Impact of training on people’s employability: Estonia

This is the Estonian 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. As the issue has not previously received attention in Estonia, there are considerable difficulties in acquiring relevant data. Therefore, evidence on the differences in training, according to contract types, is scarce.

1. General remarks

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

The subject of training is included in several nationally representative regular surveys in Estonia. For example, in the Labour force surveys (LFS), conducted by the Statistical Office of Estonia, it is possible to identify the nature of training (working-related, general interest, etc), its duration, and who pays for it. Unfortunately, in the LFS with regard to the worker’s contractual status, it is only possible to single out fixed-term contracts of under one year’s duration. All other contracts are considered as employment relations of a permanent nature. Thus, the definition of temporary work and permanent work is used and this does not correspond to fixed-term contracts in general. Temporary agency contracts cannot be observed. Though fixed-term contracts cannot be observed, some data concerning temporary work (i.e. work lasting under one year) will be presented for illustration. Data from the LFS are not presented in reports; therefore, most of the data concerning the LFS has been extracted from the original database by the author.

The Statistical Office has also conducted a survey entitled Adult training in enterprises (Täiskasvanute koolitus ettevõtete). This company survey analyses data from 2000 gathered from 1,662 companies, and provides data on training issues regarding occupation, the size of enterprise, the number of workers, etc. However, the contractual status of workers and training is not investigated in this survey.

The Working life barometer (WLB) has been conducted twice (in 1998 and 2002) at the initiative of the Finnish Ministry of Labour (Antila and Ylostalo 1999, 2003). The WLB is based on a nationally representative sample of around 1,000 individuals. Training is treated with similar questions as in the LFS and the contractual status regarding fixed-term contracts can be followed. It is not possible to distinguish temporary agency contracts.

The European Foundation for the Improvement of Living and Working Conditions conducted their European Working Conditions Survey (EWCS) in the acceding and candidate countries in 2001. The questionnaire includes more relevant questions than any other surveys. However, as the data are not presented in as much detail as would be needed for the current report, it is presented here only briefly.

A related survey conducted in 2001 and published in 2002 by AS SaarPoll is the Analysis of lifelong learning necessities (Elukestva õppe vajaduste analüüs). This survey, however, does not differentiate the type of contract of employees and is targeted at more general adult education questions than work-related training.

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.
Employment in a temporary agency job is not widespread in Estonia. The reasons for the relatively low level of temporary agency work could be that employers use other means to achieve flexibility in employment relationships, and also that many firms are not aware of the possibility of such arrangements. It can be predicted that the share of temporary agency work may increase in the future, as present labour legislation does not limit the use of temporary agency contracts in any way. Information on the frequency of temporary agency contracts is available only from the EWCS survey, which found that 1.2% of all employed and self-employed people had such contracts in 2001 (Philips and Eamets, 2004).

The WLB finds that fixed-term contracts formed 23% of all employment relationships, and oral contracts formed 5% (see Table 1).

**Table 1: Types of employment contracts, 1998 and 2002 (%)**

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written permanent contract</td>
<td>64</td>
<td>69</td>
</tr>
<tr>
<td>Written fixed-term contract</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Written contract for doing a specific work assignment</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>No written agreement</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Antila and Ylostalo, 2003, p. 144.*

In 2003, according to the LFS, fixed-term contracts of under one year made up only 2.5% of the employed population. Thus, in general, fixed-term contracts do not mean a very short employment relationship in Estonia, which accordingly might indicate that it does not bring about as much insecurity as might be expected.

The WLB includes questions about occupation and company size, but the database is not available to the authors of this report and the data cannot be presented here.

Although no exact data are available from WLB, the results reveal that, in 2002, employment relationships were linked to age in Estonia. The younger the age group examined, the greater the proportion of fixed-term jobs, and vice versa. Among employees under 30 years of age, 31% had fixed-term contracts, whereas, for people aged over 50 years, the proportion was 18% (Antila and Ylostalo, pp. 146-147).

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

According to the WLB, there were no essential differences in fixed-term contracts by sex (24% of men and 22% of women had fixed-term contracts) (see Figure 1). At the same time, there are marked differences in non-permanent labour contracts which last under one year. According to the LFS, 3.2% of men and 1.7% of women in 2003 had work lasting less than one year. This indicates a potentially worse situation for men in this respect. The LFS data do not enable an analysis of the issue in greater detail (by occupation, sector, education), as the number of observations is very small and the results are unreliable.

**Figure 1: Percentage of fixed-term contracts, by sex (wage earners only)**
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.*

In the WLB, the question concerning training is asked in a way that the respondent can mention only training that is partly or fully paid for by the company. The question is: During the last 12 months, have you participated in training which is fully or partly financed by your employer? Answers: no/yes. The results indicate that 29% of people with permanent employment contract and 26% of people with fixed-term contracts participated in training (see Figure 2).

**Figure 2: Participation in training, by contract type (within last 12 months), 2002 (%)**

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Source: Antila and Ylostalo, 2003, p. 146.
At the same time, if people are specifically asked about work-related courses, the LFS results are significantly different. In 2003, among all employed people, 6% participated in work-related training courses and 1.5% in conferences or seminars, irrespective of who paid for the course. Of those, only very few had a non-permanent work relationship (i.e. work of under one year). If all training courses (including courses of general interest) are taken into account, 9% of employed people participated in some course or conference. As there are so few cases with a non-permanent employment relationship, it cannot be investigated in more detail.

Comparing the two data sources (WLB and LFS), it seems that a lot of the training that employers offer takes a non-standard form, such as group work, etc.

* means a written contract for doing a specific work or no written labour agreement

Source: Antila and Ylostalo, 2003, p. 213.
3.2 Type, place and duration of training

- Give information on 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?
- What is the duration (number of days) of training measures provided by companies?

As described above in the WLB, only employer paid training is considered. The duration of training is not presented according to the contractual status of workers. The time of the training and type of training measure is not looked at more specifically in the WLB.

In the LFS, the data are much more specific regarding training courses. There are data for the length of training, who pays, when and how it takes place. However, there are no data on other types of training by companies. And, most problematic for this report is the fact that fixed-term contracts cannot be investigated and that there are too few observations for people with non-permanent employment relationships who participated in training.

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?

None of the surveys gives specific attention to this issue. The LFS distinguishes between work-related training courses and courses of general interest; also the topic of the courses is differentiated by 16 categories. The match of the courses to work requirements is not investigated.

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 is no evidence in Estonia as to how much health and safety training has been conducted in companies.

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.

Based on the LFS, the status of a person is known up to one year before. However, the previous status of (re)entry is not known. The other surveys described above do not give any attention to these issues.

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?

The LFS examines educational level and job match. The results indicate that 85% of employed people consider that their educational level corresponds to their job. People whose work relations last under one year are less likely to consider that their educational level and job corresponds (72%), mainly due to those who perceive their educational level as higher than that required by the job. The match between skills specifically and work is not analysed in any survey.

Table 2: Employed persons by education and job match, 2003 (%)

<table>
<thead>
<tr>
<th></th>
<th>Permanent contracts</th>
<th>Non-permanent contracts</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education level corresponds to the job</td>
<td>85.9</td>
<td>71.9</td>
<td>85.5</td>
</tr>
<tr>
<td>Job requires higher education level</td>
<td>2.4 (4.4)</td>
<td></td>
<td>2.4</td>
</tr>
<tr>
<td>Employed person’s educational level is higher than required by job</td>
<td>11.8</td>
<td>23.8</td>
<td>12.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


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 profession trained for/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 training by courses?
These questions are not part of the LFS. There is some evidence from the WLB; the results cannot be presented according to employment contracts, however. The relevant questions are:

(K892) Have the following matters happened at your workplace? The work is done in groups (answers: yes, no, difficult to say). Almost half (49%) of answers were that, in their workplace, work is done in teams. This was lower than in Latvia (65%), Lithuania (65%) or Finland (75%).

(K898) Within the last 12 months, have there been any result-driven programmes or projects at your workplace which have aimed at improving productivity or the quality of services/products? (answers: yes, no, do not know). Some 29% of answers indicated that there have been such programmes in the workplace, which was again lower than in Latvia (32%), Lithuania (38%) or Finland (42%).

There is also a question concerning promotion in past years, but nothing on future prospects for promotion or training.

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;
• perception of employment opportunities and job security (or risk of unemployment).

In the WLB, there is a question (K69) concerning job security: Do you consider it is possible that in the next year you will lose your current job? (Answers: certainly yes, probably yes, probably not, certainly not, do not know.) However, the data on the answers to this question are not presented in the report.

The LFS follows the transitions between contract and labour market status compared to one year before (see Table 3). The data on mobility between contracts is presented in Table 4, but it must be borne in mind that most of the categories are not reliable as there are too few observations (under 20 usually). Therefore, the data must be interpreted with caution. The data on prospects cannot be examined.

Table 3: Mobility between employment statuses in 2003 compared to 2002 in Estonia (%)

<table>
<thead>
<tr>
<th>2003</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Inactive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>93</td>
<td>4</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>Unemployed</td>
<td>36</td>
<td>52</td>
<td>12</td>
<td>100</td>
</tr>
<tr>
<td>Inactive</td>
<td>9</td>
<td>4</td>
<td>87</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>7</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Võrk and Kallaste, 2005 (draft)

Table 4: Mobility between contractual statuses in 2003 compared to 2002 in Estonia (%)

<table>
<thead>
<tr>
<th>2003</th>
<th>Permanent</th>
<th>Short-term</th>
<th>Training</th>
<th>Self-employed</th>
<th>Unemployed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent contract</td>
<td>92</td>
<td>(1)</td>
<td>(0)</td>
<td>(1)</td>
<td>6</td>
<td>100</td>
</tr>
</tbody>
</table>
### 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.*

In Estonia, there are no laws or specific legal provisions related to training measures for employees on fixed-term or temporary agency contracts. The issue has not been recognised as a problem that needs specific attention.

### 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 have not been recent studies on this issue in Estonia.

### 10. National context, initiatives and company best practice

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

*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.*

There is no evidence of any particular practice on training of employees on fixed-term contracts. Nationally, the training of fixed-term employees is not discussed. Against this background, it could be pointed out that there is no general strategy on developing education and training in Estonia. Several documents have been drafted (e.g. Elukestva õppe strateegia/ The Strategy for Life-long learning and Õpi-Eesti strateegia/Learning-Estonia Strategy), and all of them have been heavily debated. But, as there is no consensus, none of the strategies have been accepted by Parliament. However, there are some priorities set in the National Development Plan for the introduction of EU Structural Funds and adult education priorities for 2004-2006 (accepted by the Government of the Republic in July 2004). The adult education priorities concentrate on general development of the system for adult training, and assuring the quality of the training (including work-related training) is also mentioned.

### References


Elukestva Õppe Strateegia/ The strategy for Lifelong learning (project 2002) www.hm.ee (23 March 2005)


