Impact of training on people’s employability: Austria

This is the Austrian contribution to the topic report on the impact of training on people’s employability coordinated via questionnaire by AWWW GmbH for the European Working Conditions Observatory.

1. General remarks

Please describe the methodology of the survey(s) and the definitions used.

Mikrozensus yearly results 2003

Supplementary programme “Labour Force Survey” March 2003

The Mikrozensus survey started in March 1968 and is carried out on a quarterly basis. The survey focuses on topics such as population, qualification, education, professional position and working time. The answers to questions relating to non-permanent contracts cover information for 2002.

Each Mikrozensus survey includes a supplementary programme (Sonderprogramm). That means that the questions of the Mikrozensus survey are asked quarterly and the supplementary programme of the Mikrozensus changes every three months.

Since 1995, the first supplementary programme of each year has been a Labour Force Survey (Arbeitskräfteerhebung). The topics covered by this survey range from employment, working time, preferred working time and unemployment to job search, education and second jobs. The answers here refer to information from the Labour Force Survey of March 2003.

The sample of the supplementary programme Labour Force Survey 2003 encompassed 33,500 households. People were interviewed in 22,500 households. The programme provides extrapolated data on 7,932,000 people. As the survey focuses on labour issues, 6.6 million people with a minimum age of 15 are covered by the supplementary programme. The Mikrozensus survey permits the interviewed member of the household to answer on behalf of all members living in the household. In March 2003, the proxy data obtained in this way accounted for 46.7% of survey data.

The used definitions are stipulated by Eurostat and based on the Labour Force Concept.

General remark:

Even though several studies on atypical work and also on temporary agency work are available, the aspect of access to training does not play a role in any of these studies. It seems to be an underestimated and forgotten area of research in this field. This is true for both quantitative surveys and qualitative studies. This is why data on this topic are rare in Austria. The same is true for legal regulations, where this aspect is not included.
2. Extent and structure of the non-permanent workforce

Give data on the extent of employment in a fixed-term or a temporary agency job.

Fixed-term contract workers

Data concerning the extent of employment in fixed-term jobs is part of the National Labour Force Survey. The data from the 2004 survey (2nd quarter) show that 4.5% of all employees are working on fixed-term contracts (166,300 employees).¹

Temporary agency workers

The percentage of temporary agency workers of all employees in 2004 is 1.5% (Source: LFS 2004), or 53,700 persons, compared to 10,492 temporary agency workers in 1994 (Wroblewski/Wallace 2002). The development within the past decade thus shows a clear increase in the number of temporary agency workers, even though their percentage of all employees is very low.

Give data on the structure of the workforce on non-permanent contracts, by education, occupation, age, sex, sector or company size.

Fixed-term contract workers

The gender structure of fixed-term contract employees shows a slight majority of men (52.3%) compared to women (47.7%). In terms of age, the group of 25- to 34-year-olds makes up the largest group at 33.2%, followed by the group aged 15-24 at 24.7%. This means that younger groups of employees are more affected than older ones. Concerning the distribution of fixed-term contracts within sectors, the survey results clearly show that around three quarters of all fixed-term contracts can be found in the service sector, whereas industry and crafts only cover 21.3% (Source: LFS 2004).

The duration of 45.3% of all fixed-term contracts is limited to six months, with another 27.8% limited to 12 months. That means that only one quarter of all fixed-term contracts have a duration of more than one year (Source: LFS 2003).

Temporary agency workers

Men clearly dominate temporary agency work in Austria. Around three quarters of all temporary agency workers (74%) are male and only one quarter (26%) are female. In terms of age, the largest group of temporary agency workers is between 35-44 years old (31.6%), followed by those aged 25-34 (27.6%). The youngest age group (15-24) makes up a fifth (19.6%) of all temporary agency workers. In contrast to fixed-term contract work, temporary agency work is rather balanced in terms of distribution across sectors, with 49.2% of temporary agency work found in the production and crafts sector and 50.4% in the service sector (Source: LFS 2004).

¹ These exclude apprenticeship contracts, which constitute a specific form of contract as they are fixed-term by definition. In addition, it also must be said that the Labour Force Survey 2004 is yet unpublished. A telephone conversation with an expert from Statistik Austria, who carry out the Labour Force Survey, only yielded a very limited analysis of data on fixed-term contracts and temporary agency contracts based on the 2004 survey. For this reason, data from both the 2003 and 2004 LFS are used in the reports.
3. Company training initiatives

3.1 General

Give data on training initiatives provided by the company, according to contract status and, in the case of non-permanent employees, according to fixed-term or temporary agency employment.

The data from the LFS 2004 and the LFS 2003 (special programme lifelong learning) only provide data concerning participation in training courses within the four weeks preceding the survey (LFS 2004). No information is provided on whether the course is provided by the company. While such information is included in the LFS 2003 (special programme lifelong learning), analysis is not provided regarding contract status.

Concerning participation in occupational training courses within the four weeks preceding the survey, the analysis paints an interesting picture. Participation in training courses among workers employed on fixed-term contracts amounts to 11.2% whereas, at 8.3%, the participation rate of all persons in dependent employment is significantly lower, as is the rate for all gainfully employed (8.1%). Response of the temporary agency workers to this question remained under 4,000, which is too low for statistical interpretation. Therefore, no figure can be provided for this part of the question. An indicator is the percentage of those who did not participate in any occupational training courses within the last four weeks before the survey, which is 95%. (Source: LFS 2004)

The LFS 2003 special programme on lifelong learning provides data regarding the participation in training courses within the past 12 months, but only for fixed-term contract workers. Temporary agency work was not a category in this survey as it was only recently included in the LFS 2004.

The distributions present a similar picture to the one above. Employees on fixed-term contracts show a higher participation rate (29.8%) than those employed on permanent (indefinite) contracts (24.2%). The figures very clearly show that the participation of employees with indefinite contracts in Austria is well below the EU15 average, which is 35% (EWCS 2000/1). But whereas the participation rate of employees on fixed-term contracts at EU level is lower (31%) than that of those employed on indefinite contracts, in Austria it is the other way around. The difference between the participation rate in training courses within the last 12 months is smaller for employees on fixed-term contracts (EU15: 31%, Austria: 30%) than for people employed on indefinite contracts (EU15: 35%; Austria: 24%). Part of this difference may perhaps be accounted for by differences in the time of the survey.

Give data on training measures according to the structure of the workforce on non-permanent contracts, by education, occupation, age, sex, sector or company size.

There are no data available in Austria to answer this question.

3.2 Type, place and duration of training

- Give information on the type of training provided by the company: internal training measures; course/measure organised by external training institutions; on-the-job training.
- Distinguish between training hours during and outside working hours.
- Is the training measure paid for by the employer?

2 Apprenticeship contracts are excluded in all of these figures.
• What is the duration (number of days) of training measures provided by companies?

For this question, data can only be provided concerning the duration of the last occupational training course received. The analysis shows that the duration (arithmetic mean) of the last training course employees on fixed-term contracts received was 66 hours whereas the employees on indefinite contracts only received 47 hours of training.

There are no data available in Austria on form and place of training for the two focus groups.

3.3 Content and target of training

The content and target of training can differ. Therefore, the focus is on corresponding questions in the national working conditions surveys. Please provide examples of questions and data if possible.

• Is the training provided company-specific or of a more general nature?
• Is the training provided aimed at short-term adaptation to skills needs for the current job? Or is the training transferable to other jobs/employment?
• Is the training provided appropriate for the current job?

There are no data available in Austria on content and target of training for the two focus groups.

3.4 Training on health and safety issues

Employees on fixed-term or temporary agency contracts are particularly at risk due to the short-term duration of their employment or to being new in the job or company, etc. Is any training on health and safety issues provided at the workplace/by the company?

There are no data available in Austria on training on health and safety issues for the two focus groups.

4. Newcomers to the job – (Re)entry to the labour market and occupational biography

• Provide information on the phase prior to the (re)entry into the current job (first job, non-employment, education, unemployment, etc).
• Are the ‘newcomers’ employed in the job educated or trained?
• Provide data on specific trends on newcomers in the job on non-permanent contracts as regards training measures.

There are no specific data available in Austria on newcomers in the job (re)entering to the labour market referring to employees in fixed-term contracts and temporary agency work.

5. Job–skills match

Do the skills of the workers match the demands of their jobs, or are the demands of the job too high or too low?

3 In the LFS 2003 special programme on lifelong learning, temporary agency work was not included as a category.
6. Competence and on-the-job skills development

Competence and on-the-job skills development can be assessed by a number of indicators. Describe relevant questions in the national working conditions surveys and provide data as far as available.

- Is the employee involved in competencies development plans/talks in the company?
- Is the current job in line with the studied profession/educational attainment level?
- Does the current job provide the opportunity for further qualification by learning new things on the job?
- Does the job entail complex tasks?
- Is the employee involved in task rotation / team work, etc?
- What is the judgment of occupational prospects as regards:
  - promotion within the current job/company?
  - further course training?

There are no questions included in the national working conditions survey regarding to competences and on-the-job skills development and there is no data available from other sources.

7. Training, competence development and employability

This question focuses more generally on the impact of training and competence development on people’s career development and perception of employment security.

Describe questions and/or provide data on the following issues:

- (expected) transition from non-permanent into permanent employment;
  - There are no data available in Austria to answer this question.
- perception of employment opportunities and job security (or risk of unemployment).
  - The perception of employment opportunities and job security is characterised by feelings of uncertainty and fear of losing the job. This is the result of a study based on qualitative interviews with atypical workers (Miko et al, 2002). However, this study does not provide specific results on the focus groups but only on atypical workers in general.

8. Legal obligations on training measures

Give information on any legal obligations or specific national regulations related to training measures for employees on fixed-term or temporary agency contracts.

The conditions under which hiring-out of labour is allowed are laid down in the Hiring-Out of Labour Act (Arbeitskräfteüberlassungsgesetz – AÜG). It was the aim of the Act to protect temporary agency workers in terms of employment contract, health and safety at work and social security, and to avoid negative labour market developments for them. However, even though the Act covers crucial working conditions aspects, such as payment, holidays, working time, notice periods, etc, it does not include training measures. According to information provided by the Federal Ministry for Economic Affairs and Labour, there are no other specific legal regulations or
obligations concerning training measures for employees on fixed-term or temporary agency contracts. The collective agreement for temporary agencies, which aims at guaranteeing basic social security for temporary agency workers, does not include any regulations referring to training possibilities.

9. Recent studies results

Provide results of recent studies in your country on the issue of training and competence development and employability of non-permanent employees.

There are several studies focused on temporary agency work and atypical work forms in general. But none of these studies addresses the problem of access to training for these groups of employees.

In a study on ‘Atypical work – Characteristics and types of precarious work’ (Miko et al, 2002), based on qualitative interviews, access to training is not explicitly addressed. It may be included in the aspects of ‘no occupational perspective’ and ‘less chances for career development’, which are mentioned describing the situation of atypical workers concerning the possibilities for direct participation. The study shows that consequences for employability and biographical chances differ according to educational level, age, sex, ethnic background and family situation. These factors have a major impact on a person’s chances of advancing from a precarious job. However, the study did not provide specific data on the focus groups (fixed-term contracts and temporary agency workers).

10. National context, initiatives and company best practice

Describe the national context and the evolution of non-permanent employment.

Originally, in the 1970s and early 1980s, the Austrian unions tried to achieve a statutory prohibition on temporary agency work as a threat to permanent employment. However, by 1998, the social partners negotiated the Hiring-out of Labour Act to regulate this form of non-permanent employment. Within one decade (1989–2000), the number of temporary agency workers increased from 7,955 to 30,120 (Wroblewski, 2001, p.15), i.e. more than tripled.

There are no data available to describe the development of fixed-term contacts over the past 15-20 years.

Describe initiatives by social partners, ministries, TAW associations, training organisations/foundations etc. in your country aiming specifically at the promotion of training of fixed-term or temporary agency workers. This can also include measures that explicitly emphasise the equal treatment of a non-permanent workforce.

In Austria, temporary agency work is promoted as one form of re-integrating unemployed people into the labour market and is used as an active labour market policy instrument. For this purpose, several non-profit work agencies were initiated by community bodies in cooperation with the labour market service. The idea behind these initiatives is that the combination of skills development/ training and temporary work contracts is a good way of promoting a transition into the regular labour market, especially for people who are long-term unemployed, elderly workers, but also in general. To their employees, these non-profit work agencies offer training courses and skills development, while to the companies they offer the possibility of testing candidates by means of a temporary agency work contract.

Reintegration into a permanent employment contract is the main goal of the non-profit temporary work agencies. The reintegration rates of the initiatives range between 45% and 52%, which is very high. Thus, these initiatives seem to be a successful instrument.
Provide company examples of best practice on training initiatives and competence development of employees on non-permanent contracts. This can also cover examples of inter-company training measures where several companies jointly offer training measures to non-permanent workers.

As a best practice example for training initiatives and competence development, the case of ‘Flexwork’ is described. Flexwork is one of the largest of the non-profit temporary work agencies mentioned above and is part of WAFF (Wiener ArbeitnehmerInnen Förderungs Fonds), a fund founded by the social partners (Community of Vienna, Chamber of Labour, Austrian Trade Union Federation, Vienna Economic Chamber, Public Employment Service). Flexwork tries to combine temporary agency work with social responsibility by integrating unemployed persons (with a special focus on long-term and older unemployed people, who make up 50% of Flexwork’s employees) through temporary agency work into the labour market.

Their results for the years 1997–2004 are the following: 3,679 unemployed persons were employed by Flexwork and 1,531 of them moved on to a permanent contract in another company. At the end of 2004, Flexwork employed 321 temporary agency workers. In 2004, the agency invested €37,064 in training activities in different fields (foreign languages, IT courses, technical and electronic courses, etc) for 80 participants. Training courses were offered before the employees started working at companies on a temporary contract as well as during employment intervals between two contracts to further improve skills. The basic idea is that the combination of support for training and competence development and temporary agency work increases a person’s chances of reintegration into the regular labour market, and strengthens the employability of the individuals. Access to permanent employment is one important aspect of such employability. In this context, temporary agency work may be seen as a means of transition into, or as a key to, permanent employment.

References

European Working Conditions Surveys (EWCS), European Foundation for the Improvement of Living and Working Conditions, Dublin, 2000/1.


