



EQAVET

European Quality Assurance
in Vocational Education and Training

Supporting the implementation of the
European Quality Assurance Reference Framework
for Vocational Education and Training

Peer Learning Activity on EQAVET indicator 9: *Mechanisms to identify training needs in the labour market*

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Background paper

Participants of this EQAVET activity will have the opportunity to learn from and with each other by openly discussing the issues related to mechanisms to identify training needs in the labour market; sharing knowledge, ideas and experience on how they are implementing/ have implemented/ are planning to implement EQAVET indicator 9 at different levels

Introduction

'Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information'
T.S.Elliot (1934). The Rock

1. Anticipation of skills and training needs has been strengthened in the EU in the past years and is still of increasing importance in a rapidly changing environment where policy-makers and practitioners must be able to respond promptly to changing labour market requirements. Such decisions, which are central to shaping future-oriented education and training, depend on reliable information provided by research.
2. Today, important economic and social trends are affecting the complexity of the situations in which labour market related decisions are being made, e.g. Lifelong learning (LLL) is presently regarded as an essential underpinning to improve competitiveness, productivity, and labour market effectiveness and efficiency. Consequently, a) for workers, LLL is viewed as necessary to broaden the choice of professional opportunities to fully participate in the new world of work and b) for employers, LLL focuses on the training and skill upgrading activities they need to develop their business or industry.
3. European, national/regional and local authorities are concerned about ensuring that quality information is available to improve the functioning of the labour market and inform the decision making process of organisations and individuals. This evidence is often called labour market information (LMI) and can include: trends in occupational sectors, availability of opportunities, the skills needed by employers (e.g. skills shortages or hard-to-fill vacancies in a particular sector), career paths for individuals, courses/training programmes.
4. However, very often the issue is not the existence of LMI but rather the users' lack of awareness of those LMI sources. Enterprises, particularly small and medium-sized enterprises (SMEs) frequently lack the time and resources to search for information.

5. Despite the recognised difficulties in predicting what may affect the future labour market, there seem to be strong arguments to support the practice of looking ahead and identifying training needs of individuals and groups, namely the challenge of meeting the ever-growing demand for skilled labour. Training needs assessment/analysis (TNA) is, therefore, used by governments, public and /or private organisations, business and industry to uncover and bridge the gap between adequate and inadequate job performance (reactive TNA) or to prepare existing or future workers for new challenges as perceived by the labour market (pro-active TNA).
6. The systematic processes of TNA are considered to help guide policy makers at different levels through decisions while balancing “needs” and “wants”. It is not surprising that training needs assessment plays a critical role in the EQAVET Framework as encapsulated in indicator 9¹:

Mechanisms to identify training needs in the labour market:

- (a) information on mechanisms set up to identify changing demands at different levels
- (b) evidence of their effectiveness

7. **Paragraphs 8-18 below** briefly provide some of the **most frequently asked questions** in the field of training needs assessment/analysis in order
 - a) to provide an overview of what a TNA process could look like
 - b) to contextualise the case studies to be presented (Italy, the Czech Republic and Germany)
 - c) to support the discussions in the course of the peer learning activity.

What is a training needs assessment?

8. Essentially, a training needs assessment (TNA) is a process through which information on training needs is collected and analysed. Kaufmann et al (2002)² argue that

“Identifying needs as gaps in results allows one to consider all possible means (solutions) and then determine which is most appropriate. In turn, this will give us additional data to prioritize needs on the basis of the costs to meet them as compared to the costs to ignore them, allowing us to properly identify, select, and justify service needs”

1 For more information on indicator 6, please visit the EQAVET quality cycle on-line tool in our website www.eqavet.eu. The on-line tool provides information on EQAVET indicators. You can find information on indicator 6 at system level at: http://www.eqavet.eu/qa/tns/monitoring-your-system/evaluation/indicator_9.aspx; and at provider level at: http://www.eqavet.eu/qc/tns/monitoring-your-system/evaluation/EQAVET_indicators/indicator_9.aspx

2 Kaufman,R., Flowers, G., Guerra, I., and Crispo,N. (2002) Thriving – not just surviving : new realities for tomorrow’s public service executive. *International Public Management Review. Vol 3.Issue 1.*

9. Training is not limited to basic skills or skills required only for an employee's current role. It also covers training to keep skills up-to-date, e.g. to keep up with technology, to enhance specific skills or to allow advancement.
10. The root of the TNA is the gap analysis, i.e. an assessment of the gap between the knowledge, skills/competencies and attitudes that the people in an organisation currently possess and the knowledge, skills/competencies and attitudes that they require to meet the organisation's objectives. The TNA, therefore, typically identifies skills/competencies that impact on performance at different levels: at macro level (labour market or industry), at meso level (specific sector or company) and at micro level (individuals).
11. The available literature on TNA identifies different types of training needs, i.e. **explicit** (when it is expressed by the interested parties representing the demand or the offer of the labour market); **evident** (when it is the result of change in the labour market but not always voiced by industry, sector or enterprise); **latent** (when it is required by the business world but which have no response in the labour offer) and **potential** (which is to be found through a medium/long term analysis of the labour market).
12. The TNA, however, should not be seen in isolation: it is one of the fundamental prerequisites of an efficient and effective training programme (from a content, organisational and financial perspective) and, consequently, one of the key elements of the "training cycle":
- **TNA:** the process by which organizations and individuals systematically investigate current and future training requirements in relation to the operating environment
 - **Training design:** the development of an intervention (competency-based training programmes, job rotation, etc) to address the identified training needs
 - **Delivery of training programme** - the implementation of the competency based training intervention at individual, group or organizational levels
 - **Training evaluation** – the process to know if the investment in learning has had the desired result.
13. A TNA provides information on the training and skills development requirements of the labour market. It is considered one of the key steps in preparing training plans and/or training programmes (both at IVET and CVET levels) by providing decision makers with information on which to base their strategic plans.
14. TNA should be an on-going process of gathering data/information in order
- To determine what training needs exist to develop effective competency-based training programmes/activities
 - To determine priorities for decision-making
 - To make resource allocations to accomplish labour market goals and objectives
 - To avoid risks of „over-doing training”, provide inadequate training, or missing the critical aspects of training most needed.

Sample questions on the overall purpose of training needs assessment:

- What is the nature of the issue (e.g. problem, question) to be addressed through the TNA?
- What is expected to be learnt from the TNA? Why is the TNA to be undertaken?
- How will the TNA findings be used? Who will use them?

Which assessment model(s) can be used?

15. Over the past decades, a variety of methods and approaches have been used to assist decision - makers at different levels. Needs assessment models come from a variety of professions and applications: they can be differentiated on the basis of a) the ends or means formally addressed, i.e. societal (mega), organisational (macro), and small group or individual results (micro); b) efforts and activities (processes) and c) resources (input). Each model serves a particular purpose, is intended for a specific audience and employs different definitions of „need” and „needs assessment”. trends. The two major approaches to occupational forecasting are workforce projection and labour market analysis (LMA): workforce projections are generally longer term forecasts while labour market analysis identify short term forecasts.
16. The two major approaches to occupational anticipation are macroeconomic projections of labour supply and demand and labour market analysis (LMA): workforce projections are generally longerterm forecasts based on econometric modelling and past data while labour market analysis identify short-term trends using data and information about current developements in the labour market.
17. At present there are two main functions of labour-market needs forecasting by occupation and qualification: a policy function where forecasting serves as a point of reference, and an information function where the available forecast data are used, among others, by guidance and counselling services. See more in Cedefop (2008)³.
18. Cekada (2010)⁴ argues that McGehee and Thayer’s three tier approach - Organisation-Task-Person (OPT) - serves as a fundamental framework. The OPT identifies three levels of assessment:
- **Organisational analysis-** to determine where training emphasis will be placed in the organisation, particularly whether or not the proposed training will be compatible with the organisation’s mission, strategy, goals and culture
 - **Task analysis-** to decide what the training will consist of, taking into account the nature of the tasks to be performed on the job and the knowledge, skills and abilities needed to perform these tasks
 - **Person analysis-** to determine who needs to be trained and what knowledge, skills and attitudes should be augmented or improved.

3 http://www.cedefop.europa.eu/EN/Files/WorkingPaper01_Oct2008.pdf

4 Cekada, T.(2010). *Training needs assessment –understanding what employees need to know.* http://www.asse.org/professionalsafety/docs/F1Cekada_0310.pdf

19. On the other hand, Barbazette (2006)⁵, also cited by Cekada, suggests that training needs assessment should answer questions such as:

- **Why** conduct the training: to tie the performance deficiency to a business need and be sure the benefits of conducting the training are greater than the problem being caused by the performance deficiency. Conduct two types of analysis to answer this question: (1) needs versus wants analysis and (2) feasibility analysis.
- **Who** is involved in the training: involve appropriate parties to solve the deficiency. Conduct a target population analysis to learn as much as possible about those involved in the deficiency and how to customise a training programme to capture their interest.
- **How** can the performance deficiency be fixed: training can fix the performance deficiency or suggest other remediation if training is not appropriate. Conduct a performance analysis to identify what skill deficiency is to be fixed by a training remedy.
- **What** is the best way to perform: there is a better or preferred way to do a task to get the best results. Are job performance standards set by the organisation, such as standard operating procedures? Are there governmental regulations to consider when completing the task in a required manner? Conduct a task analysis to identify the best way to perform.
- **When** will training take place: the best way to deliver training because attendance at training can be impacted by business cycles, holidays and so forth. Conduct a contextual analysis to answer logistics questions.

Sample questions on planning and managing a TNA

- What is the overall management plan, timeline and scope of the work?
- What are the products (e.g. a report, technical advice) expected from the TNA? What do requesters of the TNA expect at the end of the process?
- What are the criteria on which the quality of the TNA will be judged?

What are the most common TNA data gathering methods?

20. Data collection and analysis are key elements of a training needs assessment. TNA is optimised when a combination of data collection methods is used to analyse quantitative and qualitative data. Conducting a TNA requires collecting data at the organisation, task and person level and each level includes specific questions, data sources and collection methods. The most commonly used gathering methods present both advantages and disadvantages as follows:

- **Public employment services/ Job advertisements:** one type of „signal” from the labour market is available from newspaper advertisements or from public employment services, i.e. these resources provide a wealth of data that may

⁵ Barbazette, Jean (2006). *Training needs assessment: methods, tools and techniques*. S. Francisco, Pfeiffer

offer significant insight into current shortages or surpluses of workers. It is, however, a limited approach because the data gathered are not available in a form that can be easily analysed;

- **Quantitative modelling:** typically build using different statistical and econometric techniques based on high quality data largely gathered by national authorities (e.g. national accounts, labour force survey);
- **Key interviews** (structured or semi-structured): are good to uncover details of training needs and obtain a lot of qualitative data but a) they are time consuming and difficult to analyse, b) informants may have biased opinions about the labour market;
- **Observation** of workers' working environment and performance: generates data relevant to work environment and minimises work interruptions but it is time consuming and employees' behaviour may be affected by being observed;
- **Survey (Employer Surveys/Household Surveys/graduate surveys):** can collect data from a number of people and it is inexpensive but it provides limited information and raises anonymity concerns;
- **Focus group discussion:** a qualitative method used to obtain in-depth information on ideas and perceptions of a group but it is time consuming to organise and participation may be limited due to status or position differences;
- **Document review:** a good source of factual information on procedures and objectives but information may be out of date, not valid or inaccurate;
- **Scenario development and foresight**
- **Delphi technique:** a powerful approach consisting of four steps (planning, setting up the expert panel, administering questionnaires and interpreting final data). It can be used to tackle a wide variety of issues, subjects and situations but it has limitations, such as the need to use a large amount of time to conduct several rounds and the difficulty of keeping participants' enthusiasm throughout the process.

Sample questions on data and data collection methods

- What data exist about the issue under investigation? What do we know about any gaps between current results and possible desired results to be achieved?
- How will we know if our data are appropriate and comprehensive? How will we know we have enough data to guide decisions?
- Who are possible stakeholders and informants for the TNA?
- What data collection methods are planned? What are the criteria for selecting methods (e.g. the method is likely to generate a high number of respondents, the method can be implemented within budget constraints)?

Learning from and with peers on how to identify training needs in the labour market

21. In order to encourage the discussion and further reflection on the policy and organisational issues related to the use of this indicator, the host (Italy) and representatives from the Czech Republic and Germany will present their own experiences in identifying training needs in the labour market.

22. The presentations on existing mechanisms will set the scene for further discussion among the PLA participants concerning common approaches to ensure that a) mechanisms to identify training needs in the labour market is comprehensively and systematically used across Europe and b) the existing mechanisms are effective.

Expected outcomes of the peer learning activity

23. This EQAVET peer learning activity will allow participants
- To gain a better understanding of the policies and operational issues related to the use of mechanisms to identify training needs in the labour markets across Europe as well as evidence of their effectiveness;
 - To share lessons learned in identifying training needs in national, regional and local labour markets
 - To exchange views on the challenges European countries are facing/will be facing in implementing this indicator.

PLA follow- up brief

24. A policy brief will be produced and circulated to participants. This will highlight the key issues discussed during the PLA and it will be uploaded on the EQAVET website www.eqavet.eu