants	145
Levy Payments	5
<i>Total Costs</i>	<i>373</i>
Less Grants, Subsidies	9
Total Net Cost	364

It is also of interest to examine the training course costs on a per-person-trained and per-hour-of-training basis. In total, the average cost per person trained was €1,450. In terms of course fees the average was €464 per person. The average cost per hour of training was €36. Of this, course fees amounted to €11.50.

Companies spent 2.4% of their payroll costs on training courses. This was somewhat greater for larger companies (2.9%) compared to medium and small companies (both 2.1%). The percentages on a sectoral basis are presented in Table 2.4.

Table 2.4
Percentage of Payroll Spent on Training Courses by Sector

Chemicals	3.3
Engineering	3.0
Other Industry	2.2
Construction	0.9
Distribution	1.4
Transport, Communication	1.4
Financial, Business Services	2.4
Other Services	5.4

As might be expected, the percentage of payroll was relatively large in the Chemicals and Engineering sectors, which include a significant number of larger companies. The high figure for Other Services is surprising and should be treated with caution. It may reflect sampling error. On the downward side, the figures for Construction, Distribution, and Transport/Communication were relatively low.

It was noted in Chapter 2 that overseas companies were more likely to train than Irish ones, even taking account of size and sector. Such differences also result in different levels of expenditure on training courses. The differences are summarised in Table 2.5. Overall, it is estimated that overseas companies spent €152m on training courses and Irish companies €211m. However, as a percentage of payroll the overseas companies spent 3.6%, whereas Irish companies spent 1.9%. This type of difference based on ownership applied to small, medium and large companies. Significant differences were also found in relation to sectors – overseas companies in manufacturing spent 3.2% of payroll against Irish companies spending of 2.2%.

Table 2.5
Summary Comparison of Overseas and Non-Overseas Companies' Expenditure

	Overseas	Non-Overseas
Expenditure on Training Courses (€m)	152	211
% of Payroll	3.6	1.9
Expenditure per Employee (€)	960	470

Overseas companies spent €960 per employee on training courses whereas Irish firms spent €470 (making an overall average of €600). On average, in medium and large companies overseas employers were spending 50% more per employee than in Irish companies. For small companies they were spending more than triple the amount.

2.4 Trends in Training

All companies were asked if they provided any training in the previous two years (1997 or 1998). Two-thirds of companies said 'yes'. These were often the same companies that also trained in 1999 (Table 2.6).

Table 2.6
Past and Future Training (%)

	1999	1997, 1998		2000, 2001		
	%	Yes %	No %	Yes Certainly %	Probably %	No %
Yes	79	63	16	58	15	7
No	21	0	21	1	2	18

However, whereas 79% of companies said that they trained in 1999, only 63% did so in the previous two years. No companies that did not train in 1999 did so in the previous two years.

Looking to the future, 58% of companies said that they would certainly train in the two years 2000, 2001 and another 15% said that they probably would. It is perhaps disappointing that of the 21% of companies that did not train in 1999 only about one in seven said that they would (certainly or probably) train in the next two years.

Companies were asked some questions about trends in training practices. The percentages responding (ignoring non-applicable cases) are set out in Table 2.7.

Tables 2.7
Trends in Training Practices Since 1997 (%)

	Increased	Stayed the Same	Decreased
Courses compared to other training	42	55	3
Training in working time compared to outside working time	36	63	1
Proportion of fees paid by employee	12	75	13

Thus, during the last few years, there has been a reported increase in the relative balance of training time towards courses rather than other forms of training. There has also been an increase in training courses in working time compared to outside working time. In respect of fees, the proportion paid by the employee has remained unchanged in most cases – a small percentage of companies has increased but an equal percentage has decreased.

Overall, therefore, it would seem that the trends have been towards more formal approaches to training, and continued investment by companies in training of their employees.

CHAPTER 3

Training of Employees

This chapter presents the survey results relating to training of employees. It includes information on gender, sector and occupational group of those receiving training.

3.1 Number of employees attending training courses

About one quarter of a million employees attended training courses during 1999, 41% of all employees covered in the survey. Of these, 108,000 worked in large companies, 78,000 in medium-sized companies and 65,000 in small companies. As would be expected, employees in large companies had a greater participation rate in training courses (57%) compared to 41% for medium-sized companies and 28% for small companies. Males accounted for 136,000 of those on training courses, females 114,000. There was not a major difference in the participation rates of men and women on training courses. The male rate was 40% and the female rate a little higher at 43%.¹⁰

Table 3.1 shows the participation rate on a sectoral basis.

Table 3.1
Percentage of Employees on Training Courses by Sector

Chemicals	61
Engineering	44
Other Industries	43
Construction	21
Distribution	30
Transport, Communication	30
Financial, Business Services	46
Other Services	51
Total	41

Thus it can be seen that the manufacturing sectors (particularly Chemicals) had relatively high rates, as did Financial/Business Services

¹⁰ On a sector and size group detailed basis, there were considerable variations between male and female participation rates. Males had a greater participation rate in more than half of such groupings. However, higher female rates were found in some of the largest sectors and this led to the higher rates for females overall.

and Other Services. On the other hand, Construction, Distribution and Transport/Communications had relatively low rates. Appendix Table A1 indicates that these sectoral differences persisted even among small and medium-sized companies.

3.2 Duration of Training

Employees spent 1.4 million days on training courses during working time in 1999.¹¹ This represented 0.9% of their working time during the year. For small and medium-sized companies the percentage was 0.8%, for large companies it was 1.2%. Appendix Table A2 shows the percentages for each sector and size group. This shows that larger companies in the industrial and some services sectors had the higher percentages. Smaller companies, particularly in Transport/Communication, Construction and Chemicals had low percentages.

The average number of days on training courses per employee in 1999 was 2.4. The figure varied according to size of company and sector. As would be expected, employees in larger companies spent more time on training courses (3.2 days p.a.) compared to medium (2.1) and smaller companies (1.9). In relation to sector, the same pattern as for other tables emerged with manufacturing and some services sectors having higher levels (Table 3.2).

Table 3.2
Days spent on Training Courses per Employee by Sector

Chemicals	2.5
Engineering	3.1
Other Industry	2.2
Construction	1.1
Distribution	1.4
Transport, Communication	1.8
Financial, Business Service	2.5
Other Services	3.8
Total	2.4

In respect of only those employees that went on training courses, the average time spent on training courses during the year was 5.8 days. Interestingly, this was not greater for larger companies. Thus, the reason

¹¹ Companies gave data in hours but this has been converted to days on the basis of 7 hours = 1 day.

for the greater amount of time spent on training courses in larger companies overall reflected the greater proportion of employees going on training courses in such companies, not a greater average duration of such training in larger companies.

Males spent 777,000 days on training courses (2.3 days per employee) compared to females 666,000 days (2.5 days per employee).

3.3 Other Aspects of Training

Earlier sections have indicated how participation on training courses may vary depending upon gender, sector employed and size of companies. Companies were also asked about other specified types of employees. This question did not attempt to quantify participation in training courses but may provide some indication of participation levels. (It must be noted, however, that the quality of responses to this question in Ireland was often poor.)

Table 3.3 presents the results.

Table 3.3
Training Courses for Specified Categories

Category	% of Companies with employees in this category	% of these Companies which provided some training courses for this category	% of these Companies which ran special training courses for this category
Women	98	94	9
Young People (<25)	45	98	52
Older People (>50)	69	58	5
Persons with Disabilities	18	77	19
Ethnic Minorities	11	87	26
At risk of Redundancy	11	28	3
Without formal qualifications	81	83	15
Part-time Workers	43	68	17

The table shows some interesting patterns. Nearly all companies with women and young people provided training courses for at least some of them. Equally, three-quarters or more of companies with persons with disabilities, ethnic minorities or poorly-qualified staff provided training for some of them. By contrast, only a little over a half of companies provided training courses to their older employees while under one in three companies provided training for persons at risk of redundancy.

In relation to special training programmes for the various groups, young people are the most likely recipient. Interestingly, also, one quarter of companies employing ethnic minorities were also providing special training courses for them. Persons with disabilities were in receipt of special training courses in 19% of companies.

Table 3.4 shows the percentage of companies that provided various kinds of training to four different categories of employee. This shows up some interesting differences. In particular, management and professional staff were most likely to receive their training through attendance at training courses (50% of companies) or conferences, workshops etc (48%). Although only relating to a minority of companies, they were also more likely than any other group to be involved with learning/quality circles (14%) or self-learning (12%).

In contrast to this, on the job training was the most common method for clerical, sales, catering etc. workers (42% of companies) and also for craft and other 'blue collar' workers (50%). A higher proportion of companies provided off-the-job forms of training (training courses or conferences) for clerical-type employees than for craft/manual workers. The use of job rotation and similar training practices was most commonly used for craft/manual workers with 28% of companies doing this.

Many companies do not employ technicians so the low figures for this group probably reflects this fact rather than a low likelihood of training for this group. Nevertheless, it is interesting that both training courses (28%) and on-the-job training (24%) were of roughly equal importance in technician training.

Table 3.4
% of companies that Provided Training to Different Types of Employees

	Training Courses	On the Job Trg.	Job Rotation, Exchanges, Secondments	Attendance at Learning/ Quality Circles	Self-Learning through open and distance learning	Conferences, Workshops, Lectures and Seminars
Managers and Professional Staff	50	32	14	14	12	48
Technicians	28	24	5	9	9	15
Clerical, Sales, Catering and Other Services	41	42	22	11	10	23
Craft, semi-skilled and un-skilled workers	29	50	28	10	4	12

CHAPTER 4

Companies' Training Policies and Practices

All companies were asked a series of questions about their human resource development policies and practices. In addition, companies which did not undertake any training in 1999 were asked to indicate the reasons why.

4.1 Human Resource Development Policies and Practice

Overall, only just over half of companies (52%) stated that they assessed their future development and/or skill needs in 1999. Seventy percent of employees worked in such companies. Four in five large companies answered positively to this question, as did three-quarters of medium-sized companies and a little under half of small companies. A higher proportion of companies stated that they assessed the skills and training needs of their employees. Two-thirds in total did so, of which most did it for all their employees although a small percentage did it only for management/supervisory staff.

Companies were asked whether they had needed to obtain or develop new skills during the previous three years and, if so, how they had done so. In total 10,300 (72%) companies answered 'yes' to this question. As would be expected, nearly all large companies and over 90% of medium companies answered 'yes'. But one in three small companies stated 'no'. Table 4.1 shows the percentage of responses to each of six possible mechanisms suggested in the questionnaire (companies were asked to tick up to three methods).

Table 4.1
Ways in Which Companies Developed or Obtained Skills by Size (%)

	Small	Medium	Large	Total
Experience in the Job	83	86	67	83
Training existing employees	72	91	88	76
Apprenticeship training	18	34	20	21
Training of unemployed recruits	18	12	28	17
Recruiting other unskilled and training them	16	15	32	17
Recruiting people with skills needed	30	44	47	33

(Note: Only refers to companies that had developed or obtained new skills. Companies could tick up to three methods.)

In general, the most common mechanisms were learning through experience in the job (83%), and the training of existing employees (76%). After that, one-third of companies recruited persons with the skills they needed. Approaches involving recruiting persons and then training them, whether through apprenticeships or other means, were less widely used. It is also interesting, and in accordance with expectation, that larger firms were more likely to use formal training approaches, both with existing and new employees, and less likely to rely on learning through experience.

Four in ten companies had a training plan (written or otherwise) in 1999. Nearly nine in ten of the larger companies did so, but this proportion fell to two in three of medium-sized companies and only just over one in three of small companies. For companies that had a training plan, a list of possible reasons were given and they were asked to tick as many as applied. The results are shown in Table 4.2.

Table 4.2
Reasons why Companies had a training plan
(% answering)

Reason	%
Training is a matter of permanent discussion/agreement between management and employees	89
To obtain certification/accreditation (eg. ISO 9000, Excellence through People)	42
To obtain commitment of management	61
To comply with the law or collective agreements	36
To obtain EU financial support	1
To obtain other finance (eg. FAS, Enterprise Ireland)	8

(Note: Refers only to companies without a training plan. Companies could tick as many answers as they wished.)

The most commonly cited reason for having a training plan was that it reflected the on-going commitment of the company to training. Related to this was the benefit, in terms of maintaining the commitment of management, of having a formal plan. The usefulness of a formal plan for ISO 9000/Excellence through People was also stated by a significant proportion of companies. Smaller numbers referred to collective agreement or funding reasons.

The companies that did not have a training plan (nearly six in ten) were also asked why in terms of a list of five possible reasons. These are presented in Table 4.3.

Table 4.3
Reasons why Companies did not have a training plan

Reason	% Responses
No need for a training plan (eg. too small company)	67
Up to individual employees to train in own time	6
Training only provided when requested by employees or supervisors	12
No time to develop a training plan	20
Insufficient expertise to develop a training plan	13

*(Note: Refers only to companies without a training plan.
Companies could tick as many answers as they wished.)*

For the majority of companies, their principal answer was that they did not see the need for a training plan, usually because they were too small. Other reasons given by a small percentage of companies related to a lack of time or expertise to draft a plan. Some companies also took an ad-hoc approach where training was organized in response to specific requests from employees or supervisors. Interestingly, few companies regarded employee training as not being relevant to them and a matter only for the employee him/herself.

Whereas 40% of companies had a training plan, only 24% of companies had a specific training budget which included provision for continuing vocational training. Large companies stood out in this area with 85% having a training budget. They also stood out in respect of having an internal training centre (80%), whereas the overall percentage of companies with an internal training centre was 13%.

It is important to recognize that while the percentage of companies with a training plan or training budget may be relatively small, the percentage of persons working in such companies is greater. Thus, nearly 400,000 (65%) employees in the survey worked in companies with a training plan, and 315,000 (52%) in companies with a budget for training.

In a number of European countries, there are joint agreements with employee representatives covering training. In Ireland 7% of companies

stated that they had such an agreement. In about a quarter of these cases this was a formal agreement between the social partners.

Companies were asked about changes to their business in 1999. This was because such changes might have given rise to skill/training needs. Table 4.4 shows the percentage of companies that responded ‘yes’ to four types of possible changes.

Table 4.4
Changes Affecting the Company in 1999

Type of Change	% ‘Yes’
Technologically new or improved products/services	56
Technologically new or improved methods	45
Mergers, take-overs, restructuring	8
Other major organizational changes (eg. management procedures, quality control)	24
None of these changes	33

(Note: Companies could answer ‘yes’ to as many of these changes as they wished.)

One third of companies had not been affected by any of these changes in 1999. However, over half had introduced technologically new or improved products or services while just less than half had used new and improved methods of production. These findings suggest that companies experienced a significant amount of change during the year.

Companies that provided training courses for their employees were asked whether they had formal procedures for evaluating the impact of CVT courses. Just under four in ten stated that they did, and they were asked how they did so and given a list of five methods from which to choose up to three. The most common method, used by three-quarters of these companies, was through “measuring the satisfaction level of people after training”. The next most common method was “measuring if new skills are applied at work” (59%). Then came “formally validating or certifying the skills acquired” (44%) and “carrying out tests to verify that new skills have been acquired” (33%).

Those companies that did not formally evaluate courses said that the main reasons were that it was “not a priority” (61%), “too time-consuming” (33%) and “difficult to obtain reliable/valid results” (20%).

4.2 Non-Training Companies

One in five companies provided no continuing vocational training for their employees in 1999. To try to understand the reasons for their non-training, these companies were given a list of seven reasons and asked to tick up to three of them which applied. The results are given in Table 4.5.

Table 4.5
Reasons for Not Providing CVT (%)

Reason	% Responding
Existing skills meet needs of company	89
Already recruited people with necessary skills	77
Too busy, no time for training	18
Trained in previous years, not needed in 1999	0
Difficult to assess company's need for CVT	13
Initial training (eg. apprenticeship is sufficient)	36
Training costs are too high	0

(Note: Refers only to non-training companies. Companies could tick up to 3 answers.)

The results are interesting in that most companies did not train because they saw no need to, not because of cost or time reasons.

CHAPTER 5

Comparison with Previous Survey¹²

The 1999 survey was, in general, designed to be comparable with the earlier 1993 survey. Naturally, some changes in the range of questions were made, but the overall concepts and definitions remained the same. Furthermore, the scope in terms of sectors of industry and services and size of company was unchanged. Thus, it should be possible to make reasonable comparisons between the two surveys. This short chapter presents such comparisons. This is done on the basis of a number of main indicators which are set out in Table 5.1

Overall, the results of the surveys are quite similar. Given the relatively poor response rate to the 1999 survey, this is welcome. The percentage of companies providing training remained nearly the same between the two surveys (77% in 1993, 79% in 1999) as did the percentage of employees attending training courses (43% and 41% respectively). The later survey, however, showed some tendency towards more on-the-job training and conferences/seminars, and less formal training courses. It is interesting, and perhaps surprising, that the percentage of companies training through self or open learning methods did not increase over the period.

The slight tendency towards more females than males receiving training in the 1993 survey was also found in the more recent one (40% of males compared to 43% of females).

The major changes between the two surveys were the increased duration of time spent on training courses and the increased cost of courses. Average duration rose from 1.7 days per employee in 1993 to 2.4 in 1999, a 41% increase. This led to a very significant increase in the total volume of training courses over the period; from 793,000 days in 1993 to 1,444,000 days in 1999. The cost per day of training courses also rose from an estimated £139 in 1993 to £198 in 1999.¹³ The reason for the increased unit cost of training courses is not clear, but may lie in an increased relative use of private (commercial) providers in 1999. Coupled with an increase in the number of employees on training courses (reflecting the rise in total employment during the period), the end result was a total expenditure figure in 1999 of £286 million (€364m), a figure 160% higher than in 1993. Expressed differently, about one fifth of the

¹² Company Training in Ireland 1993, R. Fox, FAS, 1995.

¹³ Inflation rose by about 13% during the period.

increase in expenditure was due to increased numbers of persons attending courses, two-fifths due to an increased duration per participant and the other two-fifths due to the increased cost of training courses.

Finally, the table shows a decline in the percentage of companies stating that they had a training plan (55% → 40%) and a training budget (29% → 24%). No clear reasons for such a change are apparent.

Table 5.1
Main Indicators of Training, 1993, 1999

Indicator	1993	1999
Percentage of Companies Training		
- Total	77	79
- Training Courses	64	56
- On-the-Job Training	56	71
- Conferences, Seminars	39	55
- Self, Open Learning	20	19
Percentage of Employees on Training Courses		
- Total Companies	43	41
- Small	25	28
- Medium	40	41
- Large	55	57
- Males	42	40
- Females	44	43
Average number of days on Training Courses		
- Total employees	1.7	2.4
- Males	1.6	2.3
- Females	1.7	2.5
Expenditure on Training Courses	£110m	£286m
Percentage of Payroll on Training Courses	1.5	2.4
No. of Employees on Training Courses ('000)	204	251
Cost per participant on training courses	£542	£1143
Cost per day of training courses	£139	£198

Table 5.1 Contd...
Main Indicators of Training, 1993, 1999

Indicator	1993	1999
Courses		
Total Days on Training Courses ('000)	793	1,444
% Companies with a Training Plan	55	40
% Companies with a Training Budget	29	24

APPENDIX A1 & A2

Table A1
Percentage of Employees on Training Courses by Sector and Size Group (%)

	Small	Medium	Large
Chemicals	59	56	68
Engineering	26	41	49
Other Industry	29	42	57
Construction	11	29	40
Distribution	23	14	71
Transport, Communication	11	26	48
Financial, Business Service	34	42	61
Other Services	38	75	62
Total	28	41	57

Table A2
Percentage of Working Time Spent on Training Courses by Sector and Size Group (%)

	Small	Medium	Large
Chemicals	.4	1.3	.7
Engineering	.6	.6	1.4
Other Industry	.7	.7	1.0
Construction	.3	.5	.5
Distribution	.7	.2	.6
Transport, Communication	.1	.7	1.0
Financial, Business Services.	.6	.9	1.4
Other	1.7	2.9	1.8
Total	.8	.8	1.1