



E U R O P E A T W O R K

# A VISION ON

# #4

# EDUCATION

JANUARY 09



What qualifications are companies entitled to expect education systems to provide? How closely should they be involved in initial training and continuous vocational training? Experts and HR managers review best practices, which are leaning more and more towards “lifelong learning”, guaranteeing employability for individuals and competitiveness for companies.



**Andreas Schleicher,**  
Head of the Indicators and Analysis  
Division within the Directorate of  
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**“It is vital for companies  
to invest and participate  
in the management of  
universities”**



**Philippe Vivien,**  
Senior Executive  
Vice President, Human Resource,  
Areva Group

**“Lifelong” learning  
rather than “ready-to-  
employ” graduates**



**Michel Théry** heads the “Department  
on Production and Use of Continuing  
Training” at the French Centre for  
Research on Education, Training and  
Employment (Céreq).

**“Lifelong learning: still  
a long way to go...”**



**Facts and  
figures**

**Andreas Schleicher**

# “It is vital for companies to invest and participate in the management of universities”

Going beyond differences amongst countries, the OECD Director of Education studies is calling for swift changes in education in Europe. Failing this, the old continent is likely to become less competitive in a global economy where knowledge has become a key productivity driver.

**Why are percentages of national populations completing secondary education so different in Europe?**

They are very high in the north and much lower in the south of Europe, some of which can be explained by historical contexts. The northern European education systems are not just efficient in lifting lots of people to high levels of education, they are also able to mobilise the skill potential of people with disadvantaged backgrounds. That is very different in countries like France and Germany, where this type of social background remains a powerful barrier to educational success. Southern countries are still somewhat behind, but given their rapid progress I would

consider the glass rather half full than half empty: Spain saw the proportion of people with upper secondary qualifications doubling over the last two generations.

**In most European countries, the 20- to 24-year-olds are better qualified than their elders. That's good news, isn't it?**

Yes, all education systems have seen improvement. But European countries do not simply need to match the top performing education systems but to do better if our citizens want to justify higher wages and labour costs in a globalized economy. Take the example of Germany. In the 1960s, very few countries could draw on such a high proportion of people with strong baseline qualifications. Today, Germany ranks around 13th in the proportion of people with upper secondary qualifications, not because standards declined, but because they have risen so much faster elsewhere. The picture is similar in most of Europe's large economies.

**To the extent that we need to sound the alarm?**

Yes. In today's flat world, all work that can be digitized, automated and outsourced is done by the most effective and competitive individuals or enterprises from any place on the globe. Countries like India and China are starting to deliver high skills at low costs at an ever-increasing pace. Competition has simply shifted from the low skills field. By the year 2015, China alone is likely to

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In 2003, Andreas Schleicher was awarded the "Theodor Heuss" prize in Germany, for "exemplary democratic engagement" in association with the public debate on PISA. He is an honorary professor at the University of Heidelberg in Germany. Originally a graduate in physics, Andreas Schleicher holds a master of science from the department of mathematics at Deakin University in Australia.



*Companies and institutions are jointly responsible for providing learning opportunities”*

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Head of the Indicators and Analysis Division within the Directorate of Education of the OECD.

supply more than twice the number of graduates than Europe and the US together. Are people sceptical as to the quality of Chinese graduates? Remember how we looked at Japanese cars when they first came out and what we think of them now.

**Isn't it paradoxical to advocate more higher education while overqualified people are out of work in some countries?**

Of course, some people say that if education is expanding, everybody will have a university degree and work for the minimum wage. But that's not what our data show. In most OECD countries, the earnings gap between the better-educated and those with lower qualifications is growing rather than shrinking, and people without baseline qualifications face a significantly higher risk of unemployment. It's not just a matter of producing more graduates from schools and universities. The quality of educational outcomes really count. School systems seem to have trouble adapting to rapid changes in demand. These days, an automobile technician needs to manage

coded knowledge on the order of 14,000 pages for a single car. In the 1930s, it was less than 200 pages.

**How should European countries improve their education systems?**

EU countries must develop more challenging and supportive learning environments, and become more flexible and effective in improving learning outcomes. Some of these changes require additional investment. Countries will also need to implement financing and student-support policies that mobilise public and private funding in ways that reflect the social and personal benefits of tertiary education. East Asian countries and the US have improved access to higher education by making students pay for part of their education costs. The Nordic countries' success results from massive public spending on higher education that pays high dividends to both individuals and society. In contrast, most continental European countries hold back their universities by neither making the required public investments nor allowing them to charge tuition fees.

**What roles can companies play in these changes?**

Citizens, companies and institutions all have a role to play because they all benefit from education in their own way. Individuals must want and be able to carry on learning throughout their lives. Companies and institutions are jointly responsible for providing learning opportunities. It is vital for companies to invest and participate in the management of universities, naturally in accordance with well-defined procedures, so that curricula can be geared more closely to demand. Universities must accept a method of governance that addresses the expectations of a wider range of partners than the educational authorities alone. A new social process needs to be invented.

Besides contributing regularly to OECD publications on education, he is the author of:

“The economy of knowledge: Why education is key to Europe's success” (2006), a policy brief that was presented to the Lisbon Council in 2006.

Each year Areva hires 12,000 people around the world – i.e. one every 45 minutes. Its aim is naturally not only to acquire the human resources it needs to pursue its strong growth in a booming global energy market, but also to preserve and pass on its know-how, as large numbers of senior staff are due to retire. With its age pyramid undergoing profound change, Areva encourages its senior staff members to team up with the young recruits in order to pass on their wealth of experience and hence preserve the company's unique expertise.

### Well-formed minds

Philippe Vivien, Senior Executive Vice President Human Resource of this group with a workforce of 75,000 across all the continents, prefers well-formed minds to well-filled minds (to use the expression coined by Montaigne): *“Many of our young recruits will have to work with colleagues from different cultures and fields. For me, their ability to understand what other people have learnt is just as important as what they have learnt themselves.”* So university faculties specialising in nuclear technology churning out generations of ‘ready-to-employ’ technicians and engineers are not Philippe’s dream. In addition to having scientific and technical knowledge, the ideal candidate will speak two or three languages, have worked abroad, be familiar with economics and, lastly, have the general knowledge that will enable him or her to fit into Areva’s world.

Naturally, it is scientific and technical subjects that lead to jobs with high-tech companies. But the fact has to be faced that these subjects are becoming less popular in most European countries. *“Although Areva is not having any real difficulty recruiting, we do have an orientation problem,”* regrets Philippe. *“Science subjects are now required to enter non-scientific jobs, whereas they should be preparing students for scientific careers.”* In the case of young women in particular, the statistics speak for themselves: whereas as

## Philippe Vivien

# AREVA: “Lifelong” learning than “ready-to-employ”

Areva receives a CV every two minutes. It hires 12,000 people every year. The company spends a lot of time weighing the employability of candidates. *“The role of initial training is to open up new opportunities for young people,”* stresses Group HR VP Philippe Vivien, *“skilling the workplace.”*



many girls as boys study sciences in secondary school, only one engineering student in five is a woman.

### A bridge to employment

Companies build operational skills on the basis of the knowledge that their employees have acquired during their initial training. The ideal career starts with an apprenticeship, which provides a bridge between education and employment. *“Apprenticeship is the best model – it works perfectly in Germany. Two years of initial work experience is a fantastic advantage for an 18-year-old!”* Even better: *“it enables youngsters to start with advanced-level training while keeping*

# ng rather graduates

es, and recruits does not spend a young graduates. students' minds," lls are acquired in



*Apprenticeships would be highly beneficial to engineers"*

**Philippe Vivien,**  
Senior Executive  
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*their options open, enabling them to change direction a few years later,"* reckons Areva's HR VP, who believes the idea should be extended to all levels of qualification. *"Apprenticeships would be highly beneficial to engineers, but the concept comes up against cultural resistance."*

Following recruitment, the company's approach continues with alternating periods of work and training. Areva thus dispenses 1.5 million hours of continuing vocational training each year throughout the world, winning the company an award in France for implementing the latest legislation in this area.

### Passing on expertise

If expertise is acquired in-house, senior staff members have it in abundance. Philippe exclaims: *"The more I hire young people,*

*the more I have to take care of the senior staff!"* Preserving this tremendous amount of know-how built up by the generation that oversaw the major projects of the 1970s and is now about to retire is an important issue. The enzymes that will metabolise this expertise are called *référénts* ("Experts"), generally staff members in their 50s who are renowned for their in-depth experience. France already has 80 *référénts*, and Germany will follow suit in 2009. It is their responsibility to think up and roll out the knowledge transfer process. Philippe explains: *"Each of them will have to see whether it is better to pass the reins over to the youngsters and back them up or to keep hold of the reins with the youngsters watching carefully."* The *référénts* are organised in a

virtual community and have the tools they need to share their best practices. Better than standardised solutions and traditional schemes, the key to both managing senior staff members and recruiting youngsters lies in having strong networks.

This simultaneously builds employees' capacities and preserves Areva's expertise, ensuring that the company continues to attract youngsters with high potential. Once recruited, they will stay loyal to the company (staff turnover is less than 3%) - and later, on reaching their 50s, they will be told that their career is far from being over: *"You still have three posts in front of you. Not to mention a senior staff member to assist and a few juniors to train!"*

### AREVA

Areva offers customers reliable technological solutions for CO2-free power generation and electricity transmission and distribution. The group is the world leader in nuclear power. It has nearly 75,000 employees, with 71% in Europe, 13.5% in the Americas, 11.5% in the Asia Pacific region and 4% in Africa and the Middle East.

With manufacturing facilities in 43 countries and a sales network covering over 100 countries, Areva recorded turnover of €11.923 billion and a net profit of €751 million in 2007. The group was created in 2001 and is listed on the Paris stock exchange.

**Michel Théry and the Céreq team**

# “Lifelong learning: still a long way to go...”

Uptake of continuing vocational training varies widely from one European country to another and also depends on company size. The specialists at the French research institute CEREQ believe that there is still a very long way to go on the road to lifelong learning advocated by the European Union...

**Do employees in different European countries have equal chances of gaining access to continuing vocational training?**

No. Our studies of more than 100,000 companies across Europe have pinpointed several groups of countries, starting with those where continuing vocational training is widespread. This is the case with France, the Czech Republic, Luxembourg and Sweden. At the other end of the scale are the countries where few companies invest in continuing vocational training and only a few employees have access to it. These countries are Poland, Greece, Romania, Bulgaria and Hungary. Whereas one employee in two benefits from an average of 28 hours of professional training per year in France, the figures drop to one employee in five and less than five hours in Greece. Most countries lie somewhere in between these two extremes. Take the United Kingdom, Norway,

Germany, Spain and Portugal: on average, one employee in three in these countries benefits from continuing vocational training. But employers’ behaviour can vary considerably. Whereas more than half of companies invest in continuing vocational training in Germany and the UK, only one in three does so in Portugal and Spain.

**Are employees of large companies more likely to benefit from continuing vocational training?**

Yes. You can even say that their chances increase in proportion to the size of the company. In most countries, 90% of companies with more than 250 employees provide training. On the other hand, small companies all over Europe are much less likely to train their employees. Just a handful of countries stand out from the rest: in the UK, Norway, Denmark and Sweden, three quarters of small companies provide training. Everywhere else, the gap between small and large companies is growing. These figures weigh heavily on the national averages, because nearly 70% of European employees work for small companies.

**Why is there so little continuing vocational training in small companies?**

The example of France proves that it is not just a matter of cost because government incentives and legal obligations have been set up there. Moreover, small companies see a clear link between investing in training and increasing productivity. They suffer more from a lack of assistance evaluating needs and finding the right courses for their employees. The Norwegians have understood this. Their large companies organise their continuing vocational training courses

**Michel Théry heads the "Department on Production and Use of Continuing Training" at the French Centre for Research on Education, Training and Employment (Céreq).** His team conducts national and international studies on the subject, often cooperating with Eurostat. In this framework, Agnès Checcagliani and Isabelle Marion, both project managers, performed in early 2008 a comparative analysis of continuing vocational training practices across Europe.

The Céreq institute is based in Marseille and reports to the ministries of National Education and Employment. In particular, it collaborates with the EU Directorate for Education and Training and Eurostat and conducts studies on behalf of institutions such as the OECD and the International Labour Office (ILO).



**Isabelle Marion, Agnès Checcaglini,**  
Project Managers and **Michel Théry,**  
Department Manager at the French  
research institute Céreq.



*Companies’  
practices are  
beginning to  
converge”*

in collaboration with SMEs. What’s more, the initiative to train is as much up to the employees as to the company, and courses mainly take place outside working hours, which causes less disruption for the SMEs. And, at a national level, there are fewer differences related to workforce sizes.

#### **So the Scandinavian countries are setting an example again?**

Let’s say they are doing well. These countries have responded to the uncertainties of globalisation with their “flex-security” model in which continuing vocational training plays a key role. This also means that it has cost countries such as Sweden a lot to retrain the employees of companies that have gone out of business.

#### **Are we getting any closer to a “lifelong learning” model?**

Europe has set targets in this respect, focusing on improving individuals’ qualifications and knowledge in a global economy. So continuing vocational training is more of a priority than ever. The latest figures indicate that companies’ practices are beginning to converge, but

there is still a long way to go. In addition to employer-funded “informal” training, continuing vocational training also encompasses so-called “formal” training, with the prospect of gaining a qualification. And, here again, practices differ from one European country to another.

#### **Have certain countries encouraged training courses that lead to qualifications?**

Schemes have been set up in Sweden and Denmark, backed by public funds. But this is not just happening in Scandinavia. German employees can study for their “Meister” degree while working; their jobs are subsidised by a government grant. On the other hand, continuing vocational training rarely leads to a qualification in France. This is an example of a dual institutionalised system: the state provides the initial training and then hands over the task to the companies, which – rightly – organise continuing vocational training according to their needs. The onus to provide training falls back on the state only when employees lose their jobs! In a word, France has confused “lifelong learning” with “lifelong training”.

#### **Céreq’s publications on the theme of continuing training include:**

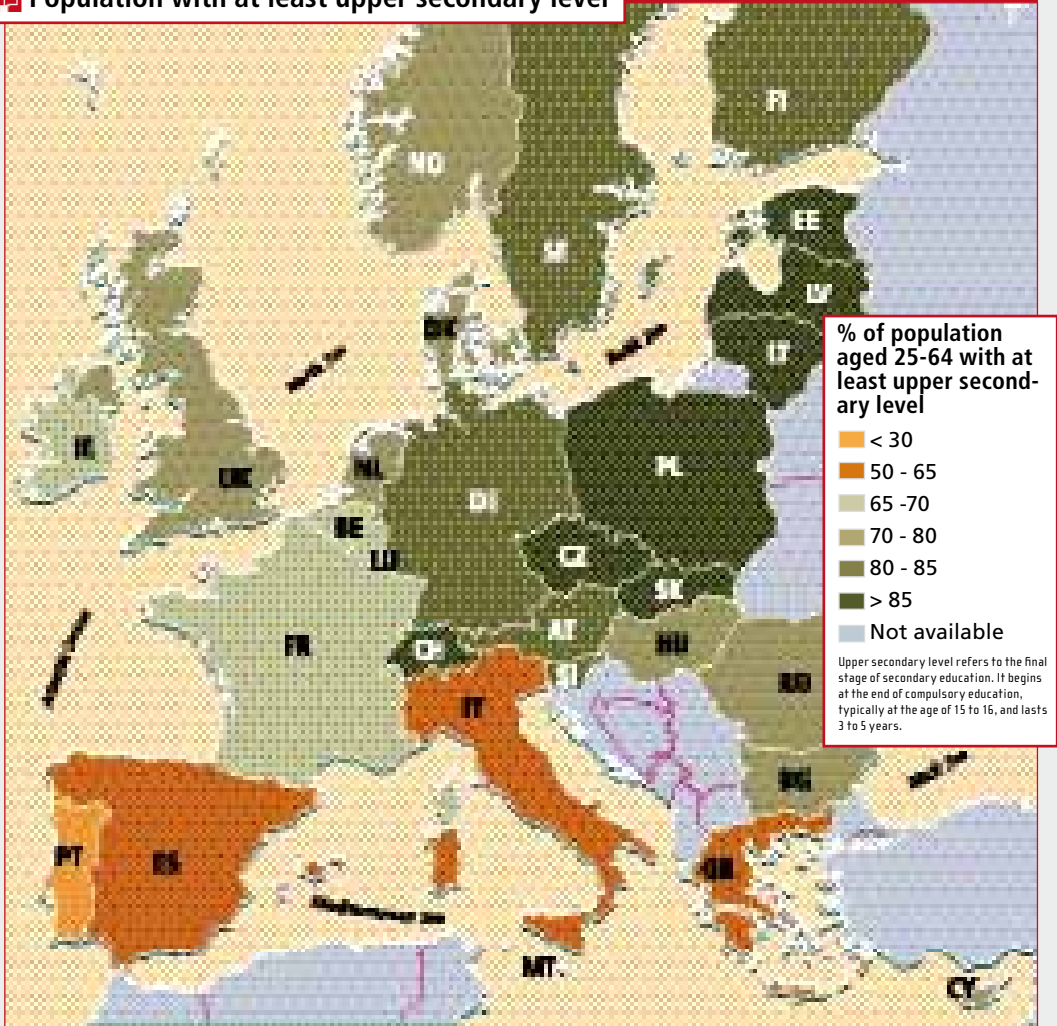
“Continuing training at European firms: The first steps towards homogenization”, Agnès Checcaglini, Isabelle Marion, Bref n°80, Céreq, May 2008.

“Measuring lifelong learning. A European survey conducted in 2003”, Martine Möbus, Net.Doc n°29, Céreq, October 2007.

“Lifelong learning still remains to be set up in Europe”, Michel Théry, Patrick Rousset, Christian Zygmunt, Céreq, June 2002.



**Population with at least upper secondary level**



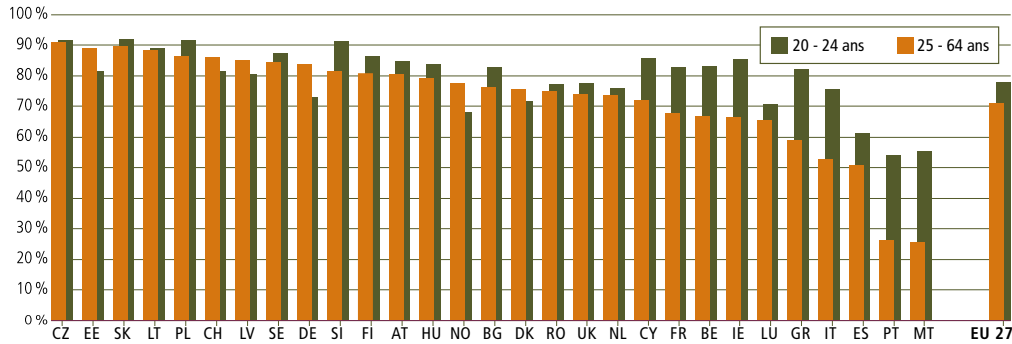
Source: European Communities Eurostat 2008 – Education level 2007

**Did you know?**

- Amongst OECD countries, the proportion of the population attaining tertiary education is **32%** for 25-34 year-old vs. 19% for those 55-64.
- In EU 27, **71%** of the population aged 25-64 attain upper secondary level of education.

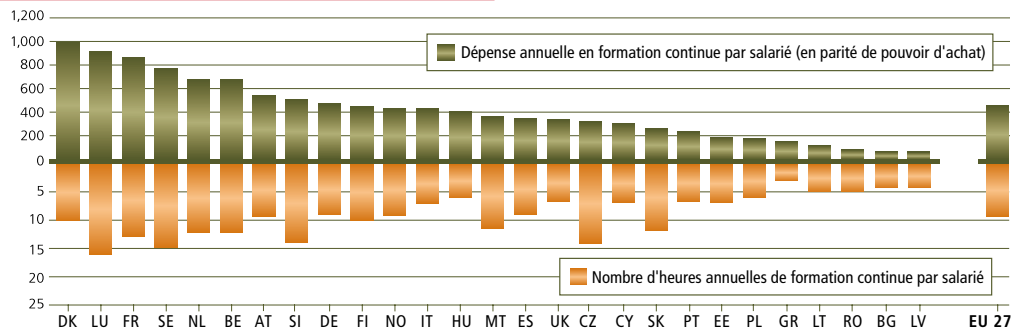


**Population with at least upper secondary level, by age**



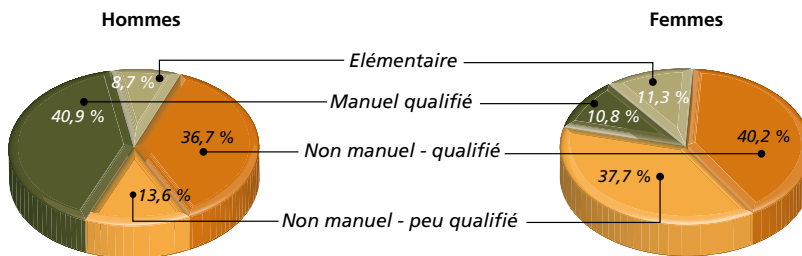
Source: European Communities Eurostat 2008 - Education level 2007

**Continuing Vocational Training (CVT)**



Source: European Communities Eurostat 2008 - Continuing vocational training 2007

**Qualification levels in EU27: main job by gender**



Source: European Communities Eurostat 2008 - Main job occupation 2007



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