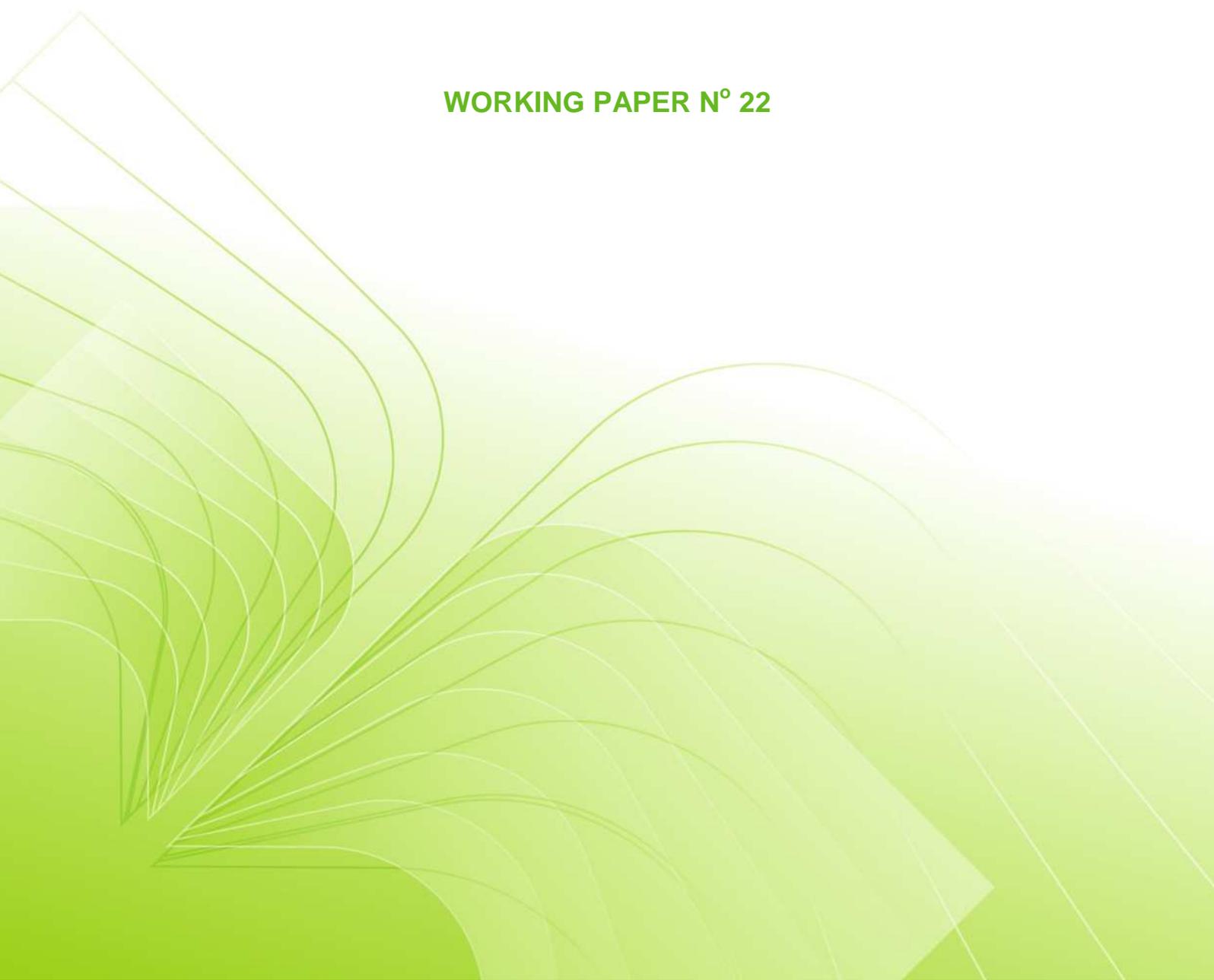


**Towards a Lifelong Learning Society in Europe:
the Contribution of the Education System**

LLL2010

WORKING PAPER N° 22



Pepka Boyadjieva, Valentina Milenkova, Galin Gornev,
Diana Nenkova, Kristina Petkova, and Valery Todorov

**A Long-Distance Hurdle Race: Patterns of and Problems
with the Support for Formal Education in Bulgarian Enterprises**

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I. Introduction

Under the Bulgarian conditions, the investigation of the support enterprises give to their employees participating in formal adult education appeared to be a real challenge. On the one hand, it is a matter of comparatively rare social phenomenon – Bulgaria is among the countries of the lowest percentages of 25-64 years old employees participating in formal adult education (1.2%) (Eurostat, LFS, 2003). On the other hand, this phenomenon has not been investigated so far and there is no information about it. All this made the identification of the particular case studies difficult.

We applied two strategies in order to determine enterprises for the case studies. The first one was rather formal and it included a three-step approach: 1) Provision, from the National Statistical Institute, of a list of companies in Sofia District, which dealt with the selected fields of economic activity, according to NACE, and met the criteria of personnel number, 2) Random representative sample of 67 companies, in the obtained total of over 3,000, and 3) Establishing contacts with these companies (on the telephone or by e-mail) and clarifying in which of them there were more than one employees involved in the formal education system.

The second strategy was non-formal. We addressed colleagues of professional interests close to the problems investigated. They were asked to seek, based on their professional contacts and interests, companies suitable for our investigation. Besides, through the Ministry of Education and Science and the Ministry of Labour and Social Policy, we looked for information on different project sessions of governmental services that funded companies to train their own personnel.

In the end, 11 companies were chosen that met the conditions of our investigation and showed readiness to take part in it – 6 in the first strategy and 5 in the second one. In three cases, despite the advanced arrangements for participation in the investigation, the latter could not be carried out for various reasons – the chief executive being busy, the direct superior being abroad, and the trainee being sick. In one of the cases, notwithstanding that a proportion of the interviews were carried out, the information from these was not complete for the necessary description. This is why the present report is based on 7 case studies.

II. Formal Adult Education and Its Relevance to Enterprises

The process of Bulgaria's accession to and full membership in the early 2007 in the European Union are of key importance for the formation of this country's lifelong learning policy. In the recent years, the governments of Bulgaria have initiated the enactment of a number of normative acts¹ related to the development of human resources also by means of lifelong learning. In 2006, the Government, trade unions, and organizations of employers signed Pact for Economic and Social Development until 2009, which envisages an "increase of the investment in human capital with the aim of involving by 2009 not less than 7-8% of the economically active population in lifelong learning". It is impressive, however, that most of the key measures envisaged in this document for the development of lifelong learning are of a term until 2010². This means that, at present, in terms of a number of things, Bulgaria is at an early stage of the working out of the necessary institutional and normative prerequisites for expanding mass lifelong learning practices. This is why it is not accidental that, seen in a comparative perspective, the participation of Bulgarians in different forms of lifelong learning is too low. For 2007, the percentage of the participation of Bulgarian population aged 25-64 in education and training (over the four weeks prior to the survey) was 1.3%, whereas for EU-25 it was 10.3% (Eurostat). According to data from Labour Force Survey of 2003, only 1.2% of the Bulgarians aged 25-64 participated in formal education, 1.7% - in non-formal, and 15.4% – in informal education (the analogous percentages for EU-25 were 4.5%, 16.5% and 32.5%). Even more embarrassing is the fact that in a recently published by the Commission of the

¹ For example: Employment Promotion Act (2001); Employment Strategy 2004-2010 (2003); National Strategy on Further Vocational Training 2005-2010 (2004); National Action Plan of Promoting Employability for 2006, and Pact for Economic and Social Development until 2009 (2006).

² Thus, for example, the Employment Strategy for the period until 2010, which the Council of Ministers passed as early as in 2003, envisages a term until 2010 for activities, such as: improving and supplementing the normative and methodical acts of education; module-education development; distribution of distance education; development of the vocational adult education system; eliminating imperfections of certifying the education of adults for vocational qualification; and providing assessment of learning in view of acknowledging non-formal and informal education.

EC document the Bulgarian performance progress in the area of lifelong learning is estimated as “falling further behind” (Progress towards the Lisbon Objectives 2008: 13-14).

The participation in lifelong learning of Bulgarians who are employed was comparatively low, too. The data from CVTS-2 and CVTS-3 revealed one more fact that alarms – few positive changes and even an aggravation of some of the indicators related to continuing vocational training. For the period 1999-2005, the percentage of training enterprises increased negligibly – from 28% up to 29%. There is an increase in the participants in CVT courses and in the enterprises providing CVT courses too. However, the number of hours in training per employee remained unchanged – 4. At the same time the percentage of enterprises with a training plan diminished from 22% down to 9%, of the enterprises with a training budget – from 15% down to 6% and of the enterprises with a training centre - from 7% down to 5% (See Annex 1, Figures 5-10). There were significant differences in the involvement in continuing vocational training of employees in different economic sectors. Thus, for example, the percentage of enterprises with a training budget in Sector J (Finance) was 31%, whereas in Sector D (Manufacturing) it was 4.5%, and in Sector O (Other community, social and personal service activities) – only 2% (Eurostat, CVTS-3).

Of the Bulgarians who are employed, only 0.9% were involved in *formal education*, which means 23,000 people (for the EU-25 countries this percentage was 4). The distributions according to sexes and levels of completed education showed trends characteristic of other European countries as well. The point is that women and people of higher levels of education demonstrated a higher educational activity – 1.1% of the employed women in Bulgaria and 0.7% of the employed men participated in formal education, 0.7% of the employees of completed secondary education were involved in formal education, and those of higher education amounted to 1.8% (See Annex 1, Figures 2-4).

The data pointed out clearly outline the picture of the low participation of Bulgarian employees in forms of continuing training. Besides, formal education is the least preferable form of training (2% of the Bulgarian employees were involved in non-

formal, and 21.5% – in informal education; the analogous percentages for EU-25 were 20.6% and 36.9%) (Eurostat LFS 2003). Apparently, as enterprises so employees are not convinced of the advantages of the participation in formal education, and the existing institutional and normative conditions do not stimulate them to have more active contacts with the institutions of the formal education system. From this point of view, analyzing existing, though not wide spread, practices of participation of employees in formal education can be useful as for differentiating good examples so for outlining the factors influencing the (non-) use of formal education within the Bulgarian enterprises.

III. Patterns of Support/Non-support Identified for Formal Education in Bulgarian Enterprises

The information obtained from the 7 case studies made it possible to formulate *three criteria*, based on which the different kinds of support and of companies policies were differentiated and defined in terms of the participation of employees in formal education:

1) *Institutionalization of support*, i.e. level at which support is given:

- *Institutional support* – the company considers formal education institutional investment; a personnel-development strategy is worked out, in which formal education is envisaged as well; the company realizes forms of cooperation with formal education institutions; the company's Management supports the employees being trained in the formal education system.
- *Non-formal support* – the company's Management assesses the participation in formal education as a personal initiative and engagement of the particular employee; the support for the trainees is not institutionalized, and particular employees of the company realize it at non-formal level.

2) Modes of support:

- *Normatively guaranteed support* – the support remains only within the framework of the rights guaranteed to trainees; in particular, it is expressed in the provision of paid and unpaid leaves for trainees to attend classes and prepare for examinations.
- *Personally engaged support* – the managers of the company and of its structural units not only secure the normatively given rights to the trainees, but they also demonstrate engagement, moral inclusive, in solving their problems by supporting them in their difficulties to be overcome while combining work with education and family-related obligations.

3) Nature of support:

- *Perspective-oriented support* – the company stimulates the involvement of its employees in formal education by taking care of their future promotion and increasing their remuneration after completing their education.
- *Situational support* – the company does not enter into any engagements with the employees concerning their professional status after they complete their education.

As a result of the criteria pointed out and the combinations of the particular kinds of support, different patterns of support/non-support for formal education in enterprises can be outlined. In the case of Bulgaria we identified the following *patterns of support*:

A) Institutional, Personally Engaged and Perspective-Oriented Support

In this case formal education is considered a necessary and strategic investment as of the person so of the company.

This pattern of support for formal education was registered in two of the companies investigated – SH and FF. These companies are of two, different economic sectors,

but they both are among the market leaders in their fields of activity. They show readiness to change and, in the recent years, innovations have been made in the organization of their work and in their tangible assets. The companies have been pursuing active institutional policies in the field of improving the qualification of their employees as by involving the latter in the formal education system so by organizing non-formal training.

In the first company (SH) each employee has an individual development plan as his/her superior judges whether the particular employee needs continuing training. The company initiates different forms of such training. At the same time, it supports every effort of its employees to obtain additional qualification, by active participation in making-up and realizing their educational plans.

Examples:

- *Establishing cooperation with a university and organizing the training of 20 employees;*
- *Making the employee's participation in formal education part of his/ her career plan, and striving for achieving a direct relationship between this employee's work obligations and the specialty he/ she is being trained in; financing the employee's education.*

The Management of the second company (FF) demonstrates definitely favourable attitude to those employees who study as they work. Especially encouraged are those of them who continue their education in specialties directly related to their work.

Examples:

- *Providing conditions for the employees to increase their knowledge by extramural or distance form of training, by adopting flexible working time;*
- *Keeping cooperation with a university and organizing summer internships for university students as part of the company's personnel-selection strategy.*

B) Non-formal, Normatively Guaranteed and Situational Support

This pattern of support was registered in two of the companies investigated. The first case is a company (SM) that has a long-term development strategy and has assigned to itself the ambitious task to become among the market leaders in its field of activity. The company demonstrates institutional engagement in the development of human resources, which has been assigned to a special organizational unit (Human Resources Department). All the company employees are of higher education. The Management puts great emphasis on training activities, which as the company itself so other companies organize. However, the preference for non-formal education is evident. It is considered that higher education schools teach mainly theoretical knowledge that is, moreover, often outdated and unnecessary. This doubt in the quality of higher education results in that the company does not enter into any engagements with its employees who are being trained in syllabi for obtaining bachelor's or master's degrees. The thing that should be added to this is the disappointment with the company's Management in its attempt to establish cooperation with a few universities in view of organizing summer internships for students from the company.

Example:

- *Formal education is the employee's personal initiative; the specialty the employee is being trained in is substantially related to his/her work but, nevertheless, the company supports him/her only by securing his/her normatively guaranteed right to a leave.*

The second case of a non-formal, normatively guaranteed and situational support was registered in the company known as ME, whose activity does not require high qualification. In the recent years this company has been in a process of continuous restructuring, which has been difficult for developing a long-term, personnel-development strategy. Combining the employee's work obligations with his/her inclusion in the formal education system is achieved at non-formal level, by negotiations with the direct superior.

Example:

- *Formal education is the employee's personal initiative that is not related to his/ her work obligations; the company's support is expressed in giving the employee his/ her normatively guaranteed right to a leave.*

C) Institutional, Personally Engaged and Situational Support

IZ Company has recently been established; it is a dynamically developing small business open for innovations and oriented to development and expansion outside the national market as well. Its managers consider that human-resource development and providing skill-raising conditions are important. The great emphasis in this company is put not on the form training goes on in, but on the cost and adequateness of this training. The educational initiatives at institutional level are still sporadic, and these are related mainly to non-formal education. At non-formal level, as the Management so the rest of the employees express sympathy with and moral support for the trainees, and provide for them conditions to successfully combine their work with their education.

Examples:

- *Organizing and funding a module training course for employees to be carried out at a licensed, professional centre of the Bulgarian Chamber of Commerce and Industry;*
- *Formal education is the employee's personal initiative the company's Management and employees meet with understanding and full support; the employee is given flexible working time and the leave necessary for visiting the classes.*

D) Non-formal, Personally Engaged and Situational Support

UP is a small company developing its activity in a provincial town. One third of its employees continue their education at higher education schools and a college. The company has no problems with hiring personnel of the necessary qualifications and, probably, for this reason, it does not have a developed plan of training its personnel.

The continuation of education, after the secondary level, and the work in the company are not bound together. Despite this, trainees enjoy support of the company's Management, who provide the necessary conditions for them so that they will be able to successfully combine their work with their education. The trainees intend to try to fulfill themselves in a bigger city or start a business of their own. In this sense, the support the company gives to its employees who are trained at higher education institutions turns into an investment not for the very company, but for the economy and development of the country as a whole, on the one hand, and for the employees themselves, on the other.

Example:

- *As a result of personal initiatives, one third of the company's employees are trained at higher education institutions and a college; the trainees find the understanding and support of the company's female owner, despite that she realizes that higher qualifications usually lead to mobility of labour; trainees are given flexible working time and the leave necessary for visiting classes.*

E) Non-formal, Personally Engaged and Perspective-Oriented Support

MK company is medium-sized, and its field of activity is in a rapidly developing economic sector. The vigorous development of this sector suggests insufficiency of labour force and specialists. In principle, the employees in this field have always been characterized by high mobility as in this country so abroad. As low skilled so highly skilled employees work for the company. Its managers consider the institutional engagement in personnel training a risk, as far as it is not certain that, under the conditions of intensive search for human resources, they will be able to hold their employees after these have completed their education. They also think that there are no volunteers to get involved in training. Nevertheless, company's managers are ready to support their employees in raising their qualifications. They even stimulate the involvement of the employees in formal education by promising them an increase in the remuneration after completing their education.

Examples:

- *Though realizing the risk of losing their employees after they have completed their education, the company's Management actively strives for convincing them to get involved in formal education;*
- *Trainees that receive formal education have the company's Management personally engaged support (considering their working time in terms of leaving their workplaces earlier or sporadic absences, using paid leaves for attending classes or lectures and for sitting for examinations; promising them an increase in the remuneration) regardless of whether the specialty one is being trained in is related to his/ her direct work; when the specialty is related to the work obligations, the use is bilateral, as far as combining theory with practice is possible.*

IV. Factors Influencing the (Non-) use of Formal Education within the Bulgarian Enterprises

Investigating the importance of formal education for the development of the human resources in Bulgarian enterprises makes it possible to distinguish a few factors that perform a key function in working out companies' policies in this field.

1. Specificities of Post-totalitarian Economy and Labour Market

The transition from a centralized, planned economy to a market-oriented one has been creating specific conditions of the development of Bulgarian enterprises; the effects of these on companies' policies in the field of continuing education, formal inclusive, are ambivalent. On the one hand, most enterprises have experienced periods of radical transformations, which has created real difficulties for them with the working out of development strategies and, respectively, longer-term policies in the field of human-resource development. On the other hand, the successful functioning of the Bulgarian enterprises in a social environment that was new to them requires that these develop themselves as learning organizations. There are also great problems with labour market – unavailability of human resources having the necessary

knowledge and competences, people are not prepared to work in a highly competitive environment, apparent deficit in skills guaranteeing flexibility and adaptability to changing requirements to professionals, etc. All this turns education into an investment obligatory for every company that wants to be in a strong position and have lasting success.

2. Business Strategy and Way of Functioning of the Particular Company

The case studies we carried out showed that the attitudes of companies to formal education depended on their general economic policy and business strategy. Companies that pursue active, institutional, human-resource-development policies in which their employees' qualifications have been envisaged to become higher by involving these employees in the formal-education system are characterized by the following:

- They have developed long-term business plans and development strategies;
- They follow an expansion strategy and they aim to be market leaders in their fields of activity;
- They demonstrate openness to the change and readiness to acquire innovations;
- They require high level of personnel skills, and they consider education an investment.

However, the data on the innovative activities of the Bulgarian enterprises³ show that these were not very high – new products or services were adopted into 8.6% of the enterprises, and technologically new or improved methods of work – into even less (6.7%). As a whole, the innovative activity for the particular sectors, in the enterprises where our case studies were carried out, was lower than the average for the country. The exceptions were only Sectors D (Manufacturing) and K (Real-estate, renting and business activities), yet only in terms of adopting new methods of work (Continuing

³ A total of 53,060 enterprises have been investigated.

vocational training 2005). The enterprises of Sectors D and K, which are of a better-expressed innovative activity, plan to a greater extent the training of their human resources and they allocate much larger funds for training, as compared with the enterprises of Sector O, which are of a lower innovative activity. We can suppose that the relationship between the innovative activity of the enterprises and the investments of these in training human resources is ambivalent – the insufficient funds for training employees lead to a lower share of innovations in work, and vice versa – low innovative activity does not stimulate investing funds in the training of employees.

3. The State of the Formal Education System

The state of the formal education system is among the main factors determining the attitudes of companies to the participation of employees of theirs in formal education.

3.1. Formal Education Patterns Accessible to Adult Trainees

The availability of various and flexible patterns of education is an obligatory condition of involving working adults in the formal education system. Though there are in Bulgaria evening, extramural and distance forms of education, the distribution of these is not wide. The percentage of the students who have graduated from evening schools of secondary education is, for example, very low – those who graduated in 2001 from evening, secondary comprehensive schools amounted only to 2.3% of the graduates (739 in 32,047) as in 2005 this percentage diminished down to 1.4% (497 in 35,139); those who completed their secondary education extramurally in 2001 were 0.14% (44), and in 2005 – 0.25% (85).

In the recent years, a certain increase has been observed as in the total number so in the percentage of students undergoing education in extramural and distance forms. In the 2001-2002 period, they were 66 192 or 29% or of the total number of students, and in the academic year 2005-2006 – 74 478 or 30.6% of all students (Education in the Republic of Bulgaria, 2006; pp. 49 & 73). There are doubts among the general public about the quality of education obtained in an extramural or distance form.

Efforts are necessary for making administrative arrangements for these training patterns and for backing them up with adequate teaching aids to guarantee good quality of the education to obtain.

3.2. Quality and Relevance of Formal Education

Our respondents share different assessments of the quality of the education that formal education institutions offer. Some trainees express their satisfaction with the specialties they are trained in, and they consider that their work and education facilitate each other. The respondents tend also to report the importance of formal education in a general, not closely professional, perspective as contributing to the formation of important personal qualities, such as self-confidence, motivation, and communication skills. Managements' general opinion, however, is that Bulgarian universities are in debt to business as they do not prepare enough specialists for the fast developing industry sectors. University education is rather general, highly theoretical, morally outdated, and lacking practical value. The main reason for this situation is that in many of the higher education institutions no practical trainings or internships are available to prepare students for their real work after graduation. Extremely great is the dissatisfaction with the lack of flexibility in formal education institutions, whose reactions to the changing requirements of economy and labour market are very slow and they occur with great difficulties.

3.3. Management and Functioning of the Formal Education System

In Bulgaria, the formal education system that provides education up to the secondary level is centralized; it is related as to the State's requirements to education so to obligatory acknowledgement of the syllabi provided by the Ministry of Education and Science. This centralization does not make it possible to respond to the needs of the market as quickly and adequately as companies want. Even the higher education institutions, though being autonomous, are not flexible enough and it is difficult for them to adapt to the quickly changing economic needs. These are managed only by members of the academic community, which means that they cannot keep direct contacts with the users of their alumni. Some private, higher education schools as, for

instance, New Bulgarian University, in whose boards of trustees representatives of business are included as well, make the exception.

4. Normative and Financial Providing for Adult Education

Including working adults into the formal education system suggests that they should discontinue doing their work duties, and this, very often, makes the company's activities objectively difficult. If a larger number of employees are included in formal education, and they all take leaves for their classes and examinations, this is very likely to cause real problems for the normal work in the enterprise. The Management of one of the companies investigated, SM, not accidentally shared that it was even thinking of reducing the leave to be given down to a shorter than the one the Labour Code guarantees and hiring people of completed higher education only. In connection with this, it is very important for trainees to have normatively guaranteed rights⁴ which their employers are obliged to keep.

As a rule, the participation in the formal education system is funded entirely by the trainees. In fact, there is no public support for and co-funding of the formal education of adults by the enterprises they work for. Only in one of the cases studied (SH) the enterprise financed the formal education of its employee. There are single practices, through European programmes, of funding different forms of non-formal education, but, in principle, formal education remains to be a matter of personal financial responsibility. The lack of expressed philanthropic culture as in the Bulgarian society as a whole so in the business circles is likely to additionally contribute to this.

⁴ The current Labour Code envisages: a) paid, training leave for employees studying at secondary schools or universities, without discontinuing their work, amounting to 25 workdays for each year of study and 30 days for preparing to sit for the state, final-certification examination, b) 6 workdays to prepare for enrolling in secondary schools and 12 – in universities, c) unpaid leave for trainees – up to 20 days each year for sitting for an exam; for SFCE – up to 30 days at secondary schools and up to 4 months at universities; the unpaid leave is considered working practice. Workers who study at evening schools have the right to leave work an hour earlier on each school day (Labour Code, Articles 169, 170 & 171). The cases when these rights are not known, or they are limited to the paid leave only, are not rare.

VI. Outlook, Conclusions and Recommendations

The case studies carried out make it possible to draw some *general conclusions* that, despite their limited validity, can be of research- and policy-oriented interest.

Workplace learning in the Bulgarian companies is realized in different forms:

- “learning by making” and transferring the experience of the skilled personnel, which is considered a specially effective means of introducing newly employed persons into their work duties;
- non-formal education by lectures, seminars and courses organized as by the very company so by other organizations, with a view to raise the employees’ qualifications and adapt the latter to the innovations introduced;
- informal education;
- participation in the formal education system.

Among these forms of workplace learning, non-formal education and training are of primary importance. On the one hand, the enterprises know different ways of organizing non-formal training, which is due also to the fact that, in the recent years, in Bulgaria, the circle of institutions dealing with training activities has broadened. On the other hand, non-formal education appears to be more flexible and practice-oriented, as well as able to more quickly and adequately respond to the particular needs of companies.

We can state that the importance of formal education for the Bulgarian enterprises, and the patterns found within these of its support, to a great extent reflect the low significance of formal education within adult education in general. The factors that additionally contribute to the conversion of this importance into problematic are the general socio-economic situation and the labour market in Bulgaria, the particular companies’ levels of finance, and the specificities of their economic cultures (Kabakchieva and Avramov, 2004). As a whole, the Bulgarian companies do not feel a great need for raising the qualifications of their employees. The data from the

investigation into continuing vocational training are indicative of this. According to these data, 71% of the enterprises showed in 1999, and other 50% – in 2005, as a reason for the unavailability of vocational training therein the fact that they did not feel a need for additional training of their employees; 37 % in 1999 and 47% in 2005 estimated continuing vocational education as too expensive, 28% showed, in 2005, that they would not find suitable courses, and 65%, in that same year, – that they did not have time (Eurostat, CVTS-2 & CVTS-3). In the case of formal education, the total effect of these reasons becomes stronger because this education is longer, more theoretical and more expensive than the non-formal one. This is why, if we use metaphorical means of expression, *we could compare the state of the Bulgarian enterprises, in terms of the inclusion of their employees into formal education, to that of long-distance hurdlers – the 'hurdles' are many and different, besides, if one trips over one of these, there is no way to run on forward.*

The participation of employees in formal education results mainly from their personal initiatives. The support the teams of enterprise managers provide for the trainees is based on the normatively guaranteed rights of the latter. It is a positive fact that this support often develops into moral engagement, even when the employees are trained in specialties that are not related to their work duties or there is an apparent risk of leaving the company after they have completed their education.

A few directions of interaction between the enterprises and formal education institutions are outlined: a) organizing of different forms of non-formal education realized with lecturers from formal-education institutions; b) involving particular employees into formal education; c) institutionalizing forms of cooperation between formal education institutions and the enterprises in order to involve employees into formal education. The first form of interaction seems the easiest to achieve. The data from the investigation of the continuing vocational training in the Bulgarian enterprises, however, show that, in terms of this, too, the formal education institutions are not the most active ones – the highest percentage of vocational trainings in the enterprises were organized by private companies (Continuing Vocational Training, 2005).

Those companies that have created mechanisms of institutionalizing their contacts with formal education institutions deserve special attention. According to our investigation, the institutionalization of cooperation like this depends to a great extent on the activity of the very formal education schools.

The preferable level of employees' participation in the formal education system is higher education. This is explicable, having in mind that the dependence of educational activity on the already completed level of education is assumed as axiomatic. Formal-education system, however, would attract larger numbers of employees only on condition that it is flexible, which means sufficiently differentiated. The point here is the necessity of establishing and publicly legitimating different forms and ways of post-secondary education, the training in which is accredited and acknowledged at the subsequent levels of education.

The case studies carried out give us reasons to formulate *recommendations in three main directions* in view of expanding employees' participation in formal education: a) development of formal education institutions as institutions of lifelong learning; b) introducing normative changes to stimulate enterprises to support their employees in getting involved into formal education; c) distributing experience and good practices of supporting employees in participating in formal education.

The development of the formal education system's institutions as institutions of lifelong learning means to assume that the philosophy of lifelong learning is a paradigmatic change in the contents and organization of education. This requires objective-oriented and systematic efforts to re-assess all elements of traditional educational practice – access to schools, syllabi, mechanisms of assessing and organizing the training process, and the ways of graduation.

Special attention should be drawn to the development of higher education schools in their capacity of institutions of lifelong learning (Boyadjieva, 2006). In view of providing conditions of stimulating employees to take part in bachelor's and master's syllabi, three main principles of working out universities' institutional lifelong-learning strategies can be outlined:

- Flexibility at enrolling in and leaving the educational institution, as well as during the very process of education (for example, accreditation of skills obtained at workplace – APEL);
- Orienting the educational process to the students’ needs and to the formation of particular competencies;
- Building-up networks and partnerships with other, higher education institutions and, first of all, with particular companies; establishing different forms of cooperation between enterprises and educational institutions as, for example, student internships, attracting company employees as teachers, organizing module-study courses for employees, etc.

Changes in the Employment Promotion Act, in view of establishing public mechanisms of co-funding the participation of adults in formal education, would positively affect the participation of employees in formal education. Article 44 of the Act envisages that an employer who provides support for and increase in the qualifications of his/her hired workers and employees can apply for special funding. It is not clear, however, what qualifications are meant and how the relations with formal education institutions can be settled.

Enhancing the work on the elaboration of the National Framework of Qualifications is of special importance in view of expanding the participation of employees in formal education. Its adoption has been defined as a priority in the field of lifelong learning (Annual Programme of the Participation of the Republic of Bulgaria in the European Union’s Decision-Making Process, 2007). The positive steps taken in this direction are: the National Workshop on the European Framework of Qualifications and the Necessity of Working-out a National Framework, which took place in late 2007, and the annual project entitled “Popularizing Lifelong Learning”, which the Ministry of Labour and Social Policy is realizing now.

As a rule, the teams of managers of Bulgarian companies are not aware of the experience that leading countries and companies have with the support for employees in participating in formal education. This is why the establishment of an accessible

and maximally diversified data base of good practices can stimulate Bulgarian companies to include formal education into their policies of developing and qualifying human resources.

As the case studies we have carried out, so the data from the representative investigations into lifelong learning and continuing vocational training impose the inference that an entire change in the attitude of Bulgarian companies to formal education should be expected in the long run, and this change can only be achieved as a result of coordinated efforts of all the institutions interested.

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ANNEX 1

Note: The data for LFS (1999) refer to EU-15 and for CVTS 2 (2003) and CVTS 3 (2005) – for EU-25.

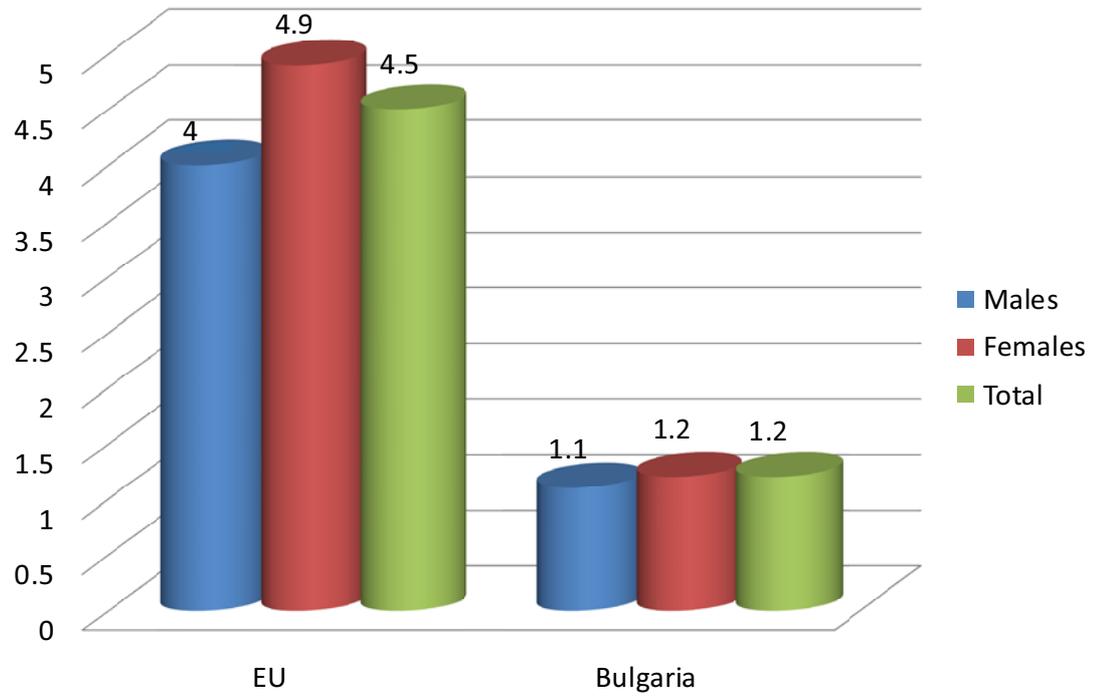


Figure 1: Percentage of participants in formal education by sex.
Source: Eurostat LFS 2003.

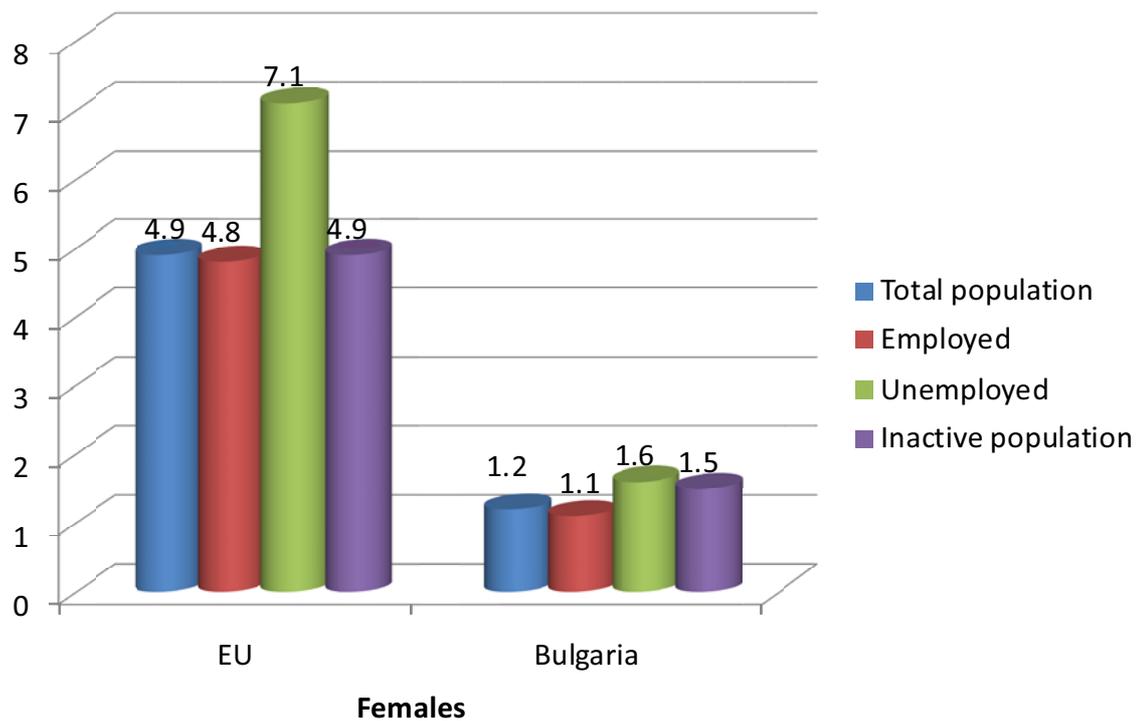


Figure 2: Percentage of female participants in formal education by working status.
Source: Eurostat LFS 2003.

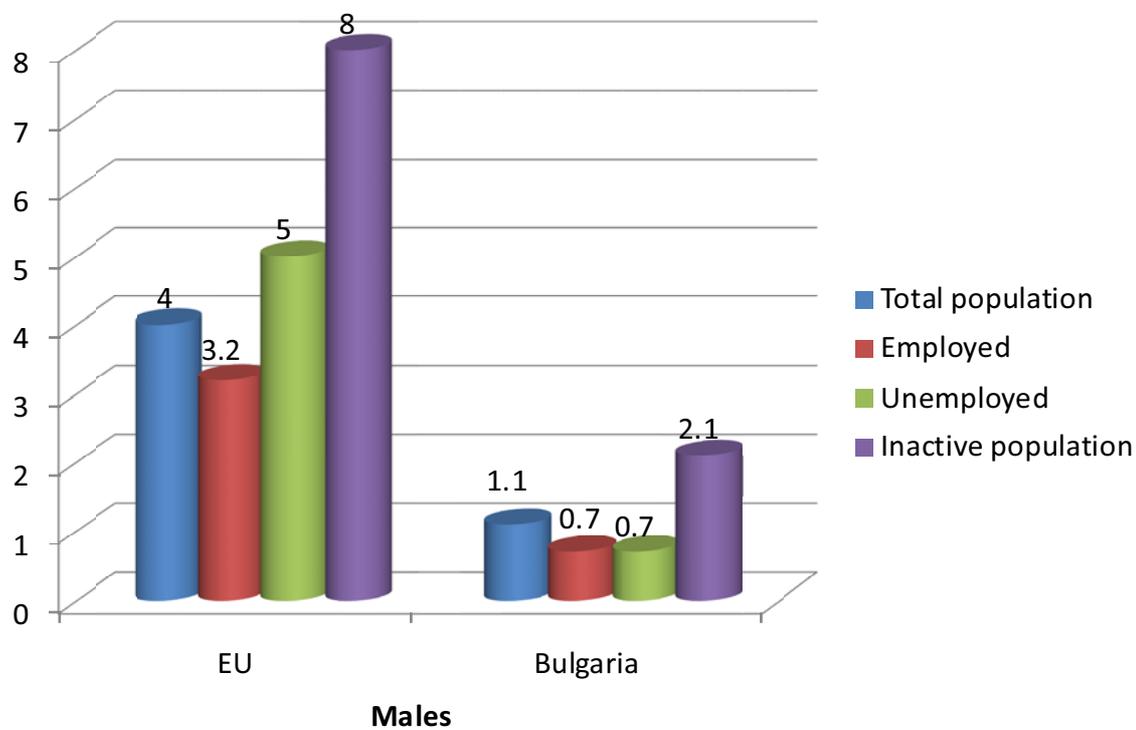


Figure 3: Percentage of male participants in formal education by working status.
Source: Eurostat LFS 2003.

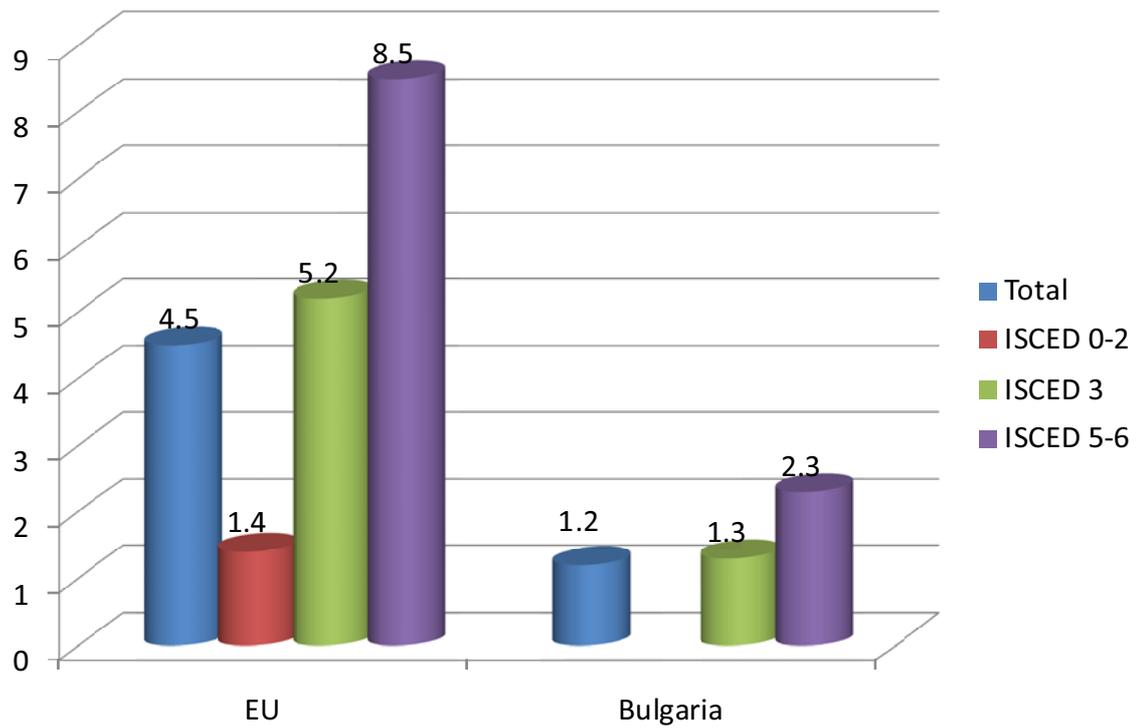


Figure 4: Percentage of participants in formal education by educational attainment.
Source: Eurostat LFS 2003.

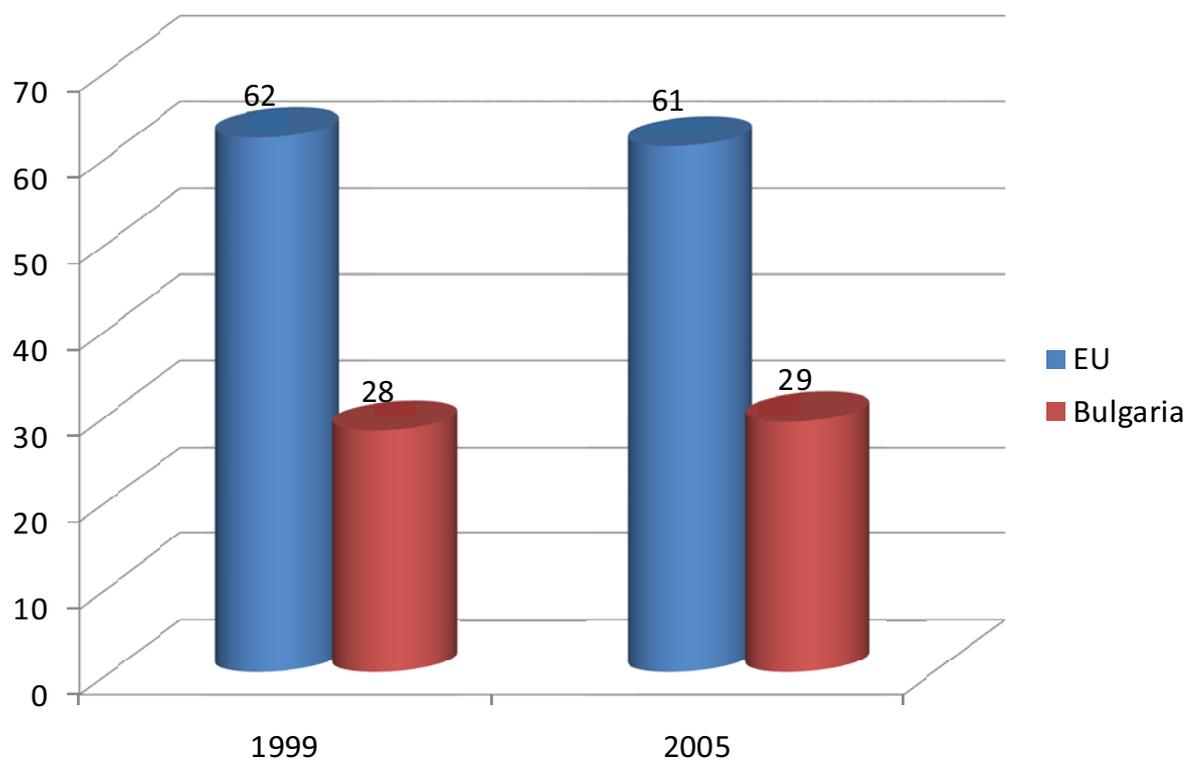


Figure 5: Training enterprises as percentage of all enterprises.
Source: Eurostat CVTS 2, CVTS 3.

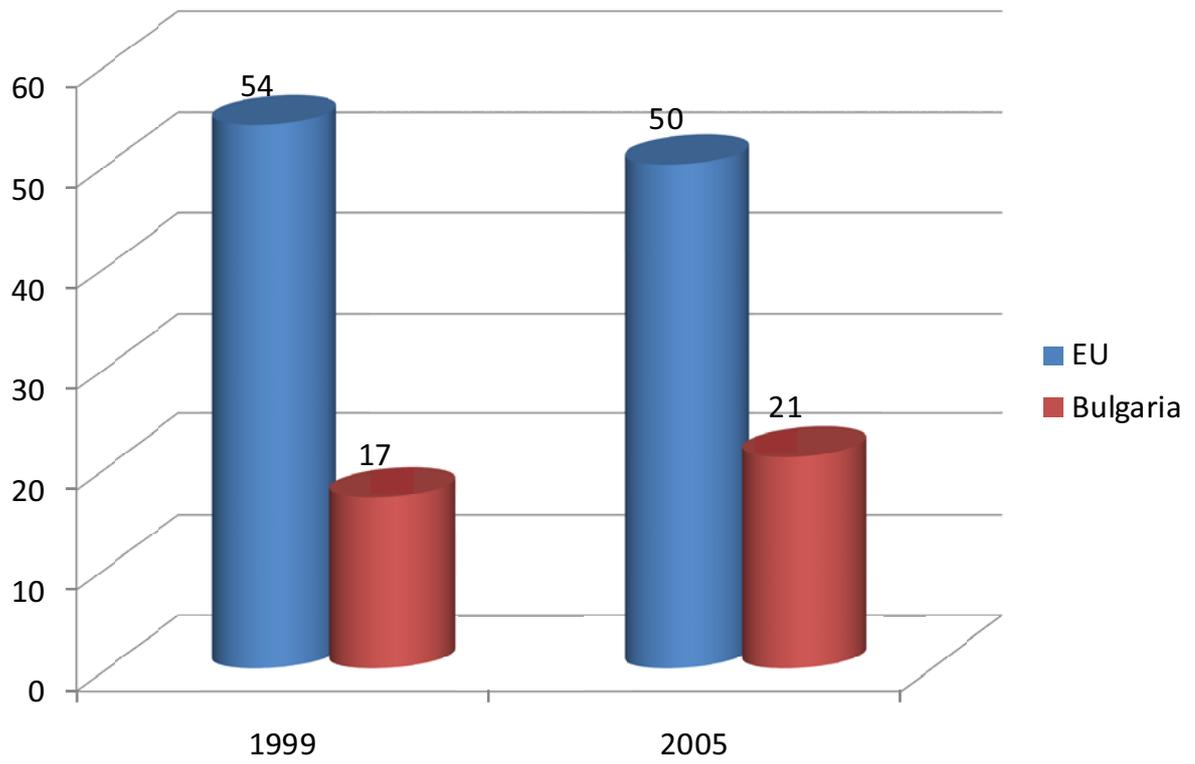


Figure 6: Enterprises providing CVT courses as percentage of all enterprises.
Source: Eurostat CVTS 2, CVTS 3.

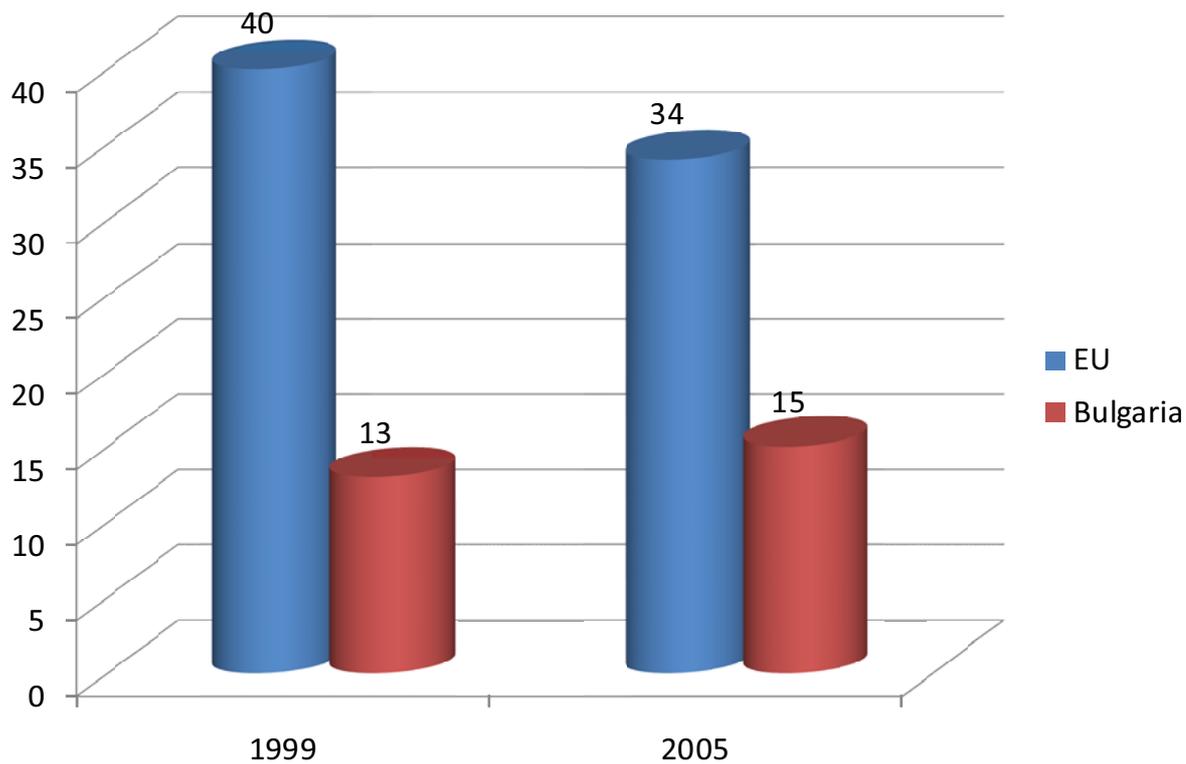


Figure 7: Participants in CVT courses as percentage of employees in all enterprises.
Source: Eurostat CVTS 2, CVTS 3.

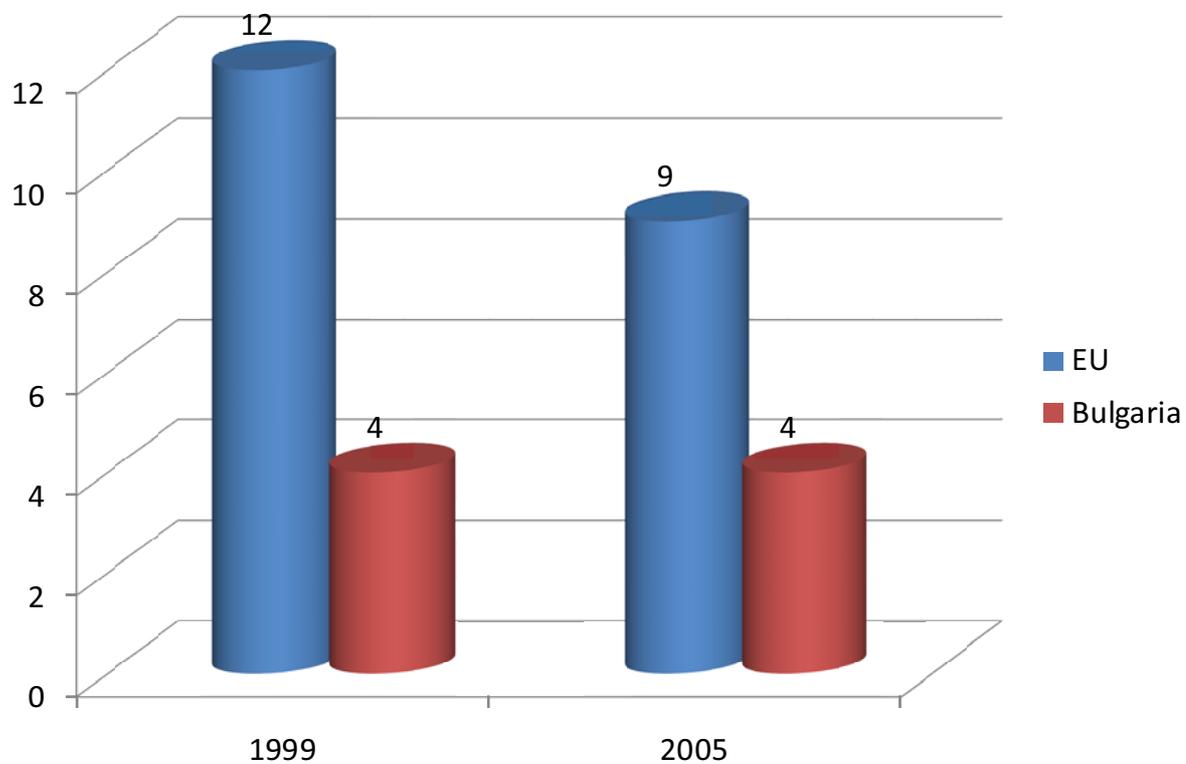


Figure 8: Hours in CVT courses per employee.
Source: Eurostat CVTS 2, CVTS 3.

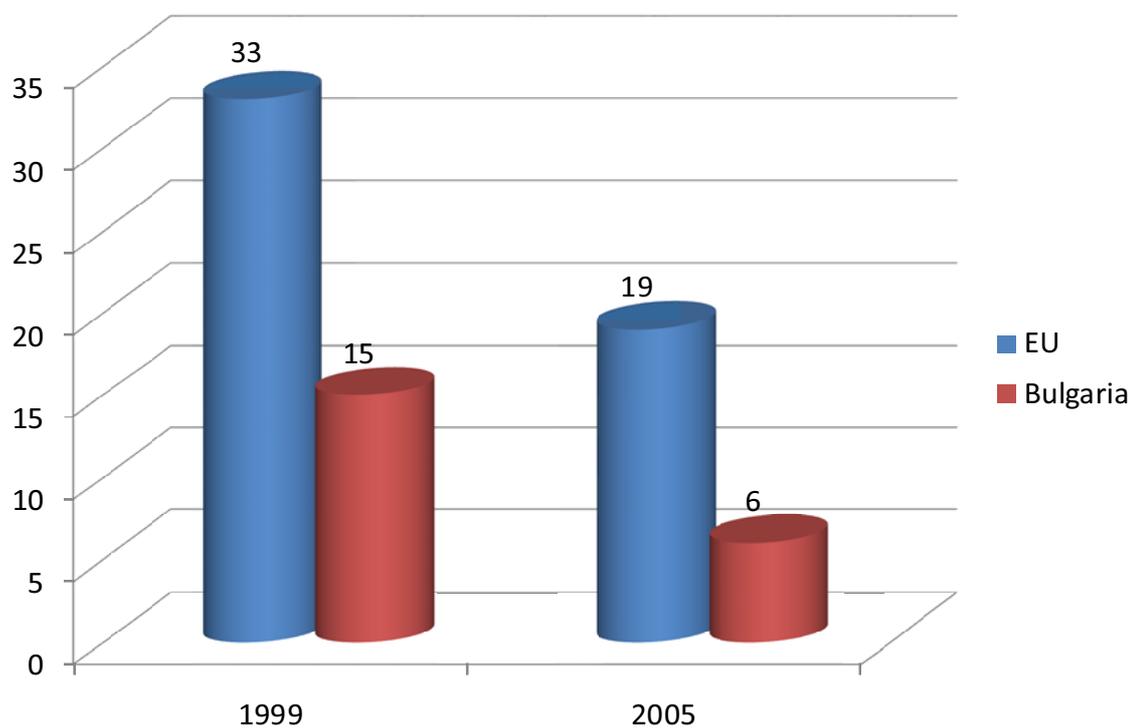


Figure 9: Enterprises with a training budget as percentage of all enterprises.
Source: Eurostat CVTS 2, CVTS 3.

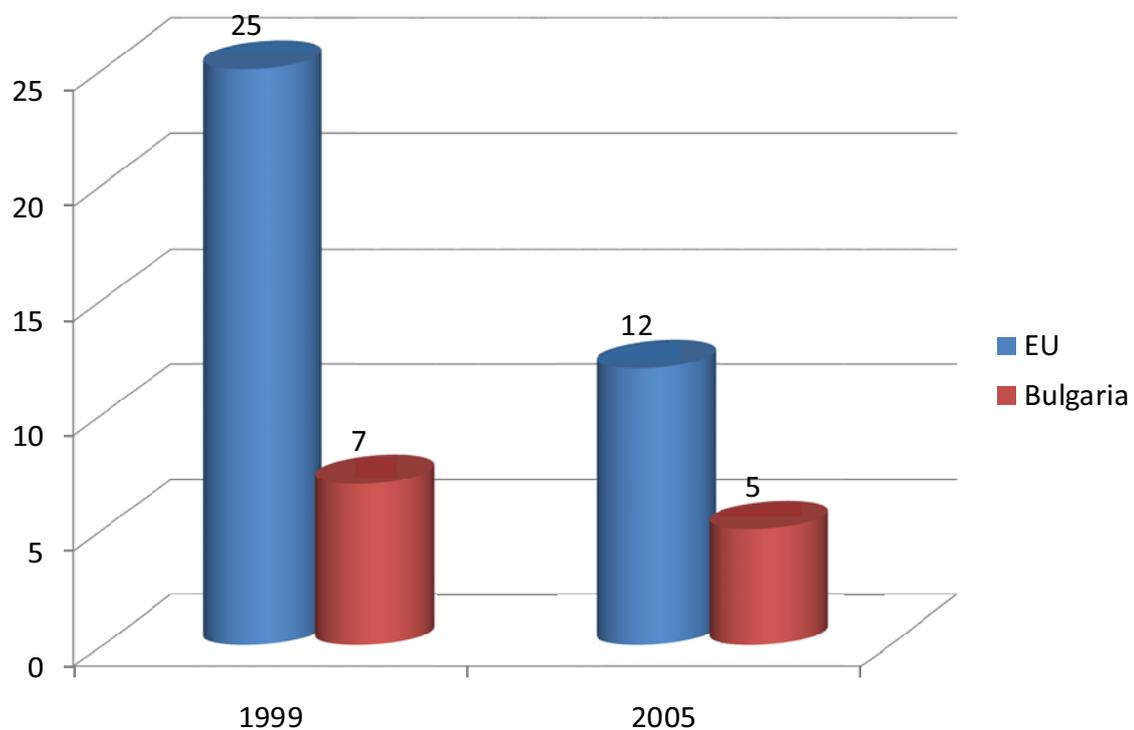


Figure 10: Enterprises with training centre as percentage of all enterprises.
Source: Eurostat CVTS 2, CVTS 3.

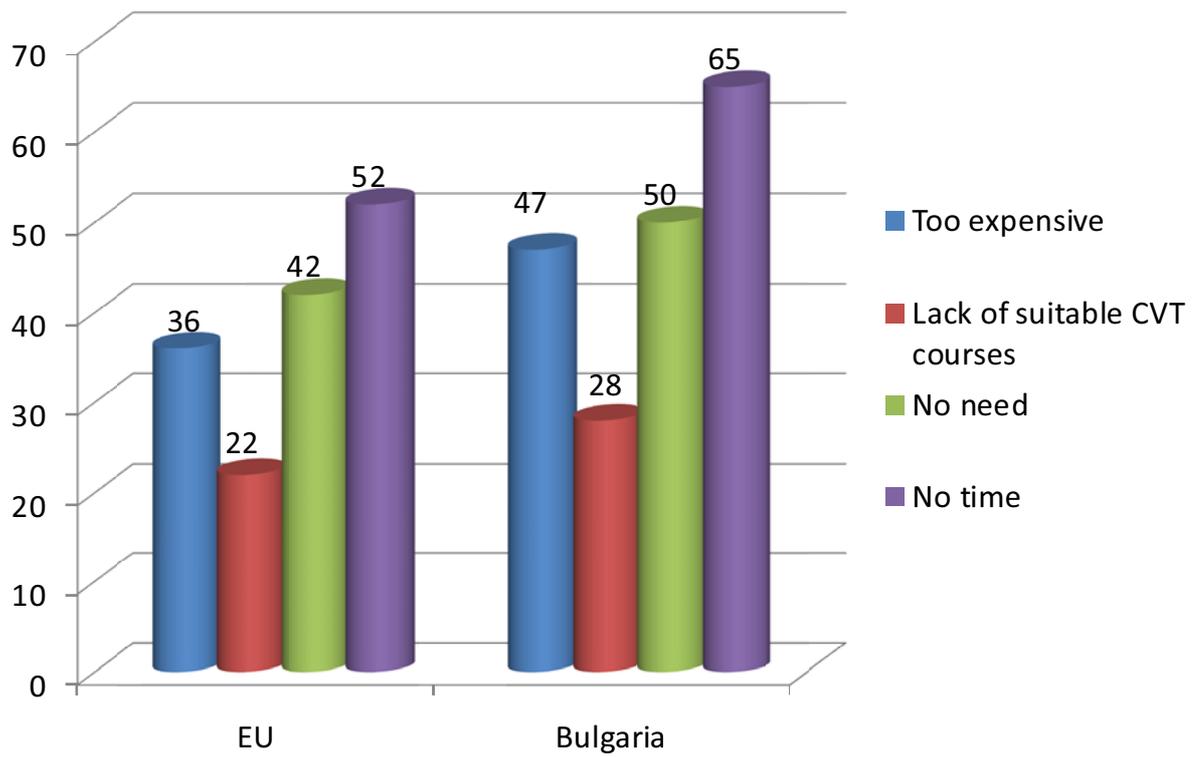


Figure 11: Training enterprises: Percentage of reasons having an influence on the enterprise's CVT activities.

Source: Eurostat CVTS 3.

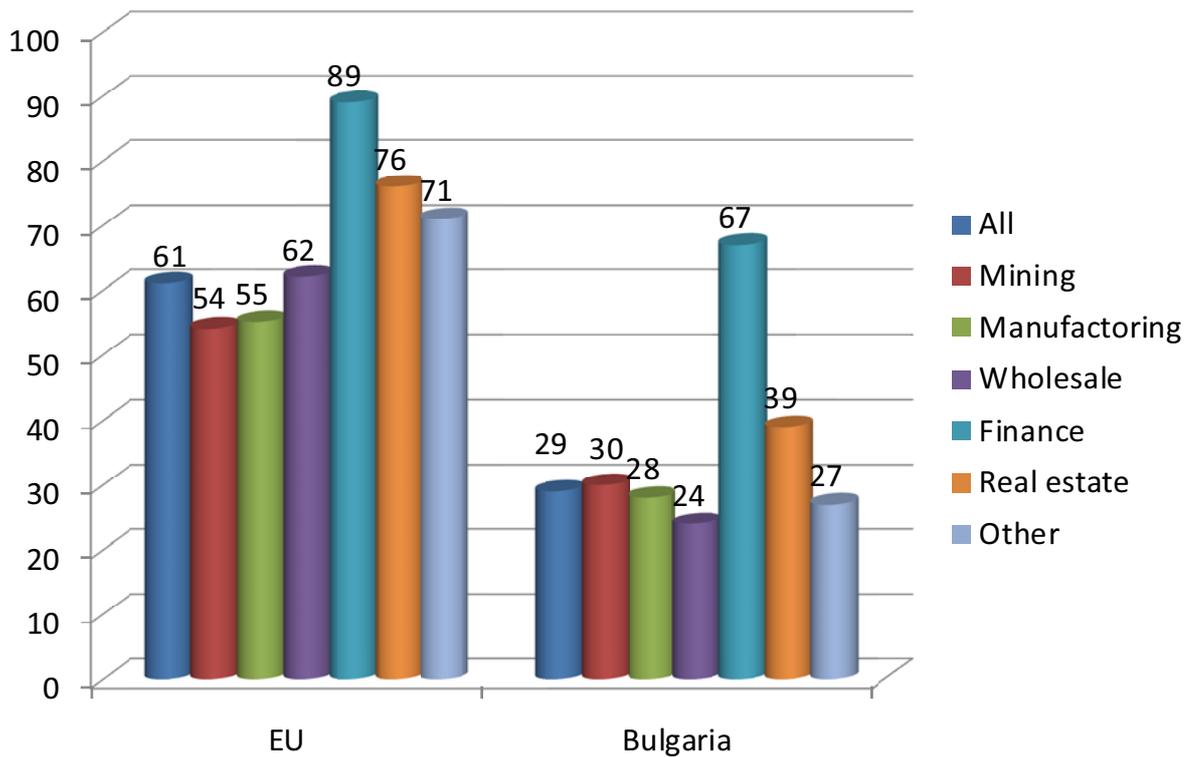


Figure 12: Training enterprises as percentage of all enterprises by NACE.
Source: Eurostat CVTS 3.

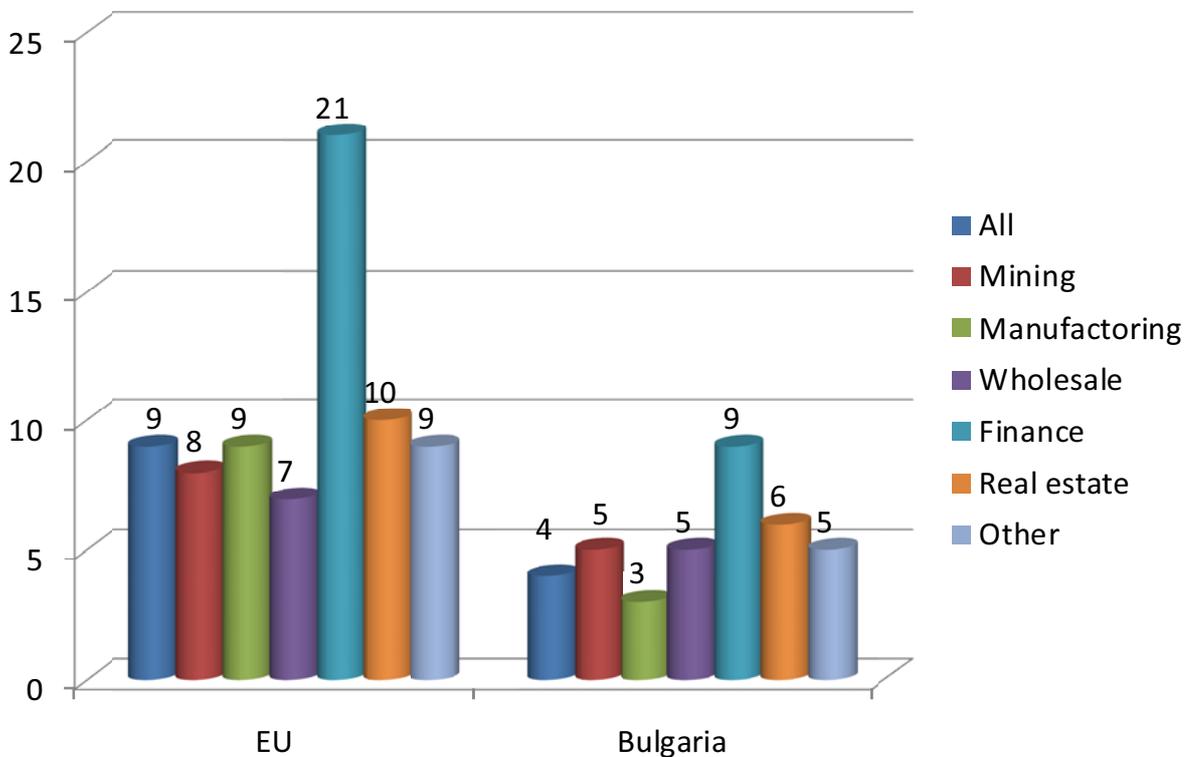


Figure 13: Hours in CVT courses per employee by NACE.
Source: Eurostat CVTS 3.

Summary table

	Case Study 1 SM	Case Study 2 ME	Case Study 3 IZ	Case Study 4 SH	Case Study 5 FF	Case Study 6 UP	Case Study 7 MK	Total
Information Basis of the Case Study								
Total Number of Interviews:	3	4	3	3	4	3	4	24
Number of Interviews with participants:	1	1	1	1	2	1	2	9
Number of Interviews with Line-Managers/other interviewees (e.g. Shop Stewarts) :	2	3	2	2	2	2	2	15
Number of additional references:	2	2	2	2	2	3	1	14
Information on the interviewees								
<i>Representative of the enterprise</i>								
Function of the representative of the enterprise:	General Manager	Administrative Manager/ Production Manager	General Manager	HR Manager	HR Manager	General Manager	HR Manager	General Managers - 3 HR (and other) Managers - 5
Gender:	Male	Female/ Male	Female	Female	Male	Female	Female	Male - 3 Female - 5
Age-Group (five years 15-19, ...):	40-44	30-34 / 35-39	35-39	50-54	35-39	45-49	50-54	30-34: 1; 35-39: 3; 40-44: 1; 45-49: 1; 50-54: 2
Educational Background:	ISCED 6	ISCED 6 / ISCED 6	ISCED 6	ISCED 6	ISCED 6	ISCED 6	ISCED 3	ISCED 3 – 1 ISCED 6 - 7

Participant 1:

Gender:	Female	Female	Male	Female	Male	Female	Female	Male – 2 Female – 5
Age-Group (five years 15-19, ...):	25-29	25-29	20-24	25-29	25-29	20-24	20-24	20-24: 3 25-29: 4
Children yes/no:	No	No	No	Yes	No	No	No	Yes – 1 No – 6
Position:	Manager of Qualitative research department (5 persons)	Worker in colour separation unit (in a team of 17 workers)	Blue collar worker	White collar employee (Financial department)	White collar employee	White collar employee	White collar employee (Secretary)	White collar - 5 Blue collar – 2
Educational Background:	ISCED 5	ISCED 5	ISCED 2	ISCED 6 ISCED 6 (International certificate)	ISCED 3	ISCED 3	ISCED 3	ISCED 2 – 1 ISCED 3 – 3 ISCED 5 – 2 ISCED 6 – 1
ISCED Level of the formal education visited:	ISCED 6	ISCED 6	ISCED 3	Ongoing	ISCED 5	ISCED 5	ISCED 3 (Professional)	ISCED 3 – 2 ISCED 5 – 2 ISCED 6 – 3
Status of the Education:	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing – 7 2000 – 1 2004 – 3 2006 – 2 2007 - 1 2008 - 1 2009 - 4; 2010 – 2
Starting time of the program:	November 2004	October 2006	September 2006	November 2000	October 2006	September 2004	September 2007	2006 – 2 2007 - 1 2008 - 1 2009 - 4; 2010 – 2
(Expected) termination of the program:	February 2009	July 2008	June 2010	February 2009	June 2010	February 2009	June 2010 Lifelong Learning center, Technical University of Sofia	Universities – 4 Institute - 1 Center - 1 Evening School – 1
Type of organisation offering the program:	Sofia University	Sofia University	Evening School	SIMA Institute - London	University of National and World Economy	Plovdiv University	University of Sofia	Universities – 4 Institute - 1 Center - 1 Evening School – 1

Tuition fees of the program:	€ 270	€ 270	Free	Not reported (Covered by the company)	€ 480	€ 560	€ 220
Learning units involved:	630	610	720	Not reported	1690	1680	540
Public co-funding for tuition fees (percentage):	75%	75%	100%	0%	85%	80%	85%
Co-funding by the enterprises (approx. percentage):	0%	0%	0%	100% Mainly during working hours,	0%	0%	0%
Part of program within working hours (excluding hours for personal learning and preparation)	Mainly outside working hours	Mainly outside working hours	Mainly outside working hours	commissioned by the firm	Mainly outside working hours	Mainly outside working hours	Mainly outside working hours

Participant 2:

Gender:	Male	Male	Male – 2 Female – 0
Age-Group (five years 15-19, ...):	25-29	30-34	25-29: 1 30-34: 1
Children yes/no:	No	No	Yes – 0 No – 2
Position:	Leader of team	White collar employee	Blue collar – 0 White collar – 2
Educational Background: ISCED Level of the formal education visited:	ISCED 4	ISCED 3	ISCED 3 – 1 ISCED 4 – 1
Status of the Education:	ISCED 5 Ongoing November 2004	ISCED 5 Ongoing September 2004	ISCED 5 – 2 Ongoing – 2 2004 – 1
Starting time of the program: (Expected) termination of the program:	February 2009	February 2009	2006 – 1 2009 – 1 2010 – 1
Type of organisation offering the program:	New Bulgarian University	Higher School of Civil	Universities – 1 Higher School – 1

					(private university)		Engineering - Sofia	
Tuition fees of the program:					€ 3,240		€ 240	
Learning units involved:					1920		1760	
Public co-funding for tuition fees (approx. percentage):					0%		95%	
Co-funding by the enterprises (approx. percentage):					0%		0%	
Part of program within working hours (excluding hours for personal learning and preparation)					Mainly outside working hours		Mainly outside working hours	

Representative of the enterprise 2/other representative

Function of the representative of the enterprise:	HR Manager	Line Manager	Line Manager	Financial Manager	Line Manager	Line Manager	Administrative Manager	HR Manager – 1 Other Manager – 2 Line Manager – 4
Gender:	Female	Female	Male	Male	Male	Female	Male	Male - 4 Female – 3
Age-Group (five years 15-19, ...):	30-34	30-34	35-39	40-44	25-29	25-29	60-64	25-29: 2 30-34: 2 35-39: 1 40-44: 1 60-64: 1
Educational Background:	ISCED 6	ISCED 6	ISCED 6	ISCED 6	ISCED 4	ISCED 5	ISCED 6	ISCED 4 – 1 ISCED 5 – 1 ISCED 6 – 5

Enterprise - General Information

Year of Foundation (current form):	2003	(1994) 2007	2007	1991	2001	2001	(1960) 2007	1991 – 1 2001 – 2 2003 – 1 2007 – 3
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Location (rural; City 25.000-50.000; City 50.000-250.000, City 250.000+:	Capital: 1 500 000 - 2 000 000	City 25 000- 50 000	Capital: 1 500 000 – 2 000 000	Capital: 1 500 000 – 2 000 000	Capital: 1 500 000 – 2 000 000	City 50 000- 250 000	Rural	250 000+ - 4 50 000-250 000 - 1 25 000-50 000 - 1 Rural - 1
Production or Service:	Service	Production	Production	Service	Service	Services	Production	Production – 3 Service – 4 Sector K - 1 Chemicals industries - 1 Metals - 2
Sector of the Enterprise:	Sector K Research and development	Chemical industries	Metals	Whole trade sales	Sector O - News agency activities	Whole trade sales	Metals	Whole trade sales - 2 Sector O - 1
Nace:	7413	2412	2863	5151	9240	5185	2811	Yes – 3 No – 4
Owen by an other company, holding etc.:	Yes	Yes	No	Yes	No	No	No	10-49: 2 50-249: 5
Number of Employees 2008:	72	240	12	100	247	15	136	Male (more than 50%): 3
Male - (approx. percentage):	40%	55%	75%	40%	51%	33%	71%	Female (more than 50%): 4
Female - (approx. percentage):	60%	45%	25%	60%	49%	67%	29%	
Blue Collar Workers - (approx. percentage):	0%	80%	40%	0%	10%	0%	83%	
White Collar Workers - (approx. percentage):	100%	20%	60%	100%	90%	100%	17%	
Qualification Level - Low (ISCED 0- 2 or low qualification requirements - (approx. percentage):	0%	1%	25%	0%	0%	0%	83%	
Qualification Medium - Low (ISCED 3-4 or medium qualification requirements) - (approx. percentage):	0%	79%	25%	15%	25%	80%	12%	
Qualification Level - High (ISCED 5- 6 or high qualification requirements) (approx. percentage):	100%	20%	50%	85%	75%	20%	5%	
Job turn over (high - low):	Low	High	Low	High	High	Low	High	High – 4

Development of the number of employees - last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking) :	Strongly growing	Growing	Growing	Stable	Strongly growing	Stable	Stable	Low – 3 Strongly growing – 2 Growing – 2 Stable – 3
Turnover (latest available year) - in Mio Euro:	Not reported (confidential information)	Not reported (confidential information)	Not reported (confidential information)	307,500	Not reported (confidential information)	Not reported (confidential information)	Not reported (confidential information)	
Year of Relevance:	Not applicable	Not applicable	Not applicable	2007	Not applicable	Not applicable	Not applicable	
General assessment of the economic situation (growing, stable, crisis):	Growing	Stable	Growing	Growing	Growing	Stable	Stable	Growing – 4 Stable – 3 Yes – 3
Work council/unionised:	No	Yes	No	Yes	No	Yes	No	No – 4 Yes – 5
Initial vocational training program	Yes	No	Yes	Yes	Yes	No	Yes	No – 2

Business Strategy of the enterprise

Overall classification:	Process and product innovation oriented enterprise, client oriented, priority of international standards	Customer relationship depended enterprise - high pressure on costs and quality requirements	Enterprise with active market strategy	Process and products innovation orientated enterprise, strives to become top quarter performer	Growing enterprise, innovatively oriented	Client oriented stable enterprise	Stable enterprise with perspectives for growth	Highly important - 3 Important – 3 Not so important – 1 Yes – 2 No – 5
Innovation:	Highly important	Not so important	Important	Highly important	Highly important	Important	Important	
Innovation unit (yes, no):	No	No	No	Yes	Yes	No	No	

Number of employees in the innovation unit as percentage of all employees:	Not applicable	Not applicable	Not applicable	8%	4%	Not applicable	Not applicable	
Quality:	Highly important	Important	Important	Highly important	Highly important	Important	Important	Highly important – 3 Important – 4 Highly important – 6
Customer Relationship: Price:	Highly important Important	Highly important Important	Highly important Important	Highly important Important	Highly important Important	Highly important Important	Important Important	Important – 1 Important – 7
Main challenges:	Hiring qualified employees at reasonable wages at the labor market, developing a new DP Center of Excellence	Ongoing restructuring, market flexibility	Hiring qualified employees at reasonable wages at the local labour market, diminishmen t of costs	Hiring qualified and motivated employees at the labour market, adaptation to the changing business climate	Hiring qualified employees at reasonable wages at the labor market, ongoing growth	Following the changing requirements of clients	Hiring qualified employees at reasonable wages at the labor market, meeting the challenges of the quickly developing sector	

HRD-Activities and training activities of the enterprise

General assessment:	High activity on the global level, medium activity on the local level	Medium activity on the local level	Medium activity on the local level	High activity on the global level, high activity on the local level	High activity on the local level	Medium activity on the local level	High activity on the local level	
Special unit/position for HRD/training (yes, no):	Yes	No	Yes	No	Yes	No	No	Yes – 3 No – 4 Yes – 6 No – 1
Appraisal Interviews (yes, no):	Yes	Yes	Yes	Yes	Yes	Yes	No	

Mentioned forms of work-integrated support offers for learning/informal learning:	Regular meetings, learning by doing, induction program	Learning by doing	Regular meetings, learning by doing, induction program	Learning by doing, induction program				
Training plan (yes, no):	Yes	Yes	No	Yes	Yes Not reported	No	No	Yes – 4 No – 3
Training budget/year (approx. in €)	Not reported	Not reported	No	€ 150,000.00	reported	€ 3,000.00	No	
Specification	External costs only	External costs only	External costs only	External costs only	External costs only	External costs only	External costs only	
Training budget/year employee	Not reported	Not reported	Not reported	€ 1,500.00	Not reported	€ 200.00	Not reported	
Average of the same sector - CVTS	€ 35.00	€ 39.00	€ 39.00	€ 66.00	€ 35.00	€ 66.00	€ 39.00	
Nace	7413	2412	2863	5151	9240	5185	2811	
Year of reference	1999	1999	1999	1999	1999	1999	1999	
Average of the same size class - CVTS	€ 20.00	€ 20.00	€ 61.00	€ 20.00	€ 20.00	€ 61.00	€ 20.00	
Training hours per employee	Not reported Not applicable	Not reported Not applicable	Not reported Not applicable	Not reported Not applicable	reported Not applicable	Not reported Not applicable	Not reported Not applicable	
Year of reference								
Average of the same sector - CVTS (in hours)	6	3	3	5	5	5	3	
Nace	7413	2412	2863	5151	9240	5185	2811	
Year of reference	2005	2005	2005	2005	2005	2005	2005	
Average of the same size class - CVTS (in hours)	5	5	2	5	5	2	5	
Other given indicators on training (when available)								

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	Yes, training program for students	No	No	Yes	Yes, training program for students	No	No	Yes – 3 No – 4
Program 1: Number of Participants	5		Not	20	8	Not		

Level(s) of the program:	ISCED 6		applicable Not applicable	ISCED 6	ISCED 6 Стаж в информац ионна	applicable Not applicable		
Details (National Language):	Стаж в маркетингов а агенция на студенти от Нов български университет Training of students from the New Bulgarian University at market research agency		Not applicable	Образовате лен модул по управление на фирмата	агенция на студенти от Софийския университе т	Not applicable		
Details (Translation)			Not applicable	Module "Manage- ment of the firm"	Training of students from Sofia University at information al agency	Not applicable		
Program 2: Number of Participants:			Not applicable			Not applicable		
Level(s) of the program:			Not applicable			Not applicable		
Details (National Language):			Not applicable			Not applicable		
Details (Translation):			Not applicable			Not applicable		
Number of employees identified participating individually in programs:								
ISCED 0-2:	0	0	0	0	0	0	0	0
ISCED 3-4:	0	0	1	0	0	1	1	3
ISCED 5-6:	25	18	0	7	2	4	3	59
Number of identified employees participating in formal adult education - total :	25	18	1	7	2	5	4	62

Articulated main reason for being interested in formal education (view of the enterprise) I:	Shortage of skilled labour	Individual initiative	Shortage of skilled labour	Increasing qualifications	Shortage of skilled labour	Individual initiative	Shortage of skilled labour	Shortage... - 4 Individual... - 2 Increasing... - 1
Articulated main reason for being interested in formal education (view of the enterprise) II:	Introduction of new products				Growth of activities		Individual initiative	Introduction... - 1 Growth... - 1 Individual... - 1

Deyan Petrov

SP 4 – Case Study 1

SM: Formal Education vs. Internal Corporate Training – An Unequal Battle

(Sector Family 2 – 50–249 employees; K-KK)



Institute of Sociology

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June 2008

Abstract

SM is a local unit of a multinational marketing company. It is one of the largest and most stable agencies for market studies in Bulgaria. The company has no special policy or strategy orienting its interaction with formal education. The interviews and the observations held reveal that the company's understanding of the significance of formal education goes along two lines:

- 1) Formal education institutions (universities) are regarded primarily as a "main source and incubator for new labour force";
- 2) Education is a "personal choice of employees", which has nothing in common with their professional responsibilities at the company.

These two lines of understanding are constructed based on the influence of several major factors. On the one hand, the company's multinational character entails the introduction and the implementation of global and standardized management mechanisms. On the other hand, the methods of market research and analysis used by the company are unique and developed exclusively for SM. At the same time, the intense growth of the demand for market studies in Bulgaria leads to the expansion of the agency and to an increased need for recruitment of new labour force. In view of the morally old-fashioned and distanced from practice (what is more, specialized market research education is not offered by the Bulgarian universities) university education, the internal trainings and workshops are perceived as the only effective mechanisms for preparing specialists.

A. General characteristics of the enterprise

[A.1 Main activity and characteristics of the organization]

SM is part of the large U.S. media company. In 1999 the company started to invest in market research by initiating the purchase and development of marketing companies. In January 2003 all marketing agencies belonging to the company were merged and branded under the name SM. At the time of the present study 6000 people are employed at SM. The company has offices in 58 countries, the total number of operating market research agencies being over 120. The structure of the multinational company encompasses six large regions corresponding to the six continents. Each region is broken up in smaller structures where the local units operate. SM is a local unit situated in the region of Central and Eastern Europe (another region in Europe being Western Europe). The company holds 7th place on the list of the largest marketing companies in the world (Internet website; I-1, male, general manager, pp. 1-2).

SM is a specialized company in the field of marketing research. Its main work principle is implementing research projects assigned by clients (who generally are mid size or large firms interested in the market development of certain products). The agency has 27 full time employees, working in three departments: "Market Research" (including 2 sections – "Qualitative Research" and "Quantitative Research"), "Field Work" and "Information Processing". Since the beginning of 2008 activities for the organization of a Human Resources Department have commenced.

The marketing agency is one of the largest in Bulgaria, holding a large share of the market for fast turnover goods and telecommunications.

[A.2 Business strategy]

The company's motto is "We are the smallest big company in the world." The smallest because it aims to apply the flexibility of a small company, and at the same time big because it is multinational and has offices in all parts of the world. The motto is supported by five corporate values underlying the company policy and representing the company before its clients. In the first place the company offers a dynamic environment for development of "competent employees by promoting their talent". Secondly, employees put "passion and desire" in each of their activities. Thirdly, geographical, social and economic differences are overcome by "team work". Close and loyal relations are built with every client, so that professional relations should be imbued with a feeling of "togetherness and empathy". And in the fifth place, "innovative solutions" are sought for each of the clients' problems (Internet website).

The company follows its corporate values based on 3 strategic principles: global scope – the company's structure should overcome all geographical and regional differences to adapt to the globalised modern world; integration – all offices in the world offer a unified

product by constantly synchronizing their activity; innovation - each year new research tools will be developed using the new technologies (I-1, male, general manager, p. 3).

[A.3 Current challenges and initiatives to meet these challenges]

The main challenges that the company faces are related to its global policy as a multinational company. In 2007 in Bulgaria started the building of a DP Center of Excellence. SM manages two more such centers (in Asia and Africa). The aim is to focus all data processing from the local offices in the Center. Thus the Information Processing Department will be taken out of local offices and concentrated in the Center. The benefits will be more speed, efficiency, accumulating a common data archive and reducing the company costs. At present 45 people work in the Center and their number will increase to 100 by the end of the year (I-1, male, general manager, p. 2; I-2, female, HR, pp. 5-6).

B. HRM, HRD and training policy of the enterprise

[B.1 Organisations of responsibilities and core processes in HRM and HRD]

In view of SM' expansion the management has commenced activities to set up a Human Resources Department. To present all human resources activities have been conducted by other employees. In the beginning of 2008 two specialists with long term experience in human resources management were recruited. The main challenge before the company is to develop a HR strategy that is consistent with SM global management principles.

SM's human resources management is organized at three structural levels – local, regional and global policy. Each unit has its own HR but they all depend on the decisions taken by the global structure. Specialised guidebooks describe the management decisions taken above, which are to be implemented at the lower levels.

The company's organizational structure is "flat". The main principle of work organization is working in "flexible teams". A number of teams exist within the company, which connect and agree work activities. Thus all researchers in the company (globally) are united in a "SM researchers' professional community", regardless of the distances between the local offices. They maintain constant communication and agree on the methods and analyses used, as well as attend trainings together (I-1, male, general manager, p. 11).

Work responsibilities are distributed in view of the specifics of each research project and the client's requirements. Usually a researcher takes on several big clients and works with them in the course of months, or a year, depending on the client's requirements.

In 2003, 4 people worked at SM, their number growing to 8 by 2005. At the beginning of 2008 the company staff is 27 people with a view of continuous expansion. The newly established DP Center employs 45 people at present, with the aim of increasing their

number to 100 by the end of the year. The men – women ratio in the company is 60% to 40%. The average employee age is 27 – 28. All employees have higher education, 4 of them with forthcoming graduation and one studying for a doctor's degree. At the DP Center there are 25 employees currently studying for a university degree. The newly opened Center primarily has employees with good computer and statistics knowledge, while employees at the agency mainly hold a degree in the humanities (six of them have graduated in sociology, others - in marketing, psychology, history, geography, human resources). For the five years in which the company has existed, the extent of people leaving their job has been low, amounting to only five people for that period (I-2, female, HR, p. 6).

[B.2 HRM and HRD objectives]

The main tasks of the newly formed HR team to the end of the year are: focusing the HR activities conducted so far into a specific HR department; implementing internal office rules, preparing clear job descriptions, developing procedures for staff selection and assessment, introducing an induction programme, and specifying the needs for internal trainings. These activities have to comply with the corporate global policy for human resources management. The strategy envisages clear organization of the corporate specialized policy, procedures and documentation. At this stage however the strategy's main parameters are not in place yet as the company's local HR has been in existence only for a month and a half. (I-2, female, HR, p. 11)

[B.3 HRD strategies and use of public support schemes for HRD/training]

In 2007 actions were commenced for ensuring public support for the development and education of human resources. The company offered to make agreements for cooperation with three universities – St. Kliment Ohridski University of Sofia, University of National and World Economy and New Bulgarian University. The management's aim was to organize internships for graduate students (in sociology, anthropology, economic sociology, marketing, economics) with the support of these universities. The company's policy is that upon conclusion of the programme the students who performed best should be offered to stay on at the marketing agency. An agreement with New Bulgarian University was signed for organizing internship for students in anthropology and sociology.

We conducted talks with Bulgarian educational institutions such as Sofia University... as well as the University of National and World Economy. We wished to sign agreements for cooperation. All that we have now is an agreement with New Bulgarian University... for some kind of internship that graduates in anthropology and sociology will have. Our idea is really to offer something serious... to offer work after the training period... to the best students of course. So we are making some efforts and we have such ideas... as long as we have a clear agreement... students can come and work here like interns or similar... we can pay them... we are inclined to pay scholarships to the best ones ...Unfortunately, university policy in this respect... I would say that all business in Bulgaria is affected by this...it's not only us. But on the part of the university

this means that... this person should... sign a contract that he/she will work for us after that. (I-1, male, general manager, pp. 8-9)

The steps taken are sporadic and tend to be more the ideas of specific managers than part of a developed and well considered strategy for public legitimizing or a strategy for human resources development.

[B.4 Significance of training activities]

Training activities are of great importance for SM. The company develops its own research methods and information processing software. For that reason the courses and trainings are an integral part of the corporate culture. SM organises internal and external trainings.

External trainings are organized in two lines – developing language skills and developing management abilities. Language courses cover a basic English language level (English is the official language of the company) and are conducted in groups and individually. When a group is formed, a language teacher is hired, who teaches English once a week at the SM office. Employees who have an individual programme, attend classes at a language school outside SM office. Language courses are organised once a year depending on the needs of the staff. The other type of trainings concerns improving "management skills". An external consulting firm is hired, which organises a training session or a course. This is done two or three times a year at regional level.

The other type of trainings organised by the company are internal trainings. At the beginning of each year the company produces a small handbook of planned trainings. It is the company's policy that employees specialise in a professional area of corporate importance by means of trainings. Thus managers of local offices offer possibilities for trainings and courses to specific employees. Trainings are organised every month, usually in various countries of the region, but one employee has the opportunity to attend no more than two or three per year. The subject of these trainings are "new research methods", "staff development", "management skills", "use of new software" etc. They are held in one of the bigger local offices and led by established specialists working at SM. When changes are made in the corporate procedures, regulations or research models, the so called Conference Call trainings take place. They are conducted online, whereby the employee watches the presentation on a monitor and listens to the lecturer by telephone connection. The presentation is international (held simultaneously in all local offices) and interactive – everyone can join in the discussion with a question or a comment. Such presentations are organized two or three times per week (I-3, female, learner, pp. 9, 11, 12; I-2, female, HR, pp. 4-5; I-1, male, general manager, pp. 7-8, 10).

C. Formal education within HRM/HRD in the enterprise

[C.1 Understanding and awareness of formal education by the enterprise]

Since the company's employees are people with a higher education degree or currently studying for it, corporate understanding about formal education focuses on the state of Bulgarian universities. Management's general opinion is that Bulgarian universities are in debt to business as they do not produce enough specialists for the fast developing industry sectors. University education is rather general, highly theoretical, morally outdated, and lacking practical value. The main reason for this situation is that even in the best higher education institutions no practical trainings or internships are available to prepare students for their real work after graduating.

...would you like me to tell you what the logic is...in reality I haven't learnt much from university...here is no practice, no accumulation of experience... I wasn't able then to even draft up a labour contract... at the moment however this is required of me (emphatically). (I-2, female, HR, p. 9)

For the managing body, the trainings organized within the company are of greater importance and bring bigger benefit, since they are specialized and refer to the solution of specific and pragmatic problems.

The difference is in the specifics. The training delivered by our people here is specifically related to market research. The training usually focuses on some of our marketing research tools. This training cannot be experienced at any other place...these are methods employed by the company... the university cannot give you competence about them. (I-1, male, general manager, p. 10)

[C.2 Experiences with formal education in the enterprise]

Despite the apparent critical opinion of SM management about the formal education system, the importance of higher education institutions as a resource for labour force is recognized. Evidence for this is provided by SM's offer to make agreements with three Bulgarian universities (Sofia University, the University for National and World Economy and New Bulgarian University) in 2007. The company however was disappointed with university policy. Only New Bulgarian University concluded an agreement for organizing internship of graduate students in anthropology and sociology. The other two universities refused to commit themselves to specific activities within the agreement. This is a circumstance which demotivates the company management as they wish to have at least some minimal certainty that the people they are going to train in their research methods will continue working at SM (I-1, male, general manager, pp. 8-9).

Internship takes place during the summer months. In less than a month students go round the various corporate departments. The interns are usually 3 to 5 people, depending on the number of students willing to join the programme. Internship is paid within the limits of

the monthly minimal salary (about 200 lv. per month). Participants work part time.

[C.3 Regulations on and support for formal education]

The company has no special regulations or policy in support of formal education. Job vacancies are taken by people who are near the end of their studies or have completed their higher education. The required type of higher education varies within a broad range. In any case, people educated in the humanities are preferred. Those in the process of completing their education are entitled to a leave for preparing and sitting for their exams, in compliance with Bulgarian legislation – 20 days per year. Those employees who would like to take a master's course or a second higher education course, are allowed to do so if only it does not affect unfavourably their work – i.e. if they are not absent from or late for work.

Give a scholarship... no, we can't... we invest more in internal trainings here at the office. And if one finds another job everything remains on our account. There is no alternative in Bulgaria for this case. Regarding formal education we say "Go and study, there's no problem about taking a leave." As for paying for education there has not been a precedent yet. If one continues their studies in the humanities OK... perhaps they can become better analysts... and will be able to do better analyses and reports for the research, but it does not necessarily mean that they would have better skills for the direct activity here. This just raises his or her general culture. (I-1, male, general manager, p. 10)

After the opening of the DP Center the number of those engaged in studying has grown many times. Their number has become 25 or one third of all SM employees. Management perceives this phenomenon as something extremely negative for the company. The problem comes from the fact that exam session time in various universities is the same (January – February and June-July, as well as September for the resit exams), which means that several times a year, in the busiest work periods, the management would not be able to rely on its employees. At present the managing body is considering how to deal with the situation. Most probably, new rules for hiring staff will be introduced – only people who completed their higher education would be recruited and no higher education courses should be undertaken once a person has started work. Another measure should be reducing the leave for taking exams and preparation. It will presumably be reduced from 20 to 10 days per year.

There has been such practice here so far... for the students to be able to take a prepaid leave... to attend lectures and take exams... they have been allowed leave when necessary, this is stipulated in the Labour Code. Now it is being reconsidered whether to continue this practice... because the number of people is growing. When the office employed 20-25 people, it used to be easy to control that process, but now the staff amounts to 100 people, the situation should be assessed from another angle, not "we are giving you a chance to develop and learn" but from the point of view of "can we afford it in terms of productivity". When students' number rises by another 20 and you have to give them each 20 days of paid leave... within an academic year... two questions emerge in the course of

this. First, can the company afford it in terms of productivity... that is, considering the budget it presents to the global company...regarding payments... whether it can afford to let this happen, and the other question concerns those who are not studying any more...in other words, here is another matter to consider - "To some we give and to others we don't". It becomes a hot issue. This is not anymore a matter of letting the employee study and develop but more about other important factors... which have to be considered... and we should take a decision and say "this is for everyone"... there should be a common rule... that is the idea. (I-2, female, HR, p. 7)

[C.4 Assessment of promoting and hindering factors for the use of formal education within the HRD-approach]

On one hand, a large company like SM has very clear rules concerning the use of the research methods and data processing software it has introduced. These are models and techniques that are innovated and used exclusively by the company. On the other hand, at Bulgarian universities there is no discipline which prepares students for doing market research. The job position is filled with people graduated from a closely related field of science – sociology, marketing, economics, psychology, statistics, politology and anthropology. With regard to the global and standardised principles of the company as well as considering the specific subject of activity, SM prefers to build internal mechanisms of training and staff development than to work actively with an institution of formal education. The company has implemented an Induction Programme, regular trainings and courses at global level, and envisages a long period of induction to work practices (almost for a year the newly hired employee works as an assistant to a chief researcher until he/she has gained the experience needed for conducting one's own research projects). Part of these mechanisms is the initiative to organise regular internships for students in a certain discipline. Internships are organized on one hand to compensate for the shortage of staff during the busiest working months, and on the other hand, to attract new employees for the company. Organising internships comprises the most important part of the cooperation between the company and the New Bulgarian University. The most difficult part in this relationship is the lack of security for the investment. There is no guarantee that the students who took part in an internship at SM would stay on to work for SM. Therefore the company prefers not to invest in students by providing them with scholarships during their studies but to organize internships for graduating students (those in their last year or graduates), and paying them a minimal salary during their stay.

D. Participation in formal education, workplace learning and HRD policies of the enterprise

A participant in the formal education system. Female, 25-29 years old, manager of Qualitative Methods Department; graduated in sociology from St. Kliment Ohridski University of Sofia; in 2004 she started her master's course in "Labour markets and human resources development" at the University of Sofia and simultaneously began work as

assistant researcher at SM. In her third academic term she suspended her studies for two and a half years (from the middle of 2005 to the beginning of 2008). Her graduation is forthcoming.

[D.1 The relation between workplace, workplace learning and professional experience]

For the respondent learning at the workplace is a significant part of her career development. The process of experience accumulation is the most important in an employee's career. The larger part of the company staff begins work with no professional experience and without knowing the specifics of market research. For this reason the company has several main mechanisms for employee training. Firstly, the newcomer goes through a five-week induction programme designed by employees of the company. The idea is for any newly hired employee to get familiar with every department in the company and to make presentations of what he/she has learnt at the end of each week. Secondly, the new employee starts work from the position of assistant. That is, he/she is assigned to work together with a more experienced and qualified colleague. In the course of an year the newcomer assists his/her more qualified colleague until they obtain the necessary qualification. This happens when the management decides that he/she is able to negotiate independently with clients and to implement projects. At this time their job title changes – from assistant he/she moves up to researcher and senior researcher. The respondent emphasized several times the importance of this shared learning method of accumulating experience as being the most important in career development.

It is my personal opinion... my personal opinion that at the start when you are acting as assistant it is a mere stealing of the craft... virtually you stand there and steal the craft of those who are more knowledgeable. It is stealing indeed. You just stand there and observe how he/she moderates a meeting... everyone has their own individual approach. You could read thousands of books and you could have the main principles explained but until you face the real people, you haven't done anything - you haven't thought the right way. All rules become redundant. You figure how to do it your own way. (I-3, female, learner, p. 8)

In the third place come the company's in-service trainings. At those trainings the employee specialises in working with a specific product of the company and shares experience with his/her colleagues from all local SM offices.

The respondent emphasizes on the importance of formal education for her professional development. Graduating in sociology has helped her master the standards of doing market research much more easily, since the stages and procedures of sociological and market research are similar. The master's course in human resources allowed the respondent to adapt more easily to her work environment. Academic courses provide the student with knowledge about the ways an organization functions, the importance of informal relations, and the rights and obligations of employees. The significance of formal education was emphasized many times but not so much from the point of view of acquiring professional knowledge and qualifications than as a factor facilitating the

adaptation to the work environment. On the other hand, the relation "education – work" is perceived as a two-way one. As much as education helps the employee to get accustomed to and accept his/her work environment, so does work facilitate the taking of academic exams with little effort – using projects (in writing the diploma paper) and knowledge (a faster mastering of the learning areas) from work done at SM.

Yes. (to the question on whether formal education is helpful for one's professional work, author's note) Also, I learnt what my rights and obligations as an employee are... this came from the labour law course included. It has helped me a lot in the communication with colleagues. Being aware that in a small firm there is a lot of informal communication... this somehow helped me. There are also a number of other things it has been helpful about... for example, in the course of research...we have looked at large research projects in culture studies, comparative ones. Also the economic aspect was very useful... in fact you start understanding how people operate in different organizations, and you use this when you are doing market research and you find a client... you know what the structure of the organization should be, where do certain people stand, what the networks are etc. (I-3, female, learner, p. 15)

It can be said that transfer of knowledge is observed from formal education to the respondent's work. She has strong interest in human resources development. This is why she enrolled on a master's degree course with a similar thematic focus. In the period when the company had no HR specialist, the respondent became involved in the HR activities on her own wish. The Induction Programme described above was designed by this employee.

The respondent also participates regularly in staff selection. In any case, it would not be correct to look for direct connection between the academic courses attended and the fulfillment of professional tasks (I-3, female, learner, p. 16).

[D.2 Decision on the formal education, processing fo the decision and support/non-support by the enterprise]

The decision to undertake a course in formal education was made by the respondent prior to her starting work at SM. The start of the master's programme coincided with her appointment at the company. One of the conditions the respondent put before management was that she should continue her studies. The management stated their agreement as long as this did not interfere with carrying out her professional responsibilities. The company allowed paid leave for preparation during exam sessions and sitting for exams. Correspondingly, lectures within the master's programme are scheduled after work time. This is the only support that the company provides to their employees engaged in formal education.

Education is viewed as a matter of personal choice and as the priority of the employee rather than a matter of potential usefulness for SM. For this reason there are no restrictions whatever to the choice of the academic discipline to be studied. The temporary suspension of the respondent's studies for the master's degree occurs a year after starting

work at SM. This is the period when the employee is promoted from assistant researcher to researcher. The intensive work and career development did not allow her to devote enough time to attending lectures and sitting for exams.

The interviews showed that management does not have any information regarding the subject their employees are currently doing or what subject they have graduated in. The only information they have concerns the completed level of education on commencing work at the company.

[D.3 Formal education, current workplace, individual career goals and the work-family-personal life balance]

Formal education, personal life and work are viewed by the respondent as detached spheres. At the time of the survey she lives with a partner on family terms. For her, education is what comes after work, and her personal life comes last. The only tension between her job and personal life occurs when she has to stay in the office after work (I-3, female, learner, pp. 19-20).

In view of career development, it can be said that the respondent has climbed to the top, considering the work positions at SM – she became department manager 4 years after commencing work at the company. Above her are the positions of "Research Manager" and "General Manager of SM". In the interview the respondent stated that at this stage she is not thinking of changing her workplace, but she is seriously considering the possibility of starting a new job after several years, which is to be concerned with human resources management (I-3, female, learner, pp. 19-20).

[D.4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals]

The profile of the master's programme and the specific job responsibilities do not have any common features. This is the main circumstance that hinders the transfer of knowledge and skills from education to the workplace. The main mechanism for professional development at the workplace is the so called "shared learning" method, which facilitates the "mastering of the craft". Correspondingly, the "process of accumulating experience at the workplace" and the "internal trainings" are pronounced to be more important than the development of skills and competences in the formal education system. The choice of a master's programme is not the result of the company policy and strategy but a matter of preference on the part of the employee.

At the same time, the flat and flexible management structure and organization of labour presuppose some dynamics between work positions. The small scale of the head office increases the role of informal relations and mutual help at the workplace. These circumstances and the fact that SM did not have a Human Resources Department until the beginning of 2008 allowed the employee to be included in additional work activities beyond her job description. Thus the transfer of knowledge from the master's programme

to the work activities became possible – the design of the Induction Programme, participation in activities for staff selection etc. The latter proved to be of positive value to the employee's career development as she was assessed by management to be conscientious, capable, responsible and innovatively minded.

The unfamiliarity and lack of interest on the part of SM's management to the education and educational interests of their employees proves to be the main obstacle to the transfer of knowledge from the formal educational institutions to the everyday work activities. The interview conducted with the manager of the Qualitative Research Department has shown that such transfer is possible and would be most productive if it is linked to the company policy.

E. Synthesis – The significance of formal education within the HRM and HRD of the enterprise

No policy or strategy has been found in the company surveyed, which legalises the influence of formal education. In this respect only single managerial decisions and initial efforts for the development of such policy on the part of the newly appointed human resources specialists have been observed.

At SM the importance of formal education is understood along two lines:

Firstly, formal educational institutions are the main resource and incubator of new labour force. This understanding is linked with the mechanisms for selection of staff but not with career development. Education is viewed as acquiring a set of basic skills and knowledge – computer literacy, language skills, analytical skills, but not as an institution for professional specialisation. That is, corporate philosophy relates to the issue of "how to find suitable people whom we can model and train as good SM employees", but not to "how to discover and attract specialists". The assumption is that one becomes a good specialist only when placed in a work environment. That is why the company prefers to organise internships as a way to recruit its future employees and not to invest in scholarship students or to encourage its own employees to start studies in a specific discipline.

Secondly, education is viewed mainly as the "employees' personal choice", which has nothing to do with their professional commitments at SM. "Work" and "Education" are considered two different spheres there. If an employee wishes to study further, he/she gets only moral support from management. The company offers paid leave for preparation and sitting for exams, but not specific policies for the formal education of their staff. Whether one will complete his/her studies and in what discipline is a "private issue". In this sense formal education is not perceived as an obstacle to work, but neither as one bringing advantages. After the expansion of SM and the opening of the DP Center of Excellence the total number of employees engaged in formal education increased to 25 people (about one third of all company staff). This put the organization in serious difficulty as the

academic exam sessions in the different universities coincided and the company was left without labour force in the busiest months. In this situation the personal choice for education became an obstacle to the development of the company. Management foresees the implementation of restrictive measures – reducing the days for leave, posing requirements for completed higher education at recruitment, and a ban on enrolling in a master's programme or a second higher education course during the period of employment at SM.

The main factors affecting the company's understanding of the importance of formal education are as follows:

- **Intensive development of the market for research studies in Bulgaria accompanied by the opening of new sectors demanding analyses and market research** – this has led to structural changes and expansion of the company. Increased need for recruiting new specialists. A "gasping" effect for the company in busy periods because of the shortage of back up work positions.
- **The specifics of market research regarding the development and patenting of own research methods and information processing software** – these models can be mastered only within the company. This increases the role of "accumulating experience" and the "shared learning method" within the organization in comparison with the knowledge and skills accumulated through formal education.
- **The multinational character of the company, part of which is SM. Standardised and supranational policies, regulative mechanisms and standards for labour organization** - it is the company policy to make insignificant national and regional differences. Corporate rules and work standards can be mastered only in the framework of the multinational company. All local policy decisions have to be approved at regional and global level before being implemented.
- **An effective system for internal and external trainings is in place** – the three factors stated above determine the great importance of the in-service trainings. They are instrumental for specialising employees for the practical problems and solutions related to their work position.
- **Lack of education in market research in the Bulgarian higher education institutions** – Bulgarian education does not produce specialists in market research. The company has to recruit people who are not specialists, which enhances the importance of "workplace learning", "accumulation of experience" and "internal corporate trainings".
- **Higher education which is morally outdated and distant from practice** – lack of internships and practices throughout higher education, depreciated facilities, focus on theoretical and analytical knowledge instead of skills, which makes the company focus on producing their own specialists.

From the interview conducted with an employee included in formal education it became clear that transfer of knowledge between formal education and work can occur. The employee does a "Labour markets and human resources development" master's course and gets involved in a number of human resources activities of the company – the design of an induction programme, participation in the selection of new employees and internal trainings. However this remains unnoticed by the management and is understood as a "good employee showing initiative". Presumably the lack of specialists and the company's expansion will direct the managerial team towards investing in the skills that employees have acquired or are currently developing in the formal education system. The development of a strategy and the implementation of policies for "human resources development" has still to take shape in the company.

Overview on key elements of the case study:

Information Basis of the Case Study	
Total Number of Interviews:	3
Number of Interviews with participants:	1
Number of Interviews with Line Managers/other interviewees (e.g. hop Stewarts) :	2
Number of additional references:	2
Information on the interviewees	
<i>Representative of the enterprise</i>	
Function of the representative of the enterprise:	General Manager
Gender:	Male
Age Group:	40-44
Educational Background:	ISCED 6
<i>Participant 1:</i>	
Gender:	Female
Age Group:	25-29
Children yes/no:	No
Position:	Manager of Qualitative research department (for a team of 5 white collar employees)
Educational Background:	BA in Sociology (ISCED 5)
ISCED Level of the formal education visited:	MA of Human Resources (ISCED 6)
Status of the Education:	Ongoing
Starting time of the program:	November 2004
(Expected) termination of the program:	February 2009
Type of organisation offering the program:	Sofia University "St. Kliment Ohridski"
Tuition fees of the program:	€ 2700
Learning units involved:	630
Public co-funding for tuition fees (percentage):	75%
Co-funding by the enterprises (percentage):	0%
Part of program within working hours (excluding hours for personal learning and preparation):	Mainly outside working hours
<i>Representative of the enterprise 2/ other representative</i>	
Function of the representative of the enterprise:	HR Manager
Gender:	Female
Age Group:	30-34
Educational Background:	MA of Human Resources (ISCED 6)
Enterprise -General Information	
Year of Foundation (current form)	2003
Location (rural; City below 50.000; City 50.000-250.000, City 250.000+)	Capital: 1 500 000 – 2 000 000
Production/service	Service
Sector of the Enterprise	Sector K – Research and developing
Nace:	7413
Owen by an other company, holding, etc.	Yes
Number of Employees 2008:	72
Male Approx Percentage:	40%
Female Approx Percentage:	60%
Blue Collar Workers Approx Percentage:	0%
White Collar Workers Approx Percentage:	100%

Qualification Level Low (ISCED 0 - 2 or low qualification requirements):	0%
Qualification Medium Low (ISCED 3 - 4 or medium qualification: requirements):	0%
Qualification Level High (ISCED 5 - 6 or high qualification requirements):	100%
Job turn over (high - low)	Low
Number of employees last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking):	Strongly growing
Turnover (latest available year) in Mio Euro:	Not reported (confidential information)
Year of Reference:	Not applicable
General assessment of the economic situation (growing, stable, crisis)	Growing
Work council/unionized:	No
Initial vocational training program (yes, no)	Yes

Business Strategy of the enterprise

Overall classification:	Process and product innovation oriented enterprise, client oriented, priority of international standards
Innovation:	Highly important
Innovation unit (yes, no):	No
Number of employees in the innovation unit as Percentage of all employees:	Not applicable
Quality:	Highly important
Customer Relationship:	Highly important
Price:	Important
Main challenges:	Hiring qualified employees at reasonable wages at the labor market, Developing a new DP Center of Excellence

HRD-Activities and training activities of the enterprise

General assessment:	High activity on the global level, medium activity on the local level
Special unit/position for HRD/training (yes, no):	Yes
Appraisal Interviews (yes, no):	Yes
Mentioned forms of work integrated support offers for learning/informal learning:	Regular meetings, learning by doing, induction program
Training plan:	Yes
Training budget/year :	Not reported
Specification:	External costs only
Training budget/year employee:	Not reported
Average of the same sector – CVTS	€ 35
Nace:	7413
Year of reference:	1999
Average of the same size class – CVTS	€ 20
Training hours per employee:	Not reported
Year of reference:	Not applicable
Average of the same sector – CVTS:	6
Nace:	7413
Year of reference:	2005
Average of the same size class – CVTS:	5
Other given indicators on training (when available) :	-

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	Yes, training program for students
Program 1: Number of Participants in Program 1	5
Level(s) of these program:	ISCED 6
Details (National Language):	Стаж в маркетингова агенция на студенти от НБУ (Нов български университет)

Details (Translation):	Training of students from the NBU at market research agency (New Bulgarian University)
Program 2: Number of Participants in Program 1	
Level(s) of these program:	
Details (National Language):	
Details (Translation):	
Number of employees identified participating individually in programs:	
ISCED 0 - 2:	0
ISCED 3 - 4:	0
ISCED 5 - 6:	25
Number of identified employees participating in formal adult education total:	25
Articulated main reason for being interested in formal education (view of the enterprise) I:	Shortage of skilled labour
Articulated main reason for being interested in formal education (view of the enterprise) II:	Introduction of new products
Articulated main reason for being interested in formal education (view of the enterprise) III:	

Kornelia Ilieva

SP4 - Case Study 2

ME:

**Formal education - the difficult
road from the individual initiative
to the institutional strategy**

(Sector Family 1 – 50–249 employees; D-DG)



Institute of Sociology

Bulgarian Academy of Sciences

June 2008

Abstract

ME is an enterprise in the field of the textile industry, which has been in a constant process of restructuring and organizational change since almost its inception (1994). Seen against this background, the results of the enterprise in the realm of human development, especially educational planning and policy, are not very impressive. For instance, there is still: no HR Department and HR policy; no well defined approach towards formal education; no clear understanding by the staff and the managerial body of the concepts of formal, non-formal and informal education; no recognition as a stable component of its strategy of the application made by the enterprise to the European Social Fund (through the Agency of employment); no well elaborated strategy for its interaction with other, especially educational, institutions, although some sporadic contacts with two of the Universities in the country are reported. On the more positive side, the availability of non-formal training activities as a stimulus for the well performing staff has to be mentioned.

Although the majority of the employees consists of blue-collar workers, a significant part of them participates in the formal education courses on the basis of their personal decisions. These decisions result from informal negotiations between the employees and their line-managers and, thus, are not institutionally formulated and guaranteed.

A – General Characteristics of the Enterprise

[A.1 Main activity and characteristics of the organisation]

ME is working in the field of chemical industry, mainly in printing and colouring textile products for customers from Western Europe (Great Britain and Spain). It was founded in 1994 with 50 employees as a trade company of an Italian company. Since then the company in Bulgaria has been undergoing a process of constant restructuring and change of owners. In 2006, the company had already 5 plants in different Bulgarian cities and approximately 1100 employees. In 2007 this big company was transformed into a holding which consists of 5 individual firms. Each firm is an autonomous legal entity.

The firm, which is the object of our investigation, is situated in the town where the company was firstly established in 1994, and is its direct successor.

In 2008 ME has 240 employees. The female employees of the firm have reached approximately 40-50% of the personnel. The vast majority of the employees are blue-collar workers and the qualification requirements are low, although formally most of the workers have secondary education. About 20% belongs to the white-collar group – managerial and administration staff.

The work climate and the relations between the workers and the higher managerial staff were described as good in principle, with remaining areas of dispute carefully worked out by the Committee for the work conditions and the trade unions. The average salary is above the average for the industrial sector and for the country as a whole.

So, we have a collective labour contract. We have negotiations for updating it on a yearly basis. We have a Committee for the work conditions; also we have Committee of the representatives of the workers and the employees. We have mainly representatives of the two main trade unions. . . In the Committee for the work conditions we meet regularly every one-two months. Concerning the other meetings: they are organized when a need arises and a more serious problem appears. (I-1, female, administrative manager, p. 1)

However, a strike took place just before the interview (May 2008). It has been seen by the employees as non-efficient and the role of trade union representatives as un- satisfactory. Some of the involved problems and tensions are reported by the middle-level manager.

If we have to comment on the trade unions – there isn't enough competence and integrity at all. They have no real idea at all what is going on – in my opinion – they have no idea how to pursue negotiations, how to defend staff's interests; for example, there was a strike recently – a full failure – just... in this respect the overall state of affairs in my opinion is not good. With the

managerial body the system (of communication) proceeds a little bit slowly, but at the end this is a family firm – actually the decisions are not taken by our managerial body autonomously... when it goes to Italy... what exactly we need are some improvements in the long run... but currently we can say that the system is working. For our unit particularly, I can not say about other units, but in our case the system is working well. (I-2, female, line manager, p. 1)

[A.2 Business strategy]

The core strategy of the firm is to provide quality production in the middle segment of the textile manufacture in Europe. The firm is producing textile for companies such as Benetton, Mango, H&M. The present focus is on enlarging the existing markets and acquiring new ones, especially in Scandinavia and Eastern Europe.

Textile industry is characterized by a low level of added value and the company competes globally with huge producers from China and India. Reducing the energy expenditures is one of its main goals.

[A.3 Current challenges and initiatives to meet these challenges]

Although it is still referred to as a stable and financially strong company, ME faces the challenges of the reduction of a big company into a small one. The big turnover is seen as a major problem, even if this is a trend for the whole domestic labor market, not a specificity of this particular enterprise or this particular industry.

B – HRM, HRD and Training Policy of the Enterprise

[B.1 Organisations of responsibilities and core processes in HRM and HRD]

The core tasks of HRM are mainly divided between the administrative and the production managers. There is no formal HR unit or HR Policy.

Language courses are organized at the working place during the working hours – in Italian and in English. Also some courses in human resource management and business skills are organized for the team leaders, line managers and managerial staff. There is no official yearly budget for training/education and no statistics how many people participated in it.

[B.2 HRM objectives]

The HRM focuses on the development of the core employees, including all white-collar employees, all blue-collar employees with leading functions as well as long-term employees, who contribute to the company's ability to meet strict quality standards.

[B.3 HRD strategies and use of public support schemes for HRD/ training]

At the beginning of 2008 a concept of yearly appraisal interviews was developed by the managerial body. The first such interview was already conducted as a rehearsal. Currently the company is applying for co-funding opportunities to the European Social Fund Program (2007-2013) through the Agency of employment.

In relation to this program we have a particular plan and a particular budget. But it is not permanent and overall – it is just for a given period. (I-1, male, production manager, p. 4)

[B.4 Significance of training activities]

A planning of the training activities is available. Language courses are permanent and free but not for all of the employees – they are used as a benefit and award for the staff with high quality of performance. A budget and a plan have been prepared for the project application quoted above, its parameters are not reported.

C – Formal Education within HRM/ HRD of the Enterprise

[C.1 Understanding and awareness of formal education by the enterprise]

The university level of formal education is regarded as very important condition for employing people for positions such as production manager and line manager due to the fact that the technological process requires high professional knowledge and skills. Most of the managerial body has higher education diploma in the field of the textile production. For the blue-collar working positions the firm requires at least secondary education. There are few people with only basic education, mainly warehouse workers.

Typically, there is no clear understanding of the meaning of “formal”, “non-formal” and “informal” education and of the difference between these concepts.

[C.2 Experiences with formal education in the enterprises]

There are many employees pursuing for baccalaureate or masters degree in fields such as Economics, Engineering, etc, or even in fields not related to the main functions of the enterprise – History, for example. However, the formal education is not a priority in the HRD approach, which is currently in a process of preparation. The firm has no institutional strategy with regard to the formal education so far and the decisions in this respect remain predominantly employees' personal matter.

[C.3 Regulations on and support for formal education]

No formal or informal rules regarding the use and the stimulation of the formal education are established. Most of the students rely on their own negotiations with the line manager to use the paid and the unpaid holidays (as given in the Labor Code) for their preparation for the exams. However, in most of the cases this is achieved as a result of informal talks.

Recently the enterprise has established some relations with the New Bulgarian University. This is quite a new practice and at its initial stage of development.

For example, as part of the program for the staff education, we have established contacts with the New Bulgarian University. We meet them when a need for a more qualified staff arises (I-1, female, administrative manager, p. 5)

[C.4 Assessment of the promoting and the hindering factors for the use of formal education within the HRD approach]

The initiative to participate in a formal education is mainly individual and is consulted with the managerial body mainly when a necessity to be absent from the working place emerges. In principle, the training initiatives of the employees are typically welcomed by the managerial staff, who acknowledges the positive effects on their self-esteem and motivation of both the training courses and the corresponding certificates. However, quite often the courses' content is considered to be of little relevance for the actual tasks of the participants. Only if more practical tasks and problem-solving techniques relevant to the actual job profiles become essential part of the courses, a stronger HRM engagement in that kind of courses is to be expected.

The employees who are studying... are neither supported nor restricted. Just the legislation says that, given the agreement of the line manager, there should be no problem. Most of the employees conform to this situation. Currently I have only one student, but until recently they were 2, even 3, who just graduated. We do not impede them but they have to comply with the schedule of the working tasks and duties. But they are not encouraged (by the company) – I

mean that there are employees, who can be stimulated by giving them a hand and helping them to develop further along the lines of their formal education. There is no such a policy of the company. There is no HR Department in our company. Due to this fact a lot of the line-managerial staff is taking, in addition to their main duties, HR responsibilities and duties. Every unit line-manager is just trying to combine those two obligations. Sometimes he/she succeeded but very rarely. In my opinion we definitely need such a separate HR unit which will know the qualifications of the staff and will have a plan what further steps to be made in order for the employees to be both most useful and to further develop their abilities. And in my opinion just because we lack such a HR unit we have a great turnover at the moment because the staff feels a little bit underestimated. Only when an individual decides to leave, the company reacts with a salary increase. But it is not always the salary, which is most important when a person feels underestimated. (I-2, female, line manager, p. 3)

D – Participation in Formal Education, Workplace Learning and HRD Policies of the Enterprise

[D.1 The relation between workplace, workplace learning and the chosen formal education]

The interviewed employee (female, 25-29) was one from the Unit for colour separation.

The Unit consists of 17 employees, all of them female, and, technologically, it realizes the core first step in the whole process. This job is performed both manually and by computer. Half of the people work manually, the other half works on PCs. For the PC work a software program is available. The interviewee is working on a PC.

[D.2 Decision on the formal education, processing of the decision and support/ non-support by the enterprise]

The employee had taken the decision to study at the university before she started working for the firm. When she was interviewed for her present job she told her future employers that she would like to continue studying and they agreed. It should be noted that the employee is taking a Masters program in History which obviously has nothing to do with the main functions and activities of the enterprise. The enterprise's support consists of allowing the employee to be absent from work during the lectures and the exams.

I can say that the enterprise supports me with regard to my education and professional development. I have already said about the computer (the interviewee has a new PC). I was able to take paid leave to visit the University, to go listening to the

lectures. Now I have only to write the Master thesis and I do not need to be so much absent. But in the past I received enough support to make things easier for me. (I-3, female, learner, p. 1)

So, yes... in the beginning they really employed me in the conditions of being a full time student. Later on we started to look for mutual compromises. (I-3, female, learner, p. 2)

[D.3 Formal education, individual career goals and the work-family-personal life balance]

This interviewee prefers to work in the field of her university education, but only in case she is better paid. Currently she considers this job financially preferable. She envisages more opportunities for personal development after getting her Masters Degree.

The interviewee is single and still lives with one of her parents. She experiences serious difficulties to harmonize the educational program with both her working and her personal life. An important obstacle in this respect is considered the chronic time deficit as well as the transport difficulties connected with the fact that the University is 25 km away from her settlement.

[D.4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals]

The choice of the university course was entirely an individual decision and was not related to the main job and work activities. The line management does not see any significance in the certification of such competences.

I am pretty pleased by the education. The methods (of teaching) are lectures and seminars. The advantage is that the teachers support the working students and do their best to make easier for them the seminars and to conform to the students' working schedule. They deliver lectures even during the weekend – Saturdays and Sundays, and when possible after the working time during the week. There are such (good) things... I can not see weaknesses. (I-3, female, learner, p. 2)

E – Synthesis - The Significance of Formal Education within the HRM and HRD of the Enterprise

ME is a well established and stable production enterprise with large external markets in Western Europe and high level of incomes.

Human resources management and development is not available in the enterprise as a formal function and a separate unit. There is no formal HR policy although many training activities are available. HR functions are implemented by the managerial staff in combination with their everyday specific professional duties and are subject of personal/individual decision. Difficulties are observed in establishing an HR formal policy and a more focused approach towards formal education, although the Managers are aware of the necessity. They have, for instance, some sporadic contacts with the New Bulgarian University and the Technical University but as a whole a well established and systematic interaction between the enterprise and the formal education institutions does not exist.

It turns out that a long road has to be taken in order – building on the individual initiatives – to develop an institutional approach regarding employees' formal education. There are different reasons for the lack of special enterprise policy toward formal education. On the one hand, the specificity of the production does not require a very high qualification for the blue-collars employees. On the other hand, since its foundation the enterprise has been in an ongoing process of restructuring which makes it difficult to have consistent policy regarding the training of its employees. In addition, examples of good practices concerning commitment of the enterprises to formal education are still very rare in Bulgaria and are not well known.

The participation of the employee in the formal education remains a matter of his/her individual decision and the corresponding disciplinary choice is still not bounded by his/her professional experience and current job position. This observation is in accord with two contradicting tendencies: there is an increased interest in “exotic” specialties and personal fulfillment, on the one hand, but more “practical” jobs (like the employee’s current jobs) are better paid, on the other. Taking all this in consideration, the observed passive support by the enterprise (where neither serious benefits nor important career development is provided) seems quite well understandable.

The real experience shows that the very participation of the enterprise in a European Social Funds project makes more actual the building up of HR budget and training plan. Hence, we can assume that the European projects could be

taught as an effective instrument for the creation of a new organizational culture, including change of the internal staff structure and of the working practices.

Overview of the key elements of the case study:

Information Basis of the Case Study	
Total Number of Interviews:	4
Number of Interviews with participants:	1
Number of Interviews with Line-Managers/other interviewees:	3
Number of Interviews with managerial staff:	2
Information on the interviewees	
<i>Representative of the enterprise</i>	
Function of the representative of the enterprise:	Administrative Manager / Production Manager
Gender:	Female / Male
Age-Group:	30-34 / 35-39
Educational Background:	ISCED 6 / ISCED 6
<i>Participant 1:</i>	
Gender:	female
Age-Group:	25-29
Children yes/no:	No
Position:	Worker in colour separation unit (in a team of 17 workers)
Educational Background:	ISCED 5
ISCED Level of the formal education visited:	ISCED 6
Status of the Education:	Ongoing
Starting time of the program:	October 2006
(Expected) termination of the program:	July 2008
Type of organisation offering the program:	Sofia University
Tuition fees of the program:	€ 270
Learning units involved :	610
Public co-funding for tuition fees (percentage):	75%
Co-funding by the enterprises (percentage):	0%
Part of the program in the working hours (excluding hours for personal learning and preparation):	Mainly outside working hours
<i>Representative of the enterprise 2:</i>	
Function of the representative of the enterprise:	Line Manager
Gender:	Female
Age-Group:	30-34
Educational Background:	ISCED 6
Enterprise - General Information	
Year of Foundation (current form)	1994 (2007)
Location City	City 25 000 - 50 000
Production/Service	Production
Sector of the Enterprise	Chemicals industries
Nace:	2412
Owen by an other company, holding, etc.	Yes

Number of Employees	240
Male Approx Percentage	55%
Female	45%
Blue Collar Workers Approx Percentage	80%
White Collar Workers Approx Percentage	20%
Qualification Level - Low (ISCED 0-2 or low qualification requirements)	1%
Qualification Medium - Low (ISCED 3-4 or medium qualification requirements)	79%
Qualification Level - High (ISCED 5-6 or high qualification requirements)	20%
Job turn over (high - low)	High
Number of employees - last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking)	Growing
Turnover (latest available year) - in Mio Euro	Not reported (confidential information)
Year of Relevance	Not applicable
General assessment of the economic situation (growing, stable, crisis)	Stable
Work council/unionised	Yes
Initial vocational training program (yes, no)	No

Business Strategy of the enterprise

Overall classification:	Customer relationship depended enterprise – high pressure on costs and quality requirements
Innovation:	Not so important
Innovation unit (yes, no):	No
Number of employees in the innovation unit as Percentage of all employees:	Not applicable
Quality:	Important
Customer Relationship:	Highly important
Price:	Important
Main challenges:	Ongoing restructuring, market flexibility

HRD-Activities and training activities of the enterprise

General assessment:	Medium activity on the local level
Special unit/position for HRD/training (yes, no):	No
Appraisal Interviews (yes, no):	Yes
Mentioned forms of work-integrated support offers for learning/informal learning:	Learning by doing
Training plan:	Yes
Training budget/year :	Not reported
Specification:	External costs only
Training budget/year employee:	Not reported
Average of the same sector – CVTS:	€ 39
Nace:	2412
Year of reference:	1999
Average of the same size class -	€ 20
Training hours per employee:	Not reported

Year of reference:	Not applicable
Average of the same sector – CVTS (in hours):	3
Nace:	2412
Year of reference:	2005
Average of the same size class – CVTS (in hours):	5
Other given indicators on training (when available) :	-

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	No
Program 1: Number of Participants in Program 1	
Level(s) of these program:	
Details (National Language):	
Details (Translation):	
Program 2: Number of Participants in Program 1	
Level(s) of these program:	
Details (National Language):	
Details (Translation):	
Number of employees identified participating individually in programs:	
ISCED 0-2:	0
ISCED 3-4:	0
ISCED 5-6:	18
Number of identified employees participating in formal adult education – total:	18
Articulated main reason for being interested in formal education (view of the enterprise) I:	Individual initiative
Articulated main reason for being interested in formal education (view of the enterprise) II:	
Articulated main reason for being interested in formal education (view of the enterprise) III:	

Valentina Milenkova

SP 4 – Case Study 3

**IZ: What really matters are the
value and the price of the
education,
not so much the type
of the educational institution**

(Sector Family 1 – 10–49 employees; D-DJ)



Institute of Sociology

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Abstract

IZ company is a young firm founded in 2007, having a personnel of 12 people. Its main sphere of activity is wholesale trade with technical and construction insulations.

The company's initiatives regarding its employees development are along several lines. Firstly, this is informal education, including organization of workshops. Workshops are fully funded by the company and they focus on specific aspects of the company's work. An essential part of personnel education and qualification is "learning by doing", which is realized in two forms: a) on recruitment of new employees, when they are introduced to the company's work in the course of one month; b) teaching through activities; the company also supports its employees' informal education in language and computer courses.

The company has some experience with formal education as well. It has organized and funded an one-month training in corporate management and administration at the Professional Development Centre of the Bulgarian Chamber of Commerce and Industry. Also one employee attends evening school. The company's support comprises provision of a flexible work time for the learners as well as recognition of their knowledge and qualifications attained for the employee's career development.

The company does not place special emphasis on the particular format of education, the importance is on its 'price' and 'adequacy' to the requirements of the industrial environment. The preferred education is in the informal sphere since it is generally more flexible, responds more quickly and more adequately to the changing economic requirements.

A. General characteristics of the enterprise

[A.1 Main activity and characteristics of the organization]

The main sphere of activity of IZ is wholesale trade with technical and construction insulations. It is a recently founded organization (2007) with a staff of 12 people, 3 of them women. Despite the short time in which it has been on the market, the company displays sound economic indicators, an active strategy and revenue growth. The high confidence of the managerial staff and the company successes possibly derive also from the fact that at present construction is one of the most prosperous business spheres in Bulgaria. The average age of the company personnel is 35, which defines it as relatively young. The latter is revealed in the ambition of its motto: "For insulation... IZ comes first."

[A.2 Business strategy]

The key elements of the company business strategy can be summed up as:

- knowledge of the insulations market in Bulgaria and in Europe;
- search for new niches in the market: the possibility of the production to cover fully products in the area of ventilation and climatization is being explored;
- a modern approach (and communication) to clients, and selection of a qualified team of employees, capable of working together and with other people.

Another aspect of the company's business strategy is the expansion beyond the domestic market: so far the company has operated on the Bulgarian market but it already foresees to gradually expand its presence on a number of foreign markets.

Presently we operate primarily on the Bulgarian market." ... "Next year we intend to enter the insulations market of the Balkan countries – as representatives of the Turkish concern 'ODE', for whose products we are the official distributor on the Bulgarian market! (I-1, female, general manager, p. 2)

Another no less important aspect of the business strategy is the strong focus on innovations in the company's work. In this respect, a characteristic feature is the specific understanding of the concept of innovation that the company has:

Innovations are the engine of positive development. They are one of the conditions for human progress. There is a widespread notion that innovation is

such a behaviour, which displays something that has not been available before, something unfamiliar up to the moment of its implementation. In my opinion, this does not mean that we should come up with a complete novelty, something unheard of so far. Speaking of innovation, I associate the concept with something progressive and positive. In this context, all our company's competitive advantages are some kind of innovation – something progressive and positive!" (I-1, female, general manager, p. 2)

[A.3 Current challenges and initiatives to meet these challenges]

As in any other company, the main challenge before IZ is achieving high economic performance, which implies growth of sales and attraction of new clients. Another significant challenge that the company perceives is the need for greater flexibility of its activities. The small number of employees requires that several functions be performed by one person and that there be maximum interchangeability of people in different work positions.

In small firms, there just cannot be a clear distinction between the separate, slightly or highly overlapping positions like in big companies. For instance, it is not natural for personnel of few people to have a human resources department, is it? (I-1, female, general manager, p. 2)

Our company is a small team of people, but they are a team in the full meaning of this word – people who know their rights and duties and at any time can successfully substitute for one of their colleagues. (I-2, male, line manager, p. 1)

The company sees as its important task the reduction of expenditures, especially for external services, as well as the maintenance of strict financial reporting. In the context of a not so favourable business environment and the not so small share of companies belonging to the grey economic sector, IZ strives for faultless accounting, full payment of taxes and financial stability.

The best thing with us is that we receive what we sign for in the payment sheet, i.e. we do not belong to the grey economy which has been so much discussed recently – you receive certain funds according to the payment sheet, and the rest "under the table". (I-1, female, general manager, p. 2)

And finally, closely linked to its high economic performance, the company aims to ensure good financial remuneration to its employees.

B. HRM, HRD and training policy of the enterprise

[B.1 Organisations of responsibilities and core processes in HRM and HRD]

The company personnel is comprised of qualified employees with higher technical and economic education. The upholding of a qualified and motivated team is an important aspect of the company's human resources policy, there being difficulties with personnel recruitment and job turnover only with respect to warehouse employees.

As I already explained, we are a relatively "young" company and there is job turnover only among unqualified employees – warehouse workers... (I-1, female, general manager, p. 3)

On the whole the company maintains a sensible approach to the number of employees:

In my view, the large number of employees leads to reduced flexibility!, while on the other hand the reduced number of employees causes overworking and consequently ineffectiveness – errors, oversight, etc.! (I-1, female, general manager, p. 3)

An essential aspect of the organization of responsibilities within the company is the upholding of the team work principle. At the same time regarding career development there appears to be a deficiency of clear ways of professional growth for the employees. This inadequacy on the part of the managing team is comprehensible taking into account the youth of the company, the severe competition on the market and the difficult conditions for doing business (especially concerning smaller firms), all of these factors limiting foresight possibilities. On the other hand, ambitions to enter the foreign market presume expansion of the business, opening of new offices and attraction of new, qualified personnel. Thus at this stage the managing body displays moderate optimism.

Everyone has a priority in their responsibilities, but I cannot refer to any specific ways of career development. (I-1, female, general manager, p. 3)

There is no human resources department in the company - this position is held by the company's deputy manager. The development and the education of human resources is discussed by the management and the decisions are taken by the company manager, but the heads of the sections dealing with clients and with suppliers have the right to give proposals for employees' development and training. The company manager is responsible for the recruitment of new employees, while

in the process of opening new work places and the discussions regarding the applicants for the different positions, the deputy manager and the head of the respective section are also included. Employees' recruitment takes place after holding interviews with the applicants on the basis of a previously developed interview. A main feature of the company management is the holding of regular meetings with employees, devoted to discussing various work problems and communication with clients. This work style allows fusing discipline and responsibility with openness and transparency of human resources management.

[B.2 HRM and HRD objectives]

The main objectives of the company's managing body are to create and maintain a team of qualified specialists, including the development of favourable conditions for raising employees' qualification by means of different forms of training.

The company applies various approaches in supporting its employees, with a focus primarily on their flexible work time.

Each employee from our small team, when he/she needs it, can have a day off or more frequently can arrive later or leave work earlier, which by no means affects monthly remuneration. (I-1, female, general manager, p. 4)

[B.3 HRD strategies and use of public support schemes for HRD/training]

The company's initiatives regarding the development of its employees follow several lines.

Informal education, including the organization of workshops for the team itself and its distributors. The workshops are devoted to various aspects of the trade with insulation materials, the specifications of the products offered, ways of interacting with clients, etc. The training activity is subcontracted to an external training firm – DITERA MB CONSULT. IZ funds in full these informal training events.

There is a budget allocated for attending specific workshops and trainings. They are related to the new developments in our work and the formation of different skills. For instance, our workshop scheduled for the end of June is devoted to 'The seven steps in sales' and is intended for the salespeople. (I-1, female, general manager, pp. 4-5).

A significant part of the education and qualification of personnel is related to the "learning by doing" format, applied in two variants:

- introduction to the company's activities in the course of a month (introduction period), when new employees are recruited. The introduction to the work and responsibilities is a challenge both for the employer and the employee. At IZ the introduction period of one month is a mandatory time for the adaptation of the newcomer to the work activities;

- "training by promotion activities" – participation of employees in exhibitions and fairs where the company has a stand for promoting its products in the course of 7 to 10 days. Different employees take part in these events, where they learn to present the products and to communicate with clients in the framework of the exhibition. All expenses are covered by the company in this case.

In addition, the company supports the participation of its employees in informal education: this comprises primarily language and computer skills courses. Company support includes ensuring flexible work time for the trainees as well as consideration and internal recognition of the knowledge and qualification obtained in view of the employee's future career development.

The company's direct participation in formal education includes two cases (see C2).

The company, however, has not participated in any form of public co-financing of education. One reason is that in Bulgaria this is not an especially popular practice and very few enterprises make use of such possibilities. On the whole the public culture of enterprise managers is in the process of formation. The inadequacies of managerial culture stem from the weaknesses in university courses in management and marketing as well as the prevailing managerial practices in contemporary Bulgarian business. One of the reliable sources for building managerial culture is experience:

- accumulated in formal and informal ways through the contacts between Bulgarian managers and their international counterparts;
- formed as a result of the work of Bulgarians in international companies.

A significant incentive for the building of managerial culture, part of which is the notion of "investment in human resources", is the setting up of branches of international companies in the Bulgarian business environment.

[B.4 Significance of training activities]

The company does not offer continuous training, it relies on the services of external trainers for specific cases, when a need arises for presenting the specifications of new materials or developing personnel skills for communicating with clients. Beside this commitment, the management body displays passivity as a rule (with the small exception of the 'learning by doing' events, which are also provoked by the specific situation) apparently assuming that learning is an individual responsibility, while the company has to focus only on the limited framework of the specific corporate activities: either sales or new materials. The idea of education as an investment in human resources is not present in the managerial thinking.

The employees in our company are people with higher education – engineers and economists, they have the necessary qualifications and experience accumulated in the course of years, so I cannot refer to a specific training plan!" (I-1, female, general manager, pp. 4-5).

C. Formal education within HRM/HRD in the enterprise

[C.1 Understanding and awareness of formal education by the enterprise]

The IZ management team does not distinguish between the different forms of life long learning. Part of the team, including the deputy manager and one of the line managers (with whom we conducted interviews) attended a one-month training at the Professional Development Centre of the Bulgarian Chamber of Commerce and Industry (BCCI) entitled "Corporate management and administration" right after the company started its activity in 2007. They have certificates proving their participation in the course.

Honestly speaking, it does not make a difference for me. The trainings offered by BCCI, which we also attend, usually end with the issueing of certificates..., however, I am not sure whether that piece of paper can be a significant factor for having a training." (I-1, female, general manager, p. 5).

Subsequent to that course, no other employees have attended trainings delivered by BCCI.

[C.2 Experiences with formal education in the enterprise]

Presently one company employee participates in the formal education system; an evening secondary school for workers; the employee is 24 years of age and studies in the 10th grade. There is no financial contribution from the company as this type of education is free in Bulgaria; during the day the employee works at IZ and in the evenings he attends the school - he is going to obtain a diploma for secondary education. Thus, the education the employee aims to attain is not directly related to the company interests and represents a long term investment in human capital. Despite that the company does not assist his education financially, it supports its employee morally and facilitates his studies by providing a flexible work time.

The other case of company participation in formal education – this time by providing financial support – is the one-month training at the Professional Development Centre at BCCI devoted to "corporate management and

administration". This is a modular course offered in various lengths depending on the financial possibilities and interests, respectively for one, three and six months. IZ selected the one-month course primarily because the company is now in the initial phase of its activity and the "unknown" is too much for now. To date this first attempt for formal education has not been followed by new ones.

The reasons for this are to be sought in the following two directions:

- lack of sufficient free funds for payment of formal education;
- using the services of firms offering informal education in the form of specific lectures and workshops, which better match IZ needs.

[C.3 Regulations on and support for formal education]

The company does not place specific significance on the format of the education, it focuses more on: its price and adequacy to the concrete situation. Besides, the managing body especially emphasises that what is important are skills, knowledge and experience, no matter whether the employee holds the relevant certificates for them. In the business environment in Bulgaria, this is one of the frequently encountered problems: the discrepancy between the diploma held on one hand, and the really acquired knowledge and skills, on the other hand.

Certificates are one thing and another thing is whether the knowledge proved by the certificate has been really acquired and really used in one's work. (I-1, female, general manager, p. 6).

That circumstance have forced managers not to be overtrusting towards the formal aspect – the availability of diplomas or certificates, but to observe whether the relevant applicants can demonstrate their knowledge and skills either through a talk or an interview, or through a skills demonstration. The company provides particular support to participation in language and computer courses, although at present that possibility is not used by its employees:

Without language and computer skills in particular, I just cannot see how one could start up in a certain job, even if it is not that much qualified. (I-1, female, general manager, p. 6).

[C.4 Assessment of promoting and hindering factors for the use of formal education within the HRD-approach]

As already mentioned, only one company employee presently takes part in the formal education system. Therefore the assessment of its benefits, made by the managing body, is based exclusively on this case:

Disadvantages: the employee shows lack of energy and at times indifference to his work, does not complete the tasks assigned because of "I'm in a hurry for school!"

Advantages: because at present we have only 1 employee participating in this type of "formal education", and this is secondary education in particular – I cannot immediately say what the advantages are since secondary education is a mandatory basis from which one starts to develop professionally. (I-1, female, general manager, p. 6).

D. Participation in formal education, workplace learning and HRD policies of the enterprise

[D.1 The relation between workplace, workplace learning and professional experience]

The job description of the only employee participating in formal education who studies in the 10th grade at the evening school is "warehouse supervisor", his work comprises reporting and control of the varying available quantities of insulation materials, which "go into" and "come out of" the closed space of the warehouse. The employee has to account for the movement of the materials as well as to communicate with the company suppliers and distributors. In this context, the job requires skills for working with people – a communicative ability, but involves taking responsibility as well. The education undertaken is not directly related to the respective job and position, but there exists an indirect connection as far as developing knowledge and skills in the general studies provided by the evening school is concerned. Moreover, participation in the formal education system for this employee represents an investment in his professional development, considering that the lack of a secondary education diploma poses a significant disadvantage in contemporary life.

I study and work simultaneously. My bosses do not disapprove. We get along well. They helped me and I'm convinced I can count on them, on condition that I keep my work time and I do my job and duties. However, I am not thinking of staying in the job for a lifetime. This is the one important thing – change. People often change their jobs. I believe in the same principle – if I find a better offer, I will change my job. Presently, however, I am here and I think I still have things to learn.

I feel good, my salary is adequate, I have a girlfriend and we intend to get married. Previously I worked as a tailor for several years, but then I quit and have been in this job for a year. First I was given a month in which to observe, to learn and to get used to things – I was learning and doing my job at the same time. So, if another person comes here, he or she will also be able to cope with the

job. It is not difficult at all, you should get to know some basic things, once you learn them, there won't be any problems for you. What you need in my position is to know the different types of materials, to know how much is available and to be nice to the clients. It is not that simple, but every job has its specific requirements. (I-3, male, learner, p. 2)

[D.2 Decision on the formal education, processing for the decision and support/non-support by the enterprise]

The decision on the employee's formal education was taken as a result of the demands for the level of education made at recruitment. The job standards that one faces daily become the main force for continuing one's education, which was disrupted at a certain period of one's life. In this specific case, the young man had grown up in difficult circumstances – at orphanages, and had realized the need of attaining a certain education level.

I will go through this education programme in the course of an academic year and will be able to fully cover it. The programme requires that I come here every day in the evening and take classes. Everyone can join this evening school, but there are people who do not work, for example they couldn't finish school because they were expelled or have been sick and had to terminate their studies. I have no parents and have grown in orphanages, I studied there but when I turned 18, I was obliged to leave. As I had no one to support me financially, I had to leave school and to start work. I wasn't able to take my diploma up to the age of 18, while I lived in the home for parentless children. That is why, I am now studying and working at the same time as I know that this is important. Without a diploma and education I will not be able to earn a good salary and go forward. This school offers day, evening and correspondence courses. That is why, I came to study here. I hope that when I finish school, I will be able to get a better job. And perhaps I could start another course of studies later on. For now I wish to finish this school." (I-3, male, learner, p. 3)

The employee started work at IZ after he had taken up his studies at the evening school, and had received the full understanding of the management team and its support in terms of flexible work time and leaving work earlier because of his lessons.

I am satisfied, because when I started work I told my bosses that I study at an evening school; they gave me a full time job, they pay my social security and allow me to go to school every evening – I leave work half an hour earlier every day to reach school on time. This is good for me because I am not late. I have not been absent so far, I come here every day, and this is important because some employers do not sign contracts with their workers, do not pay their social security, and do not let them leave work for lectures. (I-3, male, learner, p. 3)

[D.3 Formal education, current workplace, individual career goals and the work-family-personal life balance]

The employee is satisfied with the possibility of attaining a higher level of education and most of all with the way in which this can be accomplished – in the evening, so that he can earn his living and live adequately. His goal is to finish his secondary education and obtain a diploma, all other plans are left for a later time. He does not rule out the possibility to continue his education at college, as well as change his job. These are his most general plans, he thinks details should be considered in due time. The employee assesses his personal life as satisfactory.

I have good expectations, I intend to finish my education now, I even consider going to college later, and further perhaps to higher education. But for now the important thing is to obtain secondary education. I think I am doing well and will manage to finish school. (I-3, male, learner, pp. 5-6)

[D.4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals]

Regarding the IZ employee engaged in studies there are several important things indicating the stimulating influence of formal education. First of all, together with obtaining a secondary education diploma, which in the present-day world has become an essential minimum education level, the individual as a rule broadens his/her horizons.

In my work my studies here are of particular help – I do informatics, mathematics, Bulgarian language, geography – all subjects belonging to general education. I acquire general culture and this helps me, I become more educated. (I-3, male, learner, p. 5).

Another advantage of the evening school for the studying employee is that there he is able to make numerous contacts, as communication with clients is one of the main components of his work as a warehouse supervisor in the company.

A major disadvantage of evening schooling is the difficulty to combine time and effort for implementing the two activities – studies and work.

...when you go to work you don't have much time for studying, it is difficult to combine both; and you couldn't stop working because you need money. Therefore, as I said earlier, some ways should be found for people who wish to study, for supporting them financially and relieving their workload. (I-3, male, learner, p. 7)

E. Synthesis – The significance of formal education within the HRM and HRD of the enterprise

IZ is a small company founded recently – only a year ago, which implies a process of exploring and adaptation related to a strategy of "anticipation" - this can to a certain extent explain the lack of significant investments in formal education in this case. On the other hand, the general unwritten rule of the Bulgarian business environment assumes low (financial) commitment of enterprises in the process of their employees' participation in the formal education system. These attitudes are expressed in two main ways:

Firstly, participation in formal education remains an individual matter. This refers to college and higher education, as well as to secondary education as is the case with IZ company.

Secondly, enterprises tend to fund trainings with specific, visible objectives in the form of a "lecture", "workshop" etc., that is, in the event of them serving certain specifically set purposes. Obtaining secondary education almost goes beyond the company priorities. Even the case described earlier referring to the BCCI training course is indicative of this attitude – a one month course, a course with the shortest possible duration was chosen. This is because enterprises want a quick turnover of funds invested in education and minimal investments in assumingly obscure areas, and since the short course or the single lecture do not require big investments, they give them primary importance.

The company does not place high importance on the form of education; the price of the education and its adequacy to the requirements of the specific industrial environment are much more important. Preferences are directed to informal education as frequently being more mobile and responding in a quicker and more adequate way. The formal education system in Bulgaria is centralized and linked with state education standards, with the approval of programmes by the Ministry of Education and Science, with a system of assessment and control of various institutions, and this centralization does not allow the adequate response to market needs, demanded by the enterprises. On the other hand, IZ company shows flexibility regarding its employee's work time, which primarily constitutes its support to the employee's formal education.

An essential aspect of increasing personnel qualification is the implementation of the "learning by doing" approach, which is widely practiced at the enterprise discussed.

Factors affecting the company's perception of providing support to formal education:

- The need for recruiting new personnel: giving the job to an employee who needs to study every day after work means that a more suitable candidate was not found for the job.

- A clear vision of one's role in the company activity on the part of the studying employee. It is evident that he copes well with his responsibilities, otherwise he would have been dismissed from his job.
- The realization of the fact that a learning employee is useful, as this is a sign of his/her ambition, activity and a desire for learning new things.
- Expansion on the market, including the implementation of an active marketing strategy requires that the company has basically educated employees, who increase their responsibilities due to the growing scope of work.

Considering these general aspects forming the significance of formal education in the management and development of human resources in the case observed, a more active participation of the enterprise in formal education can be forecast in the future, since expansion on the market and stepping on the international scene will generate new requirements to the education status of the human resources. It will enhance the need for language competences and the knowledge of international markets, which will place IZ in a new situation as regards its needs for personnel education and training.

The company's attitude to formal education, however, will to a large extent depend on the development of formal education itself. To become more attractive for the businesses, it should be able to offer more flexible ways of training and education, which match the needs of modern industry.

Overview on key elements of the case study:

Information Basis of the Case Study

Total Number of Interviews:	3
Number of Interviews with participants:	1
Number of Interviews with Line Managers/other interviewees (e.g. hop Stewarts) :	2
Number of additional references:	2

Information on the interviewees

Representative of the enterprise

Function of the representative of the enterprise:	General Manager (co-functions as HR Manager)
Gender:	Female
Age Group:	35-39
Educational Background:	ISCED 6

Participant 1:

Gender:	Male
Age Group:	20-24
Children yes/no:	No
Position:	Worker
Educational Background:	ISCED 2
ISCED Level of the formal education visited:	ISCED 3
Status of the Education:	Ongoing
Starting time of the program:	September 2006
(Expected) termination of the program:	June 2010
Type of organisation offering the programme:	Evening School
Tuition fees of the program:	Free
Learning units involved:	720
Public co-funding for tuition fees (percentage):	100%
Co-funding by the enterprises (percentage):	0%
Part of program within working hours (excluding hours for personal learning and preparation):	Mainly outside working hours

Representative of the enterprise 2/ other representative

Function of the representative of the enterprise:	Line Manager
Gender:	Male
Age Group:	35-39
Educational Background:	ISCED 6

Enterprise -General Information

Year of foundation (current form)	2007
Location (rural; City below 50.000; City 50.000, City 250.000, City 250.000+)	City 250.000+
Production/service	Production
Sector of the Enterprise	Metals
Nace:	2863
Owen by an other company, holding, etc.:	No
Number of Employees 2008:	12
Male Approx Percentage:	75%
Female Approx Percentage:	25%
Blue Collar Workers Approx Percentage:	40%
White Collar Workers Approx Percentage:	60%
Qualification Level Low (ISCED 0 - 2 or low qualification requirements):	25%
Qualification Medium Low (ISCED 3 - 4 or medium	25%

qualification: requirements):	
Qualification Level High (ISCED 5 - 6 or high qualification requirements):	50%
Job turn over (high - low)	Low
Number of employees last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking):	Growing
Turnover (latest available year) in Mio Euro:	Not reported (confidential information)
Year of Reference:	Not applicable
General assessment of the economic situation (growing, stable, crisis):	Growing
Work council/unionized:	No
Initial vocational training program (yes, no):	Yes
<hr/>	
Business Strategy of the enterprise	
<hr/>	
Overall classification:	Enterprise with active market strategy
Innovation:	Important
Innovation unit (yes, no):	No
Number of employees in the innovation unit as Percentage of all employees:	Not applicable
Quality:	Important
Customer Relationship:	Highly important
Price:	Important
Main challenges:	Hiring qualified employees at reasonable wages at the labor market, diminishment of costs

HRD-Activities and training activities of the enterprise

General assessment:	Medium activity on the local level
Special unit/position for HRD/training (yes, no):	Yes
Appraisal Interviews (yes, no):	Yes
Mentioned forms of work integrated support offers for learning/informal learning:	Regular meetings, learning by doing, induction program
Training plan:	No
Training budget/year :	No
Specification:	External costs only
Training budget/year employee:	Not reported
Average of the same sector – CVTS	€ 39.00
Nace:	2863
Year of reference:	1999
Average of the same size class – CVTS	€ 61.00
Training hours per employee:	Not reported
Year of reference:	Not applicable
Average of the same sector – CVTS (in hours):	3
Nace:	2863
Year of reference:	2005
Average of the same size class – CVTS (in hours):	2
Other given indicators on training (when available):	-

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	No
Program 1: Number of Participants in Program 1	Not applicable
Level(s) of these program:	Not applicable
Details (National Language):	Not applicable
Details (Translation):	Not applicable
Program 2: Number of Participants in Program 2:	
Level(s) of these program:	
Details (National Language):	
Details (Translation):	

Number of employees identified participating individually in programs:	
ISCED 0 - 2:	0
ISCED 3 - 4:	1
ISCED 5 - 6:	0
Number of identified employees participating in formal adult education total:	1
Articulated main reason for being interested in formal education (view of the enterprise) I:	Shortage of skilled labour
Articulated main reason for being interested in formal education (view of the enterprise) II:	-
Articulated main reason for being interested in formal education (view of the enterprise) III:	-

Stoyan Novakov

SP 4 – Case Study 4

SH: Formal Education as a Necessary and Required Investment

(Sector Family 2 – 50–249 employees; G-GG)



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Abstract

SH is part of a group of international companies. Despite some periods of deferment, the company has had a traditional position on the Bulgarian market, developing its activity since the first half of the past century.

The company pays special attention to the continuous increase of the qualification of its employees and regards formal education as a necessary investment. Thus, it implements an active and flexible education policy. One of the ways to do this is the regular enrollment of employees in education programmes, which can be either external (organized by independent education institutions – universities, colleges, centers etc.) or internal (trainings, seminars etc.). The management team places in the centre of their work the creation of individual plans for the development for each employee. On the one hand, these plans link each employee's education and competences with his career development and remuneration. On the other hand, education holds a significant place in the process of employees' appraisal and professional development planning as a means of increasing one's qualification and a condition for personal and professional growth. The company provides active support to its employees both in the formulation and the realization of their education plans related to their participation in the formal education system.

A. General characteristics of the enterprise

[A.1 Main activity and characteristics of the organization]

SH is part of an international group of energy and petrochemical companies. The company started its activity in Bulgaria at the beginning of the 20th century trading in oil products. The company's activity was terminated after 1940 but it came back again with a trade representative office in the early 70s. It's 'new' history in Bulgaria dates from 1991, when SH was registered and the embracing group of companies re-established its presence in this country. SH's main activity comprises distribution and marketing of petrochemical products.

SH main activities are organized in 5 branches: Exploration and Production; Oil products; Chemicals; Gas and Power; Renewable energy. SH develops its activity independently, although it forms a part of a general network of companies which abide by the same business principles (Internet website).

At the moment about 75 people work in the company but there are also contractors and people working part time, around 100 employees in total. However, those working at the petrol stations are about 1500-2000 people. They do not belong to SH personnel because they are recruited by sole proprietors. (I-1, female, HR, p. 1)

[A.2 Business strategy]

The group's main business principles determine the way the companies constituting it develop their activities. Its goals are to take effective, responsible and profitable part in the activities of the production and trade with oil, natural gas, chemicals etc. as well as finding and developing new energy sources to meet the growing needs of clients and the increasing energy consumption around the world.

The SH company aims to be a Top Quarter Performer, which means that if there were 100 enterprises on the market, it should be among the first 25. In fact this is a strategic vision which directs the management efforts in all businesses, all countries, all company departments and all spheres of activity (Gas and Power, Exploration and Production, Marketing). The strategic direction is that the existing sites and businesses in Bulgaria should continuously increase their effectiveness or, in other words, the focus is not so much on expansion than on effectiveness and better performance (I-1, female, HR, p. 1).

[A.3 Current challenges and initiatives to meet these challenges]

Respondents' statements make it clear that the company is changing constantly and that this is the greatest challenge that everyone faces – a continuously changing business environment, on one hand, and the regular organizational metamorphoses, on the other hand.

A significant challenge to the human resources manager, for instance, are the problems of the labour market in Bulgaria. On the one hand, there is a lack of people with adequate knowledge and skills and, on the other hand, people are becoming more mobile. Moreover, they are not prepared to show initiative at their work place, i.e. they prefer to have clear assignments and instructions, more security and less responsibility. In his view, job turnover has increased in the last year, and the company's internal organization limits the possibilities of personnel development:

...the people on the Bulgarian labour market still haven't got that level of knowledge and skills and the particular experience that is adequate to our demand. Because of the linear structure at our company we have a very small reserve of people and resources, i.e. when a person leaves, it is difficult to find someone to substitute him from inside the company and we have to go on the external market. There, however, we come to face with the fact that people are not ready to work in line with our requirements. SH gives freedom to its employees, the possibility to take decisions, to work out of the box, not being limited by strict frames or rules. People on the market though are not accustomed to work in this way, they need clearly defined assignments within well marked borders. Indeed, some of them have started to take more responsibility, which was a difficult thing at the beginning, but they still need to have a clearly defined assignment, and a superior to go to and talk things over when they face a problem, but things do not work quite this way at our company. In short, people continue to seek a high level of security. This is the reason for the lack of suitable people on the market and we encounter an increasing uncertainty in this respect.”

(I-1, female, HR, p. 5)

B. HRM, HRD and training policy of the enterprise

[B.1 Organisations of responsibilities and core processes in HRM and HRD]

The company structure is flat, not hierarchical. Instead of a particular structure, each department and its manager are responsible for the personal development of its human resources and assesses the need for additional qualification, trainings,

etc. The human resources manager is responsible for the recruitment of new employees.

[B.2 HRM and HRD objectives]

The main objectives are attraction and keeping of the best human resources available on the labour market and provision of good conditions for their maximum realization and motivation.

95-96% of the employees hold a higher education degree, even in the positions for which no such requirement is posed "because evidently the market offers many people with university education".

The average age of employees is about 34-35 years. Job turnover is increasing. At SH this happens because of processes which demand that certain jobs are made redundant, or because of optimizing activities, but there are also people who quit voluntarily, and their share is growing. In the last year there were 7% employees who left by their own will, unlike previous years when their share was 2-3% (I-1, female, HR, p. 6).

No special attitude exists towards people coming from other parts of the country or belonging to different ethnic groups.

People come from various places, in the sense that we do not differentiate people on the basis of where they come from, there are possibilities for people to work from other places, there is a colleague who works from his home in Stara Zagora... SH has a policy of diversity and inclusiveness – recognizing and integrating differences, we actually want people to be different, not only in age, colour of the skin and physical qualities, but also by education, religion or culture. (I-1, female, HR, p. 6)

[B.3 HRD strategies and use of public support schemes for HRD / training]

Each employee has an individual plan for professional development founded on the specific competences for a particular profession (engineer, salesman, accountant etc.) Competences are defined at 5 levels and they form the basis on which job profiles are formed. Every employee is appraised two times per year – an intermediate and a final assessment, which track his/her development.

In regards to its remuneration policy the company aims to be competitive:

We wish to have a solid position on the market and when we have openings to be sure that people will respond to our advertisements and will be interested in what we have to offer. For this purpose we use labour market surveys made by several international firms, which cover the Bulgarian market as well, and again our position is similar to what we mentioned at the beginning of our conversation – the Top Quarter of the Market. If we imagine that the market is divided in four parts – we would like our payment to be in the top 25%, much above the average, because we believe that the people that leave SH go to the best companies and we would like to be commensurate with them. (I-1, female, HR, p. 5)

The company policy of keeping the personnel is linked to creating a better work environment. Flexibility regarding the employees is maintained. On the whole it is difficult to obtain permission to open new positions, which often leads to overload of the staff available and a need to seek a balance. (I-1, female, HR, p. 6)

[B.4 Significance of training activities]

Based on the abovementioned appraisal, the correspondence between the competences of each employee and his/her job profile is determined. If any inadequacies are observed, a number of training techniques and strategies are implemented for overcoming them. The trainings are funded entirely by the company. It is a matter of the line manager's assessment of whether a particular employee needs certain training. On the whole, it can be said that SH places strong importance on the high qualifications of its personnel and monitors continuously their level.

C. Formal education within HRM/HRD in the enterprise

[C.1 Understanding and awareness of formal education by the enterprise]

Formal education is viewed primarily as a continuation of the initially obtained degree and attaining additional qualification – a master's degree or similar. It is provided mainly by universities or qualification institutions. In this case the education institution and the employing company are viewed as connected vessels:

The formal way of education generally is initiated by the employee, and in most of the cases supported by the company. It is a shared understanding that since this form of education is beneficial both for the company and the employee, the investment should be shared. The employee is expected to invest own time, the company is also supporting it with a study leave and contribution to (or full recovery of) the costs, in line with the training policy. (I-2, male, line manager, p. 4)

[C.2 Experiences with formal education in the enterprise]

The company has implemented and organised a number of programmes, which in the opinion of the human resources manager represent some types of formal education. An example is given with a programme organized by SH in cooperation with the University of Delaware, in which 20 company employees have enrolled.

In the management's view formal education expands the scope of personnel competences, and increases motivation and loyalty to the organization. According to the observations of the manager interviewed, the employee involved in formal education has effectively managed to utilize the things learned into her daily practice, and is herself highly appreciative of the support given by the company in the entire process. On the whole, the line manager's assessment is that the education programme has helped to expand the prospects of the particular employee (I-2, male, line manager, p. 4).

The employee interviewed takes part in an education programme in the area of finances, which is related to her position of management accountant. The institution certifies specialists in management accounting. Learning is organized in modules and levels, which at present are 4. The period of training is not limited, everyone can decide for themselves about the length. The only restriction is posed by the examination sessions, which are held two times a year, i.e. if one misses them, his/her training is automatically transferred to the following calendar year.

Besides the individual training plans, which are developed jointly by the employee and his/her line manager, the company offers a continuous range of online trainings, among which each employee can select those that are most appropriate for him/her.

[C.3 Regulations on and support for formal education]

The company has no practice of working with specific education institutions. On the other hand, employees are continuously encouraged to take part in training programmes and to develop. Different combinations are sought for motivating and involving employees in education programmes:

We use the combination of

- *on the job development (including assigning people to temporary projects or tasks, where they can develop in the area where needed),*
- *in house or*
- *3rd party organised training*
- *formal education.*

The way of development is agreed between the employee and the LM as part of the yearly performance appraisal and development discussions, including reviewing Competency profile and gaps. (I-2, male, line manager, p. 3)

On the other hand, the employee's assessment of the support provided is also very high. There are no critical comments or mention of factors, which lead to dissatisfaction. The employee interviewed is fully satisfied by the possibilities provided for her professional and personal development.

Well...the needs that each employee has for specialised training are the subject of discussion between that person and his/her manager. This is done after the appraisal of his/her competences. The company appraises the competency profile of each of us, what competence we have and should have, and if there is a gap, the manager and the employee decide how to fill it and how to acquire the competences needed to perform one's direct duties. The process itself is formalized. I am not sure what recommendations I can give ...this is a normal process use to identify the training needs. So I have no specific recommendations. It should be done just like that and it is done well. (I-3, female, learner, pp. 7-8)

It appears that the company has attained a balance and a high level of understanding between the personnel and management body with respect to the organization of trainings and the assessment of needs. A proof for this is the standardization of a large number of processes and procedures in this respect.

[C.4 Assessment of promoting and hindering factors for the use of formal education within the HRD-approach]

The human resources manager's assessment is that in general the employees have a strong wish for improving their qualifications. It is also of high importance for the company that its employees receive training and increase their competences. At the same time what would be the effect of an environment, which is saturated with highly motivated and qualified employees?

D. Participation in formal education, workplace learning and HRD policies of the enterprise

[D.1 The relation between workplace, workplace learning and professional experience]

The employee interviewed made numerous assertions that there is a strong bilateral connection between learning on the job and her particular work, and that the two activities are mutually enriching.

For instance, in general...when an investment is considered, let us say, the company has to assess the additional revenue and the additional costs, but no more than that. The fixed ones, those that would exist regardless of whether the investment was made, should not be under consideration, as I already explained we should consider only those resulting from the particular investment. Very often, it is hard to assess which income originated because of the investment and which one is not related to it, and the same refers to costs as well. And this is something which may sound trivial, but in fact needs a lot of knowledge. Our company, for instance, makes investments and I have studied how to evaluate investment projects and my knowledge can be utilized when I need to evaluate such projects. (I-3, female, learner, p. 6)

At the same time education forms a part of the employee's career plan. The plan is discussed annually between the employee him/herself, the line manager and the human resources manager, and therefore once included, education should be completed and thus becomes a duty.

[D.2 Decision on the formal education, processing of the decision and support/ non-support by the enterprise]

The line manager takes the decision and selects the specific training that he/she considers necessary for the employee. The company fully supports every effort of employees to attain additional qualification, and the initiative could come from

both sides. In the particular area of finances that the respondent is involved in, it appears that there is a limited range of possibilities.

You may think that there are a lot of education offers but actually there aren't many in Bulgaria. I can't think of any great possibilities. There were such exams at the University of National and World Economy, but no such courses for professional qualification were available... Recently, I searched for such opportunities in Bulgaria for a colleague of mine and I could not find such type of course. There is tax accounting and just accounting, but I couldn't find management accounting. So, really I didn't have much choice. I was told: "For years we have trained our people in this way, we have offered them SIMA or ACCA, SIMA is more appropriate for your work." So I took up SIMA, I was given advice but actually there was no much choice at that moment." (I-3, female, learner, p. 4)

The management continuously observes the personnel needs for education and development of qualification, taking into account the needs of the organization itself as well. Thus a balance is achieved at organizational and individual level.

[D.3 Formal education, current workplace, individual career goals and the work-family-personal life balance]

The work-family-education balance appears to be the most significant problem for the employee engaged in formal education. There is a constant need for prioritizing tasks and taking decisions on what should be completed on account of the poorer quality and less effort invested in something else. Career goals are clear and directed always towards a higher place in the hierarchy, as much as the structure allows.

...this is an additional load. Apart from working 8-9 hours at the minimum, then you go back home, you have a family...I'm not anymore 16-17 years of age, when all we had to do was ...study. And you should sit and prepare, and the exams themselves are rather difficult. (I-3, female, learner, p. 6)

Presently the respondent is married, she had a baby recently and needs to combine her work and education with bringing up the baby. In her words the company has done the utmost to ensure favourable conditions for work and education.

[D.4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals]

The stimulating factors come entirely from the employer, who provides all possible support for including and funding the employee in formal education. It cannot be said that any hindering factors have been registered, it is more like that difficulties stem from the need to balance time at work, with the family and for education, though the lack of time acts more like a stimulating and disciplining factor.

E. Synthesis – The significance of formal education within the HRM and HRD of the enterprise

The company assesses as very useful the continuous improvement of its employees' competences. In this sense, it creates an impression of an active and flexible education policy. One of the main ways to do it is to involve employees in formal education programmes. This includes programmes delivered by external institutions (universities, excellence centers) as well as trainings organized by the company itself.

The main factors determining the key role of formal education are as follows:

- The implementation of an ambitious strategy by the company, whose main goal is that the company be among the best in its sphere of activity;
- Openness of the company towards change and innovation;
- The pursuit of a policy that views human capital as the main factor for company success, and education as an investment.

In the process of personnel appraisal and planning of individual career, education has a significant place as a means for improving competences and a condition for personal and career development. Thus, the company's managing body gives a central role in its work to the creation of individual plans for each employee's development. These plans link the employee's education and competences with his/her career development and financial remuneration. Individual plans are an important part of the strategy for human resources development.

It should be especially emphasized that the company is not a passive observer of the participation of its employees in education programmes; it provides active support to its employees in the development as well as in the implementation of their education plans.

Overview on key elements of the case study:

Information Basis of the Case Study

Total Number of Interviews:	3
Number of Interviews with participants:	1
Number of Interviews with Line-Managers/other interviewees (e.g. Shop Stewarts) :	2
Number of additional references:	2

Information on the interviewees

Representative of the enterprise

Function of the representative of the enterprise:	HR Manager
Gender:	Female
Age-Group (five years 15-19, ...):	50-54
Educational Background:	ISCED 6

Participant 1:

Gender:	Female
Age-Group (five years 15-19, ...):	25-29
Children yes/no:	Yes
Position:	White collar employee (Financial department)
Educational Background:	ISCED 6
ISCED Level of the formal education visited:	ISCED 6 (International certificate)
Status of the Education:	Ongoing
Starting time of the program:	November 2000 February 2009
(Expected) termination of the program:	
Type of organisation offering the program:	SIMA Institute - London Not reported (Covered by the company)
Tuition fees of the program:	Not reported
Learning units involved:	Not reported
Public co-funding for tuition fees (approx. percentage):	0%
Co-funding by the enterprises (approx. percentage):	100%
Part of program within working hours (excluding hours for personal learning and preparation):	Mainly during working hours, commissioned by the firm

Representative of the enterprise 2/ other representative

Function of the representative of the enterprise:	Financial Manager
Gender:	Male
Age-Group (five years 15-19, ...):	40-44
Educational Background:	ISCED 6

Enterprise - General Information

Year of Foundation (current form):	1991
Location (rural; City 25.000-50.000; City 50.000-250.000, City 250.000+):	City 250000+

Production or Service:	Service
Sector of the Enterprise:	Whole trade sales
Nace:	5151
Own by another company, holding etc.:	Yes
Number of Employees 2008:	100
Male - (approx. percentage):	40%
Female - (approx. percentage):	60%
Blue Collar Workers - (approx. percentage):	0%
White Collar Workers - (approx. percentage):	100%
Qualification Level - Low (ISCED 0-2 or low qualification requirements - (approx. percentage):	0%
Qualification Medium - Low (ISCED 3-4 or medium qualification requirements) - (approx. percentage):	15%
Qualification Level - High (ISCED 5-6 or high qualification requirements) (approx. percentage):	85%
Job turn over (high - low):	High
Development of the number of employees - last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking) :	Stable
Turnover (latest available year) - in Mio Euro:	307500
Year of Reference:	2007
General assessment of the economic situation (growing, stable, crisis):	Growing
Work council/unionised:	Yes
Initial vocational training program (yes, no):	Yes

Business Strategy of the enterprise

Overall classification:	Process and products innovation oriented enterprise, strives to become top quarter performed
Innovation:	Highly important
Innovation unit (yes, no):	Yes
Number of employees in the innovation unit as percentage of all employees:	8%
Quality:	Highly important
Customer Relationship:	Highly important
Price:	Important
Main challenges:	Hiring qualified and motivated employees at the labour market, adaptation to the changing business climate

HRD-Activities and training activities of the enterprise

General assessment:	High activity on the global level, high activity on the local level
Special unit/position for HRD/training (yes, no):	No
Appraisal Interviews (yes, no):	Yes
Mentioned forms of work-integrated support offers for learning/informal learning:	Regular meetings, learning by doing, induction program

Training plan (yes, no):	Yes
Training budget/year (approx. in €)	€ 150000,00
Specification	External costs only
Training budget/year employee	€ 1500,00
Average of the same sector - CVTS	€ 66,00
Nace	5151
Year of reference	1999
Average of the same size class - CVTS	€ 20,00
Training hours per employee	Not reported
Year of reference	Not applicable
Average of the same sector - CVTS (in hours)	5
Nace	5151
Year of reference	2005
Average of the same size class - CVTS (in hours)	5
Other given indicators on training (when available)	-

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	Yes
Program 1: Number of Participants	20
Level(s) of the program:	ISCED 6
Details (National Language):	Образователен модул по управление на фирмата
Details (Translation):	Module "Management of the firm"
Program 2: Number of Participants:	No
Level(s) of the program:	-
Details (National Language):	-
Details (Translation):	-
Number of employees identified participating individually in programs:	
ISCED 0-2:	0
ISCED 3-4:	0
ISCED 5-6:	7
Number of identified employees participating in formal adult education - total :	7
Articulated main reason for being interested in formal education (view of the enterprise) I:	Increasing qualifications
Articulated main reason for being interested in formal education (view of the enterprise) II:	-
Articulated main reason for being interested in formal education (view of the enterprise) III:	-

Valentina Milenkova

SP 4 – Case Study 5

**FF: Formal education –
a crosspoint of personal initiative
and corporate interest
in sustaining highly competent
personnel**

(Sector Family 2 – 50-249 employees; O-OO)



Abstract

FF is a private information agency founded in 2001. At present it employs 247 people, most of them young people. The specific nature of the agency's activity creates a demand for highly qualified personnel with at least secondary or vocational training.

In-service education takes place at several levels:

- informal training through lectures and seminars, organized by the company;
- "learning by doing" for the induction of new employees;
- informal learning;
- participation in the formal education system.

The company's support to formal education comprises mainly the management's agreement for the employee to attend the course, the provision of a paid leave for attending academic sessions, as well as making changes in the work time (including leaving before the end of the work day). The company organizes summer internships for students in the humanities at Sofia University.

Although the company does not support its employees financially and they pay the state tax themselves, formal education is highly appreciated and throughout the several years of the company's existence there have always been people engaged in raising their qualifications. The company management has incorporated in its human resources policy the objective to sustain their employees' motivation for enhancing their education level and qualifications by introducing incentives like better remuneration and promotion in the professional hierarchy.

A. General characteristics of the enterprise

[A.1 Main activity and characteristics of the organization]

FF is a private information agency publishing news, analyses and comments of the political, economic and social life in this country and the world. The company was founded in 2001 and at present it employs 247 people, 146 of whom are women. Employees are grouped in a series of departments: the agency based in Sofia, 8 radio stations around the country – Radio FF – Blagoevgrad, Radio FF – Varna, Radio FF – Sliven, Radio FF – Veliko Tarnovo, Radio FF – Vidin, Radio FF – Smolyan, Radio FF – Pazardjik, Radio FF – Kiustendil.

Cooperation between the management and the personnel is based on mutual trust and professional communication of colleagues.

There is a committee for labour conditions active within the company, which gets together at regular sessions and discusses all problems related to ensuring an adequate labour environment.

[A.2 Business strategy]

The company has a long term business plan and a well developed short- and long term strategy. The corporate strategy is based on a broad market study of the trends on the Bulgarian and international market. The aim is to maintain an optimal balance between product, price and quality. An advantage for the company is the good knowledge of competitors' potential.

The business strategy is directly linked to the innovations made in recent years and focused on:

- work environment and organization of work;
- increasing the quality of information coverage;
- development of facilities:

Company employees are pleased to work in completely new offices and premises... the number of personnel is also growing steadily. (I-1, male, HR, p. 3)

Technological improvement of the methods for distribution of information aiming at significant improvement of quality and speed of work. (I-2, male, line manager, p. 1).

Due to the innovations made, a greater volume of work can be accomplished. An important part of the company strategy is the maintenance of effective contacts

with clients, who are state institutions and ministries as well as some of the most advanced companies in Bulgaria. Contact with clients is on a daily basis and contributes to the good level of cooperation, quality performance of tasks and avoiding errors or weaknesses in one's work.

FF is at any time ready to meet its clients' needs, related to its current work as well as to new projects. (I-1, male, HR, p. 3)

The quality management system operating at FF was adopted in 2005 and certified in the same year.

[A.3 Current challenges and initiatives to meet these challenges]

The greatest challenge that the company faces is the growth of its social significance in recent years. FF is used as a source of information by many media, which leads to:

- increase of clients' orders;
- increase of the number of advertisers.

The expectations towards the agency stimulate the expansion of the range of activities performed as well as the increase of the units engaged in the company activities. That has led to the expansion of the FF by setting up 8 regional FF radios, as well as to:

Better work organization, technical innovations and modernizing of equipment. (I-2, male, line manager, pp.1)

B. HRM, HRD and training policy of the enterprise

[B.1 Organisations of responsibilities and core processes in HRM and HRD]

People working at the company are primarily young, the average age being 25 years. Around three fourths of all employees have a higher education degree, but the level of job turnover is comparatively high.

The main principles of management are: tolerance, accuracy, equal attitude to employees. (I-2, male, line manager, p. 2)

On the whole, the recruitment of new personnel is a slow process. On the one hand, there are the employer's requirements for the personnel competence, while on the other hand, there are the demands for the level of payment, the work time and the work conditions.

The company has a Human Resources Department. Heads of departments are responsible for the recruitment of new people. Recruitment matches the specific requirements of each department.

An important part of the recruitment process are the summer internships organized for students of the humanities at the Kliment Ochridski University of Sofia, who are assigned various tasks, typical for the information agency's activity. Those summer internships are part of the students' academic course.

[B.2 HRM and HRD objectives]

The most important aim in human resources development is to create conditions under which the personnel should work hard and to the full scope of their capabilities and, at the same time, be satisfied with their work. It is considered that in this way employees could be retained in the company, will be able to contribute to the development of the work environment and thus will stimulate the company development. There is an understanding that team work, good interrelations and respect for colleagues are significant aspects of the corporate approach to human resources.

Another important aspect of human resources policy is the creation of favourable conditions for professional growth and the opportunities provided for increasing employees' competences and skills.

The work climate is fine and this is due to the good relations between employees and the tolerance they show to each other. Employees continuously grow professionally in the course of time. (I-1, male, HR, p. 6)

[B.3 HRD strategies and use of public support schemes for HRD/training]

The company does not utilize public support schemes and co-funding of formal adult education, and moreover, managers claim they have no information available for the existence of such opportunities.

Employees are recruited on the basis of interviews held in accordance to agreed criteria, then follows a test period, during which the newly recruited employee is observed in order to take the final decision for his/her staying at the company.

[B.4 Significance of training activities]

The training offered by the company is directly related to its activities.

The company offers trainings for new employees, which are directly related to their future activity. The training is delivered for all new employees, with no exceptions. When implementing innovations, trainings are needed for other employees as well. (I-1, male, HR, p. 7)

The training at the company is delivered by the employees themselves, who pass on their own experience to the newcomers. No external trainers are hired. The company relies entirely on the "learning by doing" method, complemented by general lectures as part of the informal education, which are also prepared within the company.

Employees systematically take part in the company's new training programmes. The trainings are delivered following the basic standards for this type of education. (I-1, male, HR, p. 8)

An important aspect of developing employee's competences is self-education, individual preparation and personal efforts invested. The company highly appreciates the qualifications and skills developed in an informal way and independently by the employees.

Employees' competences are the basis for their future professional and personal development. (I-1, male, HR, p. 9)

C. Formal education within HRM/HRD in the enterprise

[C.1 Understanding and awareness of formal education by the enterprise]

The managing team does not see the distinction between formal, non-formal and informal education but what it focuses on is searching for correspondence between knowledge and the diploma (certificate). In the opinion of the company's general manager formal education

...means that there is correspondence between the knowledge acquired and the certificate obtained for it. (I-1, male, HR, p. 8)

[C.2 Experiences with formal education in the enterprise]

As the subject of the company's activity is to inform the people regarding analyses and comments on social life in Bulgaria and around the world, it is only natural that the keeping up of highly qualified personnel, having as a minimum secondary, general or vocational, education should be needed. The greater part of the company employees are highly qualified, which means that they have completed their higher education or are in the process of attaining a bachelor's degree in the formal education system. Since most of the company activities require higher education, the managing body is willing that higher education be completed, even after the employee has started to work. In this way, the presence of employees

who simultaneously work and study – by correspondence or by distance learning, is a frequent practice at FF.

As we already mentioned, the company organizes trainings for students in the humanities from the St. Kliment Ochriski University of Sofia in the form of summer internships, the key method being "learning by doing". The annual student summer internships at FF are part of its strategy for human resources selection.

[C.3 Regulations on and support for formal education]

The company's support for formal education comprises primarily the agreement which management gives for attending the higher education institution, as well as the changes made in the work time or arrangements for early leaving of the work place.

The greatest help and support I get from my employer is allowing me to attend lectures and courses. (I-4, male, learner 2, p. 4)

When education is by correspondence or distance, a paid leave is provided for employees taking part in formal education for attending the learning sessions.

The company does not provide financial support, they pay themselves the state fee for ISCED 4 and ISCED 5+6, which is compulsory, regardless of the form of education (full time, part time, distance learning) they take.

[C.4 Assessment of promoting and binding factors for the use of formal education within the HRD-approach]

At FF agency formal education is highly valued and throughout its existence there have always been employees increasing the level of their education. The fact is indicative of the company policy in favour of formal education as well as of its open-mindedness to employees engaged in education. There is an understanding in the company that the higher education guarantees knowledge, professional competence and openness to others.

The advantages are professional learning, high level of new knowledge and better interaction with the team. (I-1, male, HR, p. 9); (I-2, male, line manager, p. 3)

D. Participation in formal education, workplace learning and HRD policies of the enterprise

FF information agency presently has two people engaged in the formal education system.

- One of them is a second year student at the University of National and World Economy in Sofia.
- The other one already finished his college education at the United Technical College, which is part of the Technical University of Sofia. Recently he got his BA degree in mass communication at the New Bulgarian University.

[D.1 The relation between workplace, workplace learning and professional experience]

The **first learner** has worked at the agency for two years. Presently, he is a team leader at the Archive and Clipping Department. He was appointed to this position a year ago. He has no previous work experience. The section he works is responsible for storing, processing and categorizing the daily information incoming to FF agency. The department provides immediate access to this information to the other departments. He also fulfills orders on assignment.

My work at the department offers possibilities for the development of my professional competences and helps me in my personal development. Because of its dynamics I often come across tasks which are entirely new for me and I am learning new things all the time. Occasionally new software is introduced in the work process.

My work in the department is in shifts, which leaves me enough free time. (I-3, male, learner 1, p. 3)

The **second learner's** job responsibilities are to prepare references and biographies, using the FF archive system. He has worked at the company for 6 years and has held this position for 3 years.

I sometimes come across the things I am learning in theory in my practical work at FF information agency. The reverse also happens, things I encounter in my work can help me in my studies. (I-4, male, learner 2, p. 4)

Owing to my daily work with large masses of information I keep learning new things. (I-4, male, learner 2, p. 2)

Prior to taking this course, the learner has participated in a training quality certification ISO 9001:2000.

[D.2 Decision on the formal education, processing of the decision and support/ non-support by the enterprise]

According to the **first learner** his decision for formal education was motivated by the nature of the education programme and its relation with the work at the company.

The current education programme acquaints me with innovations related to improving the work process and new ways of processing and distributing information. (I-3, male, learner 1, p. 5).

The decision was taken after considering all relevant factors and analysing carefully the positive and the negative aspects. He pays for himself the state fees for his education at the University of National and World Economy.

The **second learner's** decision on formal education was motivated by his very work at the information agency. Evidently this is an example of how the work itself and its requirements can motivate the enhancement of the level of education.

The reason for studying mass communications is my work at the FF information agency. The technical college is the first institution in Bulgaria offering a PR course. Studies are scheduled taking into account the fact that most students go to work, so lessons take place in the evening. (I-4, male, learner 2, p. 3)

The course duration is one academic year and it recognizes all other courses taken by the students, which in some way are relevant to the present curriculum.

Although the learner has no specific agreement for his professional future at the company after completing his current education, he has good expectations regarding his graduation and professional realization. The company does not make a financial commitment to the education of its employees, so in that sense it can be viewed as self-education.

Although there is no supervisor directly responsible for the adult learner, many of his colleagues offer him support:

...I have the support of many of my colleagues and superiors. (I-4, male, learner 2, p. 4)

[D.3 Formal education, current workplace, individual career goals and the work-family-personal life balance]

The **first learner** shared his satisfaction with his studies, which match well the specificity of his job.

Yes, I am satisfied by the course as well as by the instructors' attitude. A strong point is that I acquire new knowledge and techniques, which can be applied in real situations in the future. (I-3, male, learner 1, p. 7)

He expects to apply the knowledge accumulated in practice, but similarly to the first learner has no agreement with his employer regarding his professional development after the completion of the programme. He says he is reasonably satisfied with his present job.

The **second learner** is satisfied with the quality provided by the education institution and strongly appreciates the professionalism of his tutors. At the same time distance learning and attendance of lectures every evening lead to overtiredness due to the intense daily life.

Sometimes it is difficult for me to attend the lectures because of the tiredness accumulated during the work day. (I-4, male, learner 2, p. 5)

In the learner's view, work helps him to appreciate the value of education. His expectations are that he will successfully complete his education at the end of the year, and with respect to his work he expects an increase in salary and promotion in the hierarchy (without this being formalized in an agreement with the management).

[D.4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals]

The **first learner** thinks that he can organize his time so as to maintain a balance between his work and his personal life. Nevertheless, he thinks that the time limitations and his physical presence on the job hinder his participation in the formal education system. He is inclined to continue his education after completing the current course. He appreciates highly the importance and the effect of his education.

The overall effect of formal education is positive for me and has influenced favourably the work process. I am unable to say how it has affected the rest of the employees. (I-3, male, learner 1, p. 11)

The **second learner** manages to attain a balance between his job requirements and personal interests through good time management of his different activities and commitments, although he considers that as hard. He has a stable partner but no children. In his view the scheduling and the organization of his studies within his other commitments poses a significant problem, so he prefers to take part in programmes offering distance learning. After completing his education he intends to continue in a master's programme. The learner perceives the effect of formal

education as much greater in comparison with other training activities or the experience acquired on the job.

E. Synthesis – The significance of formal education within the HRM and HRD of the enterprise

FF is among the most successful and rapidly developing information agencies in Bulgaria. The specific sphere of its activity poses a demand for highly qualified personnel. Thus, the high competences of its employees have become an essential feature of the company, which aims through its active policies to support the professional qualification and education of its staff. In this context we can easily understand the favourable attitude of FF agency's managing body to the practice of its employees of simultaneous work and study – by correspondence or through distance learning.

Education at the agency is implemented on several levels:

- informal learning – through lectures organised within the company, focused on the activities performed or the innovations introduced;
- “learning by doing” - through which newly recruited employees are introduced to their work and qualified personnel transfers their own experience to them;
- participation in the formal education system.

At FF formal education is highly valued and there is an understanding that it guarantees better professional competence and more adequate personal skills and qualities.

The company's support for formal education comprises primarily the agreement which management gives for attending the higher education institution, as well as ensuring a paid leave for attending seminars when the course is by correspondence, as well as changes made in the work time, including arrangements for leaving before the end of the work day. The agency organises summer student internships, which are viewed as part of its strategy for personnel recruitment.

The company does not support its employees's studies financially, they pay themselves the state fee, which is compulsory, regardless of the type of education. In this respect FF does not differ from the rest of the Bulgarian companies, which as a rule do not co-finance the participation of their employees in the formal education system. It can definitely be concluded that this is one of the obstacles to the increase in number of adult learners and of the role of formal education in the education plans of the personnel.

The main factors affecting the company's understanding of the importance of formal education are:

- The intensive development of enterprises engaged with information activity, which have competitive positions on the market.
- The increase of the scope of activity of the FF and the launching of 8 new radio stations round the country.
- The enhanced requirements of the companies and organizations which are FF's clients.
- The modernization of the information coverage and maintenance of high technical specifications of the company's work environment.
- The availability of different forms of education – by correspondence and especially distance learning, which allow the employees to combine work and studies.

It can be summarized that although it does not provide financial support to its studying employees, FF has incorporated as part of its human resources policy the maintenance of personnel motivation for increasing their competences by rewarding their efforts in this direction through increasing their remuneration and their promotion in the professional hierarchy. Thus, the company creates real stimuli for participation in the formal education system and is an example for active commitment to its personnel qualification.

Overview on key elements of the case study:

Information Basis of the Case Study

Total Number of Interviews:	4
Number of Interviews with participants:	2
Number of Interviews with Line Managers/other interviewees (e.g. hop Stewarts) :	2
Number of additional references:	2

Information on the interviewees

Representative of the enterprise

Function of the representative of the enterprise:	HR Manager
Gender:	Male
Age Group:	35-39
Educational Background:	ISCED 6

Participant 1:

Gender:	Male
Age Group:	25-29
Children yes/no:	No
Position:	White collar employee
Educational Background:	ISCED 3
ISCED Level of the formal education visited:	ISCED 5
Status of the Education:	Ongoing
Starting time of the program:	October 2006
(Expected) termination of the program:	June 2010
Type of organisation offering the programme:	University of National and World Economy
Tuition fees of the program:	€ 480
Learning units involved:	1690
Public co-funding for tuition fees (percentage):	85%
Co-funding by the enterprises (percentage):	0%
Part of program within working hours (excluding hours for personal learning and preparation):	Mainly outside working hours

Participant 2:

Gender:	Male
Age Group:	25-29
Children yes/no:	No
Position:	Leader of the team
Educational Background:	ISCED 4
ISCED Level of the formal education visited:	ISCED 5
Status of the Education:	Ongoing
Starting time of the program:	November 2004
(Expected) termination of the program:	February 2009
Type of organisation offering the programme:	The New Bulgarian University
Tuition fees of the program:	€ 3240
Learning units involved:	1920
Public co-funding for tuition fees (percentage):	0%
Co-funding by the enterprises (percentage):	0%
Part of program within working hours (excluding hours for personal learning and preparation):	Mainly outside working hours

Representative of the enterprise 2/ other representative

Function of the representative of the enterprise:	Line Manager
Gender:	Male
Age Group:	25-29
Educational Background:	ISCED 4

Enterprise -General Information

Year of foundation (current form)	2001
Location (rural; City below 50.000; City 50.000, City 250.000, City 250.000+)	City 250.000+
Production/service	Service
Sector of the Enterprise	Sector O – News agency activities
Nace:	9240
Owen by an other company, holding, etc.:	No
Number of Employees 2008:	247
Male Approx Percentage:	51%
Female Approx Percentage:	49%
Blue Collar Workers Approx Percentage:	10%
White Collar Workers Approx Percentage:	90%
Qualification Level Low (ISCED 0 - 2 or low qualification requirements):	0%
Qualification Medium Low (ISCED 3 - 4 or medium qualification: requirements):	25%
Qualification Level High (ISCED 5 - 6 or high qualification requirements):	75%
Job turn over (high - low)	High
Number of employees last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking):	Strongly growing
Turnover (latest available year) in Mio Euro:	Not reported (confidential information)
Year of Relevance:	Not applicable
General assessment of the economic situation (growing, stable, crisis):	Growing
Work council/unionized:	No
Initial vocational training program (yes, no):	Yes

Business Strategy of the enterprise

Overall classification:	Growing enterprise, innovatively oriented
Innovation:	Highly important
Innovation unit (yes, no):	Yes
Number of employees in the innovation unit as Percentage of all employees:	4%
Quality:	Highly important
Customer Relationship:	Highly important
Price:	Important
Main challenges:	Hiring qualified employees at reasonable wages at the labor market, ongoing growth

HRD-Activities and training activities of the enterprise

General assessment:	High activity on the local level
Special unit/position for HRD/training (yes, no):	Yes
Appraisal Interviews (yes, no):	Yes
Mentioned forms of work integrated support offers for learning/informal learning:	Regular meetings, learning by doing, induction program
Training plan:	Yes
Training budget/year :	Not reported
Specification:	External costs only
Training budget/year employee:	Not reported
Average of the same sector – CVTS	€ 35.00
Nace:	9240
Year of reference:	1999
Average of the same size class – CVTS	€ 20.00
Training hours per employee:	Not reported

Year of reference:	Not applicable
Average of the same sector – CVTS (in hours):	5
Nace:	9240
Year of reference:	2005
Average of the same size class – CVTS (in hours):	5
Other given indicators on training (when available):	-

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	Yes, training program for students
Program 1: Number of Participants in Program 1	8
Level(s) of these program:	ISCED 6
Details (National Language):	Стаж в информационна агенция на студенти от Софийския университет
Details (Translation):	Traning of students from Sofia University at informational agency
Program 2: Number of Participants in Program 2:	No
Level(s) of these program:	
Details (National Language):	
Details (Translation):	
Number of employees identified participating individually in programs:	
ISCED 0 - 2:	0
ISCED 3 - 4:	0
ISCED 5 - 6:	2
Number of identified employees participating in formal adult education total:	2
Articulated main reason for being interested in formal education (view of the enterprise) I:	Shortage of skilled labour
Articulated main reason for being interested in formal education (view of the enterprise) II:	Growth of activities
Articulated main reason for being interested in formal education (view of the enterprise) III:	-

Diana Nenkova

SP 4 – Case Study 6

**UP: Formal education in
countryside context – investment
in the personality, not in the
company**

(Sector Family 2 – 10–49 employees; G-GG)



Institute of Sociology
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June 2008

Abstract

UP is a small company located in a country town, trading in office supplies and equipment. Recently it has expanded its activity by providing services to the clients of the larger communication, energy supply and transportation companies. UP employees are predominantly young people.

The company activity requires good computer skills, therefore personnel selection emphasizes on them. The training activities for which the company allocates time and money, are also primarily in this sphere, and the company has very appropriately joined the informal trainings and seminars organized by its larger partners.

The higher education and college courses that five of its employees have undertaken, are met with support, which is however limited to more flexible and convenient organization of work time so that they could attend sessions.

A supportive attitude is displayed to the higher education and college courses undertaken by its five employees, which is however limited only to providing a more flexible and convenient organization of work time, so that they could attend academic sessions. From there things are in the hands of the learners – the problems and advantages are on their account, choices are personal and unrelated to the corporate development and policy. Both parties have similar expectations as regards the completion of their higher education. The learners intend to find realization in a larger city or to start their own business. The company owner anticipates that eventually the highly qualified personnel would leave attracted by the greater opportunities of the large city or the independence of their own business. In this context, the support provided to those studying at higher education institutions cannot be perceived as an investment in the company itself but in the economy and development of the country in general, on the one hand, and in the particular employee, on the other.

A. General characteristics of the enterprise

[A.1 Main activity and characteristics of the organization]

UP company was founded in 2001. Its activity is focused on several areas: the company trades with office supplies, office furniture, office equipment, computers and other office technical goods. Recently it has started to actively develop an additional service sector for the clients of the large communication companies (such as Globul, BTC, Water and Sewage, Electrical Supply). In addition, it deals with the maintenance of office equipment and sales of airline and other tickets. The expansion of the company activities entails structuring in several departments. Thus, services for Globul clients are undertaken by the telecommunications department. The newly founded telemarketing department deals with calls by telephone and offers the new products and services to the client database already available.

The company employs primarily young people, 15 in all, 10 of them being women. It is an interesting fact that 5 people are engaged in higher education or college studies.

As can be seen, the company is not large and so contacts between employees are continuous and direct. There are no relations established with trade unions or collective agreements signed. On the whole, cooperation within the company personnel is regular, and there is direct contact with the lady owner, who is the general manager of the company as well.

[A.2 Business strategy]

Presently the company's business plan emphasizes the development of the services offered and the expanding of the sales of electronic and other equipment. The existence of a telemarketing department and the offer of on-site deliveries are viewed as significant competitive advantages.

The company is certified by the international standard ISO 9001: 2000 for quality management in business relations. In this context a committee of labour safety has been set up.

The company clients are large and middle sized enterprises round the country. Continuous contact is maintained with them and this is an integral part of the daily activity and of essential importance for its effectiveness. Prices offered by the company are lower as compared to those of its competitors. As previously noted, efforts are directed more to the development of the services sector by including new services than to expanding the market share:

Market expansion activities are focused more on the service we offer and the incorporation of new ones... There are new spheres of activity... as for example, collecting bills for the Water and Sewage and Electricity Supply services. There are no spheres of activity which have been cancelled. Presently we are not doing research on new markets. (I-1, female, general manager, p. 3)

[A.3 Current challenges and initiatives to meet these challenges]

The owner reports an increase in turnover and clients and views this as a significant success of the company. At the same time no important changes have been made to date – either in structure or in number of employees, etc. Coping with the increased work load is based on the good cooperation between the different levels in the company. For instance, on the contribution of the telecommunications department which:

...deals with Globul – sales, payment of fees, complete services to clients... is in the delivery of competent and quality services. (I-2, female, line manager, p. 1)

The respondent engaged in formal education also emphasizes on

Good quality, competence, speed (I-3, female, learner, p. 1)

as being essential for the contribution of her department to the company's success.

B. HRM, HRD and training policy of the enterprise

[B.1 Organisations of responsibilities and core processes in HRM and HRD]

The company employees are primarily young people. In the owner's words, 10 people are highly qualified, and 5 have an intermediate level of competence. In personnel selection emphasis is laid on computer skills. Higher education is not a compulsory requirement. This view is shared both by the telecommunications department manager and by the company owner interviewed.

We are looking for people with average qualifications and with computer skills. (I-2, female, line manager, p. 1)

A main requirement for recruitment is computer literacy. Higher education is not compulsory. (I-1, female, general manager, p. 4)

[B.2 HRM and HRD objectives]

The requirements that the company has to its employees facilitate the selection of personnel and presupposes low job turnover. Searching for and attraction of employees from other places is not necessary.

There are no particular problems with personnel recruitment – it is not difficult to find appropriate people, there is a low job turnover, we have no employees coming from out of town. (I-1, female, general manager, p. 4)

Presumably for this reason:

No flexibility is needed regarding the number of employees... There are no particular policies for increasing productivity through reducing the number of employees... There are no specific ways for career development... There are no certified rewards. (I-1, female, general manager, p. 4)

Still, the company's human resources policy takes into account two classic ways of influencing employees – the ensuring of good remuneration and maintaining good interrelations between colleagues:

Our policy to ensure stable jobs is good payment and a good microclimate. (I-1, female, general manager, p. 4)

The paid leave for having a baby is cited as a policy in support of the family.

[B.3 HRD strategies and use of public support schemes for HRD/ training]

The company devotes serious attention to personnel training, but it immediately becomes clear that they refer to the various forms of informal education:

Support for the professional development of personnel is continuous education through workshops... Learning at the workplace is constantly encouraged – through workshops and trainings. (I-1, female, general manager, p. 5)

[B.4 Significance of training activities]

The company management has no information about the ways available for public co-financing of human resources training. There is no particular plan for personnel development or for its training. When needed, the company employees take care of the training of newcomers. Generally, the owner takes decisions about education. All respondents' answers show that employees quite often participate in various forms of training.

We have monthly trainings at Globul. (I-2, female, line manager, p. 2)

Continuously – every month – we take part in trainings at Globul. They are extremely useful for our work. (I-3, female, learner, p. 2)

Furthermore, the company has a budget allocated for trainings:

We have a training budget... I'm not able to present the precise figure, but trainings involve 50% of employees at least once in every two months. (I-1, female, general manager, p. 6)

C. Formal education within HRM/HRD in the enterprise

[C.1 Understanding and awareness of formal education by the enterprise]

Regarding formal education, both the company owner and the telecommunications department manager associate it with an educational institution - a university.

[C.2 Experiences with formal education in the enterprise]

As noted before, four employees study at university, while the fifth one goes to college. Two female employees have bachelor's degrees – one in history and geography, and the other in culture studies. Presently they are studying for a master's degree – respectively in public administration and public relations. Moreover, both of them state their interest in issues related to human resources development. One employee is a 3rd year student in informatics at the University of National and World Economy. Only in his case the education programme and his particular work at the company are closely related, as he works as a computer specialist. Another employee takes a corporate management course at an agricultural college.

[C.3 Regulations on and support for formal education]

Despite the fact that one third of the employees continue their education, neither the company is concerned nor the education itself has any relevance to the company's activity. No advantages or weaknesses are seen in the involvement in further education in the formal education system. The attitude to continuing education amounts to the fact that there are no objections to the employees participating in it, and the support they receive is only with respect to the organization of their work time.

Our employees have our support – we organize work time in a convenient way for them to be able to participate and complete their education.
(I-2, female, line manager, p. 3)

[C.4 Assessment of promoting and hindering factors for the use of formal education within the HRD-approach]

It can be summarised that the company does not develop active policies with respect to the formal education of its employees. It appears that the main reason for this is the fact that the company has no problems in recruiting personnel with the competences needed. At the same time this indifference appears to be unusual, having in mind that the interviewed learner has taken up no other discipline but "Information and Telecommunication Technologies", an area related to the company activity. As it was seen, the company primarily devotes attention to informal education activities. It was especially emphasized that foreign language learning is strongly encouraged. The further presentation of the case study will clarify this visible inconsistency.

D. Participation in formal education, workplace learning and HRD policies of the enterprise

[D.1 The relation between workplace, workplace learning and professional experience]

The respondent, one of the learners, takes a bachelor's course in Information and Telecommunication Technologies at Plovdiv University "Paisii Hilendarski". After completing her secondary education she terminated her studies for 3 years as she wished to start work and attain a certain financial independence. Her present education programme runs for several hours daily and is organized in the framework of academic years. Her position in the company is associate in the telecommunications department, where Globul services are offered as well. She has worked with the company for 2 years, 1 year and 3 months of them at her current position. Her evaluation of work activities is that they do not allow for further development. Although the work is dynamic, the one-month test period is enough for getting used to it. In this connection, regular participation in Globul trainings was again mentioned as very useful. For the present moment the respondent assesses her work position as satisfactory.

[D.2 Decision on the formal education, processing of the decision and support/ non-support by the enterprise]

The respondent herself has taken the decision to continue her education. As it becomes clear, despite the similarity between the discipline studied and her

position at the company, there is no real interaction between the two areas. On the one hand, the respondent explains her choice in a somewhat idealistic way – with her idea about the future:

This is considered to be the future. (I-3, female, learner, p. 3)

On the other hand, her professional experience accumulated "is not made use of" and does not help her in mastering the curriculum. Looking from a third angle, all this confirms what the other respondents - the company owner and the telecommunications department manager – said in their interviews. Besides the organization of work time the company is not involved in any way in its employees' selection and participation in formal education. No agreements are made regarding what happens after the completion of the education, and the course itself is not included in the company's career plan.

An important indicator of the lack of interaction between the respondent's education and work is her dissatisfaction with the education programme:

There is no organizational support [on the part of the training institution – researcher's note]. The programme has no particular strengths – the course is not related to practice. The approach is entirely theoretical. The teaching methods are old-fashioned. The practical exercises are minimal. Lecturers are absent regularly. On the whole, the course is ineffective. (I-3, female, learner, p. 5)

Or to sum up:

There is no connection between the education and the work place. (I-3, female, learner, p. 5)

The respondent does not see any possibilities for change – neither within the course, nor in her work place. For this reason, her intention to continue studying for a master's degree is fully personal.

Another indicator are the responsibilities of the work position itself:

It wouldn't be possible to expand the tasks of this job. (I-3, female, learner, p. 5)

We need to remember that to perform her duties the employee needs only average qualifications and computer skills.

It is only natural in this situation that:

There is no agreement regarding the time following the education course... There is no agreement to stay at the company... There is no agreement for a promotion. (I-3, female, learner, p. 4)

[D.3 Formal education, current workplace, individual career goals and the work-family-personal life balance]

Although the analysis is mainly based on what the learner selected for the interview said, incidental talks with other employees who also continue their education, reveals a sense of dissatisfaction and disappointment. There is a broadly shared opinion that teaching at our higher education institutions is out-of-date, isolated from practice and too theoretical. It cannot support employees' day-to-day activities. Young people see a future in the discipline they select but they perceive it more like a sphere of activity than as a knowledge acquired. Those taking a bachelor's course somewhat automatically include a master's degree in their future plans. They have also an inclination to start their own business because they associate it with greater prosperity. Only the telecommunications department manager, who has taken up a Public Relations master's course states a higher satisfaction with her education. She points out that it often helps her to be more convincing with clients and that she does not so much aim at starting her own business and at being independent than at entering a suitable sphere for her realization.

It may be that the higher position attained as head of department results from her capability to apply what she has learned in her practice. For this reason she feels more satisfied with her education and better related with her current work.

[D.4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals]

The respondent engaged in formal education is a young woman who lives with her parents. In this case the work –education – family balance is not so hard to achieve. Her dissatisfaction with the education course and the low prospects at her work place do not stimulate any interest or desire to develop links between the two areas. The town itself does not offer high prospects. What remains are the vague intentions to take up a master's course or to start her own business. This fully confirms what the company owner said at the beginning:

...highly qualified people go to the big cities and start their own business. (I-1, female, general manager, p. 4)

E. Synthesis – The significance of formal education within the HRM and HRD of the enterprise

UP company is a small enterprise located in a small town. The subject of its activity does not require her employees to have high qualifications. The company is managed by its owner who takes decisions about the corporate policy as well as

the selection and qualification of personnel. Special focus in recruitment is placed on computer skills. Company employees are mainly young people. Four of them study for higher education degrees, and the fifth one is doing a course at college level.

At first glance this could be an example of a corporate good practice regarding the formal education system. Very soon, however, one discovers that this is not the case – there is no adequate interrelation between continuing education and work at the company. It cannot be said that the company lacks interest in the education and the professional qualification of its employees. The horizon of this interest, however, is limited to acquiring knowledge needed to perform specific duties, which require average qualifications. As regards this type of education the company management does quite a lot – employees frequently participate in workshops and trainings and the corporate budget has allocated funds for the purpose.

Judging by what respondents said and by the training materials provided, it can be concluded that the company has become involved in the training activities of the large enterprises to which it provides services (Office 1 Superstore, Globul). A supportive attitude is displayed to the higher education and college courses undertaken by its five employees, which is, however, limited only to providing a more flexible and convenient organization of their work time, so that they could attend academic sessions.

From that point on things are in the hands of the learners – the problems and advantages are on their account, choices are personal and unrelated to the corporate development and policy. Both sides have similar expectations as regards the completion of the higher education courses. The learners intend to find realization in a larger town or to start their own business. The company owner has no illusions in this respect – the highly qualified personnel is expected to leave the company attracted by the greater opportunities of the big city or the independence of their own business. In this context, the support provided to those studying at higher education institutions cannot be perceived as an investment in the company itself but in the economy and the development of the country in general, on the one hand, and in the particular employees, on the other hand.

Underlying this development of things are factors of different type and order. As regards the economic development, labour market and competitiveness, the town where the company is located is of the kind, which, although not so small and having been of regional importance before the transition to market economy in Bulgaria, has been subjected harshly to the negative consequences of the transition period. The town is small and for that reason the old industrial facilities disintegrated rapidly and it was hard to build again, this being due to the strong migration of the population to the bigger cities and abroad. At the same time this is a town where people have already become disconnected with the land and the possibilities for agricultural production. Therefore, it is difficult for the local private businesses to succeed, business is limited within the family; the existing

unemployment makes it easier to find prospective employees and does not stimulate any effective development.

A beneficial fact regarding education possibilities of the town residents is the town's immediate closeness to the second largest city in this country, which has colleges and higher education institutions with various profiles. In their desire to attract more students, higher education schools have recently started to open courses in new areas and to introduce more flexible forms of education (these are processes which sometimes lead to diminishing academic requirements and quality). In this context, completing higher education or college courses appears to be relatively easy.

When young people have no family duties yet, learning can be successfully combined with not so intensive work. The aim of such education is to obtain a diploma without being quite clear whether in the future it would bring professional realization and career to the learners, but being hopeful that this may happen.

Overview on key elements of the case study:

Information Basis of the Case Study

Total Number of Interviews:	3
Number of Interviews with participants:	1
Number of Interviews with Line-Managers/other interviewees (e.g. Shop Stewarts) :	2
Number of additional references:	3

Information on the interviewees

Representative of the enterprise

Function of the representative of the enterprise:	General Manager
Gender:	Female
Age-Group (five years 15-19, ...):	45-49
Educational Background:	ISCED 6

Participant 1:

Gender:	Female
Age-Group (five years 15-19, ...):	20-24
Children yes/no:	No
Position:	White collar employee
Educational Background:	ISCED 3
ISCED Level of the formal education visited:	ISCED 5
Status of the Education:	Ongoing
Starting time of the program:	September 2004 February 2009

(Expected) termination of the program:

Type of organisation offering the program:	Plovdiv University
Tuition fees of the program:	€ 560
Learning units involved:	1680

Public co-funding for tuition fees (approx. percentage): 80%

Co-funding by the enterprises (approx. percentage): 0%

Part of program within working hours (excluding hours for personal learning and preparation): Mainly outside working hours

Representative of the enterprise 2/ other representative

Function of the representative of the enterprise:	Line Manager
Gender:	Female
Age-Group (five years 15-19, ...):	25-29
Educational Background:	ISCED 5

Enterprise - General Information

Year of Foundation (current form):	2001
Location (rural; City 25.000-50.000; City 50.000-250.000, City 250.000+):	City 50000-250000

Production or Service:	Service
Sector of the Enterprise:	Whole trade sales
Nace:	5185
Own by another company, holding etc.:	No
Number of Employees 2008:	15
Male - (approx. percentage):	33%
Female - (approx. percentage):	67%
Blue Collar Workers - (approx. percentage):	0%
White Collar Workers - (approx. percentage):	100%
Qualification Level - Low (ISCED 0-2 or low qualification requirements) - (approx. percentage):	0%
Qualification Medium - Low (ISCED 3-4 or medium qualification requirements) - (approx. percentage):	80%
Qualification Level – High (ISCED 5-6 or high qualification requirements) (approx. percentage):	20%
Job turn over (high - low):	Low
Development of the number of employees - last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking) :	Stable
Turnover (latest available year) - in Mio Euro:	Not reported (confidential information)
Year of Reference:	Not applicable
General assessment of the economic situation (growing, stable, crisis):	Stable
Work council/unionised:	Yes
Initial vocational training program (yes, no):	No

Business Strategy of the enterprise

Overall classification:	Client oriented stable enterprise
Innovation:	Important
Innovation unit (yes, no):	No
Number of employees in the innovation unit as percentage of all employees:	Not applicable
Quality:	Important
Customer Relationship:	Highly important
Price:	Important
Main challenges:	Following the changing requirements of clients

HRD-Activities and training activities of the enterprise

General assessment:	Medium activity on the local level
Special unit/position for HRD/training (yes, no):	No
Appraisal Interviews (yes, no):	Yes

Mentioned forms of work-integrated support offers for learning/informal learning:	Regular meetings, learning by doing
Training plan (yes, no):	No
Training budget/year (approx. in €)	€ 3000,00
Specification	External costs only
Training budget/year employee	€ 200,00
Average of the same sector - CVTS	€ 66,00
Nace	5185
Year of reference	1999
Average of the same size class - CVTS	€ 61,00
Training hours per employee	Not reported
Year of reference	Not applicable
Average of the same sector - CVTS (in hours)	5
Nace	5185
Year of reference	2005
Average of the same size class - CVTS (in hours)	2
Other given indicators on training (when available)	-

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	No
Program 1: Number of Participants	Not applicable
Level(s) of the program:	-
Details (National Language):	-
Details (Translation):	-
Program 2: Number of Participants:	Not applicable
Level(s) of the program:	-
Details (National Language):	-
Details (Translation):	-
Number of employees identified participating individually in programs:	
ISCED 0-2:	0
ISCED 3-4:	1
ISCED 5-6:	4
Number of identified employees participating in formal adult education - total :	5
Articulated main reason for being interested in formal education (view of the enterprise) I:	Individual initiative
Articulated main reason for being interested in formal education (view of the enterprise) II:	-
Articulated main reason for being interested in formal education (view of the enterprise) III:	-

Diana Nenkova

SP 4 – Case Study 7

MK: Formal education and work – crossing or parallel worlds?

Sector Family 1 – 50–249 employees; D-DJ)



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June 2008

Abstract

MK is a middle size company, which works in an intensively developing branch of industry. This has determined both its prosperity in recent years and its problems with personnel. The company has difficulties in finding qualified work force, and mobility among them is significant. For this reason – although it seems a paradox – education is not among the company's priorities.

In general, the company management demonstrates its willingness to support its employees's qualification, but it does not think there are people available that wish to enroll in trainings. At the same time it assesses institutional involvement in personnel's education as risky with respect to the lack of certainty that in the context of an increased demand on the labour market, the company would manage to keep its employees after they complete their education.

The employees engaged in formal education obtain support by the company (adjusting their work time in terms of early leaving of work or periodic absences, use of a paid leave for course sessions and exams), regardless of whether the discipline they study is related to their particular work. If studies are related to the employee's professional responsibilities, mutual benefit is observed. The managers of the company even stimulate the involvement of the employees in formal education by promising them an increase in the remuneration after completing their education.

A. General characteristics of the enterprise

[A.1 Main activity and characteristics of the organization]

MK Company is, on the one hand, an old enterprise, founded in 1960, and on the other, a new one – recently (eight months ago) it had separated from the large conglomeration. It operates in the sphere of assembling steel concrete, producing steel concrete constructions for large shops, industrial facilities and warehouse premises. This activity connects it closely with construction – a branch of industry which has developed rapidly in recent years, this being a characteristic feature of the countries in transition.

The company is of middle size: the enterprise employs 136 people altogether, 40 of them being women. It is divided in departments and workshops, which communicate with each other through their managers. There is a clear subordination in the daily agenda meetings, with all the significant decisions being approved and finally taken by the administrative director. The dispersion of personnel in different work places explains to a certain extent the lack of trade union relations or other collective agreements. The company has no human resources department, and personnel issues are managed by the Personnel, Labour and Salaries Department, which assists the director.

Two people engaged in formal education have been interviewed in this company. The first respondent is a woman holding a secretarial position. The second one is a man working at the department responsible for preparation of offers and their implementation, supervision of the production of separate components forming the construction frames, and their expedition to the building site. This department is the linking unit with the construction design specialists, it refines the drawings if necessary, and "... *the whole production is prepared and channeled in order to go forward, without this department we would be with tied hands.*" (I-4, male, line manager, p. 1)

[A.2 Business strategy]

Judging by the respondents' opinion and taking into account the economic situation the company should be assessed as a prosperous one. Currently a new plant is being built, which raises many hopes in terms of production as well as optimizing the organization and communication between the separate units:

There will be improvements and many innovations, the technology there will be unlike what it is now, it will be much more modern. (I-4, male, learner 2, p. 1)

The emphasis is placed on quality:

The company is of the production type, so its objectives concern high quality and shorter terms of delivery. (I-1, female, HR, p. 1)

[A.3 Current challenges and initiatives to meet these challenges]

Both representatives of company management stated in their interviews that the hottest problem of all is the lack of personnel.

I can say that there is a shortage of engineers as well as qualified workers and office staff. This disease is everywhere. (I-2, male, line manager, p. 1)

Secondary education! Some of them do not have even primary school... but considering the shortage of workers, we are forced to hire them as well. (I-1, female, HR, p. 4)

The company appreciates and understands that:

The most important thing for us is the people who work at the enterprise. (I-2, male, line manager, p. 2)

The reasons for this situation are perceived differently by the two employees. The female respondent, head of personnel department, finds them in the remoteness of the company from the town, in the higher requirements of young people for better work conditions and better payment, especially in the difference between expectations regarding income and the really earned income. The male respondent, the company's executive director, provides more general comments – ranging from national characteristics, the utopia-like notion of Bulgarians' passion for hard work to economic ones regarding the lack of a real labour market and the absence of unemployment.

These are utopias, our claims that the Bulgarians are extremely hard working people... The lack of unemployment is the cause (for the problems), if there was unemployment (the person in need of work) will come to our branch of industry as well. (I-2, male, line manager, p. 4)

A solution to this problem is hard to find. On the one hand, construction is a difficult sphere of activity, it is not as fashionable as the recently established auditing business. On the other hand, some of the employees have been with the company for over 40 years, they are approaching retirement already, the newcomers – if any – have low qualifications and insufficient education, they come from the minorities, so activities have to be shared for the work to be done.

The pessimistic conclusion is:

...there are no people, no one wishes to work in construction or, if they are working, they represent, I would say it again, the part of Bulgarian population with the lowest education. (I-2, male, line manager, p. 3)

Young people, however, prefer to go to the West, even if they should live a poorer life there, they wish to get away and there is nowhere to find new workers.

Against the grim picture regarding the human resources issue, a hopeful contrast is provided by the declared management principles referring to the encouragement of employee's initiative, the authority based on experience and knowledge, and the responsible completion of tasks:

I would like them to have initiative and the leader is the one who most of all can make demands and manages to make those under his command respect him not because of his position but for the knowledge he possesses. Knowledge overrides everything else. We should love each other as human beings. We may not love each other as people, a person's knowledge and respect will lead to greater maturity of the team and more cohesion. But for me personally, as you put the question that way, it is not the authoritarian style which leads to better management, but the leader's experience and knowledge. Because it is easy to respond to an order, you just switch off your initiative. I was ordered to do it and I did it. But being bound to other principles – proving oneself and the knowledge one has - then there may be arguments, the person will hold his position and responsibility to the problem under solution. Otherwise you say – I was told to do it! This is the easiest thing, taking the blame off yourself. (I-2, male, line manager, p. 4)

Discipline is not viewed as an aim in itself, the aim is that work should bring results - report results rather than efforts (as an illustration to the saying that capitalism produces results while socialism - efforts):

Under authoritarian, hard line management people manifestly have discipline, but whether they do any work, any useful work, is another matter. Well, we would like to do work, not to feel like subordinates and be dictated what to write. (I-2, male, line manager, p. 2)

The open question is whether the desire thus declared for tolerance and freedom of initiative is realized in practice:

I don't think that I am a totalitarian type of person, but the others can say. I can hardly say, the others will have to judge. I try not to be a tyrant on my job, not to always impose my opinion, although everyone abides by it. (I-2, male, line manager, p. 2)

B. HRM, HRD and training policy of the enterprise

[B.1 Organisations of responsibilities and core processes in HRM and HRD]

As mentioned above, the company has no human resources department, personnel matters are dealt with by Personnel and Labour and Salaries Department, but more or less as documentary formulation of the director's decisions. The personnel includes workers with such low qualifications that they are considered incapable of

qualifying at all. Some of the employees have part time labour contracts. As the company cannot offer any accommodation there are no workers coming out of town. Some of the workers have been with the firm for a long time and are close to retirement. Others, despite being recruited through intermediary specialized institutions such as the labour bureaus, stay for a short time. In this respect the experience shared by the respondent is not very encouraging.

Just look at this ineffective system – I send a request to the employment department, I'm not sure about the right name, at the municipality. All of them drunkards, they are sent here, because this is the type of people that have registered. They stay for a few days and we have to send them back. They don't have any sense of responsibility, they don't want to work, all they want is just to live on welfare. Here is a dire example – ten days ago I wrote an official request, and there came a crane worker, a qualified one, he climbed up to the middle of the crane and he got sick, because he was drunk. And now I am trying to find him, so that I can dismiss him for disciplinary reasons, as he does not come to work at all. And so he will take his note from here or he will bring me a document for a sick leave, and then he will go back to the labour bureau and will tell them – look, those people sacked me. (I-2, male, line manager, p. 4)

[B.2 HRM and HRD objectives]

What the respondents, representatives of the company management, said, leaves the impression that management has focused their efforts on implementing their production tasks, which have grown in number recently, while personnel development matters are left to be solved by themselves, without being subject of special analysis or management decisions.

[B.3 HRD strategies and use of public support schemes for HRD/training]

It cannot be said that the company management lacks aspirations for the development and training of its administrative staff and workers. The emphasis is understandably placed on the workers as this is the weak unit, as there is not even a thin foundation on which to build on:

They have no level of qualification, how could we qualify them to the next level. (I-2, male, line manager, p. 3)

Nevertheless, regular internal courses are held, the newcomers are initially put together with long term workers who introduce them to the work, the job requirements and duties. However, there are some recurring comments in all interviews:

If we had anyone to teach, it would have been easy... We have no people at all, not to say people who wish to learn. (I-2, male, line manager, p. 3)

[B.4 Significance of training activities]

Another point has come up in this case – while giving his opinion on personnel training, the company director remembered past years when similarly the people with the lowest qualifications used to work in construction in Bulgaria, especially ethnic Turks, but in the context of totalitarian economy they compulsory had to undergo two years of training while serving in construction military units. So they received some considerable training. At present, in the new business environment, if the company invests money in such training, this poses some risks. As noted before, construction is a developing branch of industry and it will continue to be such for time to come. This means that demand exceeds supply, there is strong mobility of the work force and there are possibilities for work abroad. This is something that any manager would have to consider:

So I have to find some funds, I don't know where I could take them from, to be able to train them, and when the training is complete, would they stay in the company or would they move on? (I-2, male, line manager, p. 3)

The director perceives the significance of education in the most general sense, as qualification which makes the worker more competitive on the market, but somewhat on the reverse – he thinks that the unemployment threat will make people wish to be educated:

All this is because there is no unemployment, if there were unemployment, it will affect our industry as well. People who have nothing to do or to make for a living will come to us. And, when there is unemployment, I will put up the question: "Well, are you going to increase your qualification? Here are some courses for you! I will enroll you in them." Higher qualification will come in that way. However, there is no such possibility for now. (I-2, male, line manager, p. 4)

C. Formal education within HRM/HRD in the enterprise

[C.1 Understanding and awareness of formal education by the enterprise]

The company manager appears to be disinterested with the terminological description of formal education:

Indeed, what I say is that if there were some material, which is unavailable in fact, there are certain structures in place now where we can send people to be qualified, but there is no material, so there can't be any real training. That is all. Well now, what I understand by formal education or what you can tell me about it is one side of the question. Be it real or formal, there

should be some material available, but there isn't any. (I-2, male, line manager, p. 4)

What is striking in this statement is the repetition of the word 'material'. Other statements of that respondent reflect the same authoritarian tone – people are material, it is very difficult to make some of them do any training, you have to have talent to be able to do it (p. 6), some pressure should be applied (p. 5) so that this could happen; because man is inclined to be lazy (p.6).

[C.2 Experiences with formal education in the enterprise]

The company's experience with formal education refers to the higher levels – college education and higher education. It should be noted that even the company director is not aware of the precise number of learners among his employees. He thinks they are three or four people. A good indicator is the paid leave due in this case.

Two people were selected to take part in the case as respondents. The idea was to make some comparisons between them. The first respondent is a young woman, who is at the initial stage of her education as expert in a licensed center, specialising in the area of banks and financial business. The second respondent is a man, a graduate student specialized in construction of buildings and facilities. It can be observed that in the first case there is no link between the studied discipline and the subject of activity of the company, so it is not by chance that the respondent performs general secretarial activities. In the second case, conversely, there is a complete match between the respondent's present occupation and his training programme.

[C.3 Regulations on and support for formal education]

It is a customary practice for the management to declare their full support to studying workers and other employees. What is interesting here is their understanding of support, so here are some examples, which are self-explanatory:

He [the director – researcher's note] is very happy – such is the support he provides – it's moral support. (I-1, female, HR, p. 9)

But we encourage Joro and Bobby and Yoanna. Now another guy will enroll as a student after a lot of pressure.

Question: With a pressure on your part?

Well, yes, there is some, what would happen if there is no pressure? Do you think they want to study? It is a difficult thing...

Question: In what way do you encourage these people to learn?

So we give them a lot, don't we. A leave to study! We provide everything that is in the law... (I-2, male, line manager, p. 5)

Perhaps similarly to other cases, it was also found here that support to the learner is understood with regard to its formal side – the one regulated by the law – and expands at the most to the more flexible work time and the legally established paid leave. It is even not clear whether the employee knows what the full length of paid leave is and whether he/she utilizes it. In this case, however, there is an informal support as well, in terms of learning content, due to the full match between the company activity and the type of education the respondent is engaged in. So besides the liberal work schedule, he especially emphasizes the practical assistance he gets for the better mastering of his subject matter:

...and when I am absent, when I need to leave work earlier or for several hours, I have no problem with this. They definitely show understanding. Furthermore, my boss is a very good construction designer and he can explain to me many of the things we discuss at the university. I have been amazed at how many formulae he remembers by heart. And he helps me a lot in the projects themselves and in my studies, explaining the essence, and this is something that you cannot find at the university. (I-4, male, learner 2, p. 3)

As can be seen from the respondent's statement, we cannot speak of any particular procedures or rules for organizing the employee's participation in the formal education system, and even less of a certain corporate policy in this respect.

[C.4 Assessment of promoting and hindering factors for the use of formal education within the HRD-approach]

People at the company clearly take account of the inconveniences they sometimes experience because of their colleagues' studies, but they see the benefits as well and so their attitude is favourable:

They distance themselves from production, those people studying by correspondence. Regarding the advantages – we should have specialists in the field they are studying. They have to rotate, other colleagues are substituting for them, because production, though not a continuous process, has still a production cycle and things should be going. He has a track, a site he is responsible for and someone has to do his work. This is the only disadvantage, the fact that they are absent quite a lot of time and someone else should substitute for them. (I-1, female, HR, p. 10)

To the question whether the training of these few people is hindering factor in any way, the company director answers categorically and in a somewhat declarative way:

No. Definitely no. We have taken the risk that on these days they will not be available and the rest of my colleagues also realize that it will be most

useful if those people should be able to graduate. (I-2, male, line manager, p. 6)

There is no place for more profound analysis of the advantages and disadvantages of the formal education system as the very system is difficult to define and distinguish as a type of education.

D. Participation in formal education, workplace learning and HRD policies of the enterprise

[D.1 The relation between workplace, workplace learning and professional experience]

Initially the comparison between the respondent's interviews in terms of content relevance of the job performed and the training programme (which in one case is in place and in the other it is not) did not seem helpful for making conclusions and summaries. After a closer look, however, it appeared that the situation of the first respondent, who studies banking is rather repetitive and the interview with her yields sparse information. The respondent is a fairly young woman. At the company she performs secretarial duties. After completing high school she made several unsuccessful attempts to be admitted to university. Then she decided to begin from a lower level, without discarding her vague intentions for going to university and higher education. Her study programme presently takes place at a continuous learning center at the largest technical university.

The second respondent is a man in his thirties. He has also completed his secondary education, has done his military service, after which he studied at a civil engineering university. At present he has almost completed his studies, he has one final exam to take and is working on his diploma paper. In his case, as already mentioned, there is full correspondence between the discipline studied and the company's activity. It is interesting to note that he found his job through the university:

...this company was recommended by one of my tutors at the university.
(I-4, male, learner 2, p. 6)

It cannot be concluded, however, from his statement that this is some kind of official practice at the university. The information and recommendation evidently came as a result of informal relations. The company assessed his potential usefulness, regardless of his lack of experience in construction. This is not a novelty for the specialists at the company as they well know that this type of assembling construction is given less significance in the higher education curricula. The respondent has worked at the company for three and a half years. The first five –six months have been a period of getting familiar with his professional tasks and responsibilities and an induction to his job.

[D.2 Decision on the formal education, processing fo the decision and support/ non-support by the enterprise]

Despite the outstanding differences between them, both respondents – everyone for his own reasons – are satisfied with their choice. The female respondent's choice was influenced by such arguments as the convenient and relaxed study schedule, the easy entry procedures based on application documents, the prospective growth of the center into a college, which would give her the opportunity to study for a bachelor's degree, the attractive possibilities to find work on the dynamic bank market. She learnt about the center from her acquaintances who had studied there.

The second respondent said that construction has always been an interesting area for him, without making clear what this implies. His choice of discipline was influenced by the possibility for a correspondence course. It can be concluded from what he says that he had presumably wanted to get away from the school-like rhythm of full time education and had seen this opportunity in the correspondence course. At the University of Architecture this is possible only after the third year. That is why, he enrolled in the Civil engineering faculty.

There is some contradiction in his assessment of full time and correspondence courses. On the one hand, he clearly sees that learning is better on the full time course – the content is studied in detail, tutors are more accessible for consultations, the material is learned more reliably. On the other hand, he firmly prefers the correspondence course because of the greater freedom to organize his life. It is evident that work time and commitments do not restrict him so much, they create another kind of feelings - those of independence and self-reliability. Full time education brings him associations of patronage and restrictions. In his interview he also takes into account the fact that if you need to work to make a living while you are studying, the correspondence course is to be preferred. This becomes more common among students as the tuition fees are rising continuously and also due to the growing prices for teaching materials and equipment.

As regards the support on the part of the company, both respondents are satisfied with the possibilities ensured, including the flexibility of work time in terms of early leaving or periodic absences as well as getting a paid leave for academic sessions and examinations. They do not expect other preferences. The second respondent even considers it a bit of luck for himself that he gets such treatment. He has heard about some kind of financial support for students provided by businesses, this being a practice in other countries, not here in Bulgaria. He appreciates such practice and thinks it would be of mutual benefit to both parties but cannot see it being implemented in near future in this country.

[D.3 Formal education, current workplace, individual career goals and the work-family-personal life balance]

It is only logical that the future career plans of the first respondent should not be related either to her present work place or the company. They are quite vague on the whole as she is only at the beginning of her studies. The second respondent also does not see himself strongly associated with the company, though it is not a small one and is getting expanded and modernized with the construction of the new plant. Presumably the boom in the construction industry at present, the job offers he is getting even before graduation give him confidence about his future career. Therefore, he is not interested in having an agreement with the company, his education is a private matter and the foundation of his private career not part of the company career plans.

Unlike the learner however his managers expect that he and other learners, who study specialties related to the activities of the firm, will continue working in the firm. These expectations, though not clearly formulated, and not signed by the parties can be traced in the statements of the employers. In fact this is considered the main advantage of the continuing education of their colleagues – the fact that in this way the firm provides well educated young specialists. The second manager pointed out that the other colleagues are willing to accept the difficulties this creates because they believe this is useful for the learners to graduate. This is useful on the one hand for the learners themselves and on the other for the firm and its prosperity. Regarding the payment the managers says:

When they graduate, when they get [on their feet – researcher's note] there will be increase of their salaries... (I-2, male, line manager, p. 5)

Besides the financial factor he takes into account other significant things:

Maybe one thing is, as with all other people, the financial factor. The other thing is the work itself. It is not only money that matters but also the interrelations of people and especially your superior's attitude, as your work is dependent on them. If you don't have good communication at work, you will not be able to perform your work responsibilities, and to develop respectively, you start treading in one place and then it is not worth going on. (I-4, male, learner 2, p. 10)

In their work-family-personal life balance the two respondents have unconsciously included a new component – study – and they tend to speak about it. Perhaps they reduce their personal life to their study as a dominating occupation at the moment, as they are young people and have not started a family or taking care of other people yet, or they combine family and personal life in one, distinguishing study from them:

Thus, a new situation demanding balance emerges – work-family-education. Both say that it is not easy but with some determination they manage to combine them. It is interesting to hear the confessions of the second respondent about which of those three he ignores in intense situations:

Occasionally one of those happens to get less attention. It cannot be the work nor the family, so it should be education. (I-4, male, learner 2, p. 10)

Study is defined as the most difficult thing because the other two cannot be put in the background. One provides you with finances, the other is your family... Taking care of all three leads to one of them lagging behind, and it is always the study. Because this cannot happen with your job, if you stayed behind you would lose it. (I-4, male, learner 2, p. 11)

On the one hand, it is by default that you cannot neglect the work which provides you with finances. On the other hand, a person is immersed in his family environment and cannot neglect it and become detached from family relations. The only sphere allowing minimizing remains education. The fact that it is linked to future professional realization is somehow ignored and unobserved at this moment, the time perspective is limited to the present. Perhaps those are characteristic processes for periods of rapid and radical changes in societal development. At this time one strives to balance on the edge of the wave of change and a perspective of several years seems faraway and insignificant at that moment.

[D.4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals]

In the assessment of the role of education for their daily work of the two respondents we again can use only the opinion of the second one, as in the first case there is no relation between education and work. For him the advantages predominate and the main one is the link made between theory and practice – a frequently mentioned shortcoming with regard to formal education in this country. On the whole he is satisfied both by his position in the company as well as with his studies and this satisfaction to a large extent stems from the fact that the two activities mutually support each other:

I would say that work helps my studies a lot. Recently I sat for an exam on steel and concrete constructions, a topic closely related to the assembling constructions with which I work here ... and the lecturer was not familiar with some of the technologies as they are not described in the textbooks. He may have only heard about them or just seen them. And he was more interested in how we do these things than in what I have written on the basis of the textbook. (I-4, male, learner 2, p. 2)

I think that if this interaction between universities and industry is really implemented in Bulgaria, it will be beneficial for the students and for the

companies, since they can have well prepared people as interns during the summer, and they can train them in the course of their university education, so that upon completion of their studies these people will be well prepared for their jobs. And no additional training would be necessary for them to take up the work. (I-4, male, learner 2, p. 8)

If we speak of understanding – work is useful for one's studies, if we speak of work ... perhaps they are equally important in my view. (I-4, male, learner 2, p. 8)

E. Synthesis – The significance of formal education within the HRM and HRD of the enterprise

The MK company is of middle size, recently separated from a larger and more powerful unit. In the near future a modern plant with fully updated technology will be completed. The company's sphere of activity is building constructions. Its relation with the construction business, though it does not fall in this category, has both positive and negative influences on its development in general, as well as on human resources development in particular. There is a boom in construction and though the company deals with assembling steel-concrete constructions, not with monolith ones, evidently this has affected its prosperity as well. However, the rapid development of this branch of industry is leading to a shortage of qualified work force and specialists. In general, for those working in the particular sphere a greater mobility has been characteristic within the country as well as possibilities for work abroad.

To assess the policies regarding personnel development, we have to take into account that it is divided in two relatively compact groups – people with little education and low qualifications, part of whom come from ethnic minorities, and the group of specialists and administrative staff. This compactness defines the approaches to them. Some of the workers have been long with the company and are approaching retirement, others just appear for a short time in the pursuit of their goals. This situation reflects a low, or what is worse, none at all interest to education and raising qualifications on the part of the workers and the management as well. Labour in the construction business as a rule does not require high qualification and workers often lack the basis on which to build in a possible training and to upgrade to a higher level of education and qualifications. The management does not wish or does not dare to take the risk of training personnel without being sure that it will be able to keep their employees in the context of enhanced demand on the labour market in the sphere of construction industry. There is a shortage in the specialists' group as well as they stand a little aside from the modern monolith construction, which attracts most of the candidates for the construction disciplines. In principle, to those willing to study the company management declares their support – on the one hand, moral support, in whatever

way it may be understood, on the other hand, a more flexible work time and paid leave stipulated in the law. It should be noted that for both parties this is the ceiling of possible encouragement and privileges. The learners have heard about companies which finance their employees' education but for them these are practices coming from other parts of the world. As a consequence, the company interrelations do not include making various agreements – for subsequent work with the company, a salary raise, etc.

Still there is a point, which is worth mentioning because it incites optimism – the mutual benefit in the cases when education matches the work performed. This is when education helps you to orient in the specific tasks and to take responsible decisions. On its part daily practice visualizes the theoretical academic knowledge and mathematical estimations. This is some real help as well – when the senior specialists assist with their experience and knowledge the training of their younger colleagues.

Lately the business demands with respect to education can often be heard in the media and at other forums, claiming that it is too theoretical, distanced from practice, incapable of preparing young specialists to undertake their professional responsibilities without needing additional training. Education institutions answer back that quality education is an expensive activity and the business should provide its own share of financing it if it wants to have good results. The situation is, however, different at the different educational levels.

When it comes to secondary education, this implies some vocational training or qualification courses, because the business hardly needs people with secondary education. Companies usually need quick training in specific skills. This need is what the slow and rigid administrative system of formal education cannot respond to – not only because it obeys well defined and necessary bureaucratic rules and norms but also because it has to meet some requirements to the teaching content, the volume of teaching material, terms of teaching, etc. Observations in the framework of other studies have shown that this niche can be filled through the activities of a number of non-governmental institutions – foundations, associations, boards of trustees, which already have accumulated a certain culture and experience, are capable of quickly preparing a project and which work in close cooperation with the business in need of the work force.

This practice can be all right only if we take into account that we cannot have it all. Because the quickly trained people specialized in performing particular activities can immediately remain out of work if the general situation changes – then the business will again need people for specific activities, which are just slightly different from the previous ones. Therefore, both parties should be aware, when they lose more time in acquiring some knowledge which at first glance seems unnecessary, of what they are winning – whether they are winning security and longstanding realizations for example. And when they win the quick realization of quickly acquired skills whether they are not losing competitiveness in a possible change of the industrial environment.

Regarding college and higher education and its link with business things become more complex. In any case this kind of education has longer duration, it is more expensive and bears more risk for those investing in it. The companies which may sponsor their students throughout their course of education should be more powerful, so as they could allocate adequate funds for this purpose and should have good ways of making agreements for subsequent work and clauses stipulating charges if conditions are not fulfilled.

Because the learners are also young people who travel more, set up families or are inclined to follow new challenges the efforts invested in such contacts between education and the business will be rewarded as the overflow of knowledge and skills from one to another will be useful for both sides. Education will gain its missing training field and connection with practice, and business will acquire specialists whom it can observe, use and model throughout their training period. The learners themselves will understand in due time if they have chosen a suitable future profession, which will help them lay the foundations of a longstanding and stable professional fulfillment. However, educational institutions which in the new market conditions have found ways to be more attractive and creative at the entrance, while attracting students, should pay more attention to the exit, the realization of their students. The business should also reconsider its attitude towards investment in human capital so as to benefit from the well qualified personnel.

Overview on key elements of the case study:

Information Basis of the Case Study

Total Number of Interviews:	4
Number of Interviews with participants:	2
Number of Interviews with Line Managers/other interviewees (e.g. hop Stewarts) :	2
Number of additional references:	1

Information on the interviewees

Representative of the enterprise

Function of the representative of the enterprise:	HR Manager
Gender:	Female
Age Group:	50-54
Educational Background:	ISCED 3

Participant 1:

Gender:	Female
Age Group:	20-24
Children yes/no:	No
Position:	White collar employee (secretary)
Educational Background:	ISCED 3
ISCED Level of the formal education visited:	ISCED 3 (professional)
Status of the Education:	Ongoing
Starting time of the program:	September 2007
(Expected) termination of the program:	June 2010
Type of organisation offering the program:	Livelong Learning center, Technical University of Sofia
Tuition fees of the program:	€ 220
Learning units involved:	540
Public co-funding for tuition fees (percentage):	85%
Co-funding by the enterprises (percentage):	0%
Part of program within working hours (excluding hours for personal learning and preparation):	Mainly outside working hours

Participant 2:

Gender:	Male
Age Group:	30-34
Children yes/no:	No
Position:	White collar employee
Educational Background:	ISCED 3
ISCED Level of the formal education visited:	ISCED 5
Status of the Education:	Ongoing
Starting time of the program:	September 2004
(Expected) termination of the program:	February 2009
Type of organisation offering the program:	Higher School of Civil Engineering - Sofia
Tuition fees of the program:	€ 240
Learning units involved:	1760
Public co-funding for tuition fees (percentage):	95%
Co-funding by the enterprises (percentage):	0%
Part of program within working hours (excluding hours for personal learning and preparation):	Mainly outside working hours

Representative of the enterprise 2/ other representative

Function of the representative of the enterprise:	Administrative Manager
Gender:	Male

Age Group:	60-64
Educational Background:	ISCED 6

Enterprise -General Information

Year of foundation (current form)	(1960) 2007
Location (rural; City below 50.000; City 50.000, City 250.000, City 250.000+)	Rural
Production/service	Production
Sector of the Enterprise	Metals
Nace:	2811
Owen by an other company, holding, etc.:	No
Number of Employees 2008:	136
Male Approx Percentage:	71%
Female Approx Percentage:	29%
Blue Collar Workers Approx Percentage:	83%
White Collar Workers Approx Percentage:	17%
Qualification Level Low (ISCED 0 - 2 or low qualification requirements):	83%
Qualification Medium Low (ISCED 3 - 4 or medium qualification: requirements):	12%
Qualification Level High (ISCED 5 - 6 or high qualification requirements):	5%
Job turn over (high - low)	High
Number of employees last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking):	Stable
Turnover (latest available year) in Mio Euro:	Not reported (confidential information)
Year of Relevance:	Not applicable
General assessment of the economic situation (growing, stable, crisis):	Stable
Work council/unionized:	No
Initial vocational training program (yes, no):	Yes

Business Strategy of the enterprise

Overall classification:	Stable enterprise with perspectives for growth
Innovation:	Important
Innovation unit (yes, no):	No
Number of employees in the innovation unit as Percentage of all employees:	Not applicable
Quality:	Important
Customer Relationship:	Important
Price:	Important
Main challenges:	Hiring qualified employees at reasonable wages at the labor market, meeting the challenges of the quickly developing sector

HRD-Activities and training activities of the enterprise

General assessment:	High activity on the local level
Special unit/position for HRD/training (yes, no):	No
Appraisal Interviews (yes, no):	No
Mentioned forms of work integrated support offers for learning/informal learning:	Learning by doing, induction program
Training plan:	No
Training budget/year :	No
Specification:	External costs only
Training budget/year employee:	Not reported
Average of the same sector – CVTS	€ 39.00
Nace:	2811

Year of reference:	1999
Average of the same size class – CVTS	€ 20.00
Training hours per employee:	Not reported
Year of reference:	Not applicable
Average of the same sector – CVTS (in hours):	3
Nace:	2811
Year of reference:	2005
Average of the same size class – CVTS (in hours):	5
Other given indicators on training (when available):	-

Information on formal education in the enterprise

Programs organized internally or specifically for the enterprise (yes, no)	No
Program 1: Number of Participants in Program 1	
Level(s) of these program:	
Details (National Language):	
Details (Translation):	
Program 2: Number of Participants in Program 2:	
Level(s) of these program:	
Details (National Language):	
Details (Translation):	
Number of employees identified participating individually in programs:	
ISCED 0 - 2:	0
ISCED 3 - 4:	1
ISCED 5 - 6:	3
Number of identified employees participating in formal adult education total:	4
Articulated main reason for being interested in formal education (view of the enterprise) I:	Shortage of skilled labour
Articulated main reason for being interested in formal education (view of the enterprise) II:	Individual initiative
Articulated main reason for being interested in formal education (view of the enterprise) III:	-

GENERAL CONTEXT OF THE LLL2010 RESEARCH PROJECT

In March 2000, the then 15 European leaders committed the European Union to become by 2010 “the most dynamic and competitive knowledge based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment”. The Lisbon strategy, as it has come to be known, was a comprehensive but interdependent series of reforms, which has significant implications for a whole range of social policies, including policies for learning.

As part of the Lisbon strategy, the European Union has set the goal of raising the number of adults participating in lifelong learning to 12.5% by 2010. However, the proportion of learning adults in Europe differs widely across countries. The project "**Towards a Lifelong Learning Society in Europe: the contribution of the education system**", which forms part of the European Commission’s 6th Framework Research Program, is dedicated to identifying the reasons behind these differences and to studying the policies and practices related to adults’ participation in and access to lifelong learning in a number of European countries (see project’s web-page <http://LLL2010.tlu.ee>).

The project involves researchers from thirteen countries and regions of Europe: Scotland, England, Ireland, Austria, Belgium, Slovenia, Czech Republic, Estonia, Lithuania, Hungary, Bulgaria, Norway and Russia.

Project objectives

The objectives of this project are to:

- Show to what extent the countries differ in terms of patterns of lifelong learning.
- Reveal how these differences depend upon specific institutions and policies of each country.
- Assess the contribution of each country’s education system to the development of lifelong learning.
- Trace the ways institutional and policy prerequisites for lifelong learning have been developed in European countries.
- Identify the barriers to participation in lifelong learning in terms of policies, educational institutions, enterprises’ practices and potential learners’ motivation.
- Identify the best solutions and most successful practices in terms of participation in lifelong learning and to decide to what extent these would be applicable in other countries.
- Propose changes, which would enhance adult participation in lifelong learning and decrease social exclusion.

The LLL2010 research project extends over five years (commencing in September 2005), and these questions will be addressed in various ways through five sub-projects.

Potential impact

Project is expected to contribute both to competitiveness and cohesion of the EU by (a) developing and carrying out a joint agenda for a better understanding of the tensions between the knowledge-based society, lifelong learning and social inclusion in the context of enlargement of the EU and globalisation, (b) identification of best practices and suggestion of ways for implementation in order to reach the objectives for lifelong learning.

Disseminating the knowledge

The project aims to examine and report on national differences in approaching formal lifelong learning, but also to assist policymakers and practitioners in learning appropriate lessons from contrasting practice in other countries. Therefore, disseminating knowledge to relevant audiences – individuals, institutional actors and policymakers – is of the core issues within this project, and so dissemination activity will take place throughout the life of the project.

The preliminary results will be discussed in the workshops and conferences and introduced to national as well as international audiences. The results of the different research projects within LLL2010 will be presented in five comparative reports – one per subproject – and a final report, and two books will be published as a result of the project. A Conference “The Contribution of the Education System to Lifelong Learning”, scheduled in the end of the project, is aimed at discussing findings, conclusions and expert opinions on a European level.

To contribute to scientific discussion and enhance comparative studies in the field, further analysis of the results of the research will take place in articles published in specialized and interdisciplinary journals. As LLL2010 will undertake a number of original studies, the data, questionnaires and codebooks, and all the other relevant materials generated in the project will be made available to the scientific community at large.

Research Institutions in LLL2010 Consortium

1. Institute for International and Social Studies, Tallinn University, Estonia
2. Higher Institute for Labour Studies, Catholic University of Leuven, Belgium
3. University of Nottingham, England, United Kingdom
4. Moray House School of Education, University of Edinburgh, Scotland, United Kingdom
5. Educational Disadvantage Centre, Centre for Human Development at St. Patrick's College, Dublin City University, Ireland
6. Fafo Institute for Labour and Social Research, Oslo, Norway
7. Slovenian Institute for Adult Education, Ljubljana, Slovenia
8. TÁRKI Social Research Centre, Budapest, Hungary
9. Centre for International Relations and Studies, Mykolo Romerio University, Vilnius, Lithuania
10. Institute of Sociology, Sofia, Bulgaria
11. St. Petersburg State University: Department of Sociology, Department of Retraining and Improvement of Professional Skills for Sociology and Social Work, Russia
12. 3s research laboratory, Vienna / Danube University, Krems, Austria
13. The National Training Fund, Prague, Czech Republic
14. Institute for Social Research, Vilnius, Lithuania

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