



European  
Commission



# Up- and re- skilling

in micro and small enterprises

*What you need to know*  
*Survey results*

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# 4 THINGS YOU NEED TO KNOW ABOUT UP- AND RE-SKILLING

Skills are crucial for firms, their employees and the EU economy overall. Matching what employees can do with what firms need is necessary for innovation, competitiveness and inclusion in Europe.

## 1

### ADULT LEARNING IS MORE IMPORTANT THAN EVER

As digital technologies change the nature of jobs, employees' skills need to be continuously developed – and this will only become more important in the future. In addition, the transition to a green economy and the expansion of care sectors will require new competences. Adult learning is critical for everyone to adapt to change.

## 2

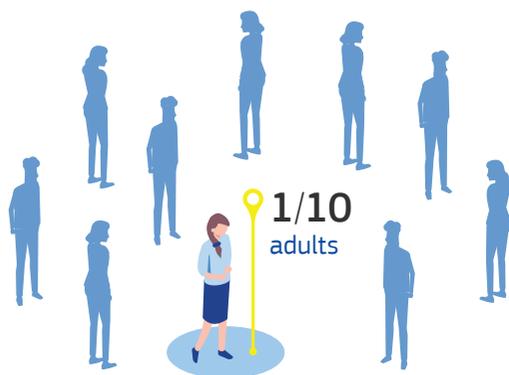
### HOW SKILLS WILL EVOLVE IS UNCERTAIN BUT THERE ARE FEW TRENDS TO FOLLOW NOW

Nobody really knows what jobs will exist in the future, because the labour market and the nature of work is changing fast. It is therefore hard to predict what skills should be learnt. However, there are some indications and these can help direct current efforts.

- 👍 Digital skills are crucial, in all jobs.
- 👍 Cognitive skills are growing in importance relative to manual skills.
- 👍 Socio-emotional skills are necessary to deal with change.
- 👍 Learning to learn and adaptability are key to keeping up with the pace of change.

## 3

### PARTICIPATION IN ADULT LEARNING IS STILL TOO LOW IN EUROPE



Adult learning participation rate in the EU.

**Only 1 out of every 10 adults** participates in learning in the EU, despite recent advances. There is a long road ahead if lifelong learning is to become a reality for all Europeans, providing what they need in the transition to the future of work. Low-qualified individuals participate even less in adult learning and risk being left behind if they are not offered up- and re-skilling opportunities.

## 4

### MICRO AND SMALL FIRMS HAVE AN IMPORTANT ROLE TO PLAY

Micro and small companies constitute over 98% of firms and almost half of employment in the EU. By developing strategies to increase the skills levels of their employees, they will not only enhance their own capacity to innovate and stay competitive in the European and global markets, but strengthen their role in the economy as a whole and contribute to EU objectives.

The leaflet presents the results of an online survey on up- and re-skilling in 345 micro and small companies across Germany, Denmark, France, Ireland, Italy, the Netherlands and Slovakia.

# OPPORTUNITIES

The opportunities offered by up- and re-skilling are a powerful incentive for micro and small companies to provide training.

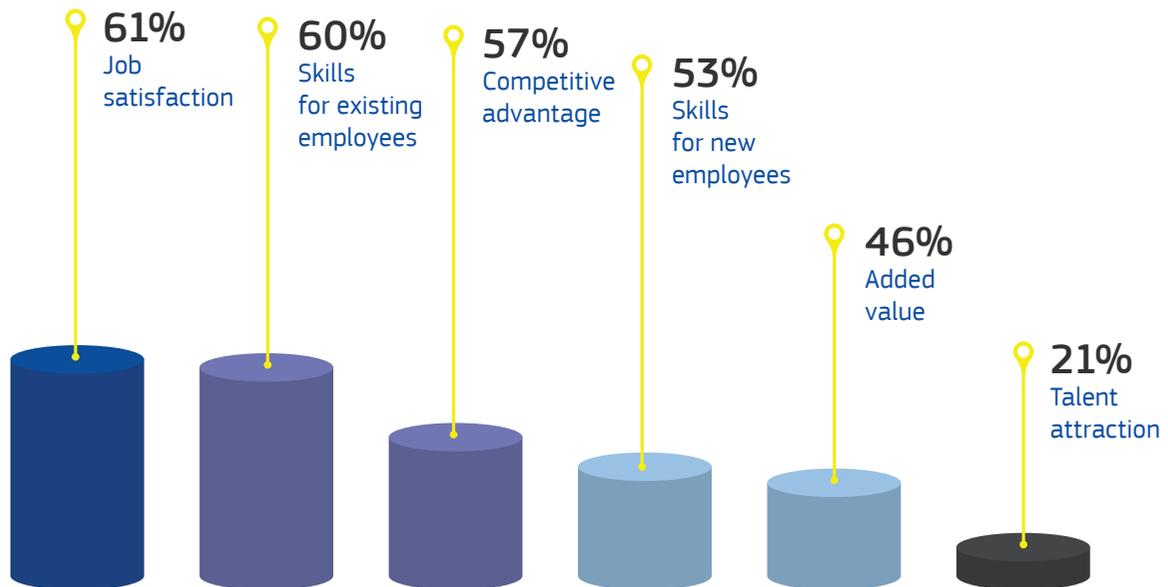
The majority of the companies surveyed are well aware of the opportunities provided by up- and re-skilling. More than 6 out of 10 recognise that learning represents a means to reward employees and increase their job satisfaction – and contribute to better human resources management in the firm.

The majority of companies also consider up- and re-skilling important for developing the skills of existing employees as well as those of new hires. Up- and re-skilling let the company complement the skills its employees acquired through their initial education or previous

experience, and tailor them more precisely to the needs of its business.

More than half the surveyed companies acknowledge that up- and re-skilling increase their competitive advantage. Similar share of the companies believe that up- and re-skilling increases opportunities to raise the value added of each employee and thus of the company overall.

Finally, 2 in 10 companies surveyed see the provision of up- and re-skilling as a way of attracting talented employees.

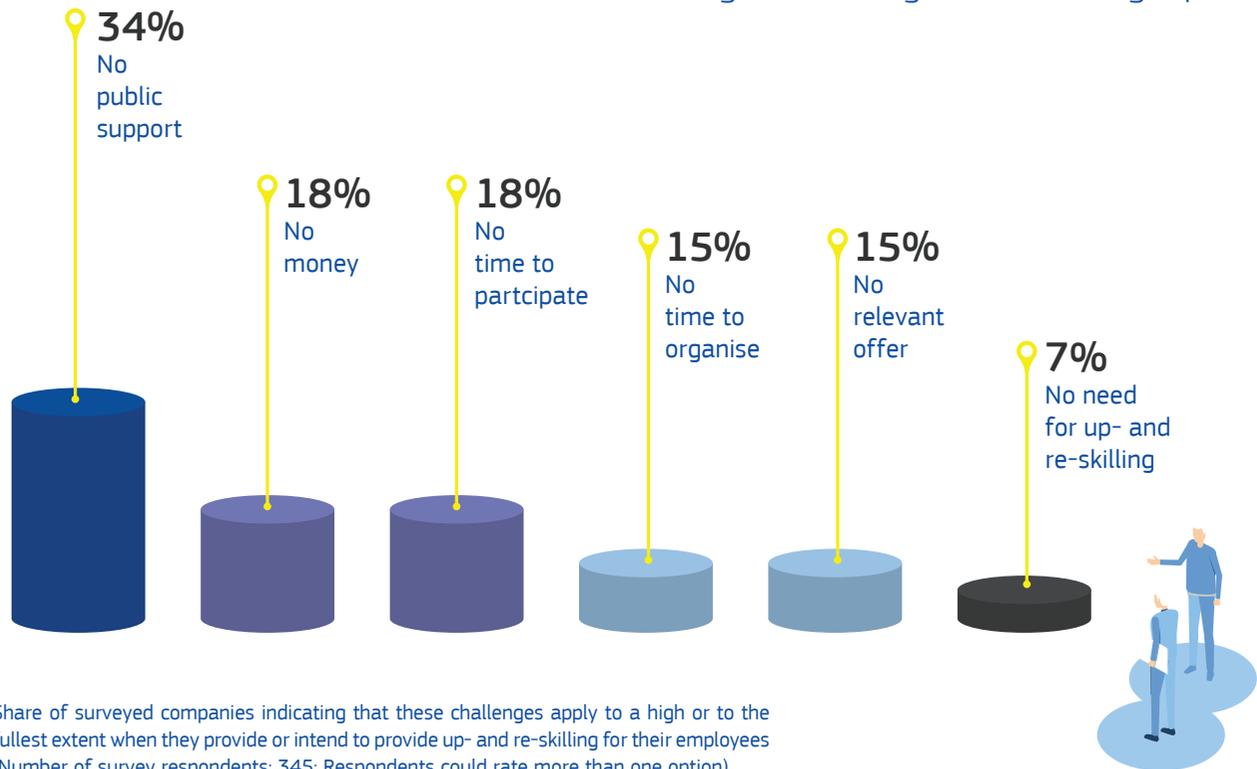


Share of surveyed companies indicating that these opportunities apply to a high or to the fullest extent when they provide or intend to provide up- and re-skilling for their employees. (Number of survey respondents: 345; Respondents could rate more than one option)



# CHALLENGES

Though micro and small companies are aware of how up- and re- skilling is crucial for the future, several challenges make them take much less advantage of training than their larger peers.



Share of surveyed companies indicating that these challenges apply to a high or to the fullest extent when they provide or intend to provide up- and re-skilling for their employees (Number of survey respondents: 345; Respondents could rate more than one option)

The most serious challenge perceived by the companies surveyed is the impossibility of finding public support for up- and re-skilling. This points to the fact that information on existing policies and incentives for adult education and training is not readily available. Micro and small companies do not have much time nor dedicated HR departments to look for it. As HR functions are underdeveloped or not present at all in micro and small firms, there is rarely anyone with specific time dedicated to search activities and support for skills development, so it is hard to access the information on public support if it is scattered and complicated.

This situation only exacerbates the second most serious challenge, the lack of financial resources to pay for up- and re-skilling. With the same share, lack of time to participate in up- and re-skilling activities is *ex aequo* the second most serious challenge. As staff is limited in these firms, employees cannot easily skip workdays to participate in training. In addition, lack of time to search, plan or organise these activities

is also reported as being among the six top challenges faced by surveyed companies, which further explains the impossibility to find public support.

The micro and small companies participating in the survey also highlight that it is hard to find education and training courses that respond to their needs, are of good quality, with suitable content and methods. These companies have specific characteristics and needs for training, but can train only one of few employees at the time. Thus, providers are often not able to supply them with adequate training tailored to their requirements.

Very few of the companies surveyed declare that there is no need for up- and re-skilling. This demonstrates that there is a reasonable overall awareness of the importance of these activities in facing the ongoing transformation in the world of work.

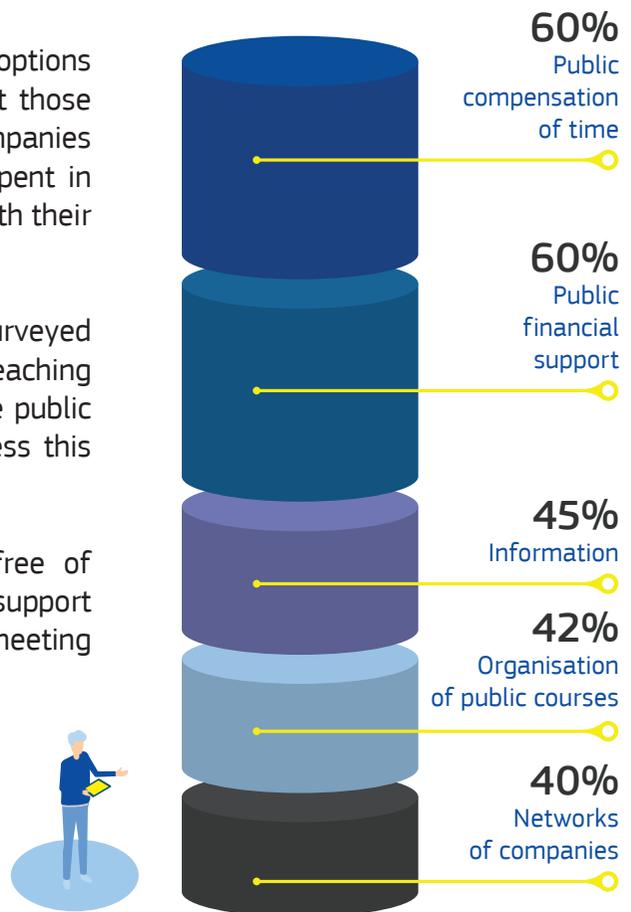
# WHAT CAN BE DONE

## Policy options

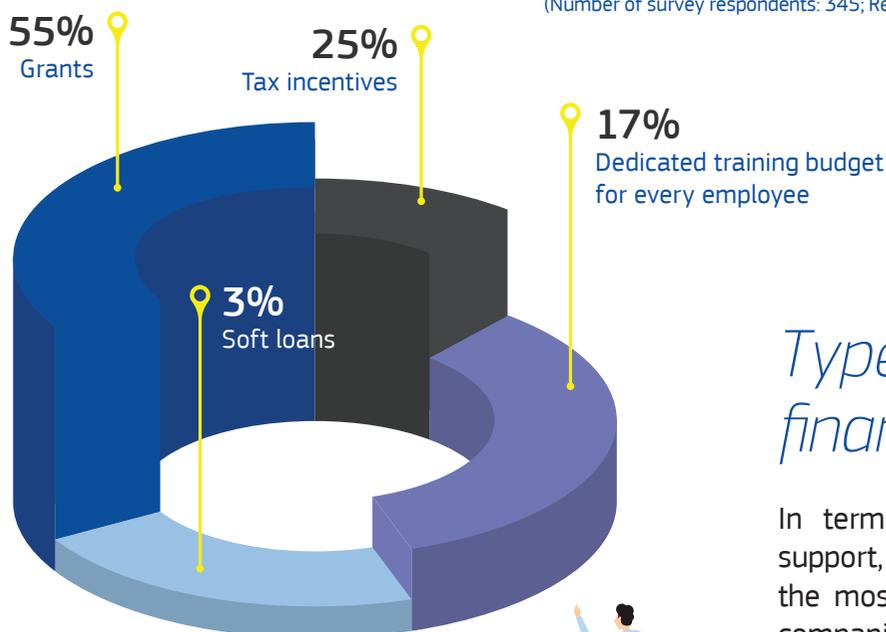
Public authorities have a choice of several policy options to overcome these challenges. When asked about those with the most impact, the majority of the companies surveyed indicate public compensation of time spent in training and public financial support. This aligns with their ranking of the main challenges.

In addition, almost half of the companies surveyed emphasise the impact of information. Actively reaching out to these companies to inform them about the public financial support available would help them access this funding and remove barriers to up- and re-skilling.

Organisation of courses by public authorities free of charge is ranked next in importance, followed by support for networks of companies to join forces in meeting common needs for up- and re-skilling.



Share of surveyed companies indicating that these policies would support to a high or to the fullest extent the provision of up- and re-skilling for their employees (Number of survey respondents: 345; Respondents could rate more than one option)



Share of surveyed companies indicating each type of financial support as having the most impact in fostering up- and re-skilling (Number of survey respondents: 345; Respondents could select more than one option)

## Type of financial support

In terms of the type of financial support, grants are considered to have the most impact by the majority of companies, followed by tax incentives and individual learning accounts for employees. Soft loans are only considered useful by a minority of the companies surveyed.

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## The study

In 2019, the European Commission – Directorate-General for Employment, Social Affairs and Inclusion, in collaboration with a group of researchers led by CEPS (Centre for European Policy Studies), conducted a study on mapping opportunities and challenges for micro and small enterprises in offering their employees up- or re-skilling opportunities.

Up- and re-skilling are necessary to face changes in the labour market, led by important transformations such as digitalisation, ageing populations and climate change. Given the importance of micro and small enterprises for the EU economy and employment, the study provides insights into the main challenges faced by these enterprises, potential opportunities stemming from up-skilling and re-skilling activities and policy options to facilitate the provision of future-proof up-skilling and re-skilling services.

## The survey

The study used first-hand data, collected through an online survey involving 345 micro and small companies in seven EU countries: Germany, Denmark, France, Ireland, Italy, the Netherlands and Slovakia. The results of the survey provide an overview of the challenges and opportunities experienced in these firms and insights into policy options and solutions that could be put in place.

The full report of the study is available at <https://europa.eu/!KB34px>

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