

Renewed competence through apprenticeship training

Experiences and needs among the EK member companies



Confederation of Finnish Industries



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(Confederation of Finnish Industries)
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Finnish vocational training is undergoing renewal

ONE OF THE ONGOING KEY PROJECTS for the Finnish Government is an important educational overhaul: the reform of vocational training. The goal is to renew the educational processes, supervision and funding of vocational training. Apprenticeship training is a part of the larger vocational training palette that is currently being renewed.

The starting point for the renewal should be meeting the competence needs of companies and thereby supporting their growth and competitive edge. Business life needs renewed competences as trends such as globalisation and digitalisation reshape professions and the ways that work is being done. A person's competence should be updated and complemented. More and more people also study for a new profession during their working years. Apprenticeship training is a valuable means of increasing a company's competence capital.

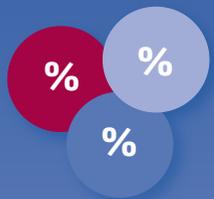
The legislation and financing model for renewed vocational training are scheduled to take effect at the beginning of 2018.

WHAT IS APPRENTICESHIP TRAINING?

- Apprenticeship is based on a fixed-term employment contract between an employer and a student at least 15 years of age.
- The student is paid salary in accordance with the relevant collective labor agreement.
- The student is assigned a personal workplace instructor. The instructor's responsibility is to familiarize and guide the student during the apprenticeship and to evaluate the student's progress.
- The majority of studies is completed at the workplace performing practical work assignments. A vocational institution provides supplementary theory-focused studies.
- The theory-focused studies related to an apprenticeship are free of charge.
- Apprenticeship can be used to complete a vocational qualification, a further vocational qualification or a specialist vocational qualification.
- The employer is paid training compensation to cover the costs related to providing instruction for on-the-job training. In addition, the Employment and Economic Development Offices (TE Offices) may grant pay subsidy if the person in the apprenticeship training is unemployed.
- During the theory-focused studies, the student is eligible for social benefits for students, provided that the employee does not receive salary during this period.

THREE LEVELS OF COMPETENCE-BASED QUALIFICATIONS

- Vocational qualifications indicate competence to enter employment in the field.
- Further vocational qualifications indicate the vocational skills required of skilled workers in the field.
- Specialist vocational qualifications indicate a command of the most demanding tasks in the field.
- Competence-based qualifications provide eligibility to further study at polytechnics or universities.



50%

No apprenticeships in 2014–2015

23%

New apprenticeships in 2014–2015

10%

Apprenticeships used previously, not in 2014–2015

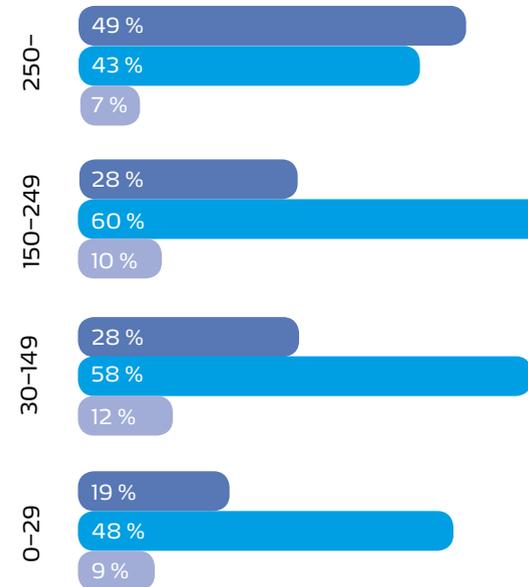
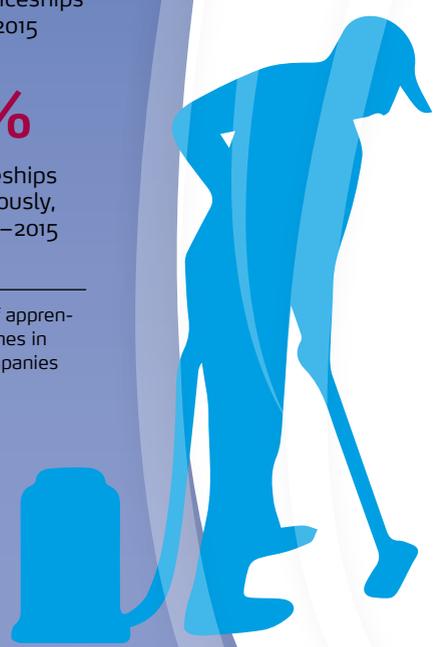
GRAPH 1. Use of apprenticeship programmes in EK's member companies in 2014–2015.

Use of apprenticeship training in EK's member companies

NEARLY ONE IN FOUR EK member companies made new apprenticeship agreements in 2014–2015. Most agreements were made in large companies that have over 250 employees. The use of apprenticeship training was most common in the real estate and property services domain and in the health services and social work domain. One out of ten EK member companies had previously used apprenticeship training but did not use it in 2014–2015. Half of the companies reported having no previous experience in apprenticeship training.

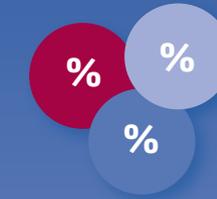
ONE IN FOUR NEW apprenticeship students who started working in EK's member companies in 2014–2015 was recruited from outside the company. 25% of the new students were under the age of 25. In the paper industry and the traffic field, two thirds of students were young people under 25. In these fields, apprenticeship training is used especially to prepare for the prospective retirement waves in the near future.

For the new apprenticeship agreements made in 2014–2015, 44% aimed at a vocational qualification, 47% at a further vocational qualification and 25% at a specialist vocational qualification.



- New apprenticeships in 2014–2015
- No apprenticeships in 2014–2015
- Apprenticeships used previously, not in 2014–2015

GRAPH 2. Use of apprenticeship in EK's member companies based on the number of employees in 2014–2015.



47%

Further vocational qualification

44%

Vocational qualification

25%

Specialist vocational qualification

GRAPH 3. Qualification types studied in EK's member companies on apprenticeship in 2014–2015.



Key reasons for using apprenticeship training



49%

Developing company personnel

27%

Recruiting and training new employees

14%

Keeping personnel motivated and committed

10%

Cost-efficiency of apprenticeship

GRAPH 4. Key reasons for using apprenticeship training in EK's member companies.

DEVELOPING COMPANY PERSONNEL

The single most important reason for using apprenticeship is the professional development of the companies' current personnel. Companies use apprenticeships to train their personnel when an employee lacks a formal vocational training, the employee's work tasks change or when the employee is about to take up a new position within the company. Apprenticeship training is also used for increasing specialized and diverse expertise in the company.

RECRUITING AND TRAINING NEW EMPLOYEES

Apprenticeship training is an important recruitment channel for companies when applicants with suitable training are not available on the labour market. New employees can be trained according to the company's needs, ensuring sufficient competence and familiarizing the employee with the company culture and practices.

KEEPING PERSONNEL MOTIVATED AND COMMITTED

Keeping personnel both motivated

and committed is an important reason for using apprenticeship training. Companies hope to encourage their employees to develop their professional competence and to support the possibilities for career advancement toward more challenging goals. Providing development opportunities is a key factor for increasing work motivation and keeping the personnel committed to their work, the company and the company's goals.

COST-EFFICIENCY OF APPRENTICESHIP

Apprenticeship training is generally considered to be cost-efficient. A majority of the studies is organised in the company through practical work assignments, allowing the company to benefit from the student's work throughout the apprenticeship. The fact that apprenticeship training is subject to financial support is considered another important factor. The training compensation paid to the employer, in particular, improves the capability of small and medium-sized companies to organise vocational training for their employees.

YEARS	2010	2011	2012	2013	2014
15-19	1953	1882	1874	2007	2027
20-24	8 004	7 951	8 205	8 208	8 164
25-29	9 414	9 021	8 799	8 203	7 978
30-34	8 763	8 378	8 256	7 721	7 525
35-39	7 956	7 600	7 546	6 919	6 777
40-44	8 447	7 632	7 108	6 225	5 894
45-49	7 456	7 028	6 684	5 894	5 362
50-54	5 091	4 815	4 605	4 120	3 992
55-59	2 121	2 119	2 082	1 829	1 831
60 and over	356	292	275	220	240

GRAPH 5. Apprentices according to age group in Finland in 2010–2014. Source: Ministry of Education and Culture.



Key obstacles preventing the use of apprenticeship training

LACK OF TIME AND RESOURCES

A lack of time and resources are the two most commonly reported obstacles preventing the use of apprenticeship training. Companies consider the administrative work related to apprenticeship to be bureaucratic and laborious and do not believe that they have the time to familiarise themselves with apprenticeship training. Especially at the beginning, the apprentice needs plenty of support and guidance from the workplace instructor. Organising sufficient and competent training resources is challenging in small and medium-sized businesses, in particular.

LEGAL AND OTHER OBSTACLES FOR INCREASED USE

The Finnish Employment Contracts Act includes several practical limitations and obstacles for the use of apprenticeship. These are related to the requirement of offering additional work for part-time employees, the requirement of re-employing employees who were dismissed on financial and production-related grounds and the requirement of re-assigning employees who were temporarily laid off.

RECRUITMENT DIFFICULTIES

Recruitment difficulties experienced by the companies limit the use of apprenticeship training. There are various reasons for these difficulties. The applicant's competence and personal attributes may not meet the company's needs. There are also cases where there are no applicants for an open apprenticeship position. The reason for the lack of applicants may be that the company is not well-known or that the company is located in a remote area.

APPRENTICESHIP IS NOT SUITABLE FOR COMPANY NEEDS

Apprenticeship training is not suitable for all companies or business domains. The work tasks may require experienced professionals. Also, as a rule, apprenticeship cannot be used when the work in the company is demanding expert work and the personnel are required to hold an academic degree.



OPINIONS	Fully agree or somewhat agree	Neither agree nor disagree	Fully disagree or somewhat disagree
Enabling the use of apprenticeship to complete a part of a qualification (short period) would increase its use	48 %	30 %	21 %
Apprenticeship is a good way to update a company's competence	48 %	28 %	24 %
Apprenticeship is a good way to recruit new employees	47 %	28 %	25 %
The apprenticeship students are strongly committed to developing their professional competence	45 %	45 %	10 %
The company has sufficient resources for guiding apprenticeship students	43 %	21 %	36 %
Financial support from society lowers the threshold for using apprenticeship	42 %	39 %	18 %
The salary level of apprenticeship students is suitable	38 %	47 %	15 %
The school supports the company actively during apprenticeship	37 %	51 %	13 %
Apprenticeship works very well as education for people under 20	37 %	25 %	38 %
The amount of administrative work required by apprenticeship is fair	32 %	42 %	26 %

GRAPH 6. EK's member companies' opinions on apprenticeship training.



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