OECD Local Economic and Employment Development (LEED) Papers 2011/06

Leveraging Training Skills Development in SMEs: An Analysis of Zaglebie Sub-Region, Poland

Michal Kubisz

https://dx.doi.org/10.1787/5kgchzjsvnf3-en

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Leveraging Training Skills Development in SMEs

AN ANALYSIS OF ZAGLEBIE SUB-REGION POLAND

Michal Kubisz





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Note on the author

This report was prepared by Michael Kubisz, a Polish expert on employment policies, human resources development and regional policy. Kubisz Michael is a graduate of Warsaw University and the University of Cambridge (UK). In the years 1998-2006 as a director in the Ministry of Labour and Social Policy, and the Polish Agency for Enterprise Development, he was involved in the preparation and implementation of national programmes for human capital development, financed by the pre-accession funds and European Social Fund (ESF). He was also responsible for developing and launching ESF activities in the field of enterprise human resources development in Poland in 2004. In 2006 he participated in the development of the Human Capital Operational Programme for 2007-13. He currently works as an evaluator of programmes and projects in Poland and in the south-eastern Europe.

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ISSN 2079-4797 (PDF)

OECD Local Economic and Employment Development (LEED) Working Paper Series

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PREFACE

Most surveys and data across OECD countries show that SMEs are 50% less likely to participate in training activities than large firms. Policy analysis confirms that formal training policies and measures targetting workers are less effective on SMEs. Many Polish studies confirm that the pool of SME workers require further education and training. Consequently, issues related to SMEs have been an area of interest to public management authorities in Poland.

Poland is one of five countries to participate in the international project on *Leveraging Training and Skills Development in SMEs* implemented by the OECD. The project in our country focussed on the Sosnowiecki sub-region of the Silesian voivodship (NUTS III level). The quantitative survey, the qualitative interviews with local SMEs and the local workshop on the training ecosystem were all held in the region, helping better understand the mechanisms for SME development.

The modernisation and adaptation of the Polish economy has brought about a need to update and improve the qualifications and skills of workers. The growing interest in raising the competencies and skills of employees and their employers increases the demand for training. This trend should be strengthened, as is happening in Poland thanks to the Human Capital Operational Programme which is co-financed by the European Social Fund (ESF). One of the main objectives of this programme is to develop entrepreneurship by investing in human capital, specifically in the skills and knowledge of SME employees and by developing new skills adapted to the changing needs of the labour market. Participation in this cross-country comparative project and the preparation of this report will help us to better understand the real needs of SMEs and adjust ESF support to the real needs and expectations of this economic sector.

We hope that the main findings of the Polish country report and its recommendations will increase knowledge about development needs, and the barriers to accessing training and other forms of skills development. The insights from this study in relation to the processes and learning models functioning among SMEs, combined with the international comparisons in this area from other participating OECD countries, will provide added value to the existing and future knowledge about SMEs development.

Waldemar Sługocki
Undersecretary of the State
Ministry of Regional Development
November 2010

ACKNOWLEDGEMENTS

The author is grateful to the many people and institutions that helped with the research for this report. Most definitely to Dr Cristina Martinez-Fernandez, the co-ordinator of the entire "Training and Skills development in SMEs" (TSME) project at the OECD LEED programme. Dr Martinez-Fernandez supervised the entire international project and all the phases of its Polish part as well (including preparation of this final report). Also to Mr Damian Garnys who managed the survey platform process and prepared the report for publication.

The project was implemented in partnership with the Polish Ministry for Regional Development and its Department for the ESF Management. Mr. Przemyslaw Herman working in the Department was directly responsible for the project and he greatly contributed towards its results. He was supported by Ms. Malgorzata Jablecka and Mr. Rafał Czynsz. The role of Ms. Malgorzata Jablecka was profound. She has not only contributed towards formulating the final findings but she also greatly supported the entire process of conducting the research, collecting the data, organising the regional workshop and preparing the draft and the final reports.

The author is grateful to all the people and institutions that helped to organise the qualitative part of the research and the regional workshop: the Association "Forum for Zaglebie Dąbrowskie", Ms. Malgorzata Lacka-Matusewicz (the Director of the ESF Department in the Marshal Office of the Silesian Voivodship), Mr. Krzysztof Stachowicz (Member of the Regional Parliament of the Silesian Voivodship), Mr. Slawomir Suski (Managing Director of the "Solnova" company). The role of the Business Academy in Dąbrowa Górnicza who hosted the regional workshop, was also highly appreciated. The support of the Academy went far beyond simple organisational issues and the Director Jacek Uroda from the Academy greatly contributed towards the success of the workshop. The author hopes that through our workshop we have also encouraged the Academy to organise similar future events that may help businesses of Zaglebie Dabrowskie to consolidate and to communicate their development and training needs.

The whole research team is very grateful to those people who participated in the survey, to all the participants in the skills ecosystem workshop and to the managers of businesses who made themselves available to be interviewed. Finally, the team is very grateful to all the researchers who conducted the survey interviews. The quantitative survey was implemented by the research company ASM as contracted by the Ministry for Regional Development of Poland.

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EXECUTIVE SUMMARY

This report summarises the results of a Polish review as part of the international project on *Leveraging Training and Skills Development in SMEs.* This project has been implemented by the Local Employment and Economic Development (LEED) Programme at the Organisation for Economic Co-operation and Development (OECD) in collaboration with the Ministry of Regional Development of Poland. The Polish review focussed on the Zaglebie Dąbrowskie region – a NUTS III Sosnowiecki sub-region of the Silesian voivodship in southern Poland. The review consisted of both a quantitative and qualitative survey of local small and medium sized enterprises (SMEs), and a local workshop on the training ecosystem.

The results of the quantitative survey show that most of the SMEs in the sub-region were unable to assess the skills needs of the employees. It may indicate that the enterprises have difficulties in assessing and planning their human resource needs, and that they may have a more general problem with overall business planning.

In relation to participation in training, 30% of the enterprises did not participate in any type of training during the last 12 months. 41.7% of those companies who did participate in any type of training took part in vocational training (specific occupational training). This could be linked with the specific characteristics of the regional economy that is dominated by the manufacturing sector (specifically mechanic and electro-mechanic manufacturing). Innovative enterprises tend to participate more often in vocational training and medium size enterprises participate in training much more often than smaller enterprises. Participation rates in courses related to management, accounting, finance and information technology (IT) were very low. Although the needs for skills in the area of entrepreneurship and social skills are relatively high, companies very rarely participate in courses which develop these skills. In addition, training outcomes are perceived rather negatively. Most enterprises indicated that the main barrier to training was assessing empolyee's needs. The other highly ranked barrier was the high costs of training (chiefly for high-skilled employees) which was a surprising result considering the large amounts of public funds that had been made available under EU-programmes to reduce the costs of training.

The lack of appreciation of the value of informal learning through communication and interactions with external institutions (such as other companies, competitors, local development agencies, government institutions, etc.) or within the enterprises is widespread; 59% of enterprises did not indicate any of the examples of interactions listed in the questionnaire as important for learning. However, of all the interactions, the learning value of interactions with other companies (such as customers, clients and even competitors) was scored as the most beneficial amongst all other types of interactions. The least appreciated interactions appear in relation to business organisations and associations, educational institutions and development agencies. The qualitative interviews conducted with successful medium-sized companies indicated that informal learning facilitated by appropriate management systems can be very beneficial for the enterprises.

Training companies were listed as the most important players in the local learning ecosystem. Business organisations, NGOs and institutions of higher education were listed as the least important for both formal and informal learning. All stages of the research (qualitative and qualitative interviews, plus the workshop) showed that the sub-region of Zaglebie is characterised by the poor development of business environment institutions. Despite the fact that numerous business support organisations do exist in the sub-region (which are supported under various regional and national programmes) they are not perceived as important players in the learning ecosystem by most SMEs and

the support organisations were openly criticised by the enterprises during the workshop as not being active.

The European Social Fund (ESF) measures for promoting training in SMEs could play an important role for improving access of SMEs to relevant training, boosting their competitiveness and facilitating further development of the local learning ecosystem. The findings of the research show that the role of the ESF is more than marginal. The impact of the implemented ESF schemes on training behavior and/or encouraging co-operation networks is not apparent. The marginal role of public support (and the ESF as a primary public financial tool) in the local ecosystem was among the most striking results of survey. The results of all parts of the research suggest that the way in which public support to training is functioning could be improved in order to better facilitate SMEs learning and promote co-operation in the sub-region.

The following main recommendations are suggested:

- There is a need for a more active approach taken by business environment institutions operating in the sub-region. Such institutions should effectively intermediate between public authorities which implement regional and national programmes, and SMEs.

- The way in which public support to training is functioning could be improved, namely: Diagnosis of the skills needs should be treated as the most important area under all co-funded projects; the ESF should effectively facilitate the access to training for enterprises that are willing to invest in their human resources and should make it possible to deliver the training "just on time"; and information on ESF measures implemented in the region should be made more business (SME)-friendly.

- More pro-active policy in the area of SME training is needed. The policy should be better linked with the economic development and innovation strategy of the voivodship and sensitive to specific sectors/branches needs. Prioritisation and concentration on particular branches, specific economic problems or themes should be considered;

- There is a need to better co-ordinate the national and regional public interventions in the area of human resource development (HRD) and SME development taking into account the local, territorial perspective. The existing support system is confusing and not conducive for producing the required outcomes. Local business support organisations tend to operate within the silos of various fragmented sectoral policies and institutional requirements and as such, are not able to properly respond to the needs of local enterprises.

- Enterprises in sub-regions should be encouraged to assess and communicate their training needs. This would require forming and facilitating the development of appropriate working groups and the fora for co-operation. As the results of the regional workshop in Dąbrowa Górnicza show, open discussion may help to articulate the skills needs, help to develop local training strategies and to facilitate co-operation. Taking into account the results of the research (for example, poor co-operation levels, lack of social skills etc.), in case of the Zaglebie sub-region, projects promoting networking and platforms for co-operation should be encouraged.

1. INTRODUCTION

This report summarises the results of a Polish study as part of the international project *Leveraging Training and Skills Development in SMEs*. It was implemented by the Organisation for Economic Co-Operation and Development (OECD) Local Employment and Economic Development (LEED) Programme in collaboration with the Ministry of Regional Development of Poland. The study focussed on the analysis of small and medium-sized enterprises (SMEs) training and skills development in the selected territory of Zagłębie Dąbrowskie – Sosnowiec NUTS III[1] Area in Poland.

SMEs are an important component of both the Polish and the Silesian voivodeship's[2] economy. This project aimed to identify training and skills development supporting policies that promote growth, job creation and innovation of SMEs. Planned international comparison with regions in the UK, Belgium, Canada, Turkey, and New Zealand will provide an understanding of how SMEs approaches to skills and training systems vary as well as the best practices approaches at the firm level and at the local skills ecosystem level.

The study focussed on three main areas: 1) the participation of SMEs in training and skills development activities. Training and skills development are important elements for firm innovation, workforce education and development, and the employability of human capital; 2) ways of learning through knowledge intensive activities (non-routine and analytical) based upon workers "interactions" with other parts of the firm, and between firms and organisations; and 3) The role of "skills and training ecosystems" and whether the organisational interactions within the ecosystem have an impact on workforce development *i*) in SMEs participation in training and skills development activities, and *ii)* on increasing awareness of SMEs to skills upgrading activities.

The report consists of an introduction, in which the economy of the sub-region of Sosnowiec and its SME sector is presented, then the results (from a survey, face-to-face interviews and discussions at a regional workshop) of the research are presented, and finally a summary of the findings including policy recommendations.

1.1. SME and entrepreneurship policy in Poland

The *OECD Review of SMEs and Entrepreneurship in Poland* (OECD 2010) provided the following findings and recommendations:

The rapid growth of small private enterprises during the past 20 years has been one of the greatest successes of post-Communist transformation in Poland. The SME sector today contributes 69% of employment, nearly 60% of turnover and 56% of value added to the Polish economy.

However, the sector remains weak. It is disproportionately represented by micro-enterprises, that is those with less than 10 employees. A significant number of large firms exist in the Polish economy but there are relatively few firms in the intermediate size classes, especially in the 10-49 employee

class. This suggests important barriers to the establishment or growth of small firms beyond the micro-enterprise class.

SMEs in Poland often lack the resources or willingness to invest in new technology. Innovation expenditures, especially on R&D are low. SMEs are disadvantaged in terms of capital relative to EU counterparts and are more likely to report difficulties due to: lack of skilled labour; a bureaucratic regulatory and procedural environment; poor infrastructure; and high labour costs. Survey evidence indicates that the lack of critical mass is often reflected in a lack of operational sophistication and too little attention to strategy development, record-keeping, marketing and innovation. A majority of SMEs have problems with management quality and two-thirds are focussed on survival and maintaining their current position, rather than on development or growth.

Priority therefore should be given to encouraging larger numbers of micro-enterprises to acquire the organisational coherence, productivity and customer bases which allow them to expand into larger size classes. This is where training and skills development supporting policies for SMEs that are discussed in this report take all their dimension.

The policy recommendations put forward in the OECD review[4] are directly linked with the issue of improving the way services aimed at boosting SMEs competitiveness (including the training services) are conceived and delivered (Box 1.1)

1.2. SMEs participation in vocational education and training

One of the principal sources of data on continuing vocational educational training within enterprises (including SMEs) in Europe is the "Continuing Vocational Training Survey" (CVTS). The CVTS is conducted every five years by the European Commission. The OECD examined the finding of CVTS of 2005 and other relevant country data in its analytical paper on SME participation in vocational education and training (VET) (OECD 2010)[5].

According to the OECD (2010) paper, participation in the training activities is 50% lower in SMEs than in large firms across OECD countries. Small enterprises have the lowest participation rates in VET across all countries. There is however a significant difference between countries in participation rates. For example, Greece has the lowest level of VET participation [only 16% of small enterprises engaged in continuing vocational education and training (CVET)]. Other countries with low levels of CVET in small enterprises include Bulgaria (24%), Poland (27%) and Italy (29%). At the other end of the scale the United Kingdom has the highest level of small enterprises participating in CVET (89%). Norway (86%), Denmark (83%), Finland (73%) and Sweden (74%) also had high levels of participation.

For medium-sized enterprises the rate of participation in CVET increases. Greece again has the lowest rate (39%) while all other countries had rates above 40%, notable examples include the UK (92%), Czech Republic (93%), Denmark (96%) and France (98%).

The main reasons given for not participating in CVET were:

- The existing skills and competences of persons employed corresponded to the current needs of the enterprise,
- People were recruited with the skills needed.

This suggests that for non-training enterprises, recruitment rather than training provides the skill set for the enterprise. This strategy may be adequate for industries with stable knowledge bases but are not appropriate for industries with rapidly evolving or changing knowledge bases. The response "difficult to assess enterprise's needs" attracted less than 10% of responses.

Box 1.1. Policy recommendations

- First, the policy and support structure for SMEs and entrepreneurship in Poland need to be streamlined and strengthened.
- Reconstitute an explicit strategic framework for SMEs and entrepreneurship to ensure coherence, consistency and comprehensive coverage of the range of SME, entrepreneurship and innovation issues.
- Integrate programmes and measures from different ministries and agencies in this strategy to create a "cradle to grave" support structure (i.e. policies for developing entrepreneurs, supporting start-ups, nurturing early-stage enterprises to encourage higher survival rates and supporting firm growth) so that "entrepreneurial potential" more often becomes "entrepreneurial reality".
- Co-ordinate policy support better at all levels, in particular: national, regional and local; ensure that local and regional policies are complementary to, and reinforce, the national ones.
- The number of organisations engaged in programme design and, especially, support delivery should be reduced. Having more than 700 entities participating in some aspect of SME policy design and implementation leads to excessive complexity, lack of clarity and fragmented policy/programme initiatives too small or narrowly conceived to be effective in achieving their purposes. Institutional capacity of the institutions remaining after streamlining should be strengthened and, where appropriate, more reliance should be placed on regional branches to ensure local accessibility of service locations.
- Work to identify gaps in programmes, particularly as concerns ensuring young Poles with positive attitudes to entrepreneurship are supported with the knowledge, skills, advice and financial support that allows them to turn their ideas into viable ventures.
- Establish a formalised and effective mechanism for consulting with the SME community on policy and programme design. Pilot programmes at the regional level may be desirable.
- Encourage joint branding of nationally and regionally funded business-support services to make the system coherent to business users as well as service providers. The branding and quality assurance should be co-ordinated from the national level, while the packages of support to be provided should be geared to regional needs.
- Vary the range of services to be provided sufficiently to allow them to be tailored to the needs of the different target groups of SMEs and entrepreneurs at different stages of enterprise development.
- Extend the current emphasis on R&D, innovation, new products and new activities to a wider range of advances in productivity that can be achieved by bringing skills, organisational methods and productivity levels in Polish enterprises into line with EU and global standards.
- Adjust the balance of business service provision to the characteristics of the economic structure of each region and each region's potential for innovation and technology based growth.
- Shift the balance from delivering national SME and entrepreneurship policies in the regions in favour of building capacity in the regions to design and implement regional and national support.

Source: OECD, 2010b

The influence of public policy measures on firms training activities is also discussed in the OECD (2010) paper. For SMEs across the EU27, the most powerful public policy action that positively impacted their training activities were the provision of recognised standards and frameworks for qualifications and certificates, and financial subsidies to cover the costs of training. The public measures offering advisory services aimed at identifying training needs had the least influence. Only 12% of large enterprises, 10% of medium-sized enterprises and 8% of small enterprises listed this as an important factor influencing the scope of their training activity. As SMEs demonstrate lower levels of usage of training plans and more *ad hoc* and occasional skills assessment the low level of influence of this public measure could be a result of the lack of knowledge of the measure, or lack of accessibility of the measure.

Polish enterprises did not provide high response levels for the impact of public policy measures on enterprise's training activities. The most influential public policy measure was the provision of recognised standards and frameworks for qualification and certification, with 15% of small and 29% of medium-sized enterprises nominating this as an important public policy measure. This was consistent with EU27 responses. In all other categories of public policy measures, responses across all enterprise sizes were low compared with EU27 responses, or other OECD countries responses. According to the OECD (2010) paper "This suggests that Poland either has limited or early stage programmes within the other public policy areas or that the firm's awareness about these programmes is low".

In terms of factors influencing Polish firms' scope of training activities, "no time" and "too expensive" were prominent responses, as was "no need" and the category "other reasons". 23% of small enterprises and 33% of medium-sized enterprises also noted that they had completed major training activities in the year prior to the CVTS survey reference period (2005).

ENDNOTES

[1] The Nomenclature of Territorial Units for Statistics (NUTS) is a geocode standard for referencing the subdivisions of countries for statistical purposes. The standard is developed and regulated by the European Union, and thus only covers the member states of the EU in detail. The NUTS is instrumental in European Union's Structural Fund delivery mechanisms.

[2] The jurisdiction of a voivode, comparable to a county or to a countship.

[4] All recommendations are presented in Annex 1.

[5] OECD (2010), "SME participation in formal vocational education and training (VET) in selected OECD countries", Paris.

2. THE SUB-REGION OF ZAGLEBIE AND ITS ECONOMY

2.1. The sub-region of Zaglebie in the Silesian voivodship

The OECD project on leveraging training and skills development activities in the Polish case was focused on the region of the "Zaglebie Dąbrowskie" – a part (sub-region) of the Silesian voivodship of Poland. The quantitative survey, the interviews with companies and, finally, the local workshop on training ecosystem, were held in that region. The area was selected amongst other NUTS III areas of Poland for the following three reasons:

1. It consists of two distinct economic zones and this division can be seen as representative in terms of the patterns prevailing across Poland: western Poland is highly urbanised and industrialised (with the main cities belonging to the large, densely populated conurbation known as the Upper Silesian Industrial Area), whereas eastern Poland is predominately rural and underdeveloped.

2. The Zaglebie Dąbrowskie sub-region is an area of industrial restructuring. The main part of the region belongs to the Upper Silesian Industrial Area which traditionally has been dominated by heavy industries (coal mining and steel production) but has been undergoing restructuring since early 1990s.

3. The figures for the voivodship of Silesia related to the level of absorption of the European Social Funds (ESF) funds devoted to SME training represent levels close to the national average (the figures related to programming period 2004-06 have been taken into account). This may have suggested that the region represents well the entire country in terms of skills development and training policies of the SMEs

The sub-region of Zaglebie corresponds with the NUTS III area of Sosnowiec. In terms of administrative divisions of Poland it consists of 5 different counties (poviats)[1]: Sosnowiec city-county, Dąbrowa city- county, Jaworzno city-county, Bedzin county and Zawiercie county. All of the five belonging to the Silesian voivodship (Figure 2.1).

The sub-region does not correspond with any coherent self-government structures beyond the poviat [county] level. The NUTS III Sosnowiec sub-region is formally a region in a statistical way only. However, from historical, sociological or cultural point of view it could be seen as a distinct entity. Contemporary region of Silesia (self-governing region, the voivodship with capital in Katowice) does not consist of historical region of Upper Silesia-proper only. As a consequence of consecutive administrative reforms and due to economic reasons (proximity to the core parts of the region of Upper Silesia) historically distinct region of Zaglebie was incorporated into the voivodship of Katowice, and finally to the Silesian Voivodship that was created in 1998. (Figure 2.2).

Figure 2.1. Map of the Zaglebie (Sosnowiec) sub-region

Source: Portal Informacyjny GUS

The roots of the Zaglebie distinctiveness are usually traced back to the 19th century and the existence of the national border on Brynica River (existing and also a symbolic border of the sub-region that separates it from the core area of the voivodship) between the Russian-controlled Kingdom of Poland, to which Zaglebie belonged to, and the Upper Silesia-proper that was a part of the German Empire. Upper Silesia through centuries has developed its strong and distinct regional features and in the interwar period (1921-39) formed a special autonomous region of Silesia (with the regional parliament placed in Katowice) to which Zaglebie region did not belong to.

After the World War II both areas - Upper Silesia-proper (Katowice area) and Zaglebie - were for the first time in history[2], amalgamated into one administrative entity of Katowice voivodship. Certain degree of animosity between Upper Silesia-proper and Zaglebie has developed during the communism period. The animosity was strengthened by the fact that strong existing autonomous traditions of Upper Silesia-proper and its cultural distinctiveness were suppressed by the communist government. Nowadays, especially after the administrative reform of 1998 (when the stronger and bigger regions were created in Poland) the animosity situation has been reversed. Now Zaglebie often feels discriminated against. It is mainly due to the revival of a regional identity of Upper Silesia that is often articulated in political agendas and is accompanied by the revival of the Silesian traditions and culture. Several associations have recently been established with the aim of protecting the identity as well as economic interests of Zaglebie.

Creation of the separate NUTS III Sosnowiec area in 2007, which roughly corresponds with traditional borders of Zaglebie, can be seen as a example of this Zaglebie revival movement (see Annex 2).

Figure 2.2. The map of Silesian Voivodship and its sub-regions (NUTS III areas)

Source: Portal Informacyjny GUS.

The NUTS III area was established as a result of the efforts of local social activists and Zaglebie municipalities. However, it should be noted that the new NUTS III area has not been actually taken into account by the regional policy makers for the purpose of regional development planning and for implementing regional development policies and programmes. It was mainly due to a fact that the new sub-region did not yet formally exist at the time when the EU-funded development programmes for 2007-13 were created and agreed upon. The consequence of this situation is that while other parts of the voivodsip are having their own and dedicated funds' allocations and their sub-regional strategies implemented Zaglebie is not treated as a distinct sub-region in terms of planning and implementing structural policies. It has been attached to a bigger entity, which included the Katowice area as well, in terms of allocating EU structural funds and implementing the regional policy instruments (it does not have a status of a separate sub-region under the EU-funded programmes 2007-13 – neither under the ERDF nor the ESF).

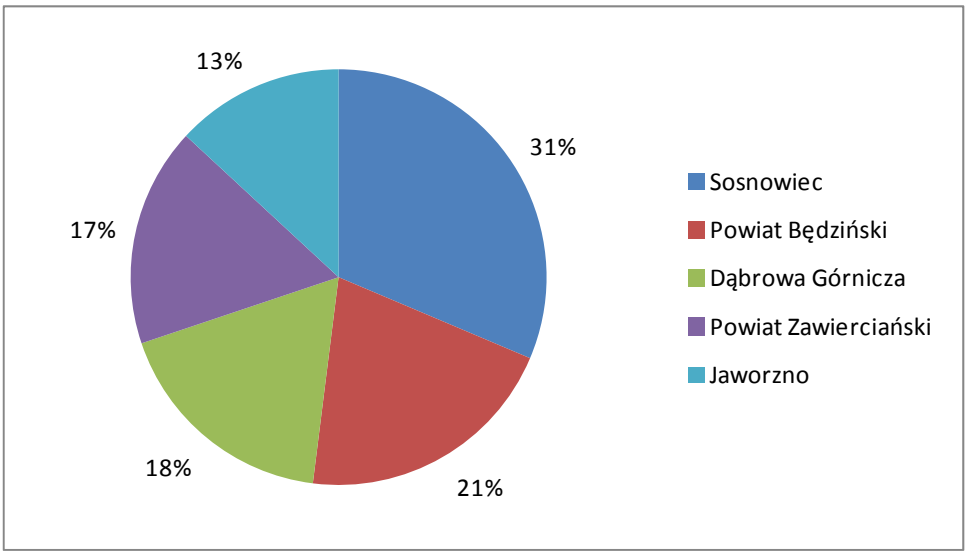
The rationale for establishing separate Sosnowiec NUTS III region has been often disputed - mainly on economic grounds. It is true that the biggest towns of Zaglebie are located in the immediate proximity of other parts of Katowice conurbation and the entire area is closely linked by economic, social and educational networks (even the University of Katowice has some of its branches located in Sosnowiec). However, the previously existed NUTS III area which was comprising both the industrial part of Upper Silesia-proper (Katowice area) and Zaglebie area was far too large as far as the EU statistical and planning standards are concerned. Nevertheless, as the economic figures show, the industrial centre of Zaglebie sub-region is not substantially different from other parts of Katowice conurbation and in many ways should be treated as a part of one economic entity sharing the same features and challenges with the entire Katowice Metropolitan Area. The distinctiveness is mainly based on historical, cultural and political grounds rather than on economical ones.

2.2. Characteristic of the sub-region

Population

The area of the NUTS III Sosnowiecki sub-region has 1 802.6km2 and is populated by 738 095 people3 (population of the sub-region makes 15.6% of the voivodship's population). 31% of the inhabitants live in the largest city of the sub-region – in Sosnowiec. Population density is very high and it reached 409.5 persons per 1km2 . The western, urban part of the sub-region is the most densely populated area of Zaglebie. There are two cities exceeding 100 000 inhabitants – Sosnowiec and Dąbrowa Górnicza. Other big towns in the western part of the sub-region include Będzin, Czeladz and Jaworzno. All the above mentioned cities form a conurbation that from geographical, economic and transportation (communication) perspective should be seen as a part of the bigger conurbation of the Upper Silesian Industrial Area or Metropolitan Area of Katowice The biggest town of the sub-region (Sosnowiec) actually borders the capital of the Silesian Voivodship – Katowice. The western, urban part is inhabited by 83% of the entire population of the sub-region. The eastern part of the sub-region – Zawiercie county - occupies 1 003.3km2 (55.7% of the entire area of the sub-region) but is inhabited by 17% of the sub-region's population only. 43% of inhabitants of Zawiercie county actually live in the capital city of the county – in Zawiercie (Figure 2.3). The remaining areas of Zawiercie county are predominantly rural and are sparsely populated. The rural, eastern part however, has a significant potential for tourism development (the hills and castles of Jura of Krakow-Czestochowa and the Jura Landscape Park).

Figure 2.3. Percentage of the sub-region's inhabitants living in particular poviats (2004)



Source: "The Strategy for Sustainable Development of Zaglebie Region"

Industry

Economy of Zaglebie sub-region has traditionally been dominated by heavy industries – the coal mining and steel production. Sosnowiec and Dabrowa Górnicza used to be among the most important mining centres in Poland and they belonged to the Upper Silesian Coal Belt – one of the most important areas of concentration of coal and steel industries in Europe.

Most of the coal mines were closed down in the 1990s (unlike in other parts of the Voivodship where many coal mines, after undertaking modernisation, still operate). But the steel sector is still very important for the region. The biggest steel factory in Poland (and one of the biggest steel producers in Europe) – Arcellor Mittal Poland SA - is located in Dąbrowa Górnicza. The headquarters of the entire Arcellor Mittal group are located in Dąbrowa. As of January 2008 the company employed 10 500 employees[4] (excluding sister-companies) of whom more than 4 000 were employed in the steel works located in Dąbrowa Górnicza. There is also a branch-factory located in Sosnowiec that has recently been reducing its employment size. The company produces a wide range of long, flat and special products. It supplies not only traditional and simple products such as rails or sections but also more technologically advanced long products used in the automotive, appliance and construction industries. It also produces variety of engineering products such as crane rails or bridge rails.

The network of the local production and service companies (suppliers and customers) co-operates with the Arcellor on regular basis and the company is very important for the sub-region's economy. Other important big companies include: Foster Wheeler Energia Polska sp. z o.o. in Sosnowiec (producing industrial kettles), TIMKEN Polska sp. z o.o. in Sosnowiec (producing ball bearings), Magneti-Marelli and Bitron Poland in Sosnowiec (automotive industry), Atlas Barbara SA in Dąbrowa Górnicza (construction), Damel in Dąbrowa (electric machinery), Defum in Dąbrowa (shaping machinery production) and power station Lagiszcze PKE SA in Będzin. The economy of Zaglebie is still significantly dominated by rather traditional manufacturing activities of the economy (machinery and electro-machinery) but not by heavy industries anymore.

It should be noted that restructuring activities based on advanced regional and development policy models (regional contracts between the central government and regional authorises, supporting structural changes through implementation of the EU-assisted programmes and the massive restructuring packages for the coal industry) have been in place in the voivodship since early 1990s.

> "New economic sectors, more flourishing, were developed mainly in the tertiary sector. The aim of regional policy in the medium and long term was to keep the key role played by the industry while developing the activities of services in a region which sorely lacked. This required a redefinition of industrial activities, either by the modernisation of production tools, or by creating new economic sectors (particularly in high technology)."[5]

Special Economic Zones (SEZs) were also created in order to attract high and medium-high technology investments and to attract foreign investors. Katowice Special Economic Zone established its branches (sub-zones) in Zaglebie region too – in Sosnowiec and in Dąbrowa Górnicza.

There are no studies nor the results of research available that show the impact of SEZs in particular case of Zaglebie sub-region. All the available figures and data are devoted to the voivodship as a whole. According to the OECD "Territorial Review: Poland 2008" the Katowice Special Economic Zone (including the smaller sub-zones in Sosnowiec Area) attracted over 260 companies since 1996 (with the investments of EUR 3 billion) and led to creation of 37 000 new jobs. Mainly the production companies have been established in the zones: automotive industry, construction, food, chemicals and textiles. However, it should be noted that the most spectacular and important investments and co-operation clusters were established outside the sub-zones existing in Zagłębie (in Gliwice, Tychy, Bielsko - General Motors, Opel, Isuzu and Fiat).

Box 2.1. Revival of the economy in Upper Silesia

"In Upper Silesia, the share of foreign direct investment (FDI) amounted to PLN 11.7 billion (EUR 2.5 billion) from 1996. It is the best region in Poland to attract investors. Their number hasn't stopped increasing for ten years, thanks to the tax exemptions granted to [Special Economic Zones] SEZs. Although the economic situation of the region was difficult at the end of communism, the local actors (municipalities, Voivodship, development agencies) have established programs to develop and revitalise the regional space, putting forward the benefits of Upper Silesia: many available lands (including SEZs), qualified manpower, significant local market.

(...)The creation and filling of SEZs offered the Silesian region an effective and quick solution to revive the local economy. These SEZs were accelerators of development. They have brought new breath to an ageing industry. Indeed, these SEZs have an influence that goes far beyond the communes where they reside. These neighbouring territories benefit from this new attraction (...). Moreover, the rapid development of the SEZs, the establishment of big foreign companies have begot corporate networks.

Many SMEs are created to take charge of industrial and commercial activities that large companies didn't wish or couldn't perform in Upper Silesia. They have become subcontractors of these big enterprises. Their activities depend almost entirely on large foreign companies. Gradually a network of SMEs was established. It is mainly around the automotive companies Fiat and Opel, that partnerships are the most developed (General Motors, Polytechnic School, SMEs), forming an automotive cluster in this part of the region".

Source : Bafoil, 2010

Employment and unemployment

There were 130 438 persons employed in the sub-region by the end of 2008[6]. 47.5% of the workforce were employed in the industry and construction, 29.4% were employed in the service sector and only 0.2% were employed in the agriculture sector. 39% of all employed were employed in the public sector.

The unemployment rate as of June 2010[7] in the sub-region was 12.9% and was significantly higher than in many other parts of the voivodship (Bielski sub-region – 9.7%, Katowicki sub-region – 6.7% and the capital city of Katowice – 3.4%, Rybnicki – 8.6%, Tyski – 5.9%) and higher than the regional average (9.7%) and the national average (11.3%). Only in Częstochowski and Bytomski sub-regions the unemployment rates were slightly higher – 13% and 13.6% respectively. The highest unemployment rate in the sub-region was registered in Zawiercie county (the eastern part of sub-region) and it reached 16.9%. In other counties of the sub-region the rates were as follow: Będzin – 14.1%, Sosnowiec – 12.3%, Jaworzno – 11.5% and Dąbrowa Górnicza – 10.3%. The unemployment rates in all the counties (except Dąbrowa Górnicza) are higher than the national average rate and the rate in Zawiercie was among the highest in the voivodship (the highest being registered in Myszkowski county which is located near Zawiercie county, in the sub-region of Częstochowa). In terms of the total numbers of the unemployed Sosnowiec was the city with the highest number of the unemployed people (after Częstochowa) in the voivodship. There were more than 10.000 unemployed people in Sosnowiec while in the city of Rybnik being of comparable size and located in another sub-region of the voivodship there were about 1 000 unemployed only.

2.3. SME sector in the Zaglebie sub-region

According to the Main Statistical Office data of 2009[8] there were 79 big enterprises employing more than 250 employees in Zaglebie sub-region (0.12% of all enterprises) (Table 2.1.). There were 486 medium-sized companies employing 50-249 people (0.71% of

all enterprises) and 2 931 small companies employing 10-49 workers (4.27% of all enterprises). The number of micro companies (0-9 workers) was 65 122 (94.9% of all enterprises). These figures are very similar to average figures for the whole voivodship of Silesia (micro-94.3%, small-4.7% and medium – 0.9%). However, the share of medium-sized companies is slightly lower in Zaglebie in comparison to figures related to the whole voivodship. These figures are also very similar to the national average figures and in this respect the sub-region could be seen as representative for the whole country.

Table 2.1. Number of enterprises by the size of employment in 2009 in %

Size of enterprises	% in the sub-region	% in Poland
Micro enterprises	94.9%	94.8%
Small enterprises	4.27%	4.27%
Medium enterprises	0.71%	0.78%
Big enterprises	0.12%	0.12%

Source: GUS, 2010

As far as the employment figures in relation to different size-groups of companies are concerned the national figures can be compared to the regional (voivodship) figures only due to a lack of available data for the NUTS III level. 36% of the voivodship's workforce[9] was employed in micro enterprises (the national average is 43.25%) in 2008, 12% in small enterprises (national average – 12.5%), 18% in medium size enterprises (the national average – 19.5%) and 34% in big companies (national average - 24.75%). In this respect the sub-region may be also considered as representative for the whole country. However, bigger proportion of employees were employed by the big companies in the Silesian Region as compared to the country's average (34% *versus* 24.75% as a national average) and less people were employed in the micro enterprises (36% *versus* 43.25% as a national average). The total share of employment in the SME sector was therefore smaller in comparison to the national average (66% in case of the region as compared to 75.25% as a figure representing the size of employment in the SME sector in the whole country).

Just over 8% of all companies registered in Zaglebie sub-region by the end of 2009 operated in manufacturing sector (5 797 enterprises)[10] (Table 2.2.). 10.5% in construction sector (7 220 enterprises), 36.6% (25 099) in trade sector, 3.2% in the hotels and restaurants sector (2 202), 8.3% in transport, storage and communication (5 681), 4% in financial intermediation (2 784) and 15.2% in the real estate, renting and business activities (services) sector (10 423). The ratios were close to regional average. Only in case of the last sector (the real estate, renting and business activity) the proportion of the enterprises is slightly lower that the proportion for the whole region of Silesia (16.4% of regional companies operate in the sector). The same is true in comparison to the sub-region of Katowice where almost 20% of all companies operate in the sector of real estate, renting and business activities. The ratios are also similar to the ratios representing the entire national economy:

The biggest numbers of companies were registered in Sosnowiec (23 484 – 34% of all enterprises in the region) followed by Będzin powiat (15 196 - 22% of all enterprises) and Dabrowa Górnicza (12 204 – 17.8% of all enterprises). 14% of all enterprises were registered in the eastern Zawiercie powiat. However, it needs to be remembered in this context that this powiat occupies 55.7% of the entire area of the sub-region.

Table 2.2. Sectoral distribution of companies, by the end of 2009.

The comparison of the sub-regional and national figures

Sectors	Zaglebie Sub-region	Poland
Manufacturing	8.4%	10.8%
Construction	10.5%	13.3%
Trade	36.6%	32.0%
Hotels and restaurants	3.2%	3.5%
Transport, storage and communication	8.3%	7.86%
Financial intermediation	4.0%	3.9%
Real estate, renting and business activities (services)	15.2%	14.84%

Source: Katowice Statistical Office, 2010 and GUS, 2010

79.2% of all enterprises in the sub-region represented the sole proprietorship sector (sole traders) while 20.8% represented companies and corporations (legal persons such as public limited companies, limited liability partnerships, civil partnership companies, etc)[11]. The proportion of the sole traders was therefore slightly higher than the average for the whole region (75.7%), higher than in the neighboring sub-region of Katowice (71.2%) and the another Upper-Silesian sub-region of Gliwice (68.2%). Therefore, comparing to the neighboring areas of Katowice-area the structure of economy was based on less sophisticated forms of conducting economic activities. 77.72% of all enterprises in Poland represented the sole proprietorship enterprises in 2009[12] (this figure in case of Zaglebie is 79.2). Thus, the sub-region of Zaglebie, also in this respect, can be seen as representative (typical) for the whole country.

In terms of the number of enterprises per 1 000 inhabitants the sub-region situation is comparable to other sub-regions of the voivodship. There were 96 enterprises per 1 000 inhabitants compared to 106 in Bielsko sub-region and 103 in Katowice sub-region[13]. The national average figure is 98. As far the dynamics of the enterprises' closure is concerned the sub-region belonged to a group of sub-regions where the number of the close-down enterprises was the highest in the last 12 months. In Bielsko, Katowice and Gliwice sub-regions there was an increase in the number of enterprises (2.1%, 1% and 2.3% respectively) while in the sub-region of Sosnowiec there was a decrease of 1.4% (3.2% in Sosnowiec city alone).

2.4. Measures to promote training in companies: the European social fund

The most important public incentives for promoting training in SMEs in Poland are linked with implementation of the European Social Fund (ESF) co-funded programmes. Before the accession of Poland to the EU there were hardly any mechanisms of public co-financing of training in place. The incentives included (and still, after the UE accession, they include) legal provisions allowing companies to present the costs of training as expenses reducing the taxed income of a company or the legal requirement to provide all employees with the training related to occupational health and safety. There were some projects implemented under the pre-accession 'Phare Programme' under which the mechanism of public co-financing was piloted but they were of a relatively small scale and their impact was limited.

The model of co-financing that was adopted after the accession under the ESF-funded Operational Programme "Human Resource Development 2004-2006" was based on the assumption that various business environment bodies (training organisations, local development agencies and the chambers of commerce) could play a role intermediaries between the public organisation in charge of

distributing the funds and the companies interested in training. The above mentioned organisations could apply for grants that were financing staff training projects implemented for individual companies and the groups of companies. EUR 250 million under the measure 2.3 of the ESF Operational Programme in the period of 2004-06 was spent under such a system (more than 400 000 employees of the SMEs were trained across the country under many thousands of individual projects).

The measure was administered by the national body – the Polish Agency for Entreprise Development placed in Warsaw – which was also in charge of implementing the ERDF measures aimed at boosting competitiveness of the SMEs (investment grants, advisory services, etc). The Agency for distribution of grants (projects) operated through the network of accredited regional development agencies placed in each voivodship. It was not possible for individual companies (SMEs in particular) to apply for funds without intermediary organisations, though the support given to each enterprise by the intermediaries was obviously treated as a state aid. The system was organised in this way for three major reasons:

- It was believed that the intermediary institution (training institutions in particular) are better placed to prepare professional staff development plans and professional vocational training projects than individual companies (especially the small ones).

- It was believed that companies should not be made responsible for dealing with administrative burdens related to preparing, implementing and financing the EU-funded projects (accountancy).

- It was assumed that the small companies do not usually have professional HRM capacities and it would have been better if the intermediaries were made responsible for assessing the needs of the companies.

The system turned to be conducive for the regions and areas where strong intermediary business institutions existed and the areas lacking such organisations were less privileged under the system. Special intervention programmes were launched by the Polish Agency for Enterprise Development in 2005 in the form of the projects dedicated to less developed areas but it was difficult to appropriately mitigate the above mentioned problem under the centralised, nationally managed programme. For the new ESF programming period (2007-13) it was decided that the measures targeted at training of the SMEs employees should be decentralised and that they will be implemented by the regional authorities. Under the new ESF-funded Operational Programme "Human Capital" EUR 1 588 479 612[14] was dedicated to regional measures aimed at supporting human resource development activities in the SMEs under the Priority No 8 of the Programme. Only a smaller part of the budget devoted to supporting enterprises' adaptability and the training in companies remained at the national level and is still administered by the Polish Agency for Enterprise Development.

The ESF measures can finance the training projects (including management and vocational training), the projects encouraging modern HRM planning, developing local partnerships for adaptability promotion and the schemes for developing co-operation networks between the companies and the R&D institutions (measure 8.2.1 that finances internships of academic staff in the companies in particular). The budget allocated for the Silesian voivodhip (including the Zaglebie sub-region) alone was EUR 165 million and was the highest in the country after the region of Warsaw (Mazovia voivodship). The ESF measures in the voivodship of Silesia are currently (starting from 2007) implemented by the regional authorities – by the Regional Labour Office (in case of vocational and management training for SMEs) and by the Marshal Office (in case of the project promoting co-operation networks between companies and R&D institutions and the projects linked with

implementation of the Regional Innovation Strategy). The institution which previously administered the grant scheme on behalf of the Polish Agency for Enterprise Development (Upper Silesian Regional Development Agency in Katowice) and which gained experience in dealing with SME training under the previous ESF programming period has not been given any role under the new system.

At the beginning of the current programming period the previous model of relying entirely on intermediary institutions was maintained. But in 2009 this system was reformed and now the enterprises can directly apply for the public support for training, without any intermediaries (training institutions nor development agencies) and can sub-contract the actual training services to training companies later, during the time of the projects' implementation. However, majority of the projects being co-financed after 2007 remain being based on the principle of the training or consulting companies applying "on behalf" of individual companies or groups of the companies (territorial, sectoral or the training theme-based groups). It should be seen as a natural phenomenon since the small companies in particular do not have a capacity (including the absorption capacity) to prepare and manage projects of the reasonable (financially rational) size.

It should be noted that on the top of the ESF-funded above mentioned training measures there are also many other measures implemented in the region that are closely linked with the development of the SMEs' human capital. Namely, there are numerous ERDF[15] –funded measures aimed at boosting competitiveness and innovativeness of the SMEs (advisory services, investment grants that often include training support as well, clusters and networks development building measures, awareness rising conferences, etc.) and the ERDF and ESF schemes implemented in the region under the national programmes managed by the central (national) institutions on the top of the ones implemented by the regional authorities.

The actual implementation of the projects funded under various national measures often rely on the same local institutions that are supposed to implement the projects under the regional envelop of the ESF and ERDF interventions and the institutions concerned are often confronted with different policy agendas, different administrative requirements and quality standards of the national and regional measures. For example the national agency - the Polish Agency for Enterprise Development - still continues to run its network of business support organisations providing services to SMEs while the regional authorities have started to build their own networks funded by the EU funds being at their disposal. The programmes that were theoretically separated from one another in correct way (by clear demarcation lines at the programmes' level) are confronted with business reality at the local level and often lose their coherence and clearness. From the companies' point of view the aims and objectives of various public interventions seem to be even much more confusing and the results of the OECD research in Zaglebie region shows that this multiplicity of interventions and institutions involved does not produce the required results.

ENDNOTES

[1] Counties (poviats) constitute the second level of the local elected self-government administration units (after municipalities)

[2] excluding some earlier non significant episodes

[3] Figures quoted after the "Strategy for Sustainable Development of Zaglebie Dabrowskie" published by the Local Development Agency in Sosnowiec and UNDP "Umbrella Project" in November 2004

[4] Source: the website of the company www.arcelormittal.cmdok.dt.pl

[6] Figures from "Bank danych regionalnych" GUS

[7] Figures quoted after the reports produced by the Regional Labour Office in Katowice

[8] Figures from "Bank Danych Regionalnych" GUS, 2010

[9] Figures are related to the employed in the enterprises sector only (i.e. without the employees of the public administration), the source of the data: "Raport o stanie sektora małych i srednich przedsiębiorstw w latach 2007-2008", PARP 2009

[10] Figures according to "Podmioty gospodarki narodowej wpisane do rejestru REGON w województwie śląskim. Stan na koniec 2009 r.", Urząd Statystyczny w Katowicach

[11] Opus citatum

[12] "Bank Danych Regionalnych" GUS, 2010

[13] Opus citatum

[14] The Operational Programme "Human Capital" for 2007-13

[15] European Regional Development Fund

3. FINDINGS OF THE QUANTITATIVE SURVEY

The survey in Zaglebie (Sosnowiec) area of the Silesia region was conducted between April to June 2010. The representative (in terms of the sectoral and size ratios of the SMEs) sample of 511 small and medium-sized enterprises from the Zaglebie area was created on the basis of the data from the National Register of Enterprises (REGON) operated by the Polish National Office for Statistics.

The data was collected through face-to-face interviews with representatives from the SMEs by the research company "ASM" as contracted by the Ministry for Regional Development of Poland. The data was keypunched into an online survey system for collation and analyses.

The results of the survey are presented in this report in the order based on structure of the questionnaire that was used for the survey:

- Section 3.1 describes the general characteristics of participating SMEs.
- Section 3.2 is devoted to participation in training [both industry training and vocational educational training (VET)] in the context of the companies' skill needs. It also deals with the issues of motivation and perceived barriers to training organisation. These findings are based on the responses to questions from Part 2 of the questionnaire.
- Section 3.3 is devoted to participation in non-formal, alternatives ways of learning such as internal business planning, business planning assisted by external service providers or knowledge-intensive interactions with clients, competitors, co-workers, etc. The responsese gathered in Part 3 of the questionnaire are studied in this section.
- Section 3.4 is devoted to companies perception of the local learning "ecosystem" (validation of the levels of importance of various local partners, interactions with external organisations, services and other factors having an impact on learning behavior of the enterprises).

3.1. Characteristic of the participating companies

The surveyors conducted interview with 511 companies of the Zaglebie (Sosnowiec) NUTS III sub-region. The participating companies operated in all of the sub-region counties: Sosnowiec county, Dąbrowa county, Jaworzno county, Bedzin county and Zawiercie county.

A majority of the companies (81.4%) operated in urban areas (Figure 3.1). Geographical distribution (urban vs. rural) was pre-determined in the sample in order to make the sample representative as far as the structure of the local economy is concerned. The sample was significantly dominated by micro enterprises (companies employing up to 10 employees). Micro enterprises made up 66% of all the interviewed companies, small companies (10-49 employees) constituted 18% of the sample and medium-sized enterprises made up 16% of the sample (Figure 3.2). In reality the ratio of micro enterprises is even higher in the sub-region; they make up 95% of all SMEs in the region (4.3% of SMEs are small and 0.7% of SMEs are medium-sized companies). Single-person enterprises were not included in this research. A significant number of micro enterprises in the sample should be seen as a specific feature of the Polish research in comparison to the surveys conducted in other countries participating in the project. The dominance of micro enterprises participating in the survey most

definitely had an impact on the results of the survey. Figure 3.3 presents the sectoral structure of the sample.

Figure 3.1. Enterprises by operational area

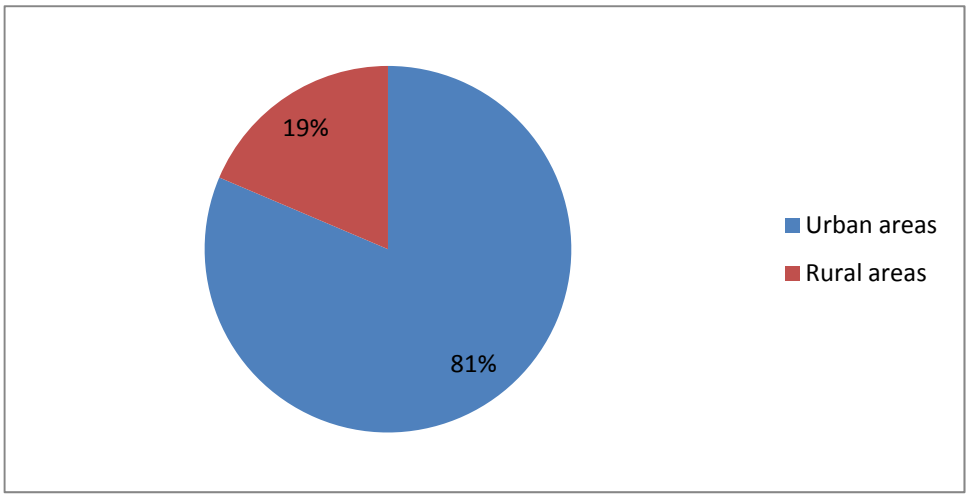


Figure3.2. Entreprises by size

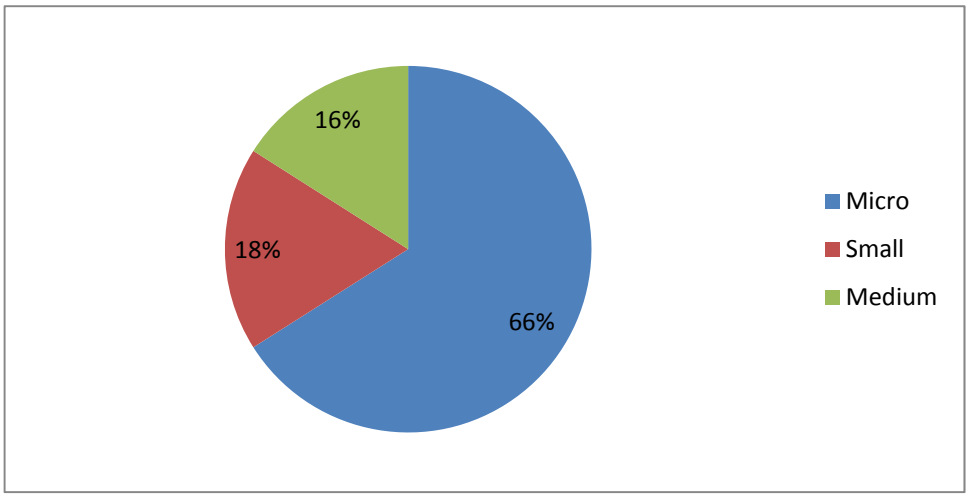
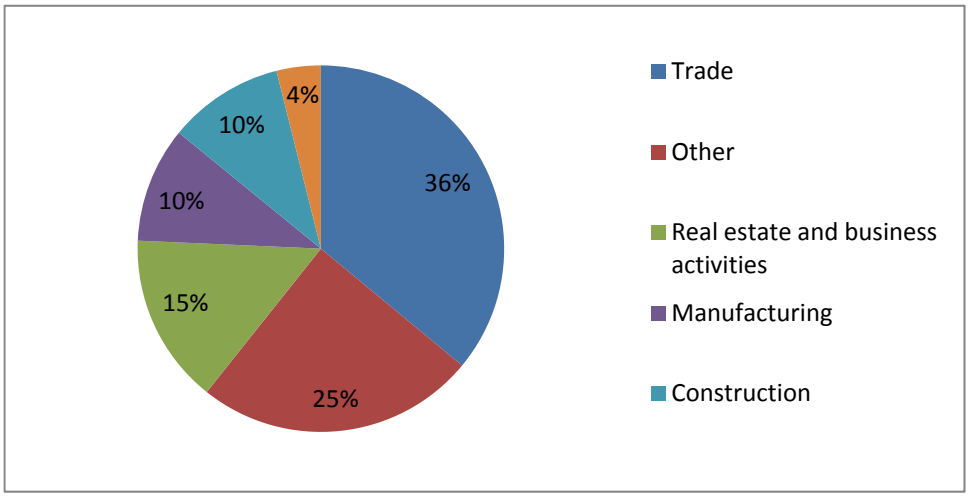
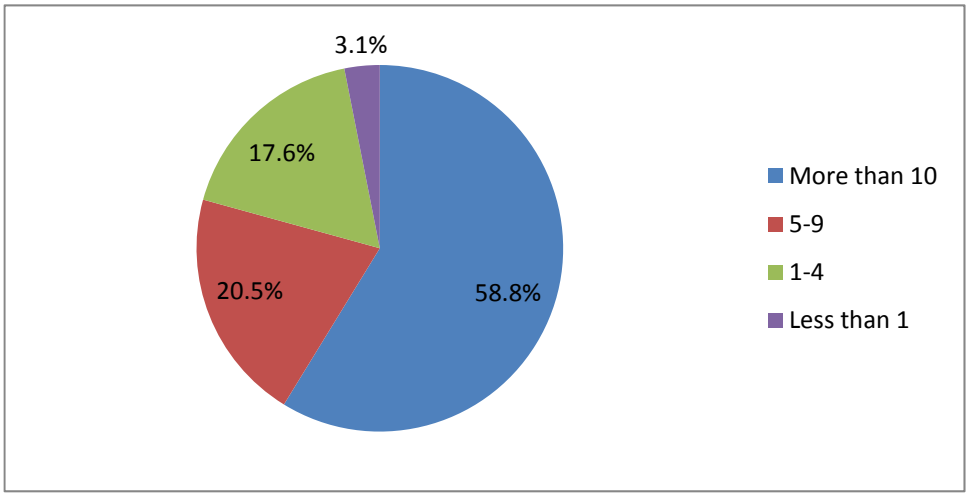


Figure 3.3. Enterprises by industry sector



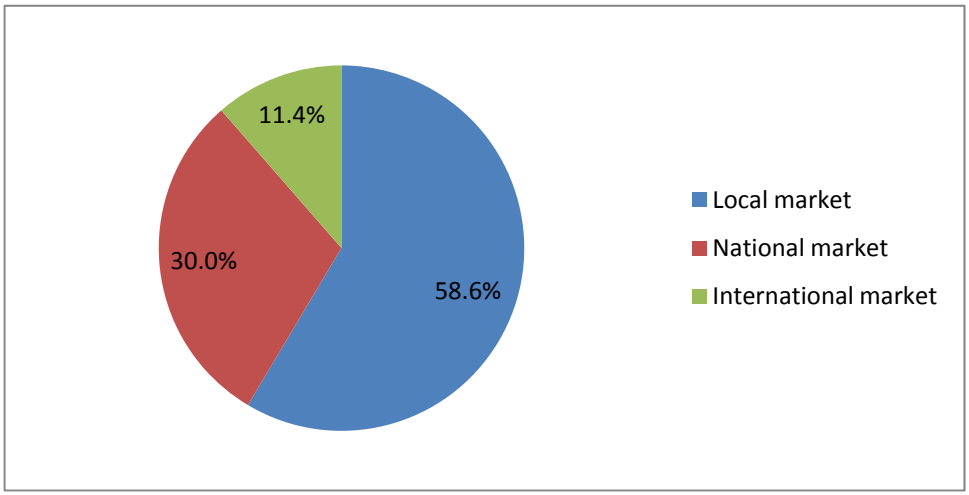
Most of the enterprises were well established on the market as far as their age is concerned – 60% of them have been in operation for more than 10 years (Figure 3.4).

Figure 3.4. Enterprises by years of operation



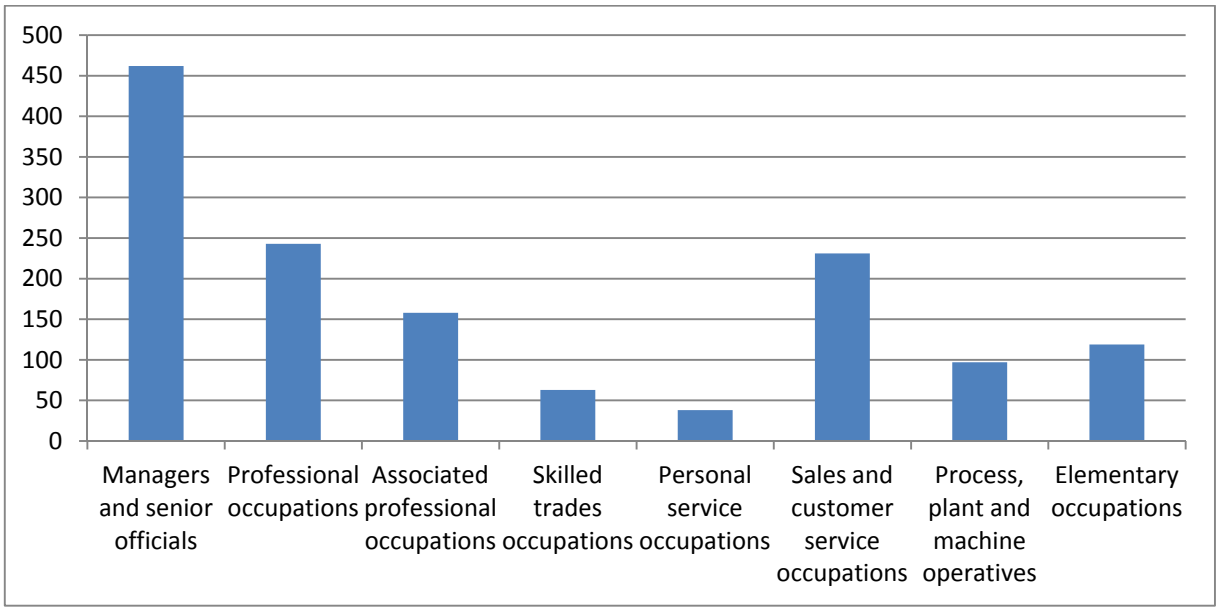
The majority of the enterprises turned out to be operating exclusively in the local market; 58.6% of enterprises answered that their products/services were primarily sold locally or regionally. 30% of participating companies sold their products/services nationally and only 11.4% sold them internationally (Figure 3.5.).

Figure 3.5. Enterprises by operating markets



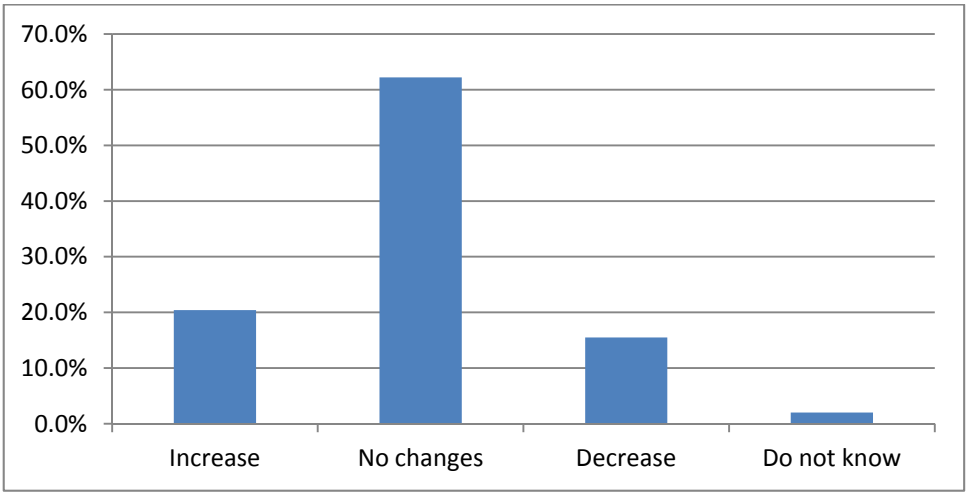
"Managers and senior officials" constituted the most numerous group of employees of the enterprises. This was most definitely due to a fact that the sample was dominated by micro enterprises (in order to reflect the real proportion of the micro enterprises in the sub-region) The remaining most numerous types of occupations were: "professional occupations" and "sales and customer service occupations". The total number of persons employed by the interviewed companies was 10 810 persons. As such, the findings presented in Figure 3.6.) should be treated with some reserve as only rough estimations were made by the interviewee who gave some indication of the distribution of occupations.

Figure 3.6. Number of employees by type of occupation



Most of the respondents asked about changes in employment in the course of the last 12 months indicated the lack of any changes (62.2%) or the increase in employment (20.4%).

Figure 3.7. Changes in employment



As far as the two basic dimensions of the innovativeness are concerned (introducing of new products/ services and new ways of producing products/ services) general level of innovativeness of the enterprises seems to be quite low with the majority of firms no introducing new or improved innovations (Figures 3.8 and 3.9.).

Figure 3.8. Have enterprises introduced new products/ services in the last year?

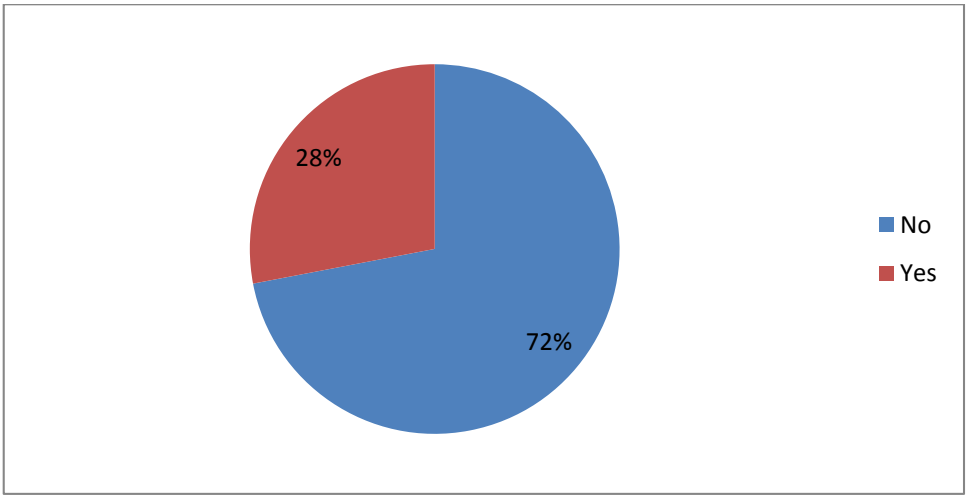
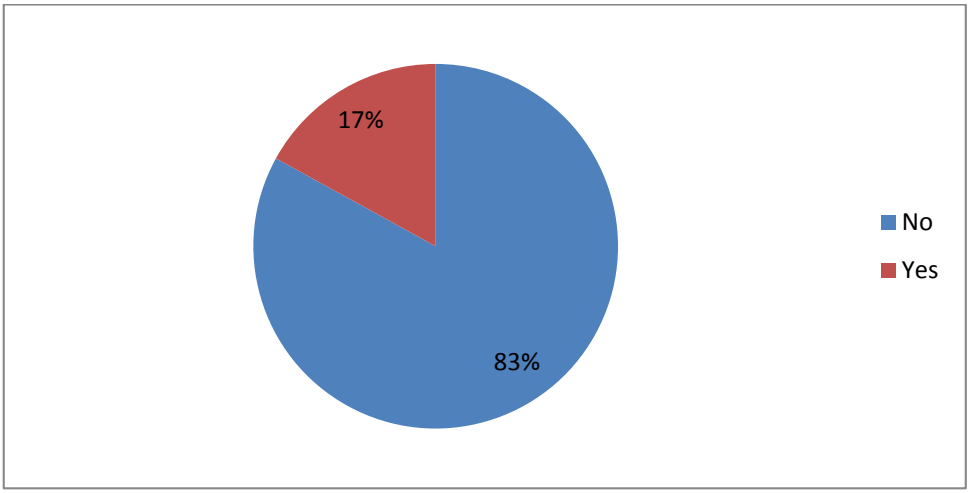


Figure 3.9. Have enterprises introduced new ways of production in the last year?



3.2. Formal training in the enterprises

Participation in training activities and skills development

Most of the interviewed persons were well placed to report on the issues related to HRD and training policies of the enterprises they represented. 77.5% of them were either fully or predominantly responsible for HR issues in their respective companies (in case of 44.6% HR issues constituted all of their role, in case of 32.9% a major part of their role, only in case of 22.5% it was a minor part of their role).

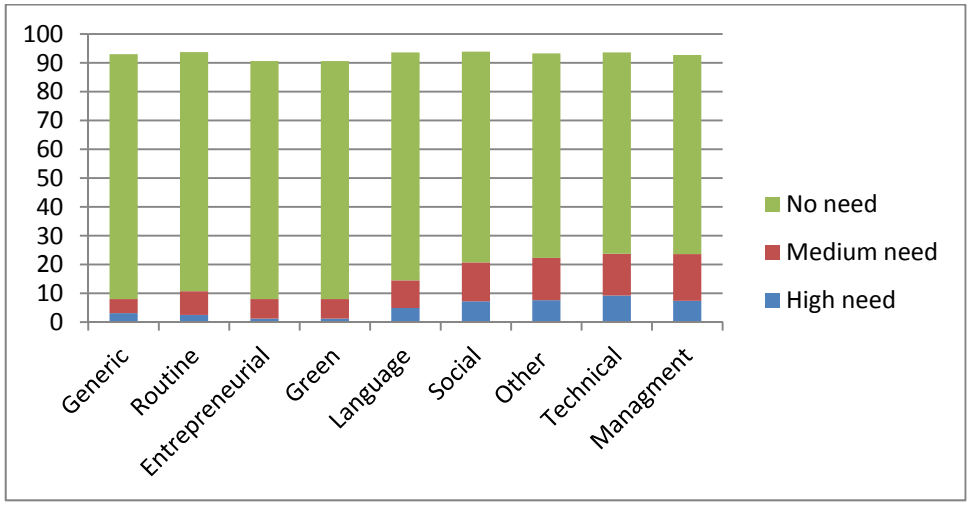
Asked about the types of skills that would be needed over the next 12 months most of the respondents indicated generic skills as the least needed type of skills (85% of enterprises). The least needed types of skills also included routine skills (83% of enterprises indicated lack of needs in this area) and green skills (82.6% of enterprises indicated lack of needs in this area).

It should be noted that the most dominant answer to the question on skill needs – in relation to all types of the skills - was the answer „lack of needs". This may indicate a general lack of diagnostic practices in relation to HRD and HR planning in the enterprises concerned.

The most numerous indications in relation to skill needs were the indications on technical skills (23.7% of enterprises declared these needs – 9.2% as high and 14.5% as medium-level needs). Similar results were received for management skills (23.6% of enterprises indicated needs in this area – 7.4% as high needs and 16.2% as medium).

Relatively high score of entrepreneurial skills and social skills should be seen as an interesting results of the survey. As many as 22.3% of enterprises indicated needs in the area of entrepreneurial skills and 20.7% indicated needs in the area of social skills. These skills scored higher that the routine skills and even higher than the language skills (that included foreign languages such as English).

Figure 3.10. Needs for various skill types (% of answers)



Majority of the enterprises did not have formal training plans (only 35% of them had training plans). Even the smaller number of enterprises (20%) had official formal budgets for staff training. The differences between enterprises oparating in urban and rural areas were not very significant in this respect: 22% of urban enterprises did have training budgets as compared to 15% of rural ones.

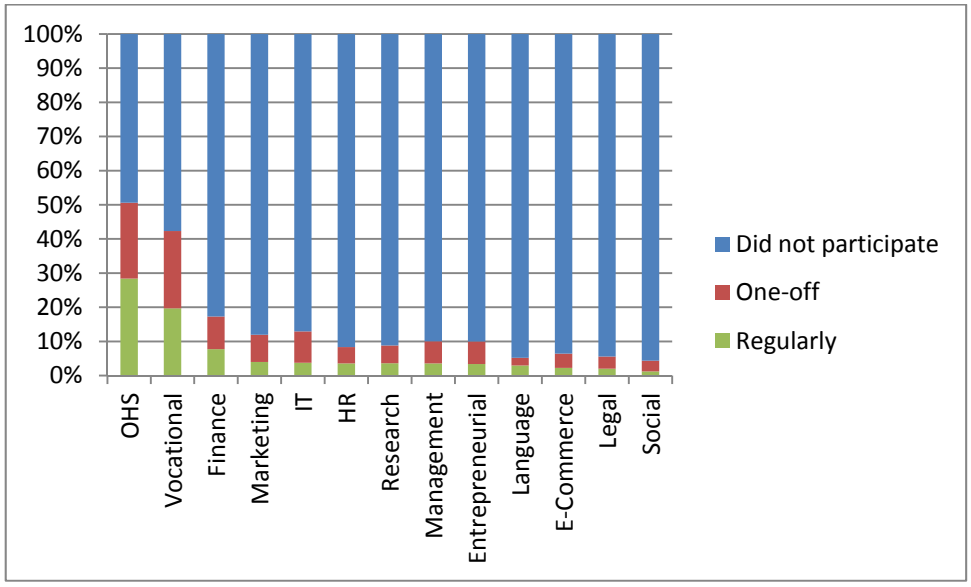
In case of as many as 30% of all enterprises (155 enterprises) not a single employee has taken part in any type of training in the course of the last 12 months.

In case of 12% of enterprises the training was organised for less than 20% of employees, in case of 12% of enterprises 50% of employees took part in training and in case of 30% of enterprises all employees were trained. As far as the scope (content) of training is concerned 49.9% of enterprises that took part in training indicated the area of occupational health and safety as an area of training they participated in (Figure 3.11.). OHS was therefore the most popular theme for training. However, it should be noted that the training on OHS is a compulsory training as far as the Polish legal requirements are concerned. The second most popular training themes were job specific technical training courses (41.7%), followed by accounting and finance (17%), IT (12.7%), marketing (11.7%) and management (9.8%) courses.

Regularity of training was very low. Even in case of the most popular courses on OHS, only 21.9% of enterprises indicated that they participated in such courses in a regular way[1]. In case of vocational training (job specific technical courses) 22.3% of enterprises participated in training regularly.

The least popular were the courses related to social skills (only 4.3% of enterprises that participated in any type of training took part in training in this field and 93.9% of all enterprises indicated that they did not participate in such kind of training). It can be noted that this result stands in a sharp contrast with the previous declarations concerning the high level of needs for social skills in the enterprises.

Figure 3.11. Participation in types of training (in %)



The results of the survey show that the training for employees was organised mainly by medium sized enterprises. This can be well illustrated using the example of the two most rudimental types of courses: vocational training (job specific vocational courses) and management training (business planning) (Table 3.1). Medium sized companies supported or provided the training in the most regular way. The regularity of training (vocational training in particular) in small companies was very low – even lower than in case of micro enterprises. It should be also noted that participation rate of the medium sized companies in management training is surprisingly low (however, higher than in case of small and micro companies).

Table 3.1. Participation in management and vocational training

(%)

	All enterprises		Micro		Small		Medium	
Frequency of participation	Vocational	Management	Vocational	Management	Vocational	Management	Vocational	Management
Did not particpate	58.3	90.3	64.0	94.3	58.9	87.4	36.7	75.3
One-off	22.3	6.3	18.7	3.9	30.0	5.3	30.4	18.2
Regularly	19.4	3.5	17.2	2.0	11.1	7.4	32.9	6.5

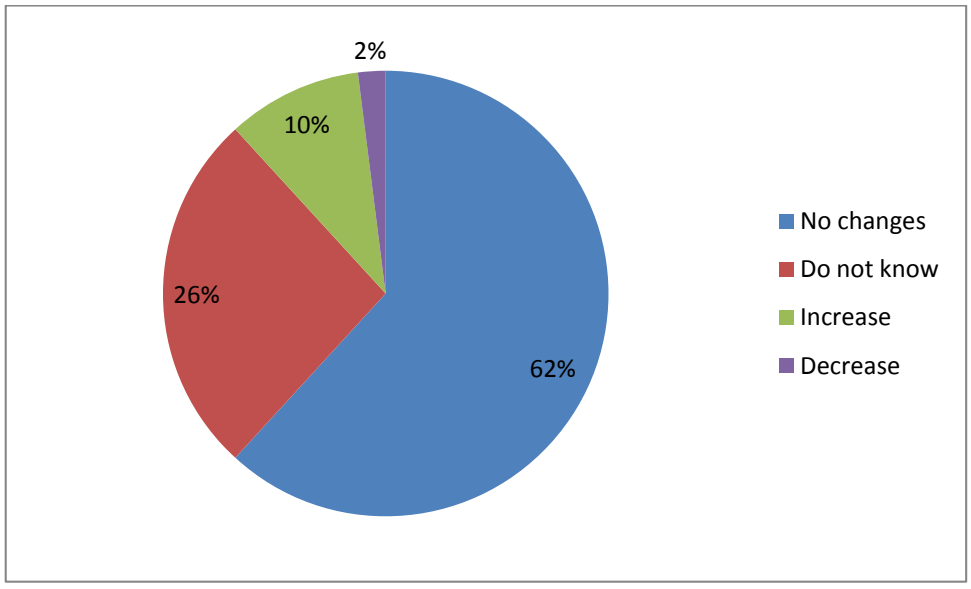
The results in respect to these two types of training look differently in case of the enterprises that declared themselves as innovative in terms of introducing new products or introducing new methods of production. 50% of the companies which introduced new products/ services participated in vocational training (as compared to 41.7% in case of other companies) and 14.6% took part in management training (as compared to 9.8% in case of remaining companies). The results for enterprises that significantly changed methods of

production are even higher; 58% of them participated in vocational training and 20% took part in management training. There were no significant correlations between the age of companies and participation in the training.

The analysis of the responses related to characteristics of the trained employees show that in case of 64% of enterprises only medium- and highly-skilled employees were trained (as many as 64% of enterprises did not train their low-skilled personnel at all). The most numerous group of the trained persons came from the age group of 25-49 years old (43.5% of enterprises trained solely employees from this age group while this group accounts for 67.6% of all employed in the enterprises under study). People older than 65 years were not trained (93% of all enterprises did not train them, however, this age group constituted only 1.4% of all employed). Persons younger than 25 years old were also rarely trained (72% of enterprises did not train them at all, this group accounts for 9.3% of all employed) as well as the employees from the age group of 50-64 years old (59.3% of enterprises did not train them, this group accounts for as many as 21.8% of all employed).

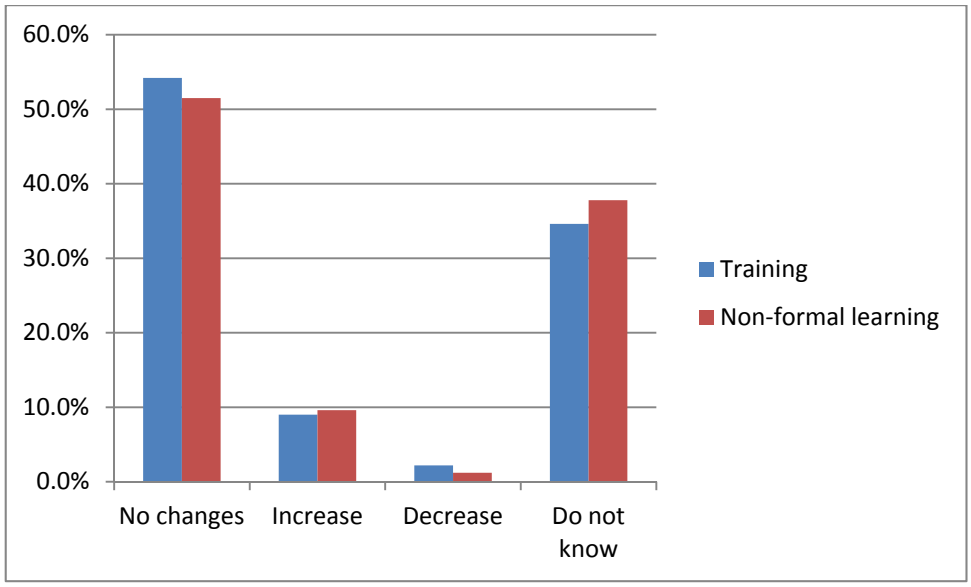
While asked about changes in percentage of the trained employees in the courses of the last 12 months most of the respondents answered that there were no changes at all (Figure 3.12.). This may indicate that the impact of the economic slow-down on training behaviour of enterprises was non-significant. The training participation ratio has remained at the same low level. It should also be noted in this context that the year 2010 marked a significant increase in availability of ESF-funded grants for training in SMEs (measured by the number of new open calls for proposals in all regions of Poland). Apparently this fact did not change the situation as well.

Figure 3.12. Changes in participation in training over the last 12 months



The training provided by external service providers was also not replaced by other non-formal ways of learning (what could have theoretically take place due to austerity measures in enterprises). The level of participation in formal and non-formal ways of learning remained at the stable (low) level (Figure 3.13.).

Figure 3.13. Trends in participation in training delivered by external providers and in alternative ways of learning (% of answers)



Perceived benefits and barriers to training

Seventy percent of enterprises answered the questions concerning benefits of training and the barriers to training. This is because the remaining enterprises did not participate in any type of training. The following analysis therefore applies only to this population of enterprises.

In case of benefits articulated in terms of benefits for employees (such as improvement in skills levels or personal benefits such as promotion) (Figures 3.14. and 3.15.) most of the answers indicate the low validation of a training's suitability (lack of benefits or low benefits). In case of high- and medium-skilled employees relatively highly appreciated were the outcomes such as the improved technical skills (35.4% of answers) and the employment progression (45.8% of answers). Validation of outcomes in case of low-skilled personnel was very negative (see: figures 23 and 24). Both, in terms of improved skills as well as in terms of personal benefits. The answers indicating improved routine and technical skills (4.8% of answers) and employment progression (3.8%) stand out in some way. However, the overall rating is extremely low.

Figure 3.14. Outcomes of training articulated in terms of improved skills(% of answers). The case of high and medium skilled workers

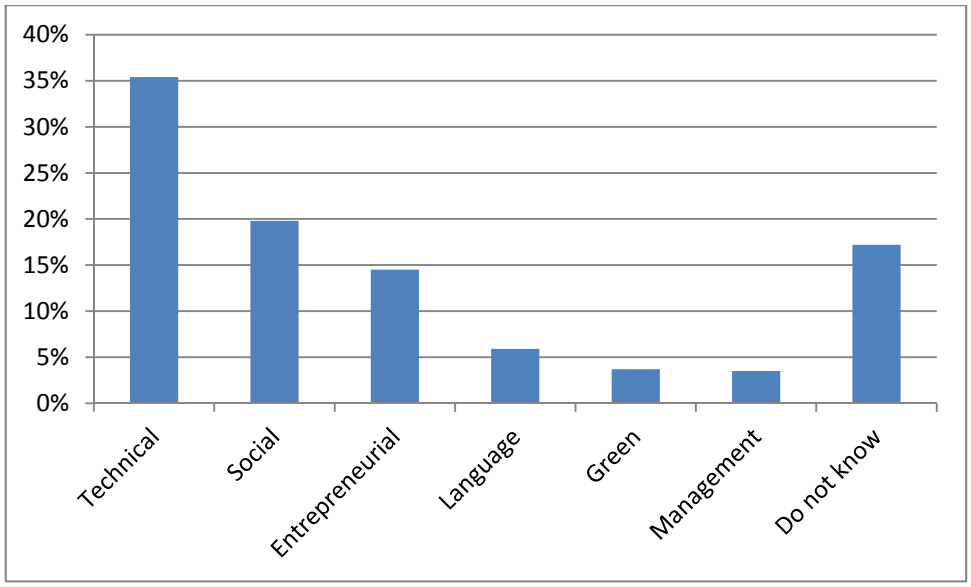


Figure 3.15. Outcomes articulated in terms of personal benefits (% of answers). Case of high and medium skilled workers

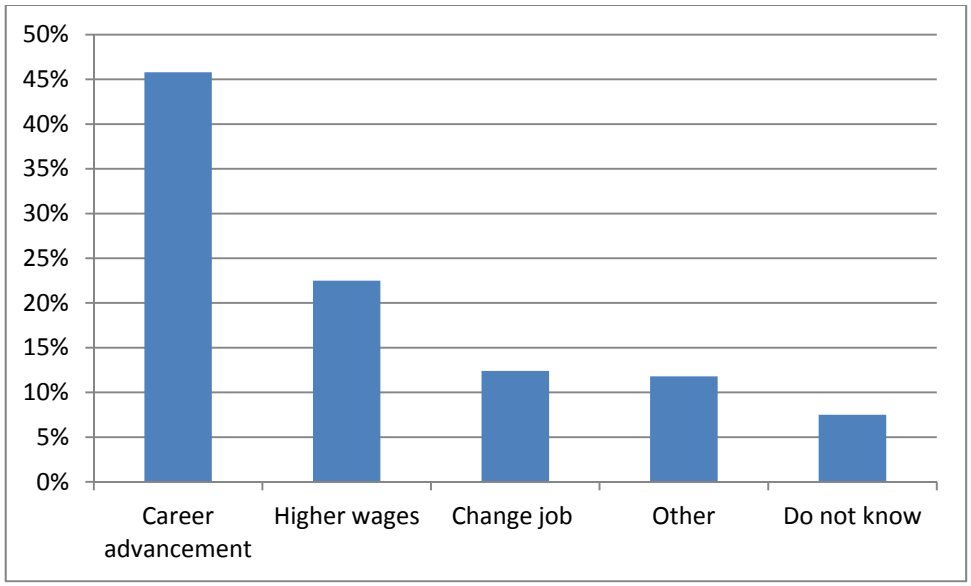


Figure 3.16. Outcomes of training articulated in terms of improved skills(% of answers). The case of low skilled workers

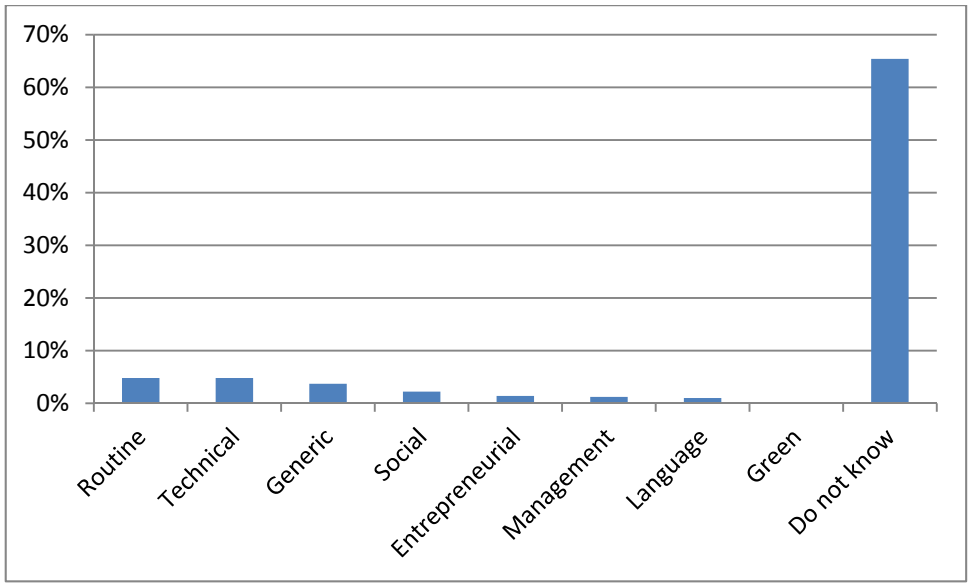
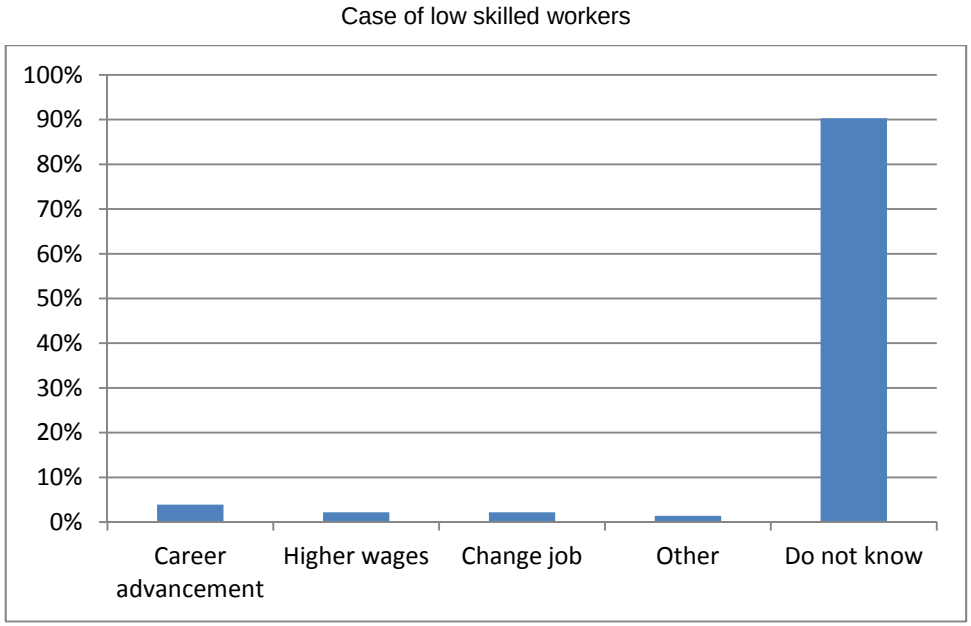


Figure 3.17. Outcomes of training articulated in terms of personal benefits (% of answers).

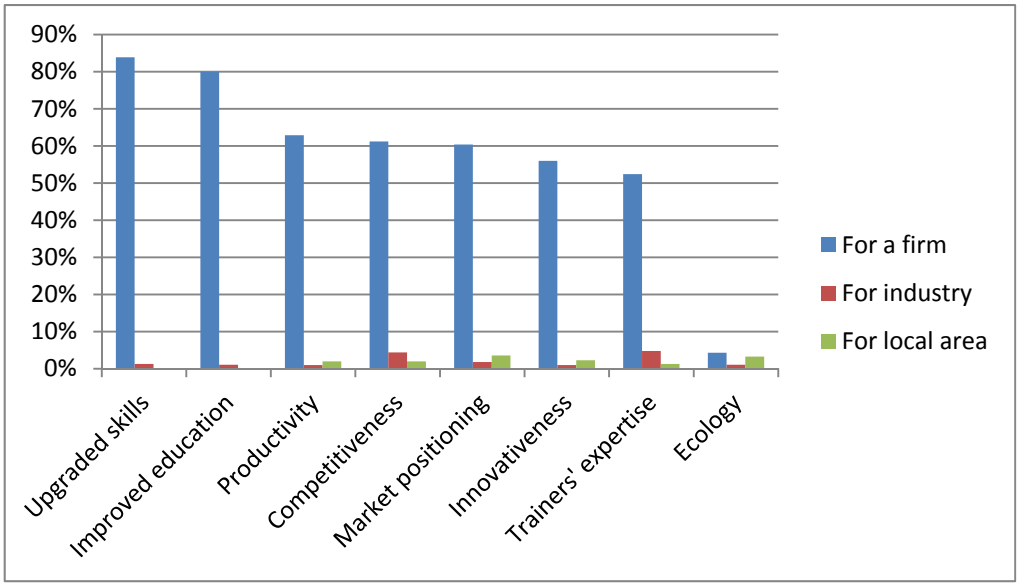


The number of answers "Do not know" in case of the low-skilled workers is also worth some consideration. It may again confirm that the enterprises face difficulties in assessing the skills needs of this group of employees.

In case of outcomes articulated in terms of benefits for a company or its environment potential benefits scored surprisingly low: 61.2% of indications on increased competitiveness, 56% of indications on innovativeness (Figure 3.18.). Very small number of enterprises perceived benefits for the industry and local area (only 2%). More companies saw benefits in terms of increased knowledge

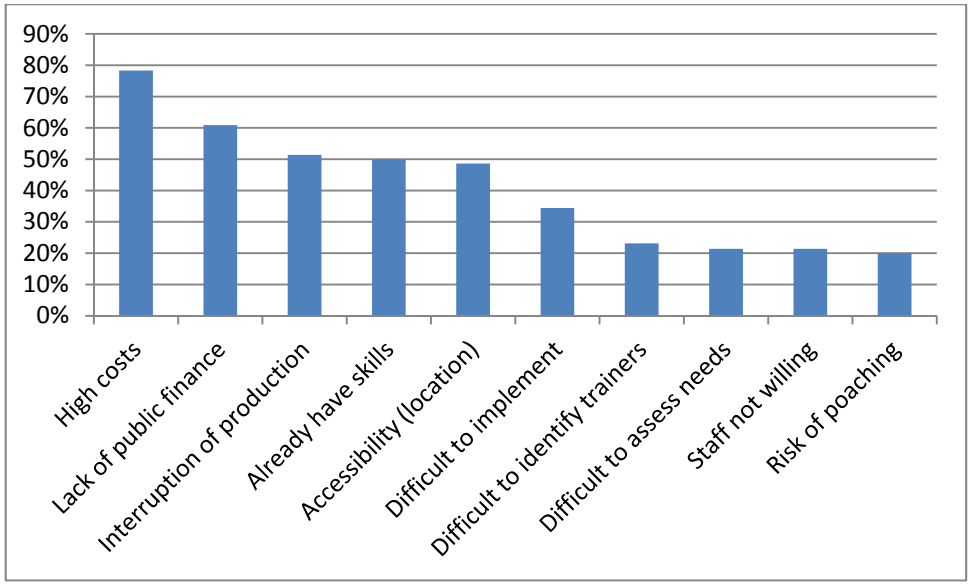
levels of employees (83% of enterprises indicated the improved skills and 80% the increased level of education attainment).

Figure 3.18. Outcomes of training articulated in terms of benefits to firms, industry and the local area



As far as the barriers to training in case of highly skilled employees are concerned 78.3% of enterprises indicated the high costs. Other numerous answers included the lack of public support and the risk of interrupting production (Figure 3.19.).

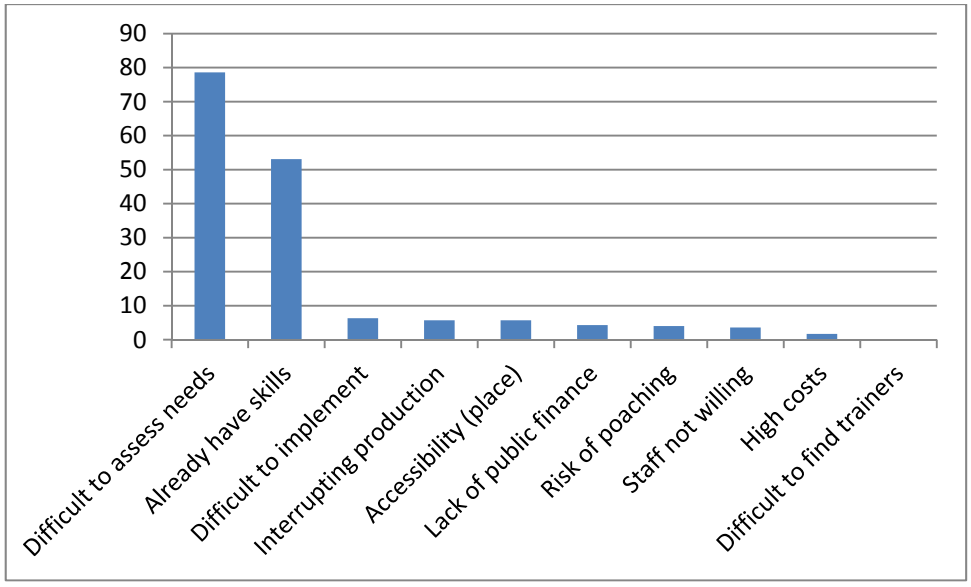
Figure 3.19. Barriers to training in case of highly skilled workers



In case of the barriers to training for low skilled workers 53.1% of all the answers pointed out that the workers were already prepared for a job and they did not need any training (Figure 3.20.). In case of 78.6% of the enterprises the difficulty in assessing workers needs

was indicated as a major barrier. It is also interesting that the costs were not considered to be a barrier in case of this group.

Figure 3.20. Barriers to training in case of low skilled workers



3.3. Alternative ways of learning

Participation in non-formal learning activities

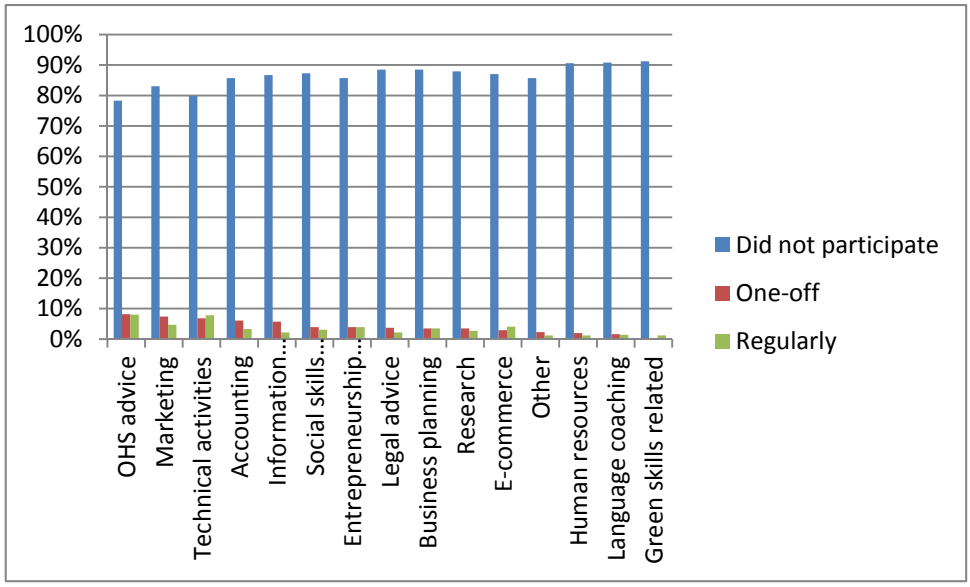
Part 3 of the questionnaire was devoted to participation in activities of a non-formal nature that could significantly contribute towards acquiring new knowledge and skills. Such activities may have included: usage of external services in the area of business planning (management consulting), research, accounting, legal services, etc., could have been organised internally within the firm or the knowledge in the above mentioned areas may have resulted from interactions with clients, competitors or with other organisations. All the above mentioned activities may be described as knowledge-intensive service activities (KISA)[2] and as the occasions for learning (thus can be seen as an informal ways of learning). It needs to be mentioned that the surveyors have been guided to ask the interviewed to consider only such occurrences of participation in the above mentioned activities which significantly increased the skills, competencies and knowledge. This might have strongly influenced the results obtained since the respondents while asked about particular forms of KISA had to assess its learning value at the same time.

None of the forms of KISA listed in the questionnaire was considered to be particularly beneficial for learning. 59% of the enterprises did not indicate their participation in any forms of presented activities in a way that significantly increased their knowledge and skills. While asked about the number of employees who participated in KISA 34.8% of enterprises stated that none of the employees took part in any of the listed alternative ways of learning included in the questionnaire.

Some of the enterprises reported services related to occupational health and safety (OHS) (16.2% of enterprises) and job specific technical activities (14.6%) as occasions for learning (Figure 3.21.). The above mentioned activities were the most numerous indications of all. Very small percentage of enterprises (only 7%) reported undertaking internal activities in relation to business planning or their

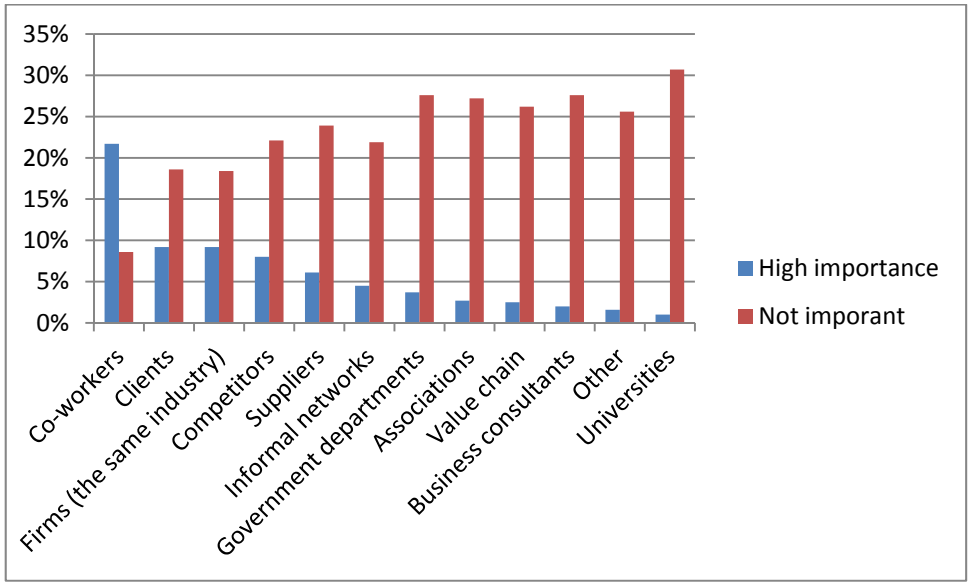
usage of external services (such as business consultants) for business planning. This may indicate lack of appreciation of business planning in general.

Figure 3.21. Participation in different forms of knowledge-intensive activities



Among the enterprises that reported their participation in KISA 21.7% pointed out the interactions within a firm as the most beneficial way of learning (indicated their own workers as the most significant suppliers of knowledge). Internal interactions scored the highest among all forms of interaction (Figure 3.22.). The position of interactions with clients and the interactions with other companies from the same industry also scored relatively high (9.2% of enterprises saw them as important for learning). 8% of enterprises saw interactions with competitors as beneficial for learning purposes. Interactions with university researchers received the smallest number of indications (only 1%). Only 2% of enterprises indicated business consultants as important for learning**.** This results can be interpreted as interactions with various actors do not occur or there is generally a lack of appreciation of the value of all interactions with external bodies as social capital. This way of interpreting the data can also be supported by the low importance assigned to business associations.

Figure 3.22. Importance of different groups/ tapes of institutions for KISA



65.2% of the enterprises reported that not a single employee took part in KISA activities in the last 12 months. Only 13.9% of the enterprises stated that all their employees took part in non-formal ways of learning either through internal or external interactions.

Employees of the age group of 25-49 benefited the most. 42.1% of enterprises that took part in KISA stated that the representatives of the above mentioned group were the major participants. In case of 83.7% of enterprises the employees who are older than 65 do not participate in KISA. Employees below 25 years of age and employees in the age group of 50-64 participate more often (the youngest people did not participate in KISA in 62.9% of the enterprises and people of 50-64 in 56.6% of enterprises).

Perceived benefits and barriers to KISA

About 60% of enterprises stated that the alternative ways of learning were not beneficial for any of their employees. Amongst the remaining enterprises the most numerous indications were on highly skilled employees as the ones who benefited from KISA (Figure 3.23.). The value of KISA for learning was perceived as very low in relation to workers with low skills. In case of the highly skilled workers the highest value was assigned to acquiring technical skills (15.3% of enterprises that confirmed their participation in KISA) and to gaining the social skills (12.9%).

In case of low-skilled workers the value of KISA for personal benefits such as career advancement or increased wages scored the least (Figure 3.24.). In case of medium and highly skilled workers such benefits were acknowledged (15.9% of the enterprises saw the career advancement as an outcome of KISA).

Figure 3.23. Outcomes of KISA articulated in terms of improved skills(% of answers)

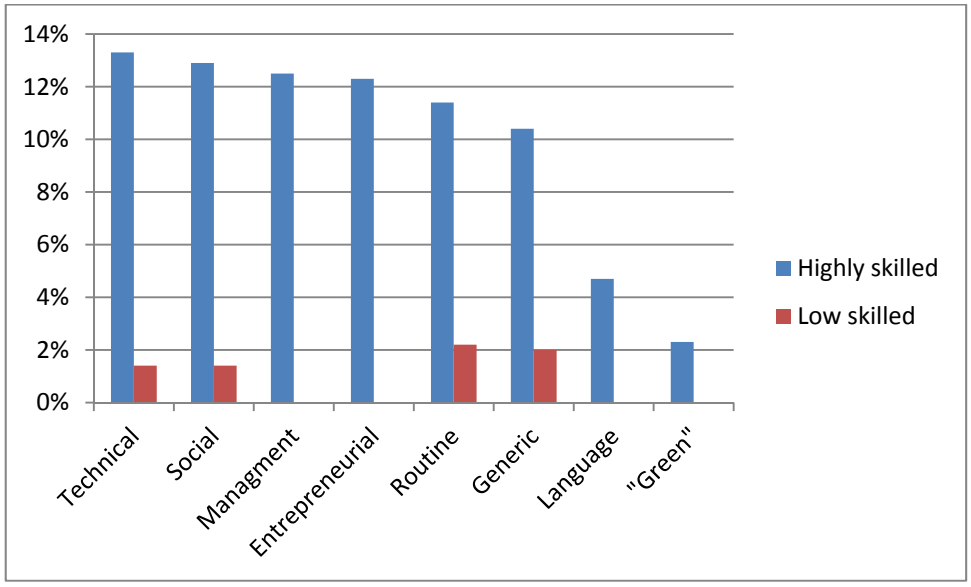
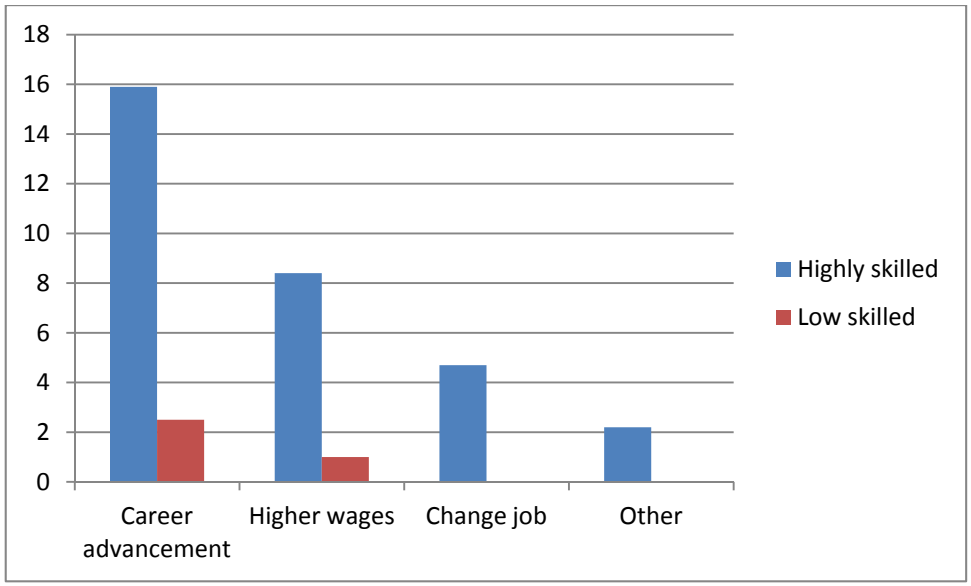
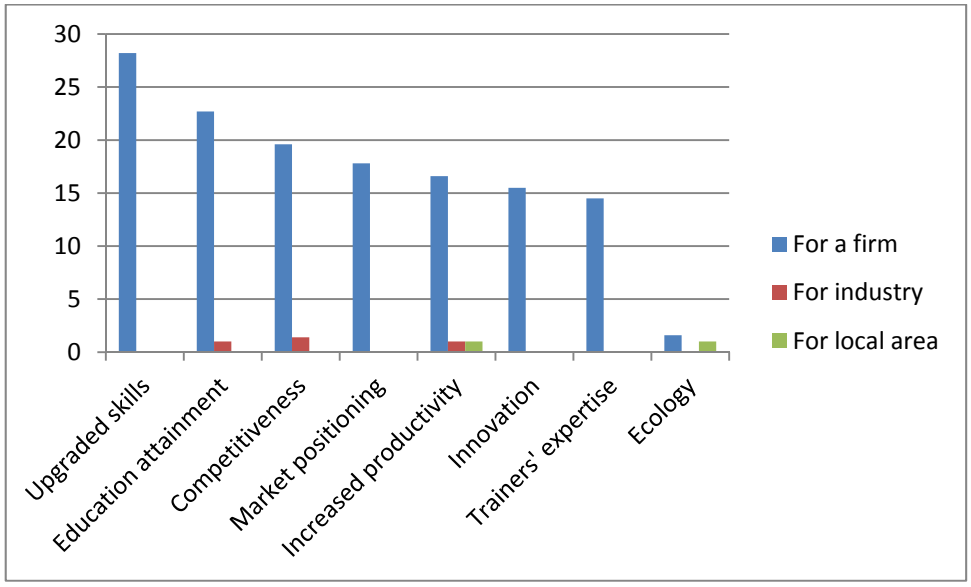


Figure 3.24. Outcomes of KISA articulated in terms of personal benefits (% of answers)



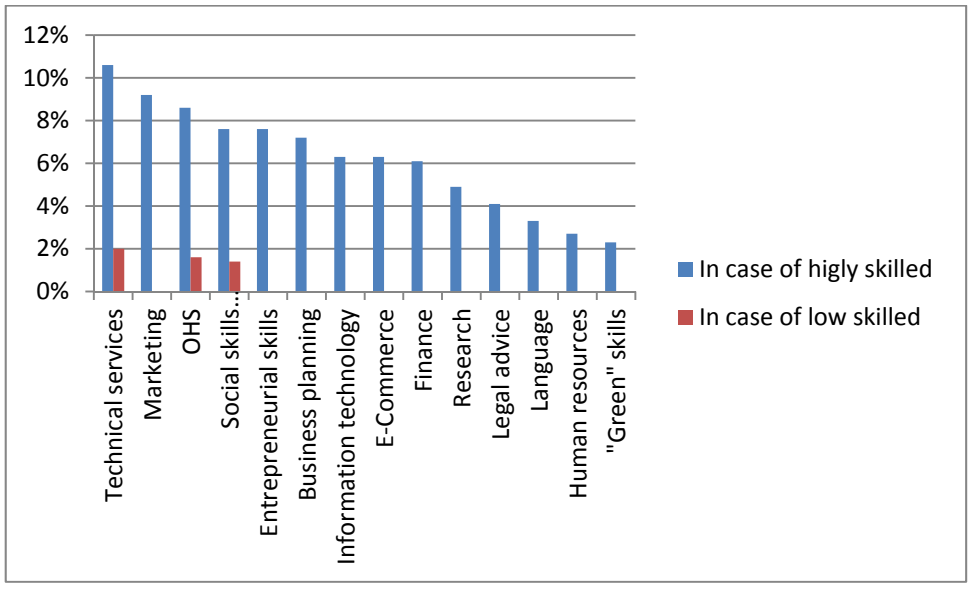
In case of the outcomes articulated in terms of benefits for a company or its environment the biggest number of enterprises indicated the upgrading skills levels (28.2%). Small number of enterprises indicated any types of economic benefits (19.6% pointed at increased competitiveness, 17.8% at better market positioning and 16.6% at increased productivity). The number of indications on the impact on local area was close to zero (Figure 3.25.).

Figure 3.25. Outcomes of KISA articulated in terms of benefits to firms, industry and the local area



In general KISA were not seen as better way of learning compared to formal training. The most numerous indications on a higher value of KISA as compared to formal training were given in case of technical services (both, for highly skilled – 10.6% of enterprises, and low skilled workers – 2% of the enterprises thought so) (Figure 3.26). In relative terms marketing services scored high (9.2% of enterprises believed that KISA is more efficient in this case). The number of companies declaring that KISA is better than training in case of low skilled workers was close to zero.

Figure 3.26. Opinions of KISA as a better way of learning (as compared to formal training) by types of skills



3.4. Motivation for learning and the skills and training ecosystem

The results received under the last part of the questionnaire are presented in this chapter of the report. The chapter is therefore devoted to incentives for undertaking learning activities (both formal training and non-formal activities) by the enterprises and the impact of other organisations and business environment on their training behaviour.

Public incentives

The results obtained are presented in the tables below. The impact of regulations turned out to be very significant in case of training on OHS (which was actually predictable beforehand). Perceived impact of public co-financing is surprisingly low. It stands in a sharp contrast with the large amounts of funds dedicated to training in SMEs and allocated under the ESF-funder Operational Programme „Human Capital" for 2007-13. It should also be noted that the perceived impact of public co-financing is virtually non-existent in case of acquiring social skills as well as in the area of R&D (which constitutes a major priority under the EU co-funded programmes).

Table 3.2. Impact of regulations

Type of training	Percentage of indications on regulations/law seen as major determinant (incentive)
OHS	45.2%
Vocational (Technical)	16.3%
Finance	5.7%
Other	Less than 2%

Table 3.3. Impact of public co-funding

Type of training	Percentage of indications on co-financing seen as a major determinant (incentive)
Vocational	3.3%
Marketing	2.5%
IT	2.3%
Business planning	2%
Finance	1.8%
Other	Less than 1% 0% in case of social skills, e-commerce, languages and R&D

Reasons for undertaking training/ learning activities by the enterprises

Among all the reasons presented in the questionnaire (public incentives, private incentives and own enterprises' needs) internal firms' needs were indicated as the most important motive for undertaking training and other learning activities. The least important were incentives related to activities of local business environment institutions and business associations (as a type of private incentives).

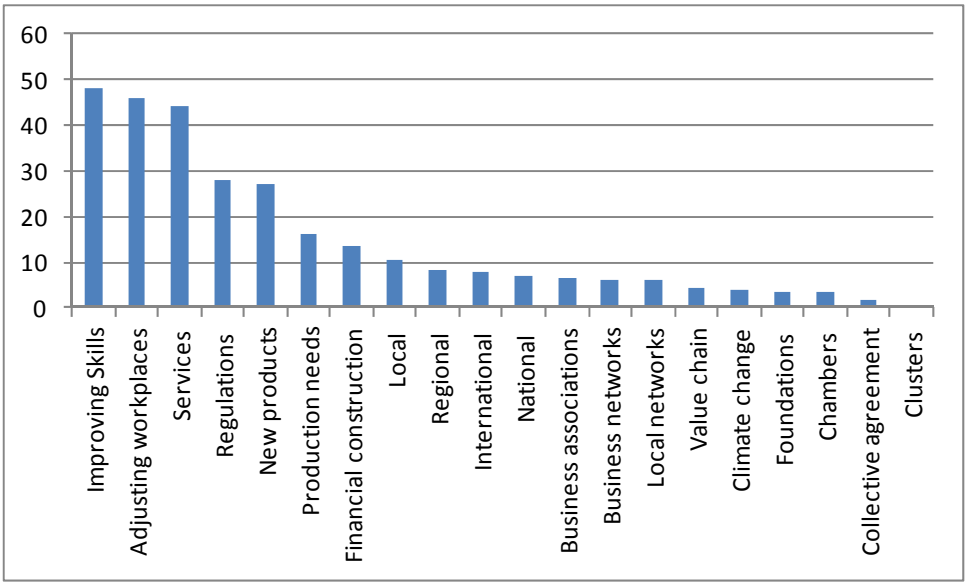
In case of public incentives the biggest number of companies indicated legal requirements (27.8% of enterprises) and the incentives provided by local governments (10.4%) (Figure 3.27). For the latest category (local governments) it is possible that the enterprises mainly meant local employment services that are active in the area of job brokerage and delivery of training for the newly recruited workers. This was confirmed in the course of the qualitative research (interviews with enterprises).

The least numerous indications were given on the national (6.8% of enterprises) and international programmes (8% of enterprises), including on the EU ones.

In case of private incentives the biggest number of enterprises (though relatively it was a very small number of companies) indicated industry associations (6.5% of enterprises) and business networks (6.3%). The role of the chambers of commerce was perceived as very insignificant.

In case of the own internal needs (that were actually perceived as the most important motives and incentives) the biggest number of enterprises indicated the needs for increasing employees' skills (48%), adjusting work places (45.8%) as well as the needs related to delivery of services (44.2%) and the introduction of new products (27.2% of the enterprises)

Figure 3.27. Incentives for undertaking learning activities



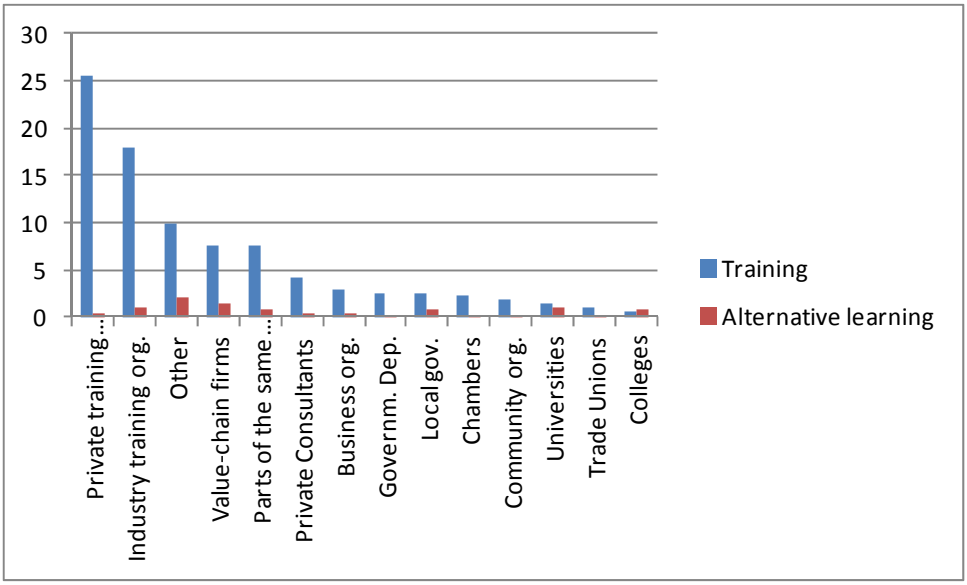
In case of activities other than training (non-formal learning, KISA) the biggest number of enterprises indicated their internal needs as the motives. Only 2.3% of the enterprises indicated public incentives as important in this field. The role of business networks ranked very low too (only 2.3% of enterprises pointed such networks). Business associations also scored very low.

Perception of the local skills and training "ecosystem "

As far as training is concerned 25.6% of the enterprises pointed at private training providers as the institutions that provided services to them (Figure 3.28). In fact this number is even higher since virtually all institutions listed under category of "others" also represented this type of companies (10% of all enterprises indicated services of "other institutions" as the services they had used) . The second most important category of services that was used by the companies were the services provided by the industry training organisations. In the Polish context this would probably mean private and public training providers specialised in or even publically designated for delivering training for specific branches of industry or sectors (for instant educational or health sectors). 18% of all the enterprises associated training with these organisations. The remaining categories of institutions received much less indications. Some companies mentioned other parts of the same enterprise group (7.6% of enterprises). Only 1.4% of companies indicated universities and only 0.6% indicated colleges as important for

training (in Polish context the term "colleges" can refer to all types of schools that may provide training for adults).

Figure 3.28. Validation of importance of different types of institutions – for training and for alternative ways of learning



As far as informal ways of learning are concerned only a few enterprises indicated any of institutions as associated with this type of learning. This result can be attributed to the lack of appreciation of the value of KISA for learning purposes as well as to the lack of interactions with business environment institutions in an informal setting and problems with sharing information and practices.

3.5. Summary of the findings

The results of the quantitative survey show that most of the SMEs in sub-region were not able to assess the skills needs of the employees. It may indicate that the enterprises have difficulties in assessing and planning their human resource needs and they also have more general problem with overall business planning.

In relation to participation in training, 30% of the enterprises did not participate in any type of training during the last 12 months. 41.7% of companies that did participate in any training took part in vocational training (specific occupational training). This could be linked with the specific characteristics of the regional economy that is dominated by the production sector (mechanic and electro-mechanic production). The companies involved in innovation tend to participate in vocational training more often and medium size enterprises participate in training much more often than the smaller ones. Participation rates in courses related to management, accounting, finance and IT were very low. The needs in the area of entrepreneurship and social skills are relatively high. However, the companies participate in courses developing these skills very rarely. The perception of the outcomes of training is also rather negative. Most of the enterprises while asked about the barriers to training indicated the difficulties in assessing workers needs as a major barrier. The high costs also ranked very high (chiefly for high-skilled employees) and it was a surprising result taking into account the large amounts of public funds that were made available under the EU-programmes to reduce the costs of training.

The lack of appreciation of the learning value of communication and interactions with external institutions (other companies, competitors, local development agencies, government institutions, etc) or within the companies is widespread. 59% of enterprises did not indicate any of the examples of interactions listed in the questionnaire as important for learning. However, the learning value of interactions with other companies (customers, clients and even competitors) was validated as the most beneficial amongst all other types of interactions. The least appreciated interactions appear in relation to business organisations and associations, educational institutions and development agencies. The interviews conducted with the successful medium-sized companies show that the informal learning facilitated by appropriate management systems can be very important for the enterprises.

Training companies were listed as the most important players in the local learning ecosystem. Business organisations, NGOs and institutions of higher education were listed as the least important – also in case of non-formal learning.

ENDNOTES

[1] In case of the courses on OHS the regularity is governed by the legal requirements which are very often of a sectoral nature; therefore the regularity may not be required in case of some sectors and can be required in case of the other

[2] KISA is defined as "…the production or integration of service activities, undertaken by firms and public sector actors – in the context of manufacturing or services, in combination with manufactured outputs or as stand-alone service (OECD, 2006)

4. CASE STUDIES: INTERVIEWS WITH REGIONAL SMES

Four face-to-face interviews were conducted with SMEs from the Zaglebie sub-region between March to August 2010. The focus of the interviews was on medium sized –enterprises, that is, those of a bigger size than the average SME in the region. In particular, those interviewed were enterprises considered to have an innovative potential and which may have provided interesting examples of human resource management (HRM) policies as well as a knowledge-intensive co-operation with the local "learning ecosystem". The companies interviewed were also identified through support given by the local community association "Forum for Zaglebie Dabrawskie", the Marshal Office of the Silesian Region and from a solicitors chamber in Katowice. It should be noted that the local business support organisations were not able to facilitate the contacts with the local enterprises. Table 4.1 summarises the four SMEs who were interviewed.

Table 4.1. Interviewed enterprises

Firm	Sector	No of employees	Main products/ services
INTERPROMEX	Services	180	Communal services: waste management
"Plastics" [1]	Manufacturing	230	Rubber and plastic components for automotive industry
SEGU	Manufacturing	245	Electronics for the automotive industry
SOLNOVA	Manufacturing	45	Solar panels

4.1. INTERPROMEX (location: Będzin)

INTERPROMEX was established in 1993 through the transformation and privatisation of the former municipal Communal Service and Housing departments. It is a limited liability company employing 180 employees. The most important activities of the enterprise include waste collection, management and utilisation of waste and other types of communal services. In recent years the company has drastically expanded its scope of activities as well as its client base. INTERPROMEX participates in numerous public tenders for the provision of different types of services from both clients in Bedzin and surrounding areas in the region. The new types of services undertaken by the company include: highly specialised waste management (services for municipalities, households and companies – managing 200 types of waste, including cleaning harmful industrial waste); transport; road maintenance; construction; maintenance of gardens and parks; management of a vehicle control station; management of retail trade centres, and; other activities. The interview was conducted with both the Director of Human Resources and the Deputy President in March 2010.

The most important feature of the company was a need for flexibility in employee skills due to its diverse range of services offered. There is a constant need to adjust the skills and knowledge of workers to the different requirements of contracted services. In the case of manual labourers (who are

directly involved in the delivery of the company's services), skills development is addressed by the following:

- Individual workers can move between various units of the company and form task (project) teams to fulfil the skill requirements of particular tasks. This practice of shifting workers is often related not only to the general skills needed for the implementation of specific tasks but also to highly regulated formal vocational titles (as possessed by different workers) which are required by clients. There are also seasonal shifts of work based on regular patterns of tasks which are dependent on weather conditions.

- There is a system of internal informal training co-ordinated by department managers. Regular briefings are organised between managers and workers of each department. According to HR Director, these briefings are devoted to "sharing practical work-specific knowledge as well as to work planning".

- As the work is in a flexible and challenging environment, workers are encouraged to strongly identify themselves with the company and its tasks. This identification is achieved through both encouraging active involvement in sporting activities, which is used as a tool for a team building, and by encouraging self-development through education (all employees can apply for 50% of their training costs to be covered by the company if they wish to take skill upgrading courses on their own initiative).

The training policy of the company (apart from the partial funding of the workers courses undertaken on their own initiative) can be characterised as follows:

- Regular training courses are delivered by external training providers in case of office-based employees dealing with HRM, accountancy, finance and public procurement. These employees need to regularly refresh their knowledge related to changes in regulations such as the labour code, OHS regulations and salaries (recently there were 12 courses per year due to changes in regulations in this area). One particular training company delivers the courses on regular basis and INTERPROMEX co-operates with this training provider by regularly communicating their training requirements for which they receive tailored training offers

- Courses for vocational skills are not organised on regular basis, but rather when the need arises, specfically when:

  1. There are important changes in specific regulations governing the area of waste management (for instance regulations related to environment protection, harmful substances, etc.).

  2. Specific contracts delivered by the company require new occupation-specific formal vocational certifications and occupation entitlements (in such cases specific courses are always contracted by the company).

  3. The rotation of workers reaches too high levels. There was a problem of too many workers leaving the company too often. However the problem according to the HR Director does not exist anymore in case of the core workers. The changes in employment still occur but they are deliberate and are related to seasonal specificity of services which is dealt with by hiring temporary workers.

- In the case of management training (strategic and business planning), the level of needs is "reasonably" high but courses are rarely organised. According to the deputy president, this is

due to the lack of offers and the lack of information on training possibilities. The deputy president complained how information on ESF co-funded courses was made available; he would like to see a "catalogue" of courses that are available with clear information on "what, where and when is available". The company does not co-operate with any specific providers (business support agencies, consulting companies, universities, etc.) in this area.

The company develops annual training plans by asking each section of the enterprise to list the training needs of its workers. The HR director is then responsible for developing the training plan on the basis of the needs assessment. According to the deputy president, the information on available courses that might be co-funded by the EU programmes is insufficient. The training plan of the company could work as a good basis for selecting appropriate external courses but he would like to receive an up-to-date list of courses (or have access to up-to-date database of the courses). Unfortunately, such a database does not exist.

As far as informal ways of learning (within as well as outside the company) are concerned the most important features have been described before: informal learning takes place during the briefings regularly organised by managers. Learning is also encouraged by shifting workers between the units. On the top of these the non-physical workers (responsible for KISA such as accounting, finance, HR) learn through their own professional networks (about novelties and methods of coping with new requirements in particular). The same can be said about highly skilled technical workers who learn though their professional networks (which often include workers from competing companies) and upgrade their technology-related knowledge (often much better way than through any formal training).

4.2. "Plastics"[1] (location: Sosnowiec)

This manufacturer of rubber and plastic products for the automotive and home appliance branches was established in 2008 in the Katowice Special Economic Zone (sub-zone Sosnowiec) as a sister company to a multinational enterprise. In 2008 it employed 40 persons which has since grown to 230. The interview was conducted with the Managing Director of the company in September 2010.

Major departments within the company include: Production (three shifts, each with a shift leader); Quality, and; Logistics (responsible for planning, delivery and purchasing). The Production department assembles elements for white goods and automotive devices based on components and materials produced in China. The overall design technology on which the production is based is supplied by the customers who buy the elements produced by the enterprise. Customers (well known international companies) define general technological requirements and parameters. The production is far from being based on simple assemblage. It is the task of the company's engineers to develop specific technologies for assembling specific elements and to meet the high technological requirements of the customers. The engineers who work in the Quality department also manage the production. Developing technologies constitutes the biggest challenge for the company. Interestingly, radical changes in production (and the technologies required) happen every month. In the Director's opinion, the company is well prepared to meet this challenge. The Quality department is the most important unit in this context. It is responsible for:

- Designing technologies.
- Training production managers and workers on ways to implement the technology.
- Quality checks and quality assurance.

Internal training is regular and governed by well structured procedures. Production workers are briefed at least once a week. The internal training takes a form of briefings, on-the-job coaching or precise guidelines and instructions as produced by engineers. The most important factor for successful training is the co-operation between the engineer/developers and the production managers.

External training providers have never been involved in delivery of any training to the company. According to the Director "everything was achieved trough learning by doing". Although he did not deny the possible need for training in the future, he was unsure of possibilities for co-operation with external training providers or research and academic institutions in the region. The company was not aware of the existing mechanisms of ESF co-financing of training, though the director did express interest and wanted to find out more about this. The company co-operates with private temporary employment agencies for hiring low-skilled temporary workers. Apart from this the company has been also involved in numerous publically funded projects implemented by the local public employment services and has employed (on temporary internship basis) trainees sent by the employment office. The director was very enthusiastic about these schemes and the results of such schemes. The company would like to welcome more trainees of this kind in the future. In particular the company would welcome students or graduates of technological universities who could develop their own projects while working in the company and thus could help the company too.

As far as the most important interactions with external bodies that have a learning value are concerned the interviewed pointed at customers (because of technological requirements of the customers the company needs to meet) and the sister company abroad (for example it deals with marketing and the company does not have its own marketing unit).

4.3. SEGU from Sosnowiec

SEGU is a limited liability company that was established in 1998. It currently (October 2010) employs 245 employees. However, the interview with its HR manager was conducted at the time when the number of employees was smaller. Besides, during the course of interview it became apparent that the number of employees had changed quite often throughout the company's history. SEGU is a manufacturer of electronic devices, ABS cables and electric harnesses for automotive industries. It was initially established in Dąbrowa Górnicza but after successful tender and due to tax incentives it was moved to Katowice Special Economic Zone (sub-zone Sosnowiec). It is a sister company of the German company Systemelektrik GmbH. SEGU operates in two large production yards (10 000m^2) located in the special zone. Its clients include major international car manufacturers.

The discussion with the HR manager and the lead engineer of the company was dominated by two subjects:

1. Recent cases of co-operation with external service providers for developing new products.

2. Training needs of the company.

Regarding co-operation, the company has recently established the new production line as an initiative of the lead engineer of the company. In order to develop this line he was searching for co-operation opportunities with research institutions in the region. Finally, the company started regular co-operation with the Welding Institute which is located outside the Sosnowiec sub-region (though it is located in the town of Gliwice, app. 40 km from Sosnowiec area). The co-operation with the Institute was critical and crucial for development

of the line and it can be seen as an excellent example of co-operation between the R&D institution and the production company. The Institute also helped to define equipment requirements for the task accomplishment and, finally, to select producers of the equipment.

Another recent development was the training on "production movement maintenance". It was a complex customer-tailored training delivered to crucial members of the staff (production managers and their teams). The training had a structural nature and covered all the production processes of the company. According to the lead engineer of the company the training was an initiative and "the offer" of one of SEGU supplier dealing with production security – the Automatech company from Warsaw (which also has a branch office in Katowice). The training had a profound impact on the way the production is organised. The training offer was submitted by Automatech via internet and was approved by the management board.

The third important development that was recently initiated by the company was the enlargement of the company's client base. In the opinion of the interviewed it was a direct consequence of the establishment of the Sales Department within the company. Before that the sales unit did not exist in the company and the whole production was sold to the same regular, international customers that had been steering the production of SEGU since the time of its establishment. The company has been receiving trade offers from new clients long before that but these offers have not been appropriately dealt with. Only after the new internal sales department was set up the co-operation with new clients was launched. The company does not exclusively depend on its old clients anymore. It can be said that the establishment of the KISA department (Sales Department in this case) helped to mitigate the challenges of the crisis in the automotive industry and helped SEGU to survive and to develop despite the crisis by broadening its clients base and diversification of production.

Regarding training needs, the HR manager while talking about the training needs was mainly referring to management courses and to the needs of highly skilled management staff of the company. In general the company has not been using any external training providers to fulfil its training needs. In 2009 one of the regional training companies made an offer to prepare the overall management training project to be delivered to the company. It was meant to be co-financed through the ESF-funded grant. According to the HRD manager of SEGU "the financial conditions of the offer were not acceptable" and the training company wanted extra revenue for preparing the project. Finally, the training was organised in the form of internal training that was designed and delivered by the lead engineer of the company. It was devoted to LEAN manufacturing[3], costs management and Kaizen methodology[4]. According to the opinion of the lead engineer this training led to the success of the company in 2009 (the years 2007 and 2008 paradoxically were not too prosperous for the company and during 2009 - the year of the crisis in automotive sector – the company managed to grow).

As far as the lower-skilled workers are concerned the HR manager of the company mentioned the co-operation with the local public employment services. The company employed numerous workers using the job-broking services of the public employment services. The local public employment office was the only local institution that was listed as significant player and partner in the context of HRD activities of the company. As far as more regular staff training courses are concerned the HR manager pointed at training for HR and bookkeeping services of the company and the courses related to changing regulations (labour code, salaries, taxes). These were the courses contracted to local, external training providers and they are being organised on regular basis.

4.4. SOLNOVA from Dąbrowa Górnicza

SOLNOVA is a limited liability company established in 2009. It is located on the outskirts of Dąbrowa Górnicza, in the former industrial zone. It currently employs five people only, though it is

currently running the process of recruitment of new workers and is planning to employ additional 45 workers.

SOLNOVA represents a high-tech sector of producing photovoltaic modules of the solar panels. The company has recently (and successfully) applied for the ERDF investment grant under the Operational Programme "Innovative Economy" which is administered by the Polish Agency for Enterprise Development. The grant was given and the interview took place at the time of installing the production line which was co-funded by the above mentioned EU grant. The discussion was carried out with the president of the company and with the production director and the chief engineer of the company. It was steered by the expert towards the topic of HRD plans of the company, potential training needs and the background of co-operation with the R&D institutions that led to development of the production line.

The idea of establishing the company and developing the production line for photovoltaic modules came from the German shareholders of the company and was further developed by the chief engineer. "The investment decision was based on analysis of the market. The renewable energy sector is growing and has become one of the most dynamic sectors in the Word. However, the decision was also determined by the agreement reached with future clients/buyers from outside Poland". The idea was also consulted with R&D institutions. It was an initiative of the company to search for such contacts. The company tried to launch co-operation with academic institutions for developing various aspects of the new production, the technology and management systems required. The results of these efforts were rather frustrating as far as institutions from Zaglebie region are concerned. It was not possible to get the local scientific institutions interested. Finally, co-operation was launched with institutions from outside the region – 3 technology universities from central and eastern Poland (for laboratory testing and meeting the norms, for highly specialist technology-related staff training and for process-related training, such as on controlling, management procedures).

Both above mentioned types of training are tailor-made and deeply take into account specificity of the production that is going to take place in the company. The co-operation with training providers is based on commercial agreements. All the partners were chosen by the chief engineer of the company through his professional informal networks. The possibility of using ESF co-financing schemes for developing co-operation with academic institutions or staff training was not considered. Mainly due to lack of information about these schemes.

The majority of the training is going to be provided by the supplier of the production line. The training constitutes an integral part of the deal with the supplier since the technology purchased represents the most innovative solutions existing on the world market of today and is also strongly protected by numerous licenses and international trade certificates. Such a solution and the model of co-operation with the supplier is also very attractive from the point of view of HRD policies of the company.

The recruitment of workers has been contracted out to private recruitment agency. The company wishes to outsource basic HRM function in the future too. The same applies to other KISA-related functions (accounting). On the other hand the company wishes to set up its own internal R&D department. This department, consisting of 3-4 engineers would work on further development of both the products and the processes of production. The company would like to also develop its R&D activities in collaboration with academic institutions (the Technological Department at the Silesian University in Katowice has been contacted). A sales event will also be organised within the company by the respective sales department.

The company is eager to co-operate with external training and advisory bodies, especially from the local area. Unfortunately, the response from the local "ecosystem" has been inadequate. SOLNOVA is also interested and would welcome training offers in the area of so called "soft business training" (management, business planning and marketing.).

4.5. Summary of the findings

All of the interviewed companies have been very successful in their respective markets and they all could be described as innovative, both in terms of introducing new products as well as introducing new methods of production and services; two companies (SEGU and SOLNOVA) demonstrated radical innovation.

The emphasis put on flexibility, as in case of the INTERPROMEX, provides for an interesting example of adaptation to a changing business environment. This flexibility was also adopted and reflected in the company's HRM and training policies . The same could be said about SEGU, who by changing its client base, successfully adapted to worsening market conditions.

As far as employee learning is concerned, in all the case studies an emphasis was put on informal learning and internal training. These took various forms such as briefings organised between managers and workers (INTERPROMEX) or regular internal training sessions organised on the basis of the engineers' demands (at the plastics co;ponents company, SOLNOVA).

The most important stakeholders in the training ecosystem are suppliers (SEGU, SOLNOVA) and clients (the plastics components company). These stakeholders determine the way production is organised and also provide training which constitutes a part of the regular business relations between them the enterprises concerned.

It was emphasised the training to be successful and effective must be organised on time and must be tailor-made. The external providers (apart from suppliers and clients) are rarely used. Mostly in case of the training devoted to accountancy, finance and basic HRM.

None of the companies were aware of the mechanisms for co-financing training under the ESF. In case of SOLNOVA the awareness of the other EU-supported schemes was very high and the company successfully applied for the investment grant under the ERDF. But did not participate in any of the ESF projects despite the fact that was eager to train its employees. This company also reported problems in finding adequate partners from the R&D and academic institutions located in the sub-region. The other companies did not co-operate with such kind of institutions either.

ENDNOTES

[1] Company name withheld for confidentiality.

[3] Holistic approach to enable businesses to improve their profitability and competitiveness through identification and elimination of wasteful practices, focussing organisations on "value adding" activities; non "value adding" activities are minimised.

[4] Practices that focus upon continuous improvement of processes in manufacturing, engineering and management; activities that continually improve all functions and involve all employees to eliminate waste; it applies to processes, such as purchasing and logistics, that cross organisational boundaries into the supply chain.

5. RESULTS OF THE SKILLS AND TRAINING ECOSYSTEM WORKSHOP IN DĄBROWA GÓRNICZA

The OECD workshop on skills and training ecosystem was held in Dąbrowa Górnicza on 16 September 2010. It was jointly organised by the OECD-LEED project and the Polish Ministry for Regional Development and held in the Business Academy of Dąbrowa Górnicza. It was facilitated by the OECD expert and the actual thematic sessions were proceeded by brief presentation of the results of the SME survey in Zaglebie region and the TSME project aims and objectives.

Representatives of all types of stakeholders and "members" of the local ecosystem took active part in the workshop:

- SMEs (owners, managers and persons responsible for HRM)
- Local governments
- The regional government and the regional employment services
- Business support and local development agencies
- Consulting and training companies
- Higher education institutions (represented by the event host, Business Academy)

Three thematic discussions were conducted. The first one - "Skills needs and training needs in Zaglebie area" - was focused on the demand side of training: training needs in relation to skills deficits and skills needs in the region. The second one - "Co-operation for training" - was focused on interactions between the SMEs and other organisations (other parts of ecosystem), on the supply-side of training (in relation to skills needs). The last, third one – "Public support for training" – was focused on the issues that were meant to go beyond individual companies' needs and to be closely linked with "public good issues" such as the impact of training on regional development or a long term employability of human resources of the sub-region. The rationale for public support to SME training was also discussed. The participants could critically examine the existing system of supporting training in SMEs and could discuss possible changes in the system.

5.1. The discussion on "skill and training needs in the Zaglebie area"

The participants were asked to identify most pressing skills/ competence deficits existing in the regional enterprises. This was supposed to led them to identification of training needs and help to say who needs the training the most. This thematic discussion was organised for three separate groups that worked, in parallel, in three separate rooms. The groups were asked to answer three major questions related to the subject:

Question 1: What kind of skills/ competencies are needed/ lacking in the SMEs of our region? Where are these deficits?

Question 2: Is the training the best way to approach these deficits/ problems? Maybe there are better ways?

Question 3: The results of the survey show that 30% of our SMEs do not participate in any training. Companies often explain this by indicating the lack of their knowledge of the skills needs or by saying that the workers do not need training. Do we practice a long term HR planning in companies? If not, why?

The responses produced by all the groups were as follows:

- Some participants discussed the skill needs in relation to different age groups. Three distinctive generations were listed: persons born in the 60s; persons born in the 70s, and; persons born in the 80s. The first group was supposed to have important work experience but was lacking certain skills (for example foreign language skills), the second group was developing well and the third was having the biggest difficulties. According to the participants the third group is the most disadvantaged one[1]. They often completed high education courses that are not needed on the labour market and are not employable. They are "the victims" of the education system that was not properly adjusted to the labour market needs. Therefore, the most pressing need would be to change the way future employees are educated and to adjust education to the needs of employers.

- The size of the companies was considered to be the most important factor as far as the skills needs are concerned. Bigger companies actually have smaller training needs. They often posses all required know-how that usually comes from abroad. The small companies are the ones that need training the most. They desperately need specialist training (on new technologies in particular) but they cannot afford to send their employees to training. They also do not have resources to properly handle HR policies.

- There is a need to strengthen business support and business environment organisations operating in the region of Zaglebie. According to the workshop's participants they currently do not provide services that are needed by the small companies. There is a need to set up a platform of knowledge-sharing and of sharing the offers of small companies. The level of development of economic self-government (chambers, associations) is very low.

- Newly established small companies, often set up as a result of the UE grants, are not prepared to handle their businesses properly. They often have been established by the people who were desperately looking for employment and for whom setting up the business was the "last possible alternative". These companies are far from being innovative and their survival rate may be very low.

- One of the most important challenges facing the HR of the region is the requirement of multi-"disciplinarism". The best example of this would be the case of engineers: according to the participants they need to posses traditional technology-related knowledge but they also need to combine these knowledge with management skills, economic knowledge and specific skills like marketing and sales. Certain social skills are also missing: ability to transfer the knowledge throughout the organisation, culture of learning and co-operation.

- The managers are the ones that should be trained the most according to the participants. They need to be advised on how to develop their enterprises further. The predominant adopted strategy is to survive and all the decisions are based on pure intuition. It needs to be changed and professional support is needed in the area of business planning. There is also a problem of the "fresh managers" who recently became responsible for managing teams thanks to promotion and are lacking management skills.

5.2. The discussion on "co-operation for training"

The participants were asked to discuss the supply-side of training (and other knowledge-intensive services – R&D, advisory services, etc). The aim was to find out what kind of services are in demand but they might be missing in the region and to identify ways of improving co-operation between companies and the business environment institutions.

This thematic discussion, as in case of the previous one, was organised for the three separate groups. The groups were asked to answer three major questions related to the subject:

Question 1: What types of institutions are well placed to deliver what the enterprises need? What the features of the best placed institutions are?

Question 2: Do the training institutions, the academia, business environment institutions from the region able to deliver what the enterprises need? What kind of services are in demand and missing? Why? For whom?

Question 3: The results of the survey suggest that the level of co-operation between enterprises and business environment institutions is low. Is it true and if so – why? How to improve the co-operation?

The responses produced by all the groups were as follows:

- The most welcomed feature of business support organisations is the ability to combine theoretical knowledge with business practice. Institutions that can only offer theoretical knowledge are not welcomed by the enterprises and their service cannot be useful.

- Companies operating in the region of Zaglebie, as a general principle, do not know where to go when the needs arise. The awareness of the existence of business support schemes is also very low. The information on the schemes (including the ESF schemes) is very confusing and it is hard for the companies to "find themselves" and their potential roles in this "chaos" and "cacophony" of aims and multiple regional and local institutions involved. In fact, the effective system of business support does not really exist in the region and business support institutions are very weak. The "remains" of the old system (chambers of crafts and other similar institutions) are often useless and they fight for survival trying to undertake economic activities that have nothing to do with their statutory aims (for example by renting their premises for commercial and trade purposes). It unfortunately coincides with the lack of awareness of training needs on the side of the companies. Participants ntoed that what is really needed in the region are the institutions that could combine through their services the role of integrating businesses and representing their interests and the role of training and coaching.

- The high education institutions could play an important role. But they are lacking practical business related skills and approaches in the opinion of the workshop participants. The universities should be more practice oriented and should also facilitate acquiring practical

business skills by their graduates. There is a need to treat basic economic knowledge as a key competence throughout the educational system. Such knowledge is crucial for all future employees – not only the managers but also for ordinary workers. There is also a need to organise non-degree post graduate university courses based on the needs of local SMEs.

- The training companies, as a result of the ESF support, often create superficial needs to meet the conditions and requirements of the UE-funded programmes. This superficial demands and skills needs are often preserved by the implemented ESF projects that are far from meeting the real needs of the enterprises. After their SME training projects are approved for financing by the regional authorities they often desperately look for clients proposing their random and "out of the blue" services to the enterprises. Training companies should build their offer on the real needs and on the results of market research. Unfortunately, if they adopt the above mentioned good practice it may limit chances of their projects for being approved for the ESF support. There is a great need for the assessors of the ESF projects to get familiar with the reality of conducting business activities and with the real needs of the companies.

- There is a need to create tailored-made training packages for small companies. In particular the packages should contain basic training on finance and accounting and the strategic advice dedicated to development for future.

5.3. The discussion on "public support for training"

The participants were asked to discuss the issues often going beyond individual companies' needs which were related to „public interests" such as an impact of training on a long term employability of workers, competitiveness of the region and on achieving the aims of the regional development strategy. The objective was to share the views on if and what kind of public support for training in SMEs is needed.

The groups were asked to answer three major questions related to the subject:

Question 1: Is the co-financing of training the best possible way for encouraging skill development? Maybe there should be other means and incentives? Should the public support be re-directed from training to support branch meetings, conferences, encouraging co-operation and clusters? Should the training be co-funded? Why? All types of training? What types of training? For whom?

Question 2: Is the existing dominant model of co-financing (based on training providers applying for and delivering projects to wishing companies) efficient? If not – what should be changed and how?

Question 3: How we could better link public support to training with the objectives of the regional strategy? In which way the SMEs should be supported to reach these objectives?

The responses produced by all the groups were as follows:

- In the opinion of majority of the participants the training should continue to be co-funded by public resources. However, the rationale for this was not discussed.

- Some members of the group suggested that only highly specialist training should be co-funded. Others were saying that only newly established companies should be assisted and this assistance and guidance should help them to develop further and to find their place on

the market. This assistance could take a form of the supported thematic conferences, advisory services provided by academic institutions, e-learning platforms, etc.

- There were also some participants who were of the opinion that the training should not be co-funded at all and that co-financing of the training disturbs proper functioning of the market: training companies that obtain public co-financing compete in an unfair way with the ones that cannot reduce their costs (due to a lack of co-financing) but are often having better and more relevant offer and training products.

The following issues were identified as serious problems impeding the effectiveness of the co-financing mechanism:

- Problem of institutional vacuum at the local level. There are no effective business support organisations that could effectively intermediate between companies and the regional authorities that run the schemes and select the projects for co-financing; this coincides with the low level of real knowledge of business needs and business reality on the side of the regional officers who access projects and decide on their co-financing or rejecting.

- Procedures are overly formalised. Less important formal and administrative issues often overshadow the real problems of businesses that the project proposals are trying to address. As a result bad and useless (but formally correct) projects are often co-funded and the ones that meet real needs are often rejected due to minor reasons.

- Pre-determined indicators to be achieved by the projects, defined in the documents governing the schemes, are not properly adjusted to specific conditions prevailing in different sub-regions of the voivodship. Indicators and the calls' rules should be made more sensitive to these different conditions, should be based on adequate insight into real region-specific problems and take into account sub-regional nuances.

- The time spent by the assessors on assessing applications is far too long. It is often the case that the training is not needed anymore at the time when the project is approved for implementation. The real training is always linked with the investments and internal dynamics of the enterprises' development and should be delivered "just on time".

- Procedures and rules of co-financing change far too often and it is hard to follow these changes.

- There are also too many confusing requirements and legal obstacles involved in preparing the applications for training (defined in separate and incoherent pieces of law).

- Only enterprises that have been operating for at least one year qualify for support in the Silesian voivodship; this is wrong since younger companies may have bigger needs in terms of staff training and have serious difficulties in funding the training on their own[2].

- Small companies do not use co-financing opportunities. The offer for them is very limited and the training providers (in their role of the ESF project providers) do not prepare adequate projects for them.

The following solutions were proposed and the following recommendations were made:

- The rules of the co-financing schemes (especially the evaluation criteria) should reflect the real needs of businesses better.

- The rules should reflect sub-regional specificities and sub-regional needs better.
- Bureaucratic procedures should be simplified.
- Businesses should be better informed about the existing possibilities. Only the training and consulting companies who specialise in so called "EU funds" remain well informed under the current system.
- Stronger intermediary institutions are needed in the sub-region – institutions that could articulate specific needs of enterprises better and translate them into co-funded projects.
- Policy on which implementation of the co-financing schemes is based should be better adjusted to the aims and objectives of the regional development strategy.
- Eligible forms of training should be made more conducive to real, often very specific, needs of companies. More guidance services on the top of a formal training courses should be offered. Coaching services (for managers in particular) should be made eligible.
- Communication and co-operation should be made a priority area (thematic conferences, helping companies to start co-operation) for public interventions in the sub-region.
- Decisions on projects co-financing (or rejecting the projects) should be made much faster.

5.4. Summary of the findings

As far as the skills needs are concerned the participants strongly emphasised that the small companies have the biggest skills deficits. Other important challenges included the challenge of "multi-disciplinarism" (the need to combine technological knowledge with management skills) and the need for developing manager's business planning skills.

In the opinion of the participants the sub-region of Zaglebie is characterised by poor development of business environment institutions. Despite the fact that numerous business support organisations do exist in the sub-region (and they are supported under various regional and national programmes) they are not perceived as important players in the learning ecosystem by most of the SMEs and they have also been openly criticised by the companies during the workshop of being not active. What is needed are the institutions that could be able to combine the role of representing the interests of enterprises and of training and advisory service providers.

The public support under ESF was seen as not based on the real needs of the companies. Participants developed a long list of their conclusions related to this topic.

ENDNOTES

[1] This represents the views expressed by the participants and has not been necessary confirmed by the results of other surveys conducted by the Ministry for Regional Development

[2] This requirement has been introduced due to a fact that under another ESF scheme managed by the regional authorities people starting their businesses may receive support in a form of the investment grants and the training; the scheme for co-financing the training in SMEs has been made eligible only for older companies. This rule apparently leaves the young companies, which have not been established with the ESF support (i.e. majority of young companies) without a chance for being supported

6. CONCLUSIONS AND POLICY RECOMMENDATIONS

The research conducted in Zaglebie sub-region shows that most of the SMEs do not see the training as important for their functioning on the market. The most common reason enterprises give for not providing training is that they see no need. The large proportion of enterprises simply do not believe it is necessary to invest in the skills of their workforce. The same conclusions were made under the pan-European research conducted by the CEDEFOP and expressed in report on state of continuing training by enterprises in the EU of March 2010[1] .

6.1. Training needs of the enerprises and their participation in training

The results of the quantitative survey show that most of the SMEs in Zaglebie sub-region were not able to assess the skills needs of the employees. The answer "do not know the needs" was the most common answer that was received. It may indicate that the enterprises have a serious problem in assessing and planning their human resource needs and they also have more general problem with overall business planning. The lack of planning in the area of HR seems to be a consequence of this general weakness related to planning. There is also a particular problem in assessing the needs of the low-skilled employees (it is much easier to assess the needs of the persons having higher skills).

30% of the enterprises did not participate in any type of training during the last 12 months. This result is very similar to the results of the national survey conducted by the Polish Agency for Enterprise Development among the small companies (employing up to 49 employees)[2] . The findings from Zaglebie sub-region can be therefore seen as symptomatic for other regions of Poland as well. According to the results obtained by the PAED 36% of enterprises did not participate in training during the last 2 years. 39% did not participate in training because they saw no need and 21% also because they saw the costs as too high. Other important results of the national research concerning participation in training were also quite similar to the results obtained in Zaglebie sub-region (Table 6.1).

Table 6.1. Comparison of the national and the sub-regional research results

	PAED national research (2007) , excluding medium-size companies	Research in Zaglebie (2010), including medium-size companies
% of enterprises not participating in any training	36%	30.0%
% of enterprises participating in vocational training	21%	29.0% (41.7% [a])
% of enterprises participating in training on IT	3%	8.8% (12.7% [a])
% of enterprises participating in training on accounting & finance	15%	11.8% (17% [a])
% of enterprises participating in training on marketing	8%	8.1% (11.7% [a])
% of enterprises participating in management training	4%	6.7% (9.8% [a])

Note: a) If only the companies that took part in any training are concerned.

According to the results of the research in Zaglebie the medium size enterprises participate in training much more often than the smaller ones. In case of vocational training 63.3% of the medium

size enterprises that took part in any training participated in such training – as compared to 35.9% in case of the micro ones (41.1 in case of the small ones). In case of management training 24.7% the medium size enterprises that took part in any training participated in such training – as compared to 5.9% in case of the micro ones (12.7 in case of the small ones).

The most common type of training that enterprises participated in was linked with compulsory courses on occupational health and safety. However, 41.7% of companies that did participate in any training participated in specific vocational training. This is for sure linked with the specific characteristics of the regional economy that is dominated by the manufacturing sector (mechanic and electro-mechanic production). The companies involved in innovation tend to participate in vocational training even more often. Participation rates in the courses related to management, accounting, finance and IT are very low. The needs in the area of entrepreneurship and social skills are surprisingly high. But the companies participate in courses developing these skills very rarely. The perception of the outcomes of training is also rather negative. The most striking feature of the received responses was the lack of believe in positive benefits brought by training expressed in terms of economic benefits for a company (such as competitiveness, productivity, innovativeness, etc).

The value of training for the participating workers was also perceived as low (and very low in case of less qualified workers).

Most of the enterprises while asked about the barriers to training indicated the difficulties in assessing workers needs as a major barrier. The high costs also ranked very high (in case of more skilled employees) and it was a surprising result taking into account huge amounts of public funds that were made available under the EU-programmes to reduce the costs of training.

Legal requirements (OHS regulations in particular) were seen as a major motives for undertaking learning (training) activities. The role of other public incentives (including the EU funds) was seen as marginal.

The least needed skills, according to the results of the survey, were the generic and routine skills. The most needed were the technical skills (23.4% of enterprises) and management skills (23.6% of enterprises). The results of the training ecosystem workshop support and enrich the results obtained through the survey. According to the workshop participants the most important skill that is needed in companies of Zaglebie is the skill to combine the technical knowledge (often linked with high technology) with modern management skills. Furthermore, the participants also confirmed the presence of the need for more social and entrepreneurship related skills. The ability to transfer knowledge throughout an organisation, communication and co-operation skills were presented as very important by participants of the regional workshop.

Internal training and learning practices seemed to be very important in case of the innovative companies that were interviewed during the qualitative part of the research. Regular internal communication and regular internal training (based on stable procedures) were presented by their managers as key factors underlying the success of the companies. The case studies also show that open communication models adopted for management and flexible organisation structures are very important for the companies' effectiveness on the market.

6.2. Informal learning

The lack of appreciation of the learning value of communication and interactions with external institutions (other companies, competitors, local development agencies, government institutions, etc) or within the companies is widespread. 59% of enterprises did not indicate any of the examples of interactions listed in the questionnaire as important for learning. This may indicate the existence of a wider problem with communication and co-operation and may suggest that the level of social capital (ability to co-operate, trust, communicate and learn) in Zaglebie region is rather low and may impede

its economic development. However, the learning value of interactions with other companies (customers, clients and even competitors) was validated as the most beneficial amongst all other types of interactions. The least appreciated interactions appear in relation to business organisations and associations, educational institutions and development agencies. Learning – both based on formal training and informal interactions was motivated by internal business needs (new products or services).

The interviews conducted with the successful medium-sized companies show that the informal learning facilitated by appropriate management systems can be very important. As it was stated before, the regular internal communication (based on stable procedures) was presented by the managers of the companies as a key factor underlying the success of the companies. The case studies also show that flexible organisational structure under which workers may openly communicate and work on the project (tasks) basis rather than on closed units basis is very important for the companies' effectiveness on the market.

6.3. Local learning ecosystem

The value-chain companies were seen as quite important elements of the learning ecosystem. However, most of the companies indicated them as important for formal learning (training) rather than important players for informal learning. This might probably be symptomatic for the existing relations of the local SMEs with investors located in the Special Economic Zones and other external investors in the region. Co-operation with these investors often means that the SMEs have to comply with technological standards and norms of the business partners and they often receive formal training from their more technology advanced clients.

Training companies were also listed as important players in the ecosystem. Most of the listed companies do not come from Zaglebie sub-region and come from the neighbouring Katowice area. This fact may confirm that the sub-region (because of proximity to the core parts of the Upper Silesia-proper) may be seen as a part of the bigger ecosystem of the Katowice Metropolitan Area rather than as a separate ecosystem. This was confirmed by the results of a qualitative part of the research (interviews) since most of the interviewed companies co-operated with institutions from outside of Zaglebie rather than with the local ones. In fact there are no important R&D institutions or technical universities that are located in Zaglebie sub-region. The most important ones are located in the neighbouring Katowice-area (in Katowice and in Gliwice). There are three major institutions of higher education in the sub-region: the branch of Katowice University (the Silesian University) in Sosnowiec, the "Humanitas" University in Sosnowiec and the Business Academy in Dąbrowa Górnicza. None of them specialising in technological research, the science , engineering nor applied sciences. It should be also noted that the institutions of higher education were listed as the least important for non-formal learning by the companies participating in the survey. It may indicate that they may not play their required role in the "learning ecosystem" of the region. This was confirmed by the workshop's results as well as by the interviews.

All parts of research (including the workshop) show that the sub-region of Zaglebie is characterised by poor development of business environment institutions. Despite the fact that numerous business support organisations do exist in the sub-region (and they are supported under various regional and national programmes) they are not perceived as important players in the learning ecosystem by most of the SMEs and they have also been openly criticised by the companies during the workshop of being not active. There role of commercial consulting companies was also, and surprisingly, seen as very marginal. The least appreciated interactions appear in relation to business organisations and associations, educational institutions and development agencies. This indicates that the level of development of business environment institutions is not satisfactory in the region. The workshop participants were complaining that the enterprises are not "adequately supported", that the

business organisations are "weak and ineffective". There is definitely a need for more active approach taken by business environment institutions operating in the sub-region. Such institutions should effectively intermediate between the public authorities which implement regional and national programmes and the businesses. This problem should be seen in conjunction with the results of the survey, the interviews and the workshop – all of them show that more co-operation and networking activities are needed in the sub-region.

6.4. Policy recommendations on improving the functioning of public support for training

The ESF measures for promoting training in SMEs could play an important role for widening access of SMEs to relevant training, improving their competitiveness and facilitating further development of the local learning ecosystem. The findings of the research show that there is a hardly any role played by the ESF in the sub-region as far as the SME training is concerned. The impact of the implemented ESF schemes on training behaviour and/or encouraging co-operation networks seems to be not visible . The marginal role of the public support (and the ESF as a primary public financial tool) in the local ecosystem was among the most striking results of survey. The regional figures on contracting and disbursement of the ESF funds devoted to in-company training may suggest that there are no major problems in the region (voivodship). The demand exceeds the supply of funds and under each announced call for proposals there are many project proposals received and only part of them could be actually funded. But, as the results of the research in Zaglebie show the incentives provided by the public interventions are hardly even noticed by the SMEs. The stimulus does not apparently work as it was supposed to work in the sub-region. Neither the enterprises that are willing to train their staff and are looking for training opportunities (the interviewed companies) nor the ones that are not keen on training and should be encouraged to train their employees (majority of the surveyed enterprises) are supported by the ESF.

At the same time the lack of capacities for assessing the skills needs seems to be the major problem in the SME sector in Zaglebie sub-region. There is also a lack of active intermediary business organisations that could assist enterprises in assessing their needs and in delivering the required training programmes. This coincides with a general negative attitude towards training (lack of appreciation of the value of training as an investment) as well as the lack of appreciation of the learning value of informal communication and co-operation.

The interviews conducted among SMEs show that even medium-sized and more innovative enterprises are not aware of possibilities linked with the ESF support. All the interviewed companies were eager to train their staff or develop their contacts with the R&D institutions. But they often learnt for the first time about the HRD programmes implemented in the region from the expert who was interviewing them. This means that the information on possible co-financing is not sufficient.

The results of all parts of the research suggest that the way in which public support to training is functioning could be improved in order to better facilitate the SMEs learning and promote co-operation in the sub-region. Box 6.1 summarises the recommendations.

Box 6.1. Policy recommendations

- The regional HRD policy supported by the ESF should on one hand effectively facilitate the access to training for enterprises that are willing to invest in their human resources and to stimulate the demand for training in case of firms that are not yet interested in training on the other. In case of the first group of the enterprises the system should promote tailored-made projects based on appropriate diagnosis of the skills needs and should make it possible to deliver the training "just on time". In case of the second group of enterprises the priority should be given to diagnosis of the skills needs

- Diagnosis of the skills needs of the enterprises should be treated as the most important area under all co-funded projects and the actual training being co-funded must be based on appropriate diagnosis of the needs. The ESF should co-finance the project that are based on real skills and training needs.

- Enterprises in sub-regions should be encouraged to assess and communicate their training needs. This would require forming and facilitating the development of appropriate working groups and the fora for co-operation. Open discussion may help to articulate the skills needs, help to develop local training strategies and to facilitate co-operation. Projects promoting networking and platforms for co-operation should be encouraged (preferred).

- Facilitating transfer of knowledge between the companies and between the companies and R&D institutions, improving business planning and management could also become a priority under the ESF projects.

- There is a need to better co-ordinate the national and regional public interventions in the area of HRD and the SME development taking into account the local, territorial perspective. The existing system is confusing and not conducive for producing the required outcomes. Local business support organisation tend to operate within the silos of various fragmented sectoral policies and institutional requirements and are not able to properly respond to the needs of local businesses. For example: business support organisations from Zaglebie area often tend to financially rely on the national schemes administered by the Polish Agency for Enterprise Development devoted to supporting start-ups and providing subsidised guidance directed at obtaining financial support under various ERDF measures. They are often not motivated to apply for funds under other programmes and schemes (such as the regional schemes for SME training). Furthermore, service quality systems that function under various national measures are not co-ordinated with the requirements and systems existing under the regional measures. The measures seems to operate in isolation.

- Businesses need an efficient intermediary that could "translate" the national and regional programmes' agendas and objectives into local business practices and the real skills needs. Especially in case of small enterprises that are most in need. The existing implementation system does not encourage the organisations to combine various streams of financing (for training, networking, guidance, financing) to form a coherent offer and comprehensive packages of services for the local businesses.

- More pro-active policy in the area of SME training is needed. The policy should be better linked with the economic development and innovation strategy of the voivodship and sensitive to specific sectors/ branches needs. [3] Prioritisation/ concentration on particular branches, specific economic problems or themes should be considered or at least the evaluation of the projects should be based on the evidence on what particular branches really need. The knowledge on which branches are growing and need specific assistance could come from regional statistics. There are also priority directions defined in the regional development strategy and the regional innovation strategy. Once the prioritisation is in place there might be a chance that the impact of ESF assistance becomes more focused and therefore more meaningful. As it was recommended at the OECD "Bologna+10" High-level Meeting the differentiation of assistance may involve segmenting the support on the basis of the type of SME addressed (by increasing the targeting of approaches to those categories of SMEs that are experiencing particular types of market failures or by distinguishing between firms that are new to international activity and those that are seeking to grow their international businesses from a good base). [4]

Box 6.1. Policy recommendations (*continued*)

- Better co-ordination is needed between the ERDF and ESF support schemes. Companies assisted by the ERDF projects are often not aware of the existence of, theoretically, accompanying ESF (HRD) measures. The problem is further complicated by the fact that the above mentioned ERDF (investment) measures are often managed centrally and the ESF measures are managed regionally and respective managing institutions are themselves often not aware of each other offers for the enterprises. The ERDF-funded measures related to promotion of innovation, facilitating co-operation between firms and universities etc, could be more successful if well combined with the tools that are made available by the ESF measures. There is a need for setting up a coherent and clear set of objectives related to SME development at the regional level and these objectives should be supported by co-ordinated ERDF and ESF measures (perceived as just the tools for achieving common objectives and not as the aims on their own grounds). Such a coherent approach under which the ERDF and training (ESF) measures work "hand in hand" could help to achieve many of the recommendations proposed under the OECD"Bologna+10" high-level meeting related to facilitation of academic spin-offs, stimulating collaboration of SMEs with research organisations or supporting SME participation in global value chains.

- Information on existing possibilities of co-financing is far from being sufficient. Even the firms that are eager to train their staff or look for co-operation possibilities with scientific institutions remain unsupported and are not even aware of the possibility of the ESF support. At the same time under the projects that have been approved for financing the providers often face difficulties in getting their clients interested in being supported (problems with recruitment). Information on adaptability measures implemented in the region (related to the priority 8 of the Operational Programme Human Capital – the website,[8]) should be made more business (SME)-friendly. Apart from getting information on possibilities for developing new projects the companies are also interested in receiving information about the ongoing training projects they could join. There was also a proposal made by one of the interviewed companies to create a database of the courses available in the region (including the ones co-funded by ESF) in the framework of which the enterprises could match their training plans with external services provided.

- Possibility of developing dedicated projects addressing the most common and general needs of sub-regions/ groups of enterprises and initiated by the regional authorities should be considered

- Under the new structural funds' programming period (after 2013) the new modes and mechanisms for delivering training projects to SMEs should be considered. Since in some cases the method of open calls for proposals do not provide for an even distribution of support (or does not support the ones most in need) the alternative ways should be considered such as the framework agreements with selected and accredited providers operating in dedicated areas, the agreements with membership-type of organisations (chambers of commerce) or regional development agencies acting as intermediaries between the regional government and the SMEs and combining different services under "one roof" (including the training), open learning mechanisms (e-learning), etc.

ENDNOTES

[1] Briefing note „Encouraging continuing training by enterprises – time to rethink?", CEDEFOP, March 2010

[2] „Potrzeby szkoleniowe firm zatrudniających do 49 osób. Raport z badania telefonicznego przygotowanego dla Polskiej Agencji Rozwoju Przedsiębiorczości", PARP 2007

[3] Conditionalities put in place under the ESF-funded SME training measures often turn these measure into social policy measures rather than economic competitiveness promotion schemes. The rules of the grant schemes put too many emphasis on social issues and too little on the market situation of the benefiting companies

[4] "Bologna+10" High-Level Meeting on lessons from the global crisis and the way forward to job creation and growth. Issue Paper 1, OECD 2010, Paris; the recommendations from the issue paper are presented in the annex to the report

[8] http://efs.wup-katowice.pl/

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ANNEXES

Annex A.
Recommendations from the OECD policy review "SME and Entrepreneurship in Poland"

Annex B.
Poland - Division into NUTS III sub-regions

Annex C.
OECD "Bologna+10 High Level Meeting. Issue Paper 1." List of recommendations.

Annex D.
Questionnaire

ANNEX A.
POLICY PRIORITIES AND RECOMMENDATIONS FROM THE 2010 OECD POLICY REVIEW "SME AND ENTREPRENEURSHIP IN POLAND"

Bring back an explicit framework for policy action

- Reconstitute an explicit strategic framework for SMEs and entrepreneurship to ensure coherence, consistency and comprehensive coverage of the range of SME, entrepreneurship and innovation issues.

- Prepare a horizontal policy document with the same status as the *Strategy for Increasing the Innovativeness of the Economy,* prepared by the Ministry of Economy, to increase the coherence of the various dispersed actions carried out as part of implementation of policies in other domains. This should incorporate the 'Think Small First' and other key policy areas implicated by the new Small Business Act for Europe.

- Integrate programmes and measures from different ministries and agencies in this strategy to create a "cradle to grave" support structure (i.e. policies for developing entrepreneurs, supporting start-ups, nurturing early-stage enterprises to encourage higher survival rates and supporting firm growth) so that "entrepreneurial potential" more often becomes "entrepreneurial reality".

- Ensure that the intentions of the high level policy documents and frameworks are reflected in developments on the ground, where enterprises operate, and are not confined to good principles.

Streamline policy and support-delivery processes wherever possible

- Define more clearly a single lead ministry for SME and entrepreneurship policy formulation and coordination.

- Reduce the number of organisations engaged in programme design and, especially, support delivery.

- Focus PARP's role on well-defined core activities in the areas of entrepreneurship (entrepreneurial spirit and start up activities), as well as SME growth.

- Strengthen institutional capacity of remaining organisations and, where appropriate, place more reliance on regional branches to ensure local accessibility of service locations.

Co-ordinate policy support better at all levels

- Create a national-regional working group on SMEs and entrepreneurship, led by the Ministry of the Economy, to build capacity through the transfer of knowledge, information, and sharing of good practices. It should meet at least semi-annually to provide guidance to regional and local entities in the implementation of appropriate measures and activities.

- Establish a formalized and effective mechanism for consulting with the SME community on policy and programme design. Pilot programmes at the regional level may be desirable.

Design programmes that deliver support more effectively

- Encourage joint branding of nationally and regionally funded business support services to make the system coherent to business users as well as service providers. The branding and quality assurance should be co-ordinated from the national level, while the packages of support to be provided should be geared to regional needs.

- Vary the range of services to be provided sufficiently to allow them to be tailored to the needs of the different target groups of SMEs and entrepreneurs at different stages of enterprise development.

- Extend the principle of first-stop shops, One-Stop-Shops and Single Windows to all types of SMEs. Do not confine it to services for start-ups.

- Avoid allowing publicly funded business services to crowd out what can be offered on a commercial basis.

- Use Cohesion Strategy resources for SMEs and entrepreneurship wisely to build capacity. Ensure generous funding for SME and entrepreneurship programmes within global Cohesion Fund resources, but only so long they are cost-effective and deliver identifiable benefits.

- Deliver most SME and innovation support locally to benefit from spatial proximity which allows the building of links and trust between firms and support service suppliers. Where support is highly specialized, complex or dependent on unique expertise, cost effectiveness may argue for providing delivery centrally rather than at local or regional level.

Strengthen evaluation of policies and programmes further

- Make greater provision for broader evaluation of both SME and entrepreneurship policies and programmes than what is currently in place.

- Give high priority to training skilled evaluators and developing ways to manage them.

- Develop more sophisticated methodology and increase its standardisation across evaluations.

Strengthen the business environment to reduce barriers to SME development

- Reinforce the "Better Regulations" framework and implementation of the "Package for Entrepreneurship" to ensure their effectiveness in reducing regulatory burdens and administrative costs and adherence to the 'Think Small First' principle.

- Ensure that Regulatory Impact Assessments take full account of effects on SMEs of proposed new legislation and regulations.

- Reduce the burden of social security contributions on enterprises by reducing social security spending, which is largely funded through these contributions. Bringing early retirement spending into line with the EU25 average may offer the best scope for doing this.

- Examine the issue of bankruptcy protection for "natural persons" (for example: sole proprietorships, civil partnerships) enterprises to ensure natural persons are given a fair opportunity for a "second chance" effort at entrepreneurship.

- Give greater priority to labour market needs and developments in deciding the balance of provision between general and vocational training at secondary level.

Improve access to financing for SMEs and entrepreneurs

- Identify and address the barriers to extending the take-up and reach of guarantee and loan funds with consideration of good practices, particularly in the design of SME guarantee schemes in OECD countries.

- Nurture the growth and development of institutions, such as pension funds, insurance companies and investment funds, that can prudently provide reasonable amounts of longer-term risk capital, ideally including venture capital.

- Further develop the venture capital industry and business angels in favour of investments in start-ups and early-stage high growth potential enterprises, such as by applying incentives and tools often used by other countries to reduce the added risk taken by private investors.

- Build the capacity of entrepreneurs to attract external financing, including through measures to create more awareness of the benefits of equity financing and to strengthen the competence of entrepreneurs in developing proposals for equity financing.

Facilitate access to markets

- To support the government's SME procurement policy, develop a database of SMEs that have the capacity to bid on government contracts (e.g. simple SME supplier registration system) and then develop a tracking system to monitor contracts being awarded to SMEs. Good practices on mechanisms for developing these systems exist in the US, the UK, and Canada, among other countries.

- Explore the need for additional policy measures to support cooperative efforts of SMEs in the area of procurement access and to develop stronger linkages between Polish SMEs and large firms to enhance their participation in global supply chains, and, thus, improve their indirect access to export and procurement opportunities.

- Provide programme support to encourage larger numbers of micro-enterprises to acquire the organisational coherence, productivity and customer bases which allow them to expand into larger size classes.

Boost innovation among SMEs and entrepreneurs

- Extend the current emphasis on R&D, innovation, new products and new activities to a wider range of advances in productivity that can be achieved by bringing skills, organisational methods and productivity levels in Polish enterprises into line with EU and global standards.

- Develop a national incubator policy that lays out the standards of operation based on international best practices and performance benchmarks.

- Make continuous efforts to examine the effectiveness of Polish clusters and to learn lessons from the experiences of cluster policies and activities in OECD countries and EU Member States as input to the development of a comprehensive cluster policy framework.

- To supplement the law on sharing of intellectual property between universities and their spin-offs, develop simple rules to govern situations where university professors that start spin-off companies that begin with the use of university facilities.

Ensure the conditions for promoting entrepreneurial attitudes and culture

- Continue efforts to foster the entrepreneurial mind-set in students and youth and to fully integrate entrepreneurship curriculum in the education system.

- Undertake strong efforts to ensure linkages between entrepreneurship education efforts and the offering of business support services to graduates who want to start their own enterprises.

- Work to identify gaps in programmes, particularly as concerns strengthening the entrepreneurship culture, building entrepreneurial capacity in innovative activities, and ensuring young Poles with positive attitudes to entrepreneurship are supported with the knowledge, skills, advice and financial support that allows them to turn their ideas into viable ventures.

Tailoring to local needs

- Adjust the balance of business service provision to the characteristics of the economic structure of each region and each region's potential for innovation and technology based growth

- Define areas of business support for local design and delivery based on a need for flexibility to adapt to local situations (e.g. cluster development). Establish clear 'rules of the game' that have to be adhered to at local level in these areas of business support.

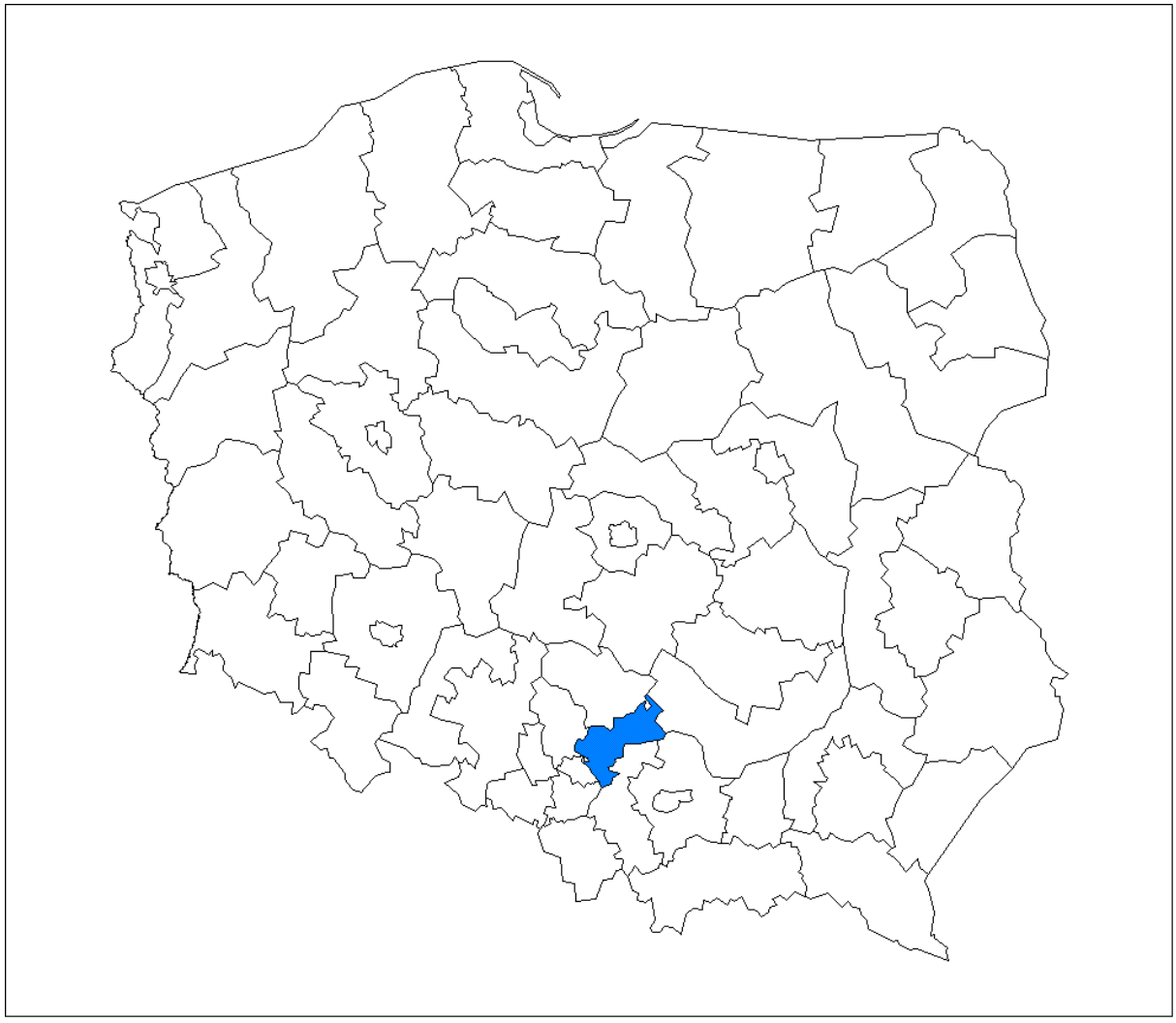
- Review the 'demarcation lines' for the actions in the Innovative Economy Operational Programme and Regional Operational Programmes in a dialogue between the regional and national authorities and agencies.

- Shift the balance from delivering national SME and entrepreneurship policies in the region in favour of building capacity in the regions to design and implement regional and national support.

- Establish a national forum for SMEs and entrepreneurship development in rural areas. This could take the form of a national centre of excellence in this field to exchange good policy practice and an attempt to co-ordinate efforts to promote rural entrepreneurship and enterprise development.

ANNEX B.
POLAND – DIVISION INTO NUTS III SUB-REGIONS

Figure B.1. Poland – Division into NUTS III sub-regions



ANNEX C.
OECD 2010 "BOLOGNA+10 HIGH LEVEL MEETING. ISSUE PAPER 1." LIST OF RECOMMENDATIONS

Proposed recommendations

Policies and Programmes

The above discussion and evidence point to a number of policy priorities for supporting SME innovation and innovative entrepreneurship for weathering the crisis, recovering jobs and activity and driving long-run sustainable growth. In the crisis context, the budgets of many governments have become highly constrained. This must be recognised in policy approaches that have in mind the achievement of value for money in the outputs that can be expected from given public investments.

Create a conducive entrepreneurial business environment

- Ensure stable macroeconomic and framework conditions. Stable and predictable regulations, institutions and policies are important to enabling healthy SME and entrepreneurship activity.

- Streamline and simplify administration and regulations affecting new firm creation and SMEs. Take account of the impact of regulations and administration on SMEs and new firm creation. Establish one-stop shops for regulatory information and transactions and introduce „sunset" legislation to minimise the burden on small businesses of legal requirements designed for past circumstances.

- Reduce tax and social security compliance burdens and secure fair tax and social security treatment for new firms and SMEs. Ensure that effective tax rates do not distort the market by discriminating unfairly against new firms and SMEs. Introduce simplified compliance mechanisms for SMEs and new firms.

Facilitate SME internationalisation

- Increase the participation of SMEs in international collaborative research programmes. Promote greater SME involvement in publicly-supported collaborative research partnerships that connect science to innovation, such as by simplifying application procedures, disseminating information on opportunities and encouraging funding of partnerships including SMEs.

- Address financial barriers to internationalisation. Identify cost-effective ways to strengthen financial markets for SMEs seeking to export and participate in global value chains, for example by providing export credit guarantees to private finance providers and increasing the investment readiness of SMEs.

- Segment existing support on the basis of the type of SME addressed. Increase the effectiveness and efficiency of existing SME innovation policies by increasing the targeting of approaches to those categories of SMEs that are experiencing particular types of market failures and have been shown to benefit, whilst limiting deadweight, for example by distinguishing between firms that are new to international activity, those that are more experienced but stable international SMEs, and those that are seeking to grow their international businesses from a good base.

- Support SME participation in global value chains. Identify cost-effective ways of facilitating SME participation in global value chains for innovation and export promotion, for example by overcoming information and coordination barriers to collective action among SMEs and facilitating linkages between foreign direct investment ventures and local suppliers for SME upgrading.

- Tackle the problem of identifying foreign market and collaboration opportunities. Provide brokerage and information to assist SMEs to locate and analyse opportunities and contact potential overseas customers and partners.

Improve SME intellectual asset management

- Enhance SME awareness of the possibilities to protect their intellectual assets. Increase awareness of the range of property protection including patents, trademarks, industrial designs, utility models, trade secrets, copyright and related rights, plant varieties and non-original databases. Train SME managers on the value and mechanisms of intellectual asset management.

- Facilitate appropriate advice and consultancy on intellectual asset management to SMEs and new firms. Support the development of a market for professional services for intellectual assets management and intellectual property use.

- Adapt the intellectual property rights system to the needs of SMEs and entrepreneurs. Introduce differentiated systems that distinguish between SMEs and larger firms, reflecting the different capacities to defray fixed costs against expected benefits. Address filing issues, for example by an application system which is accessible at the local level and creating a fast-track filing system for SMEs. Address enforcement issues by establishing specialist intellectual property courts and judges and instituting careful use of mandatory arbitration and alternative dispute resolution. Address cross-border issues by adopting common patent models, standardising rules and providing support services for protection in foreign markets.

Enhance entrepreneurship skills

- Smartly scale up entrepreneurship education in higher, vocational and school education. Increase the number of participating institutions and Schools where there is evidence of success. Shift the emphasis from business management skills to strategic skills for growth-oriented entrepreneurship. Introduce interactive teaching methods that incorporate practical experience.

- Embed teaching of an entrepreneurship mindset in school curricula. Accompany this with relevant teacher training and teaching materials designed for entrepreneurship.

Increase the exploitation of opportunities from public research and procurement for SMEs and entrepreneurship

- Facilitate academic spin-offs. Offer seed funding, pre-competitive research and proof-of-concept support and advice and training for enterprise creation by academics.

- Stimulate collaboration activities involving universities and research organisations and SMEs and entrepreneurs. Strengthen knowledge transfer infrastructures such business incubators and science parks, collaborative research programmes, technology-bridging institutions and university-industry labour mobility. Promote the development of clusters and connections within local innovation systems. Increase the innovation absorption capacities of SMEs and the motivations of research organisations to engage in knowledge transfer to enterprise.

- Use public procurement to accelerate the demand for innovation from new and small firms. The innovation readiness of SMEs and entrepreneurs and their ability to bring forward new innovation can be increased by well-targeted public procurement programmes, in particular pre-commercial procurement.

Strengthen mechanisms for international review and information exchange on SME and entrepreneurship policies

- Strengthen the evaluation of SME and entrepreneurship policies. Use robust methodologies for impact assessment capable of estimating the counterfactual together with methods that can throw light on the processes through which policy works and the quality of programme management.

- Encourage exchange of experiences at international level regarding policy successes, failures and best practices. Develop a regular programme of peer review assessments of national government policies.

Further work by the OECD

- Assess the policy requirements to ensure that new and young firms can take advantage of technological and commercial opportunities to develop, grow and create jobs. This should take into account, in particular, the evolving global competitive scenario and the rapidly increasing role of emerging countries for international trade, value creation and global growth.

- Develop further the program of peer review of SME and Entrepreneurship Issues and Policies at national and local levels to assist governments in policy design, implementation and evaluation to enhance SMEs" and entrepreneurs" performance.

- Address the knowledge gap that exists on (a) what are the crucial entrepreneurship skills, (b) what constitutes good practice in effective entrepreneurship skills policies, including for women"s entrepreneurship, and (c) what roles should be played by governments at the national and local level, and d) how coordination across levels could be improved. This also demand developing indicators that measure *changes* in entrepreneurship skills and support evaluation of policies in a fast changing environment.

ANNEX D.
QUESTIONNAIRE

This survey is part of a study conducted by the Organisation for Economic Co-Operation and Development (OECD) in collaboration with the Polish Ministry of Regional Development looking at training and skills development in small and medium enterprises (SMEs). Your assistance in completing the survey will therefore be very valuable for identifying those factors related to skills development hindering competitiveness and innovation in SMEs.

This survey should be completed by someone in your business responsible for Human Resources and/or training. If this is not you please forward it to the appropriate person. The survey consists of 25 mostly multiple choice questions and will take approximately 20 minutes to complete.

Your privacy is important to us. All information is kept confidential.

SECTION 1 – ABOUT YOUR BUSINESS and EMPLOYEES

S.1. In which country is your business located?

[SINGLE RESPONSE]

- Belgium ❑
- New Zealand ❑
- Poland ❑
- UK ❑
- Other _____

Q.1. To what extent you would say your job role is responsible for human resource issues, including overseeing training and skills development for staff? Is it...

[SINGLE RESPONSE]

- All of your role ❑
- A major part of your role ❑
- A minor part of your role ❑

Q.2. Are your products or services primarily sold…

[SINGLE RESPONSE]

- Locally / Regionally ❑
- Nationally ❑
- Internationally ❑
- Don't know ❑

Q.3. How long has your business been in operation?

[SINGLE RESPONSE]

- less than 1 year operation ❑
- 1-4 years of operation ❑
- 5-9 years of operation ❑
- 10 years or more of operation ❑

Q.4. What is the main sector your business operates in?

[SINGLE RESPONSE]

- ☐ A - Agriculture, hunting and forestry
  - ☐ 01 - Agriculture, hunting and related service activities
  - ☐ 02 - Forestry, logging and related service activities
- ☐ B - Fishing
  - ☐ 05 - Fishing, aquaculture and service activities incidental to fishing
- ☐ C - Mining and quarrying
  - ☐ 10 - Mining of coal and lignite; extraction of peat
  - ☐ 11 - Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying
  - ☐ 12 - Mining of uranium and thorium ores
  - ☐ 13 - Mining of metal ores
  - ☐ 14 - Other mining and quarrying
- ☐ D - Manufacturing
  - ☐ 15 - Manufacture of food products and beverages
  - ☐ 16 - Manufacture of tobacco products
  - ☐ 17 - Manufacture of textiles
  - ☐ 18 - Manufacture of wearing apparel; dressing and dyeing of fur
  - ☐ 19 - Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear
  - ☐ 20 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
  - ☐ 21 - Manufacture of paper and paper products
  - ☐ 22 - Publishing, printing and reproduction of recorded media
  - ☐ 23 - Manufacture of coke, refined petroleum products and nuclear fuel
  - ☐ 24 - Manufacture of chemicals and chemical products
  - ☐ 25 - Manufacture of rubber and plastics products
  - ☐ 26 - Manufacture of other non-metallic mineral products
  - ☐ 27 - Manufacture of basic metals
  - ☐ 28 - Manufacture of fabricated metal products, except machinery and equipment
  - ☐ 29 - Manufacture of machinery and equipment n.e.c.
  - ☐ 30 - Manufacture of office, accounting and computing machinery
  - ☐ 31 - Manufacture of electrical machinery and apparatus n.e.c.
  - ☐ 32 - Manufacture of radio, television and communication equipment and apparatus
  - ☐ 33 - Manufacture of medical, precision and optical instruments, watches and clocks
  - ☐ 34 - Manufacture of motor vehicles, trailers and semi-trailers
  - ☐ 35 - Manufacture of other transport equipment
  - ☐ 36 - Manufacture of furniture; manufacturing n.e.c.
  - ☐ 37 - Recycling
- ☐ E - Electricity, gas and water supply
  - ☐ 40 - Electricity, gas, steam and hot water supply
  - ☐ 41 - Collection, purification and distribution of water
- ☐ F - Construction
  - ☐ 45 - Construction
- ☐ G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
  - ☐ 50 - Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
  - ☐ 51 - Wholesale trade and commission trade, except of motor vehicles and motorcycles
  - ☐ 52 - Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
- ☐ H - Hotels and restaurants
  - ☐ 55 - Hotels and restaurants
- ☐ I - Transport, storage and communications
  - ☐ 60 - Land transport; transport via pipelines
  - ☐ 61 - Water transport
  - ☐ 62 - Air transport
  - ☐ 63 - Supporting and auxiliary transport activities; activities of travel agencies
  - ☐ 64 - Post and telecommunications
- ☐ J - Financial intermediation
  - ☐ 65 - Financial intermediation, except insurance and pension funding

- ☐ 66 - Insurance and pension funding, except compulsory social security
- ☐ 67 - Activities auxiliary to financial intermediation

☐ K - Real estate, renting and business activities
- ☐ 70 - Real estate activities
- ☐ 71 - Renting of machinery and equipment without operator and of personal and household goods
- ☐ 72 - Computer and related activities
- ☐ 73 - Research and development
- ☐ 74 - Other business activities

☐ L - Public administration and defence; compulsory social security
- ☐ 75 - Public administration and defence; compulsory social security

☐ M - Education
- ☐ 80 - Education

☐ N - Health and social work
- ☐ 85 - Health and social work

☐ O - Other community, social and personal service activities
- ☐ 90 - Sewage and refuse disposal, sanitation and similar activities
- ☐ 91 - Activities of membership organisations n.e.c.
- ☐ 92 - Recreational, cultural and sporting activities
- ☐ 93 - Other service activities

☐ P - Activities of private households as employers and undifferentiated production activities of private households
- ☐ 95 - Activities of private households as employers of domestic staff
- ☐ 96 - Undifferentiated goods-producing activities of private households for own use
- ☐ 97 - Undifferentiated service-producing activities of private households for own use

☐ Q - Extraterritorial organisations and bodies
- ☐ 99 - Extraterritorial organisations and bodies

Q.5. How many employees does your business have? (approximately)

[SINGLE RESPONSE PER LINE]

Employed…		**Don't know**
Q.5.1. In total	_____	❑
And of these, how many are…		
Full time	_____	❑
Part time	_____	❑
Casual or temporary	_____	❑

Q.5.2. How many of your employees are apprentices/trainees? (approximately)

[SINGLE RESPONSE]

Number of employees	**Don't know**
_____	❑

Q.6. How many of your staff are in each of the following occupations (approximately)?

[SINGLE RESPONSE PER LINE]

	Number of employees	Don't know
Managers and senior officials	_____	❑
Professional occupations[1]	_____	❑
Associate professional and technical occupations[2]	_____	❑
Skilled trades occupations[3]	_____	❑
Personal service occupations[4]	_____	❑
Sales and customer service occupations[5]	_____	❑
Process, plant and machine operatives[6]	_____	❑
Elementary occupations[7]	_____	❑

Q.7. How many of your staff are in the following age groups (approximately)?

[SINGLE RESPONSE PER LINE]

	Number of employees	Don't know
less than 24 years old	_____	❑
24 to 49 years old	_____	❑
50 to 64 years old	_____	❑
65 years old and over	_____	❑

Q.8. Has your business made changes in the past 12 months in terms of introducing:

[SINGLE RESPONSE PER LINE]
[IF ALL EQUAL "NO" OR "DON'T KNOW" THEN SKIP TO Q.10.]

	Yes	No	Don't know
A new product/service (or a substantially changed product/service)?	❑	❑	
A new way of producing an existing product/service (e.g. a new operational process)?	❑	❑	
Changes to the way your firm does things such as a new or substantially changed accounting system or human resource management system (e.g. a new management process)?	❑	❑	
A new technology or equipment	❑	❑	
A new product/service/operation due to climate change adaptation/regulation	❑	❑	

[1] E.g. accountant, chemist, architect, engineer, economist

[2] E.g. associate technician, building associate

[3] E.g. electrician, carpenter, welder, sheet metal worker, instrument mechanic

[4] E.g. child-care worker, home care aides

[5] E.g. shop assistant, sales assistant

[6] E.g. process workers, van/fork-lift truck drivers,food processing machine operator

[7] E.g. labourers, cleaners, packers, security guards

Q.9. Would you consider these changes to be "incremental" (series of gradual or small changes over time) or "radical" (a onetime big change)?

[SINGLE RESPONSE PER LINE]
[ASK IF LINE EQUAL TO "YES" IN Q.8.]

	Incremental	Radical
A new product/service (or a substantially changed product/service)?	❑	❑
A new way of producing an existing product/service (e.g. a new operational process)?	❑	❑
Changes to the way your firm does things such as a new or substantially changed accounting system or human resource management system (e.g. a new management process)?	❑	❑
A new technology or equipment	❑	❑
A new product/service/operation due to climate change adaptation/regulation	❑	❑

Q.10. Training plans

[SINGLE RESPONSE PER LINE]

Training plans	Yes	No	Not applicable	Don't know	RULE
Q.10.1. Does your business have formal training[8] and career development plans for employees (e.g. plans for career advancement and promotion)?	❑	❑	❑	❑	
Q.10.2. Does your business have an annual budget for training expenditure (e.g. formal/informal training; on/off the job; covering direct costs)?	❑	❑	❑	❑	IF "YES", GO TO Q.10.3., OTHERWISE GO TO Q.11.

	%	Don't know
Q.10.3. What percentage of your total salary budget is this, for the current financial year?	_____	❑

[8] **Formal Training** refers to learning that occurs in an organised and structured environment (e.g. in an education or training institution or on the job) and is explicitly designated as learning (in terms of objectives, time or resources). Formal learning is intentional from the learner's point of view. It typically leads to validation and certification.

Informal Training refers to learning resulting from daily activities related to work, family or leisure. It is not organised or structured in terms of objectives, time or learning support. Informal learning is in most cases unintentional from the learner's perspective (CEDEFOP, 2008).

Q.11. Over the last 12 months, have the following increased, stayed about the same or decreased at this business?

[SINGLE RESPONSE PER LINE]

	Increased	Stayed the same	Decreased	Don't know /Not relevant
The number of staff employed at your establishment in total	❑	❑	❑	❑
The number of young people aged under 24 recruited to their first job	❑	❑	❑	❑
The number of apprentices and new trainees recruited by your establishment	❑	❑	❑	❑
The proportion of employees provided with training	❑	❑	❑	❑
Expenditure on training per employee	❑	❑	❑	❑
The emphasis placed on informal learning instead of formal learning	❑	❑	❑	❑
The proportion of your total training delivered by external providers	❑	❑	❑	❑
The amount of formal training, leading to recognised qualifications, that your business supports	❑	❑	❑	❑

Q.12. Where do you think additional training is needed in your business (ongoing need or newly needed) over the next 12 months?

Definition: Value-chain is a linked set of activities within a supply chain, involving a number of businesses performing different activities of the process which actively add value to the end product.

[SINGLE RESPONSE PER LINE]

Skills	High need	Some need	No need	Don't know
Generic – general IT user skills, oral communication, written communication, numeracy and literacy, office admin skills;	❑	❑	❑	❑
Routine – repetitive, more basic, low knowledge intensive skills;	❑	❑	❑	❑
Technical/Advanced – skills required for problem solving; design, operation, rethinking and maintenance of machinery or technological structures; IT professional skills;	❑	❑	❑	❑
Management – skills for business planning, regulations and quality control, human resources planning (recruitment, training and skills development) and allocation of resources;	❑	❑	❑	❑
Social – motivation and appreciation of people's characteristics for individual and team working purposes, customer handling; appreciation of networks and value-chain partners;	❑	❑	❑	❑
Language and cultural – ability to communicate in more than one language, appreciation of cultural characteristics of different ethnic groups;	❑	❑	❑	❑
Entrepreneurial – specific skills for start-ups such as risk, strategic thinking, self-confidence, the ability to make the best of personal networks and the ability of dealing with challenges and requirements of different nature.	❑	❑	❑	❑
Green – specific skills required to adjust your products, services or operations due to climate change adjustments, requirements or regulations	❑	❑	❑	❑

SECTION 2 – YOUR FIRM'S INDUSTRY TRAINING / VOCATIONAL EDUCATION AND TRAINING (VET) ACTIVITIES

Questions in this section refer to any industry and skills development training your business has supported or provided even if only to one employee during the past 12 months. The section also asks your opinion regarding the outcomes of the training and skills development.

Q.13. Did any of your employees participate in training in any of the following areas during the past 12 months?

[SINGLE RESPONSE PER LINE.]
[IF LINE EQUAL "ONE-OFF…" OR "REGULARLY…" THEN ASK Q.13.1.]
[IF ALL EQUAL "DID NOT DO" AND/OR "DK" THEN SKIP TO Q.16.3.]

Industry training / VET	Did not do	One-off (specific need)	Regularly (Weekly/monthly)	Don't know
Business planning (including management and leadership training)	❑	❑	❑	❑
Marketing and promotion	❑	❑	❑	❑
Research (including market research) and product development	❑	❑	❑	❑
Accounting and finance	❑	❑	❑	❑
Information and Technology	❑	❑	❑	❑
Human Resources	❑	❑	❑	❑
Legal courses (IP, patents etc.)	❑	❑	❑	❑
E-Commerce	❑	❑	❑	❑
Organisational Health and Safety	❑	❑	❑	❑
Job-specific technical training	❑	❑	❑	❑
Language courses	❑	❑	❑	❑
Social skills development	❑	❑	❑	❑
Entrepreneurship related training	❑	❑	❑	❑
Green skills development	❑	❑	❑	❑
Other (please specify)	❑	❑	❑	❑

Q.13.1. Which of this training was legally required and / or co-funded from public sources?

[ONLY ASK LINE IF EQUALS "ONE-OFF…" OR "REGULARLY…" IN Q.13.]

Industry training / VET	Legal requirement?	Public co-funded?	Don't know
Business planning (including management and leadership training)	❑	❑	❑
Marketing and promotion	❑	❑	❑
Research (including market research) and product development	❑	❑	❑
Accounting and finance	❑	❑	❑
Information and Technology	❑	❑	❑
Human Resources	❑	❑	❑
Legal courses (IP, patents etc.)	❑	❑	❑
E-Commerce	❑	❑	❑
Organisational Health and Safety	❑	❑	❑
Job-specific technical training	❑	❑	❑
Language courses	❑	❑	❑
Social skills development	❑	❑	❑
Entrepreneurship related training	❑	❑	❑
Green skills development	❑	❑	❑
[RESPONSE FROM "OTHER (PLEASE SPECIFY)"IN Q.13.)	❑	❑	❑

Q.14. How was the training provided?

[SINGLE RESPONSE PER LINE.]

Provision of vocational & educational training (VET) programmes & courses	All the time	Most of the time	Never	Don't know
On-the-Job (during working hours)	❑	❑	❑	❑
Off-the-job (training away from the individual's immediate work position, whether on your premises or elsewhere)	❑	❑	❑	❑
Within the firm (in-house)	❑	❑	❑	❑
Outside the firm (e.g. at an external training provider)	❑	❑	❑	❑
By accredited trainers	❑	❑	❑	❑
Providing formal (nationally recognised) qualifications	❑	❑	❑	❑
Other (please specify)	❑	❑	❑	❑

Q.15. What percentage of all your employees participated in training during the past 12 months (approximately)?

High-skilled occupations: professionals, associate professionals, technical occupations. **Medium-skilled**: administrative, secretarial, skilled trades, personal services, sales and customer services.
Low-skilled: routine process, plant and machine operators, elementary occupations such as garbage collectors, food processing workers.

[SINGLE RESPONSE PER LINE.]

	%	Don't know
Employees	_____	❑

Q.15.1. And of these, what percentage were…

High-medium skilled	_____	❑
Low skilled	_____	❑

Q.15.2. And of those employees in training, what is the breakdown by age? (approximately)?

[SINGLE RESPONSE PER LINE.]

Age groups participating in training	%	Don't know
Less than 24 years old	_____	❑
24-49 years old	_____	❑
50-64 years old	_____	❑
65 years old and over	_____	❑

Q.16. In your opinion…

Q.16.1. Did your **employees** get any of the following **outcomes** from the training? Please differentiate between high-medium and low skilled.

[SINGLE RESPONSE PER LINE.]

Outcomes for employees	For high-medium skilled	For low skilled	None
Improved skills			
Routine skills (basic/repetitive tasks, e.g. packing)	❑	❑	❑
Generic skills (e.g. literacy, numeracy)	❑	❑	❑
Technical/Advanced (problem solving)	❑	❑	❑
Management skills (e.g. business planning, HR planning)	❑	❑	❑
Social skills (e.g. team work)	❑	❑	❑
Language/cultural skills	❑	❑	❑
Entrepreneurial skills (e.g. risk taking)	❑	❑	❑
Green skills (e.g. adjusting to climate change)	❑	❑	❑
Other outcomes			
Employment progression / career advancement	❑	❑	❑
Higher wages	❑	❑	❑
Change job (higher mobility within firm / industry sector)	❑	❑	❑
Other (please specify)	❑	❑	❑

Q.16.2. Please indicate if you think the training undertaken by **your business** has led to the following outcomes.

Please differentiate between outcomes for the firm, for the industry sector and for the local area, if known.

[MULTIPLE RESPONSE PER LINE.]

Outcomes for employers and collective	For business	For industry sector	For local area (e.g. radius of 20km)	Don't know
Increased productivity	❑	❑	❑	❑
Increased innovation (new/improved products or services or new/improved management processes)	❑	❑	❑	❑
Market positioning (local, national, international)	❑	❑	❑	❑
Increased competitiveness	❑	❑	❑	❑
Upgraded skill levels	❑	❑	❑	❑
Increased levels of education attainment	❑	❑	❑	❑
Increased levels of trainers' expertise in designated areas	❑	❑	❑	❑
Mitigation of climate change/contributing to the greening of the economy	❑	❑	❑	❑
Other (please specify)	❑	❑	❑	❑

Q.17. Where there any training activities that you would have liked to have carried out but did not in the last 12 months?

[SINGLE RESPONSE.]
[IF "NO", SKIP TO SECTION 3]

	Yes	No	Don't know
Where there any training activities that you would have liked to have carried out but did not in the last 12 months?	❑	❑	

Q.17.1. What were the reason(s) that you did not carry out this training?

Please differentiate between medium-high and low skilled employees (mark as many as apply).

[MULTIPLE RESPONSE PER LINE.]
[ASK IF Q.17 EQUALS "NO".]

Barriers to training	For high-medium skilled	For low skilled	Don't know
High costs/too expensive	❑	❑	❑
People recruited with skills needed (initial training sufficient)	❑	❑	❑
Lack of public financing	❑	❑	❑
Impossible to interrupt production/no time	❑	❑	❑
Difficult to assess enterprise needs	❑	❑	❑
Staff not willing to participate in training	❑	❑	❑
Training is too difficult to implement	❑	❑	❑
Risk of poaching after training	❑	❑	❑
Too difficult to identify suitable training providers	❑	❑	❑
Too difficult to access training (location; availability at a suitable time)	❑	❑	❑
Other barriers (please specify)	❑	❑	❑

SECTION 3 – BUILDING YOUR EMPLOYEES' SKILLS THROUGH OTHER WAYS THAN INDUSTRY TRAINING / VET

In the previous section you were asked about *formal* education and training at your firm. This section explores other activities[1] that may increase the skills, knowledge or competencies of your employees in significant ways.

For example, employees may learn significant amounts through interactions with co-workers, suppliers, clients or consultants. Alternatively, projects internal to a firm to improve work processes (such as quality control and product development) might result in staff learning and development. In these situations, the skills, competencies or knowledge gained **are not** part of recognised education and training programmes that were explored in Section 2.

Q.18. In addition to any training activities that were mentioned previously, did your business carry out in the past 12 months, any of the following activities which **significantly** increased the skills, competencies or knowledge of your employees?
(Mark as many as apply)

[SINGLE RESPONSE PER LINE.]
[IF LINE EQUAL "ONE-OFF…" OR "REGULARLY…" THEN ASK Q.19.]
[IF ALL EQUAL "DID NOT DO" AND/OR "DK" THEN SKIP TO SECTION 4.]

Activities	Did not do	One-off (specific need)	Regularly (Weekly / monthly)	Don't know
Business planning (including management and leadership services, consultancy and advice)	❑	❑	❑	❑
Marketing and promotion services	❑	❑	❑	❑
Research (including market research) and product development	❑	❑	❑	❑
Accounting and finance services	❑	❑	❑	❑
Information and Technology services	❑	❑	❑	❑
Human Resource services	❑	❑	❑	❑
Legal advice and services (IP, patents etc)	❑	❑	❑	❑
E-Commerce (e.g. on-line work with clients and suppliers; access to web-based information)	❑	❑	❑	❑
Organisational Health and Safety advice	❑	❑	❑	❑
Job-specific technical activities (e.g. advice on utilisation of new plant or equipment)	❑	❑	❑	❑
Language or communication coaching	❑	❑	❑	❑
Social skills development	❑	❑	❑	❑
Entrepreneurship related activities (e.g. brainstorming about opening new markets or new range of products and services)	❑	❑	❑	❑
Green skills development (e.g. co-operation with other organisations to find ways to adjust production to minimise climate change)	❑	❑	❑	❑
Other (please specify)	❑	❑	❑	❑

[1] These activities can be defined as informal learning resulting from daily activities related to work that are not organised in terms of objectives, time or learning support (CEDEFOP, 2004)

Q.19. Please indicate the **importance of the following groups** in the other **activities** your business did during the past 12 months?

Participants in alternative interacting activities	Little importance	High importance	Not relevant	Don't know
Co-workers	❑	❑	❑	❑
Suppliers	❑	❑	❑	❑
Clients	❑	❑	❑	❑
Business consultants	❑	❑	❑	❑
Competitors	❑	❑	❑	❑
University researchers/consultants	❑	❑	❑	❑
Firms from the same industry clusters	❑	❑	❑	❑
Firms from value-chain	❑	❑	❑	❑
Industry associations	❑	❑	❑	❑
Government departments	❑	❑	❑	❑
Informal networks	❑	❑	❑	❑
Other (please specify)	❑	❑	❑	❑

Q.20. What percentage of all your employees participated in these types of activities during the past 12 months (approximately)?

High-skilled occupations: professionals, associate professionals, technical occupations. **Medium-skilled**: administrative, secretarial, skilled trades, personal services, sales and customer services.
Low-skilled: routine process, plant and machine operators, elementary occupations such as garbage collectors, food processing workers.

[SINGLE RESPONSE PER LINE.]

	%	Don't know
Employees	_____	❑

Q.20.1. And of these, what percentage were…

High-medium skilled	_____	❑
Low skilled	_____	❑

Q.20.2. And of those employees who participated in skills development activities, what is the breakdown by age (approximately)?

[SINGLE RESPONSE PER LINE.]

Age groups participating in training	%	Don't know
Less than 24 years old	_____	❑
24-49 years old	_____	❑
50-64 years old	_____	❑
65 years old and over	_____	❑

Q.21. In your opinion, did your **employees** get any of the following **outcomes** from participating in these activities (in the short or long term)? Please differentiate between high-medium and low skilled employees.

[SINGLE RESPONSE PER LINE.]

Outcomes for employees	For high-medium skilled	For low skilled	None
Improved skills			
Routine skills (basic/repetitive tasks, e.g. packing)	❑	❑	❑
Generic skills (e.g. literacy, numeracy)	❑	❑	❑
Technical/Advanced (problem solving)	❑	❑	❑
Management skills (e.g. business planning, HR planning)	❑	❑	❑
Social skills (e.g. team work)	❑	❑	❑
Language/cultural skills	❑	❑	❑
Entrepreneurial skills (e.g. risk taking)	❑	❑	❑
Green skills (e.g. adjusting to climate change)	❑	❑	❑
Other outcomes			
Employment progression / career advancement	❑	❑	❑
Higher wages	❑	❑	❑
Change job (higher mobility within firm / industry sector)	❑	❑	❑
Other (please specify)	❑	❑	❑

Q.22. What do you think were the **outcomes** of using these activities for your business, the industry sector and the local area?

[MULTIPLE RESPONSE PER LINE.]

Outcomes for employers and collective	For business	For industry sector	For local area (e.g. radius of 20km)	Don't know
Increased productivity	❑	❑	❑	❑
Increased innovation (new/improved products or services or new/improved management processes)	❑	❑	❑	❑
Market positioning (local, national, international)	❑	❑	❑	❑
Increased competitiveness	❑	❑	❑	❑
Upgraded skills levels	❑	❑	❑	❑
Increased levels of education attainment	❑	❑	❑	❑
Increased levels of trainers' expertise in designated areas	❑	❑	❑	❑
Mitigation of climate change/contributing to the greening of the economy	❑	❑	❑	❑
Other (please specify)	❑	❑	❑	❑

Q.23. Do you consider any of the activities below to be **better sources of learning** for staff than formal education and training courses? Please differentiate between high-medium and low skilled employees.

[MULTIPLE RESPONSE PER LINE.]

	Better for staff which are…		
Activities	**For high-medium skilled**	**For low skilled**	**Don't know**
Business planning (including management and leadership services, consultancy and advice)	❑	❑	❑
Marketing and promotion services	❑	❑	❑
Research (including market research) and product development	❑	❑	❑
Accounting and finance services	❑	❑	❑
Information and Technology services	❑	❑	❑
Human Resource services	❑	❑	❑
Legal advice and services (IP, patents etc)	❑	❑	❑
E-Commerce (e.g. on-line work with clients and suppliers; access to web-based information)	❑	❑	❑
Organisational Health and Safety advice	❑	❑	❑
Job-specific technical activities (e.g. advice on utilisation of new plant or equipment)	❑	❑	❑
Language or communication coaching	❑	❑	❑
Social skills development	❑	❑	❑
Entrepreneurship related activities (e.g. brainstorming about opening new markets or new range of products and services)	❑	❑	❑
Green skills development (e.g. co-operation with other organisations to find ways to adjust production to minimise climate change impact)	❑	❑	❑
Other (please specify)	❑	❑	❑

SECTION 4 – MOTIVATION AND COLLABORATION FOR TRAINING AND SKILLS DEVELOPMENT

Q.24. What **are the reasons for** your business to undertake training and skills development activities (industry vocational & educational training (VET) and/or other activities)? Please specify for "industry training" and "other activities".

[MULTIPLE RESPONSE PER LINE.]

Reasons for Training / skills development activities	Industry training /VET courses	Other activities that develop skills and competencies	Not applicable	Don't know
Public incentives/government programmes				
International (e.g. EU policies)	❑	❑	❑	❑
National (country specific government programmes)	❑	❑	❑	❑
Regional (regional programmes)	❑	❑	❑	❑
Local (council / local government programmes)	❑	❑	❑	❑
Country regulations (e.g. training levies, training requirements)	❑	❑	❑	❑
Private incentives (including facilitation/promotion/information of training)				
Collective agreements (trade unions)	❑	❑	❑	❑
Industry sector association services/activities	❑	❑	❑	❑
Chambers of Commerce services/activities	❑	❑	❑	❑
Industry clusters services/activities	❑	❑	❑	❑
Value-chain[1] firms' activities	❑	❑	❑	❑
Business networks activities	❑	❑	❑	❑
Local networks activities	❑	❑	❑	❑
Foundations activities	❑	❑	❑	❑
In-house incentives				
Production needs	❑	❑	❑	❑
Service requirements	❑	❑	❑	❑
New product / service development	❑	❑	❑	❑
Adjustments to financial constraints	❑	❑	❑	❑
Adjustments to climate change impacts	❑	❑	❑	❑
Job/position adjustments	❑	❑	❑	❑
Need to increase employee skills level	❑	❑	❑	❑
Other (please specify)	❑	❑	❑	❑

[1] Value-chain: a linked set of activities within a supply chain, involving a number of businesses performing different activities of the process which actively add value to the end product.

Q.25. This question will help to understand which key training and skills development organisations operate in your area of activity. Could you please cite the **organisations** with whom your firm/business associate with for training and skills development activities (industry training, vocational & educational training (VET) and/or other interactive activities)?

[MULTIPLE RESPONSE PER LINE.]

Group	Name of organisation/s	Industry training/VET activities	Other interactive activities
Industry Training Organisations		❑	❑
Further Education colleges		❑	❑
Universities		❑	❑
Trade Unions		❑	❑
Business organisations		❑	❑
Chambers of Commerce		❑	❑
Firms from value-chain (suppliers, clients)		❑	❑
Government departments		❑	❑
Private Consultants and paid advisors		❑	❑
Private training providers		❑	❑
Local councils		❑	❑
Local community organisation (NGOs)		❑	❑
Other parts of the same enterprise group (i.e. head office in a different location)		❑	❑
Other education providers (please specify…)		❑	❑

Thank you for participating in this survey.

Your valuable responses will be used to identify ways to overcome the barriers to workforce development.

Individual responses will be kept confidential.

The overall outcomes of the study will become available at the OECD LEED Programme website www.oecd.org/cfe/leed.

Q.26. If you have any further comments, please leave them here.

[OPEN RESPONSE.]

Comments _____

Q.27. If you wish to receive an electronic copy of the final report from this project, please confirm your email address:
Note: your address will only be used to forward an electronic copy (pdf) of the report.

[SINGLE RESPONSE.]

No, thank you. ❑
Your email _____

Q.28. Would you agree to be contacted for a discussion about training and skills development in your business?

[SINGLE RESPONSE.]
[IF "NO" SKIP TO END]

Yes ❑
No ❑

Q.29. If yes, please complete the following details so that we can contact you for further follow-up[1]:

[MULTIPLE RESPONSE.]

Title ❑Dr ❑Mr ❑Mrs ❑Ms ❑Prof
First name _____
Last name _____
Your telephone number +( )
_____
Your email [Insert from Q.27 if given]
_____

Thank you. The survey has finished. Click here to visit the OECD website [http://www.oecd.org/cfe/leed].

[END]

[1] Note: your details will only be used in follow-up to this survey

Leveraging Training

Skills Development in SMEs

The leveraging training and skills development in SMEs project is an international effort to look at policy issues related to the:

- Low access to training in SMEs
- Barriers encountered by SMEs to training
- Formal and informal ways SMEs access knowledge that is relevant for their business operations.

The project examines how formal and alternative ways of training and skills development relate to specific outputs for the firm and employees, for the industry and for the local area where they are located. In particular the role of skills and training ecosystems at the local level is analysed.

Participant countries: New Zealand, United Kingdom, Poland, Belgium (Flanders) & Turkey. The project is supported by: the European Commission, DG Employment, Social Affairs and Equal Opportunities.

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BUILDING MORE & BETTER JOBS