

ASPECTS OF COOPERATION BETWEEN VOCATIONAL TRAINING PROVIDERS AND MICRO-ENTREPRENEURS IN ROMANIA

Professor Mihaela DIACONU, Ph.D.

University of Pitești, Romania

Email: diaconu_m2005@yahoo.com,

mihaela.diaconu@upit.ro

Associate Professor Amalia DUȚU

University of Pitești, Romania

Email: pandelica.amalia@yahoo.com

Abstract: The paper highlights the relationship between vocational training providers and the micro-enterprise community in the context of the Strategy for Education and Vocational Training in Romania for the period 2016-2020 and that of the Europe Strategy 2020 that promotes smart growth through major investments in education. The research underlying this paper was carried out within an European project called ME2ME - Micro-Enterprise Learning Partnerships. The aim of the paper is to identify the current state of collaboration between Romanian VET providers and micro-business owners focusing on the following issues: the continuing availability of training providers to support entrepreneurial training or business development, the current relationship between VET providers and the micro-enterprise community. The main conclusions are: there are some barriers in providing training in the business field; VET representatives consider the following content as important in the training offer: problem solving, performance management, human resource management, communication, and IT; they see as very useful the training sessions, the small group meetings and peer-to-peer learning activities for which VET providers consider that there is great potential in learning among micro-enterprises owners.; there is a certain difference between the perceptions of the two groups regarding the learning methods used.

Key words: vocational training providers, microenterprise community, the learning methods, peer-to-peer learning.

JEL Classification: A20, D90, M53.

1. Introduction – Romanian context of the research

In Romania, vocational training in formal learning contexts is ensured by two complementary systems: the initial vocational training system and the continuous vocational training system. Through initial vocational training, human resources acquire a job-based qualification and then, through continuous professional development, the expansion of career in the course of life, in line with the requirements of the labor market, constantly developing, and with personal aspirations.

The initial vocational training provided through professional and technical education, is governed by the Law of National Education no. 1/2011. Continuous vocational training takes place on two dimensions: a) vocational training through qualification, initiation, training, specialization programs organized by authorized vocational training providers, according to the law and, respectively, on-the-job training, organized by employers for their own staff; b) skills assessment obtained by other means than formal, by assessment centre competences acquired in other ways than formal legally authorized.

Vocational training programs are organized by vocational training providers: occupations, trades, specializations and professions, included in the Occupation Classification from Romania – O.C.R., respectively the Qualifications Nomenclature – Q.N. and for professional skills shared by several occupations (entrepreneurial skills, social and civic competences, language skills).

Vocational training providers may organize vocational training programs with the cumulative fulfilment of four conditions: (1) to provide in the status or, as the case may be, in the authorization for self-employment and training activities (CAEN code 8559), (2) to be authorized under the law, (3) to meet the obligations to pay taxes, duties and

contributions provided by the law, (4) to pay the authorization fee. Employers can organize training programs for their own employees and can only issue graduation certificates recognized within their respective units. These certificates are nationally recognized only if employers are authorized as training providers. Vocational training providers are registered in the National Registry of Authorized Vocational Training Providers (RNFPFA), which is on the following website: www.anc.edu.ro.

The training and evaluation of adult vocational training results are funded from the following sources: employers' own funds; the unemployment insurance budget; sponsorships, donations, attracted external sources; fees from persons participating in vocational training programs.

The legal framework for adult vocational training consists of: (1) Government Ordinance no. 129/2000 regarding the vocational training of adults, republished; (2); 279/2005, on apprenticeship at the workplace, republished; (3) Government Emergency Ordinance no. 49/2014 on the establishment of measures in the field of education, scientific research and for the amendment of some normative acts; (4) National Education Law no. 1/2011, as amended and supplemented, (5) Government Decision no. 918/2013 on the approval of the National Qualifications Framework, as further amended and supplemented, which provides the organization on 8 levels of qualifications of the National Qualifications Framework, and these levels of qualification can be acquired through the formal 20 education and training system in Romania and by recognizing the learning outcomes learned through non-formal and informal learning from the perspective of lifelong learning.

The main Romanian actors in the training system are: (1) *The National Authority for Qualifications* that develops the National Qualifications Framework based on the European Qualifications Framework, manages the National Qualifications Register and the National Register of Adult Vocational Training Providers. This institution coordinates the authorization of providers of continuing vocational training at national level and the activities of the sartorial committees, (2) *The Ministry of National Education and the Ministry of Labor* have responsibilities in the field of lifelong learning as follow: developing national policies and strategies on adult vocational training; the regulation of on-the-job training and apprenticeship training at the workplace; (3) *The National Agency for Employment* (NAE) has as main attributions in the field of lifelong learning, (4) *The National Institute of Statistics* periodically draws up the Survey of vocational training in enterprises (FORPRO), (5) *The National Centre for the Development of Vocational and Technical Education* (NCDVTE) which provides professional coordination and scientific advice for national, regional and local authors and trainers from the vocational and technical education network.

For vocational training, SMEs in Romania allocate an average percentage of 1.96% of the turnover per firm, a rather unfavourable situation, which shows that Romanian entrepreneurs invest relatively little in human resources training, given that the training of staff is a stringent necessity, a requirement for sustainable development of activities. In this context, it was conducted the field research with the purpose to asses different aspect of the micro-enterprises' need and demands concerning education and training.

2. Methodology

In Romania the research was conducted during December 2017, by collecting the data using the National Research Report Questionnaire for VET providers developed within the ME2ME project. For the linguistic equivalence insurance the double translation process was conducted, using two independent professional English translators. The respondents were chosen from the professional networking and University partners. The

data were collected from a sample consisting of 17 VET providers representatives (29.4% of the respondents had the ownership status while 70.6% were trainers being employed within the VET institutions). The empirical data were collected by using on-line network (self administered questionnaire) and by conducting one-to-one interviews by telephone. For measurement purpose, the following were used: a five point Likert scale, open-ended questions and multiple response questions. The reliability of the National Research Report Questionnaire for VET providers, in Romanian context, was assessed for 61 items and Cronbach's alpha achieved a value of 0.764. The statistical analysis procedures: for statistical analysis purpose the SPSS was used and a uni-variated analysis was conducted. The descriptive statistics results are presented as Frequencies, Mean values and Graphics.

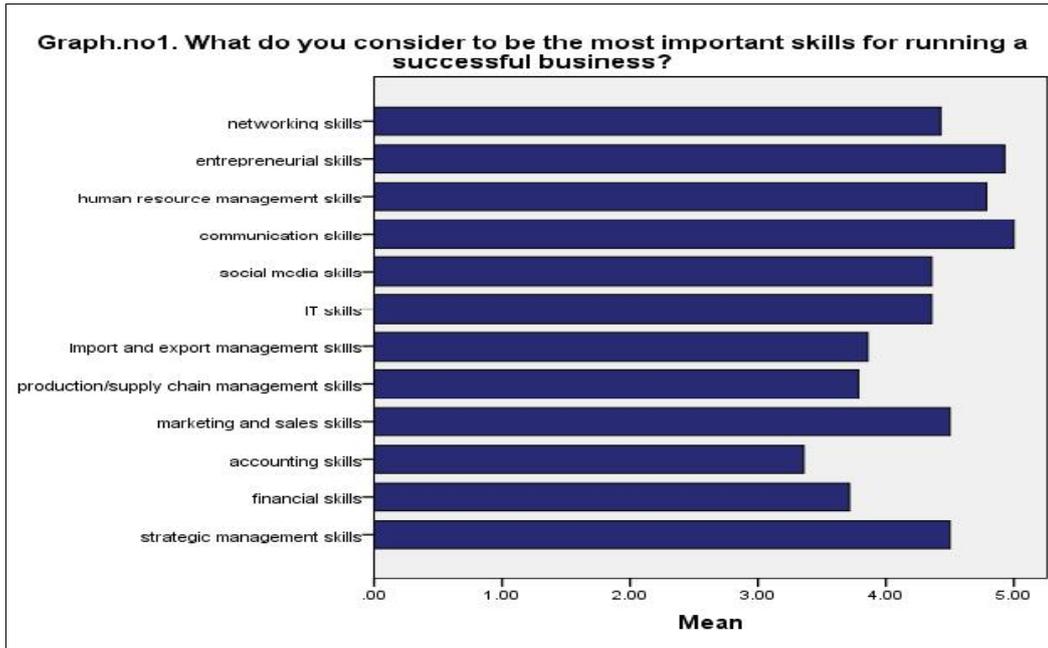
3. Results

3.1. General Information

Description of the research sample: the characteristics of the VET institutions selected in the research sample were as follows: only 17.6% were set up before 2000, while most of them started their activity after 2000 (5.9% - 2002, 41.2% - 2003, 5.9% - 2007, 23.5% - 2011, 5.9% - 2012). It should also be mentioned all the VET institutions, included within the research sample, have over 5 years of experience, thus neither of these were into the Start-Up Stage. 17.6% of the vet institutions have 3 educators (trainers), 35.3% - 5 trainers, 11.8% - 6 trainers, 29.4% - 10 trainers, 5.9% - 20 trainers. The VET providers within the sample were operated within domains like: communication and linguistic consultancy, vocational training for students and unemployed, skills validation courses, qualification courses, introductory courses, business training etc. Thus, within the sample there were included VET institutions with different experience backgrounds for collecting representative data in Romanian contexts. The survey unit was the VET institutions' representatives, 29.4% of the respondents had the ownership status while 70.6% were trainers being employed within the VET institutions.

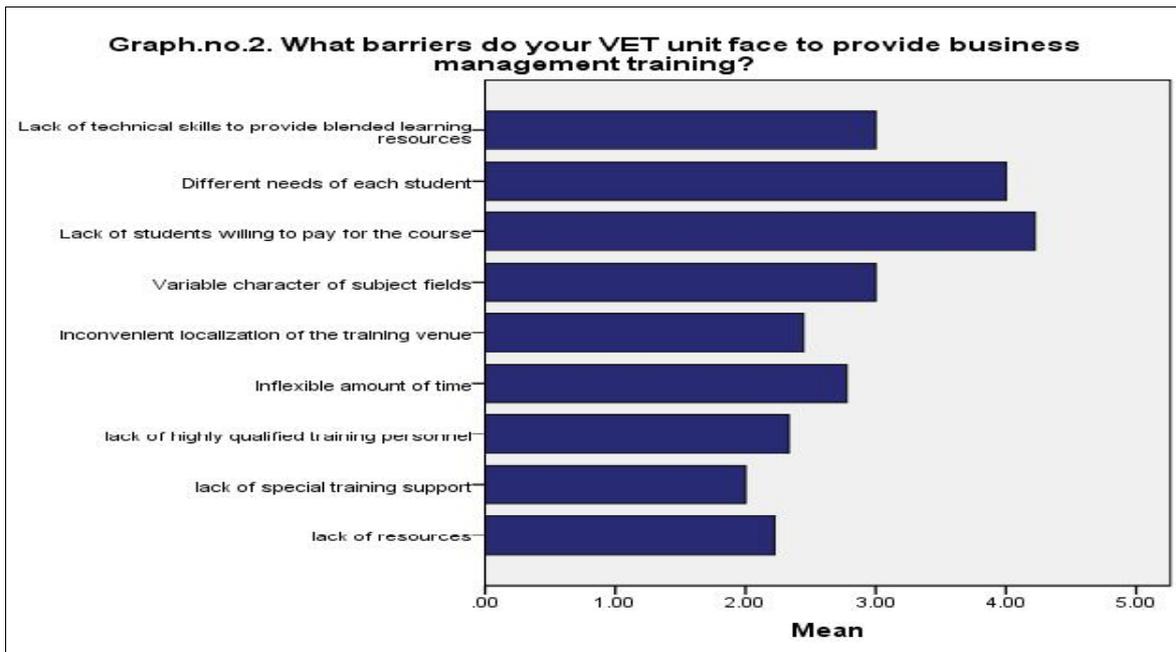
3.2. Provision of Business Management Skills

According to the research results, the importance of the different business management skills in VET representatives' perception, in the Romanian contexts, the top 3 skills are: communication skills (M=5.00), entrepreneurial skills (M=4.93), human resource management skills (M=4.76). On the other hand respondents consider less important the following skills: accounting skills (M=3.33), financial skills (M=3.82), import and export management skills (M=3.85), production/supply chain management (M=3.86). Still all the assessed business management skills reached mean values over 3 underlining that all these skills are somehow important for a successful business according to respondents' evaluation (graph. no.1).



Source: Data processed by the authors

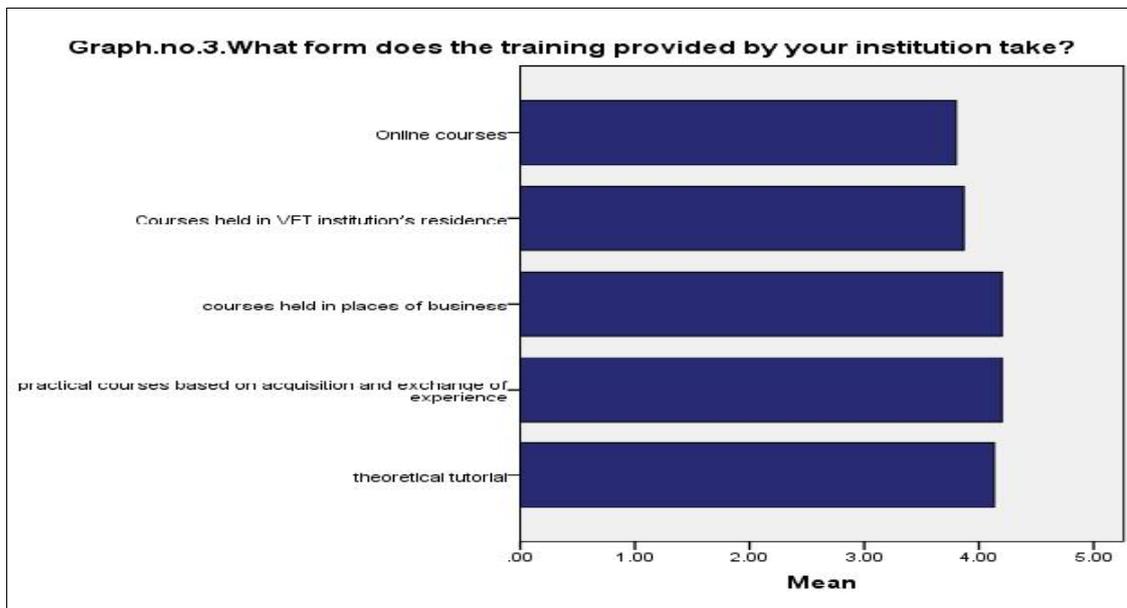
Regarding the skills included in the training courses taught in VET institutions, in Romanian CONTEXT, research results emphasized that most of these have in their training offer programs focused on the development of different business management skills. Still the most common developed skills through the provided VET programs are: (1) communication skills (94.1%), (2) entrepreneurial skills (82.4%), (3) strategic management skills (76.5%), marketing and sales skills (76.5), (4) IT skills (76.5%), and (5) human resource management skills (76.5%). The least encountered skills in training programs were: import and export management skills (only in 11.8% VET institutions), networking skills (only in 17.6% VET institutions), production/supply chain management skills (in 41.2% VET institutions), and accounting skills (47.1% in 41.2% VET institutions).



Source: Data processed by the authors

The most important barriers faced by VET to provide business management training are as follow: (1) lack of students willing to pay for the course (M=4.36), (2) different needs of each student (M=4.18), while the other items were assessed only to a smaller extent as barriers faced in providing business management training (graph.no.2).

Within the offer of the VET institutions the most common forms of the training are: (1) courses held in places of business (M=4.29), (2) theoretical tutorial (4.23), (3) courses held in places of business (M=4.23). The online courses are less used for training delivery (M=3.80).



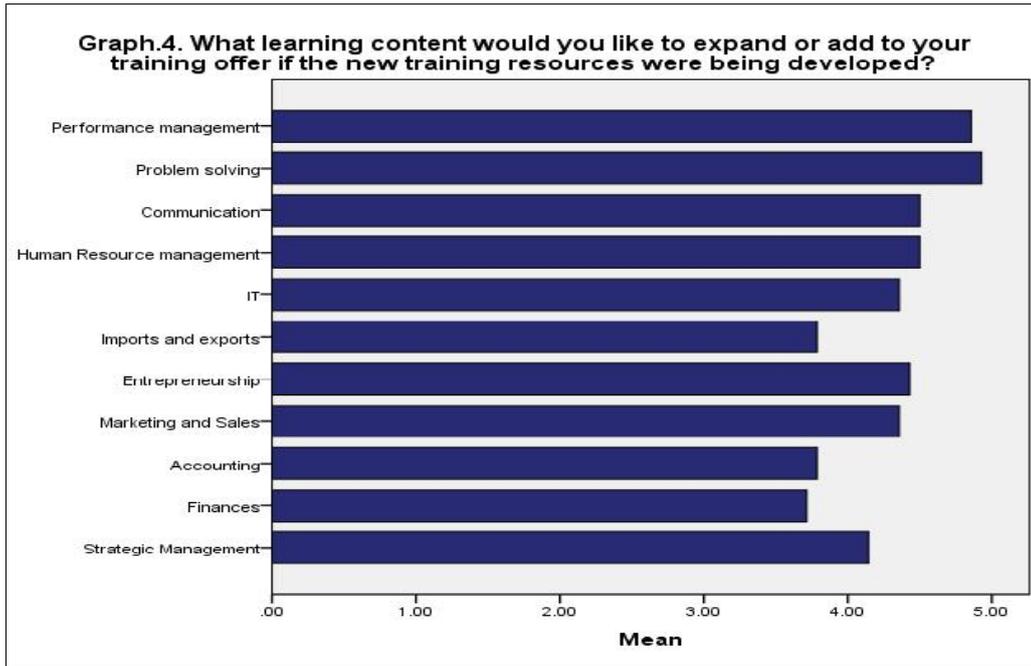
Source: Data processed by the authors

58.8% of the respondents acknowledge that they share knowledge and experience within different education providers' network that they belong in, while 41.2% are not engaged in sharing knowledge and experience.

3.3. Demand for business management training

The VET institutions' representatives assessed the knowledge of their students as follow: information technology (8.43), communication and networking (8.23), marketing and sales (7.12), strategic management (7.06), problem solving (7.06), performance management (6.87), finance (6.43), accounting (6.06).

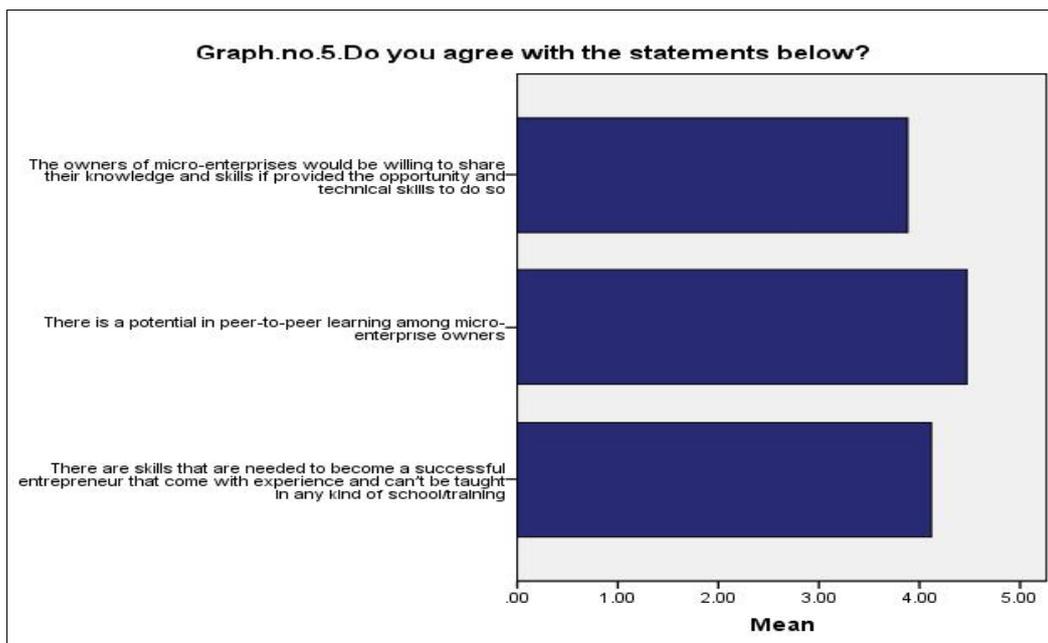
If new training resources will be developed, VET institution' representatives are taking into consideration to expand or add to their training offer the following contents: (1) problem solving (M=4.93), (2) performance management (4.88), (3) human resource management (M=4.52), communication (M=4.52), (4) IT (M=4.47), (5) entrepreneurship (M=4.46), (6) marketing and sales (M=4.43), (7) strategic management (M=4.13), (8) accounting (M=3.80), (9) imports and exports (M=3.78), (10) Finances (M=3.73).



Source: Data processed by the authors

Regarding the learning methods used in order to provide these new training resources, the respondents put a great emphasis on case studies (88.2%) and workshops (82.4%). Still, all the assessed methods were taken into consideration: online courses (76.5%), peer to peer learning (76.5%), videos podcasts interactive (64.7%). These results underline the relative high potential of the peer-to-peer learning. Most of the respondents (52.9%) argued that the training course should take 5 hours and more each week in order to be manageable for education provider.

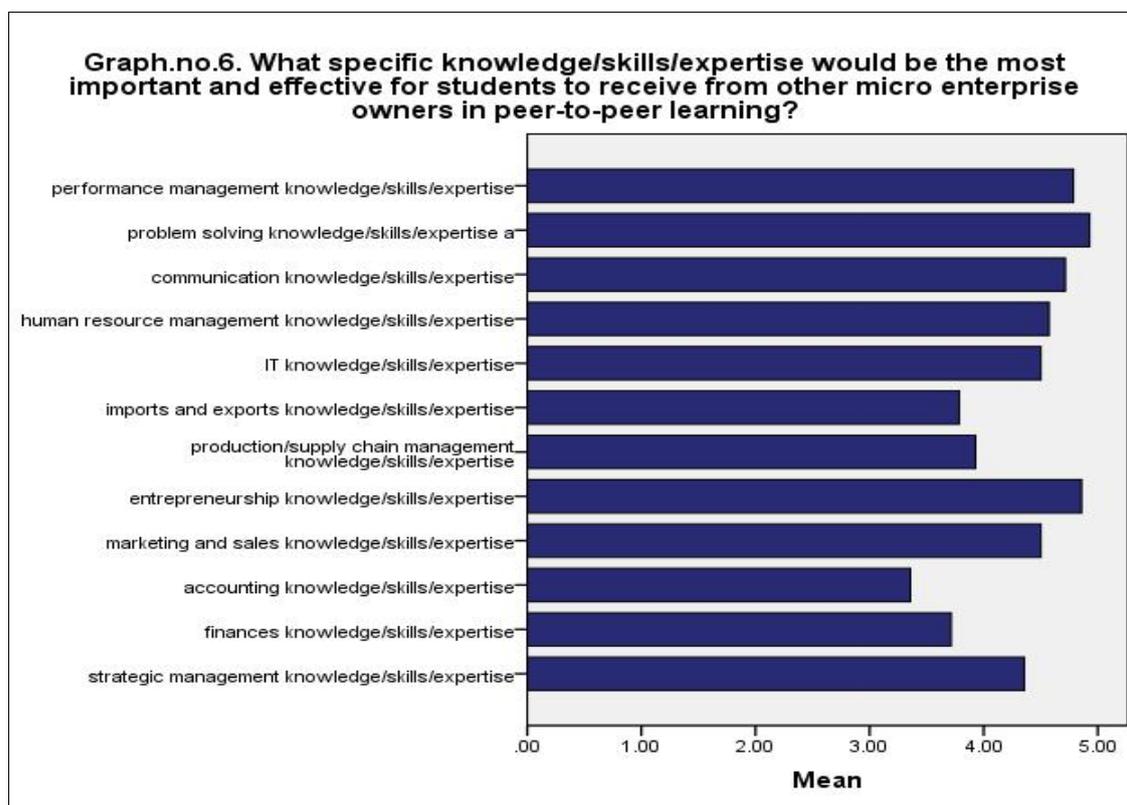
3.4. Potential of peer-to-peer learning



Source: Data processed by the authors

According to the mean values, the VET institutions representatives consider that there is a high potential in peer-to-peer learning among micro-enterprise owners (M=4.47). Also, they appreciated that there are skills that come with experience and cannot be taught in any kind of school/training for a successful entrepreneur on a high extent (M=4.11). Regarding knowledge and skills sharing between owners of micro-enterprises based on the provided opportunity and technical skills, VET representatives appreciate this aspect on a relatively high extent (M=3.88).

In respondents' perception the specific knowledge/skills/expertise considered the most important and effective for students to receive from other micro enterprise owners in peer-to-peer learning, were: (1) problem solving knowledge/skills/expertise (M=4.93), (2) performance management knowledge/skills/expertise (M=4.81), (3) entrepreneurship knowledge/skills/expertise (M=4.76), communication knowledge/skills/expertise (M=4.76), (4) human resource management knowledge/skills/expertise (M=4.58), (5) IT knowledge/skills/expertise (M=4.50), (6) strategic management knowledge/skills/expertise (M=4.35), (7) marketing and sales knowledge/skills/expertise (M=4.35), (8) production/supply chain management knowledge/skills/expertise (M=4.06), (9) imports and exports knowledge/skills/expertise (M=3.81), (10) finances knowledge/skills/expertise (M=3.64), (11) accounting knowledge/skills/expertise (M=3.41).



Source: Data processed by the authors

According to the VET representatives the most effective approaches in peer-to-peer learning were as follow: (1) training sessions (82.4%), (2) small group meetings (82.4%), (3) joint peer activities (58.8%), online networking (58.8%), (4) peer produced knowledge products (47.1%), (5) virtual engagements (29.4%), (6) large meeting groups (17.6%), (7) paired engagements (17.6%).

4. Summary

Within Romania, according to the VET providers' representatives, the most important businesses management skills are: communication skills, entrepreneurial skills and human resource management skills. They considerate less important accounting skills, financial skills, import and export management skills and production/supply chain management. Thus, there are some certain business management skills that are important for both assessed groups – VET providers and micro-enterprise - **communication skills and human resource management skills**. Also, there are certain skills that are less important for both categories - **accounting skills import and export management skills, production/supply chain management**.

Regarding the skills included into the training offer of the Romanian VET providers, as the research results emphasis, the most common skills were: (1) communication skills, (2) entrepreneurial skills, (3) strategic management skills. The less encountered skills were: import and export management skills, networking skills, production/supply chain management skills, and accounting skills. Thus, there is a certain correlation between the importance degree of the business management skills and these skills inclusion within VET providers offer. Most of the Romanian VET providers' representatives emphasized some certain barriers in providing business management training as lack of students willing to pay for the course and different needs of each student. The most used forms of the training by the VET providers are: courses held in places of business and theoretical tutorials, while the on-line courses are less used for training delivery. On the other group side (micro-enterprise), even if on-line courses had a high fervency, this method was on the forth position in the micro-enterprise representatives' preference. 58.8% of the VET providers' representatives acknowledge that they share knowledge and experience within different education providers' network.

In a new training resources development scenario, VET institution' representatives considerate the most five important contents in order to be expand or add to their training offer, as follow: (1) problem solving, performance management, human resource management, communication, and IT. Less important were considerate accounting, imports and exports, and finances. From this perspective there is certain gab between the perceptions of the two groups - VET institutions and micro-enterprises. Regarding the learning methods used in order to provide these new training resources, VET respondents put a great emphasis on case studies and workshops. Most of the respondents argued that the training course should take 5 hours and more each week in order to be manageable for education provider.

Romanian VET providers consider that there is a high potential in peer-to-peer learning among micro-enterprise owners and they appreciated that there are certain skills that come with experience and can't be taught in any kind of school/training for a successful entrepreneur. VET providers pointed out the problem solving, the performance management, the entrepreneurship, the communication and the human resource management as the five most important and effective specific knowledge/skills/expertise for students to be received from other micro enterprise owners in peer-to-peer learning. Also, they appreciate training sessions, small group meetings and joint peer activities as the most effective approaches in peer-to-peer learning.

Acknowledgements: This article emphasizes a part of the results gathered during the implementation of the project called „**ME2ME Project - Micro-Enterprise Learning Partnerships**”, Erasmus + KA202- Strategic partnership for vocational education and treading, 2017-2019.

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