

# Strategic Partnerships for the Development of Competitive Labor Force Through Vocational Education and Training

Ilze Buligina and Biruta Sloka

**Abstract** Establishing closer links between education, training and the world of work is a high level EU policy priority and increasing in the focus of academic research. Constant skills' upgrading of the workforce to promote employability requires innovative approaches at national, regional and local level and demands new forms of strategic partnerships. This sets new tasks also for public administrations involved in vocational education and training (VET) provision. In Latvia VET reform is ongoing, with gradual changes in VET governance through increased involvement of social partners. It is important to evaluate the existing institutional mechanisms for co-operation among the social partners and, if necessary, improve them or develop new ones. A research was carried out in Latvia in 2014 among the top and medium level public administrators regarding the approaches to the development of competitive labor force by the VET system. A parallel analogous research was carried out among the employers. The aim of the research was to learn the opinions of the respective target groups, make a comparison between their opinions regarding research relevant issues and to identify the key challenges for public administrations in VET for improved decision making in the training of competitive labor force.

**Keywords** Training • Competitiveness • Workforce • Stakeholders • Partnerships

## 1 Introduction

Vocational education and training (VET) is a high level EU priority, especially in the context of high level youth unemployment rates and the increasing skills' gaps, especially in the medium level workforce. There are also clear implications to question the traditional distinctions between higher education (HE) and VET in this context (CEDEFOP 2011). Training of competitive workforce is been viewed as an integral part of strategies for overall economic competitiveness. EU policy

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wise—in the strategy “Europe 2020. Strategy for smart, sustainable and inclusive growth” (European Commission 2010) the issue of qualified and competitive labor force has been raised as a high priority question for all the EU countries and their public administrations in the context of knowledge and innovation based economy. Therefore the issue on the tasks of public administrations for improved labor force competitiveness is also at the center of academic research. However, not all public administrations are immediately ready for addressing the new challenges. The public administrations themselves need to reflect on their activities and become more innovative in their activities. There is an urgent need for research on the role, opinions and activities of public administrations and their co-operation partners in the development of competitive labor force by VET, as the topic is still under-researched in many countries, Latvia including. The results of such research can greatly contribute to better decision making by public administrations and improved functioning of the VET systems for the development of competitive labor force. As nowadays it is not sufficient to make decisions on the introduction of new measures by the educationalists alone, the decision on the labor force development and the legal framework have to be thought out, proposed, discussed, coordinated and tested among a broad spectrum of stakeholders. Therefore the present paper is based on the empirical research carried out by the authors from 2012 to 2015 at national, regional and local level with regard to several target groups—high and medium level public administrators from several relevant ministries and governmental agencies, local governments’ administrators, members of employers’ organizations, experts, employers from large, medium, small and micro enterprises. Results of the empirical research that is relevant to the present paper will be presented and discussed further on in the present paper.

## 2 Theoretical Framework and Research Approach

Human resource development for increased economic competitiveness is increasingly in the center of attention of academic research worldwide. Numerous academic research studies have been carried out in the world on the development of human capital by governments—as an investment for future returns. The theory of human capital, although challenged many times, has preserved its role in the theoretical thought on human resource development. More recently the focus of academic research is increasingly on systemic VET reforms and innovative approaches in VET implementation. The various aspects of human resources’ development have been analyzed in world congresses and conferences, for example, in the annual World Conference on Educational Sciences. Specialized research journals have been dedicated to this issue, for example the *International Journal of Public Sector Management*, *Management Development Review*, *Human Resource Management Review* and other. In recent years research focuses on the role of VET in the overall labor force competitiveness, since it is being acknowledged that higher education (HE) alone cannot solve the many existing and emerging challenges (Gurthrie and Dawe 2004). Also the shift in the EU education and training

policies with much greater emphasis on employment and employability issues indicate the new tasks for public administrations in the training of labor force by their VET systems. The classical ideas for the development of human capital are being continuously enriched with new research, and academic studies increasingly show the growing role of VET level specialists in the innovation process, especially regarding technology diffusion (Toner 2010). It is being stressed that a competitive VET level specialist today should be with innovation and technology competence (Toner 2010). Rogers (2003) uses the words 'innovation' and 'technology' as synonymous.

The latest academic research shows—the public administrations are increasingly becoming aware of the need for innovative solutions in human resource development, including new approaches in VET administration and governance. The most recent research by Workman et al. (2011), Schomberg (2012), Sharif (2012), Metsamuuronen et al. (2013), Gurthrie and Dawe (2004), Hynninen et al. (2013), McGrath (2012) put a particular emphasis on innovation in VET administration and governance, as well as the need and role of technological innovation in VET and human resource development. This is determined by the need to ensure closer links between the education and training processes and the actual work environment—already from early years of education and training—for better future labor force compliance with the actual labor market needs, as pointed out by Draycott and Rae (2011), Ellström and Ellström (2014), Thomas and Qiu (2012), Workman et al. (2011), Nikandrou et al. (2009), Paisey and Paysey (2010), Haines et al. (2012) and many other scholars. The both processes—promotion of work-based training and the implementation of innovation and technological competence, as well as entrepreneurial attitudes are often being addressed as a complex set of measures in the modern labor force developed by VET systems.

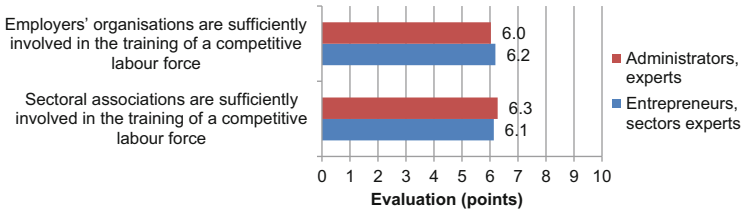
Thus, also in the training of the medium level labor force, innovation and technological competence is becoming an inherent characteristic of the competitiveness of the labor force—in relation to the ability to adapt to various new situations, the ability to independently solve new or non-typical situations, to offer and implement new solutions, as well as be competent in the implementation (diffusion) of technological innovation. Due to this reason, in the present paper the notion of competitiveness implies not only general correspondence to the labor market demands but also aspects of innovation and technological competence—as a new task and challenge for VET public administrations in developing new systemic approaches in VET implementation.

Based on theoretical framework of the issues under research, empirical research was prepared and carried out in the period from 2012 to 2015 at national, regional and local level. The research was based on textual analysis of research problem relevant policy documents and academic discourse. For the implementation of the empirical study, a questionnaire was developed with evaluations in scale 1–10, where 1—do not agree, 10—fully agree. The results of the survey were complemented by the analysis of interviews of high level administrators in education and training at national level. The empirical study concerned several target groups: (1) a survey in 2014 and 2015 among top and medium level administrators

at the Ministry of Education and Science, the Ministry of Welfare, the Ministry of Economics, the Ministry of Finance, the Ministry of Environmental Protection and Regional Development, among the agencies of these ministries—the State Education Development Agency, the National Education Centre, the State Education Quality Service, the State Employment Service, the Latvian Investment Development Agency, as well as among top level administrators of the VET institutions that are under the supervision of the Ministry of Education and Science, relevant VET institutions under local governments' supervision and colleges implementing VET programs alongside with college level programs; (2) a joint survey in 2014 and 2015 with the Latvian Employers' Confederation among large, medium, small and micro size enterprises—members of the Latvian Employers' Confederation, among representatives of employers' and employees' organizations, sector associations and Sector expert councils (SECs), as well as among enterprises that are co-operation partners (in providing practical training and qualification praxis for learners) for VET institutions under the supervision of the Ministry of Education and Science, relevant VET institutions under local governments' supervision and the colleges implementing VET programs alongside with college level programs; the aim was to address 'organized employers' who are either aware of the strategic employment issues or related to the training process through their links to VET institutions; (3) in-depth interviews in 2014 with top-level administrators of the Ministry of Education and Science—having competence for strategic VET development and implementation; (4) a survey in 2013 among medium level administrators of local governments'—the heads of the Education boards—regarding new developments in VET in Latvia; (5) an initial survey in 2012 among top and medium level public administrators and experts in education and research and several more minor surveys at various levels. The key result of the empirical study will be presented in the next chapter of the paper.

### 3 The Results of the Empirical Study

The preliminary conclusions from this part of the research leads to further analysis regarding the identification of the key stakeholders and their relevance in the training of competitive labor force—as a basis for the identification of relevant governance modes and mechanisms. We identified the employers' organizations and sector associations as increasingly relevant actors. In the empirical study we attempted to estimate the degree and need for their involvement from the point of view of public administrators and employers. Regarding the involvement of sector associations and employers' organizations in the training of a competitive labor force (see Fig. 1) the entrepreneurs are only moderately satisfied with the results, represented by the average evaluation between 6 and 7 scores. Regarding the involvement of sector associations, the evaluations are also comparatively low, given the existing institutional mechanisms already put in place by public administrations and the continuous dialogue between the key actors—as indicated by our



**Fig. 1** Arithmetic mean of evaluations of administrators, experts and entrepreneurs, sectors experts on statements “Sectorial associations are sufficiently involved in the training of a competitive labor force” and “Employers’ organizations are sufficiently involved in the training of a competitive labor force”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

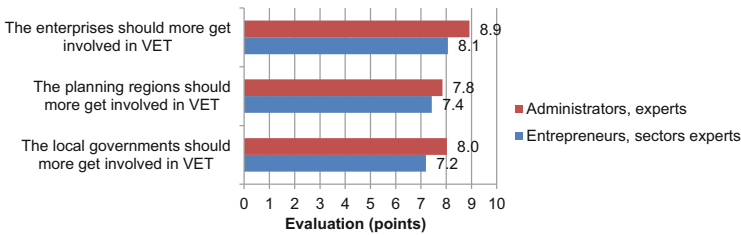
desk research. This suggests that the information loop (feed-back) should be improved by public administrations.

The evaluations of administrators, experts and entrepreneurs, sectors experts on statement “Sectorial associations are sufficiently involved in the training of a competitive labor force” did not differ statistically significant with high probability (Mann-Whitney test:  $z = -0.373$ ,  $p = 0.709$ ).

The evaluations of administrators, experts and entrepreneurs, sectors experts on statement “Employers’ organizations are sufficiently involved in the training of a competitive labor force” did not differ statistically significant (Mann-Whitney test:  $z = -0.991$ ,  $p = 0.322$ ).

Regarding the involvement of enterprises, local governments and planning regions—the public administrators are more supportive to the involvement of enterprises and local governments than the entrepreneurs are. Both groups of respondents are to a lower degree interested in the involvement of planning regions which indicates to the still unused potential of these bodies. The involvement of the local governments is more appreciated by the public administrators, with relatively little support from the entrepreneur’s side (see Fig. 2). This is again a surprising result, since our desk research indicates to an increasingly spreading model and good practice where the VET institutions are closely co-operating with the local government, e.g., in the implementation of work-based learning. This may indicate to an insufficient circulation of information by public administrations and limited promotion of examples of good practice. On the other hand—it may indicate to insufficient activity on either side—the employers and the local governments, possibly not seeing potential for mutual beneficially relationship. This situation should be amended—through creating and strengthening joint governance approaches in human resource training locally and regionally.

The evaluations of administrators, experts and entrepreneurs, sectors experts on statement “The local governments should more get involved in VET” differed statistically significant with high probability—0.998 (Mann-Whitney test:  $z = -3.062$ ,  $p = 0.002$ ). The evaluations of administrators, experts and entrepreneurs, sectors experts on statement “The planning regions should more get involved in VET” did not differ statistically significant (Mann-Whitney test:  $z = -1.783$ ,  $p = 0.075$ ). The evaluations of administrators, experts and entrepreneurs, sectors



**Fig. 2** Arithmetic mean of evaluations of administrators, experts and entrepreneurs, sectors experts on statements “The local governments should more get involved in VET”, “The planning regions should more get involved in VET”, “The enterprises should more get involved in VET”. Note: Evaluation scale 1–10, where 1—do not agree, 10—fully agree

experts on statement “The enterprises should more get involved in VET” differed statistically significant with high probability—0.999 (Mann-Whitney test:  $z = -3.724$ ,  $p = 0.000$ ). In Fig. 3 the distribution of the evaluation on the involvement of local governments is presented.

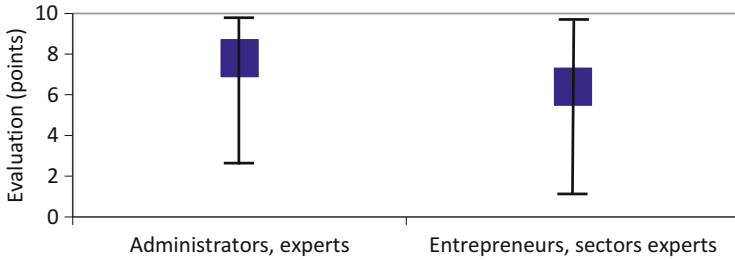
Here the distribution of the evaluation on the involvement of planning regions is presented—the differences of evaluations are not big (see Fig. 4).

The distribution of the evaluation on the involvement of entrepreneurs is presented in Fig. 5.

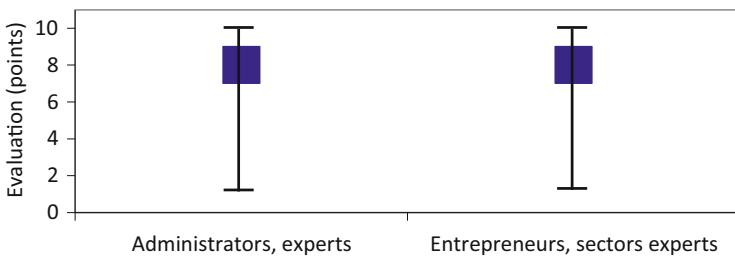
Public administrators are markedly supportive to the further and stronger involvement of professional organizations and associations in VET governance which indicates to the openness of the VET system and its preparedness to strengthen links with the world of work and employment for improved labor market competitiveness through the workforce training. It is also important that the entrepreneurs recognize the role of the involvement of the local governments, the planning regions and the enterprises themselves much more in the training of a competitive labor force, which implies that the enterprises are prepared to think strategically in the context of local and regional development, and not solely in the interests of the enterprise, as indicated before and included in Fig. 2.

As regards new approaches to VET, in our research this refers also to the introduction of work-based learning (WBL). The success of the WBL pilot project implemented in a small number of VET institutions in 2013/2014 academic year in Latvia was greatly due to the active involvement and support from the local governments, as our minor surveys on WBL approaches have shown. These findings lead to the next stage in our empirical research—regarding the need for new forms of governance. As represented below (see Fig. 6)—both the evaluations—by administrators and entrepreneurs—in general are very high with the mode for the highest possible evaluation. The evaluations do not differ much, but entrepreneurs have a higher variety of evaluations covering the whole range of the evaluation scale.

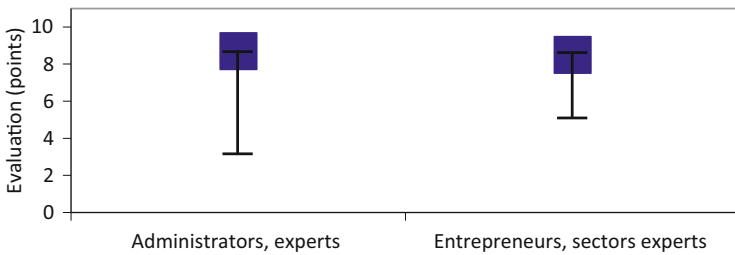
The evaluations of administrators, experts and entrepreneurs, sectors experts on statement “New innovative approaches to VET should be promoted at state level for the training of a competitive labor force” are very high, but they differed



**Fig. 3** Distribution of evaluations of administrators, experts and entrepreneurs, sectors experts on statement “The local governments should more get involved in VET”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

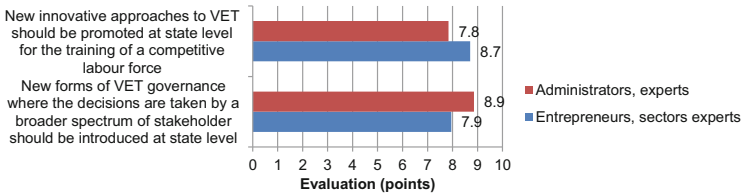


**Fig. 4** Distribution of evaluations of administrators, experts and entrepreneurs, sectors experts on statement “The planning regions should more get involved in VET”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree



**Fig. 5** Distribution of evaluations of administrators, experts and entrepreneurs, sectors experts on statement “The enterprises should more get involved in VET”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

statistically significant with high probability—0.999 (Mann-Whitney test:  $z = -3.710$ ,  $p = 0.000$ ). The evaluations of administrators, experts and entrepreneurs, sectors experts on statement “New forms of VET governance where the decisions are taken by a broader spectrum of stakeholder should be introduced at state level” differed statistically significant with high probability—0.999 (Mann-Whitney test:  $z = -4.178$ ,  $p = 0.000$ ). More in-depth analysis is represented in the break-down into the statistical indicators which are included in Table 1.



**Fig. 6** Arithmetic mean of evaluations of administrators, experts and entrepreneurs, sectors experts on statements “New innovative approaches to VET should be promoted at state level for the training of a competitive labor force” and “New forms of VET governance where the decisions are taken by a broader spectrum of stakeholder should be introduced at state level”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

**Table 1** Statistical indicators of administrators, experts and entrepreneurs, sectors expert’s evaluations on statements related to VET

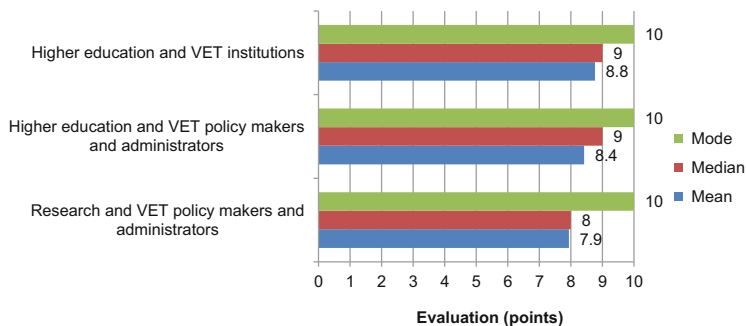
Statistical indicators	New innovative approaches to VET should be promoted at state level for the training of a competitive labor force		New forms of VET governance where the decisions are taken by a broader spectrum of stakeholder should be introduced at state level	
	Administrators	Entrepreneurs	Administrators	Entrepreneurs
N	121	246	120	245
Mean	7.84	8.71	8.85	7.95
Standard error of mean	0.207	0.108	0.146	0.138
Median	8	9	9	8
Mode	10	10	10	10
Standard deviation	2.154	1.573	1.532	2.031
Range	9	9	7	9
Minimum	1	1	3	1
Maximum	10	10	10	10

*Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

The statistical analysis indicates that the differences are statistically significant with very high probability (0.999). The variability or differences of evaluations on statement “New innovative approaches to VET should be promoted at state level for the training of a competitive labor force” is much bigger for entrepreneurs in comparison with administrators. Further on the distribution of evaluations of administrators, experts and entrepreneurs, sectors experts on statement “New innovative approaches to VET should be promoted at state level for the training of a competitive labor force” is represented (Fig. 7).

All these findings and results indicated to the perceived need for new forms of VET governance regarding the involvement of various stakeholders at national, regional and local level. At the same time the co-operation among key education and training providers and education and research administrators have to be at a particular focus of attention—as being directly responsible for an effective functioning of the overall system. Therefore we found it relevant in our research to study in greater detail the role of their co-operation—as seen from their own perspective.





**Fig. 7** Average assessments of public administrators and experts evaluations on statements “In the development of competitive labor force there should be more co-operation between VET, HE and research policy makers and administrators”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

If to compare the results of the 2012 and 2014–2015 survey, it should be noted that comparatively much higher scores on the need for co-operation were given in the latest survey which again indicates to an important dynamics in the evolvement of opinions of different stakeholders.

Breaking down evaluations of respondents to statistical indicators allows for a more in-depth analysis regarding the importance of co-operation among various stakeholders in the education, training and research sectors. It should be noted that the mean indicators are relatively high for all evaluations. The most common evaluation for the analyzed statements were 10 (characterized by mode). Half of the respondents gave evaluations <8 and half of respondents gave more than 8 (characterized by median) for research and VET policy makers and administrators. For other groups the median was even higher and reached 9. The evaluations were quite homogenous—characterized by indicators of variability. It is important to mention that in 1–10 point scale for higher education and VET policy makers and administrators and for higher education and vocational education and training institutions evaluations were given not <4 (see Table 2).

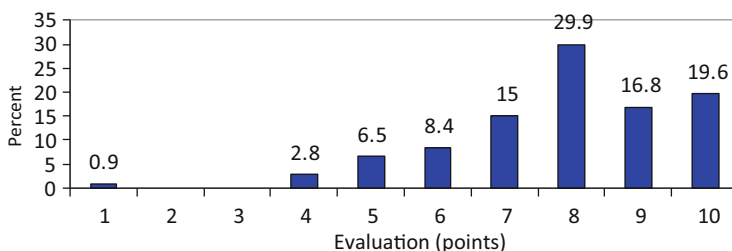
The correlation analysis indicates that there is statistically significant correlation for the statements (with significance level 0.000). Still the challenge remains—would a stronger horizontal cooperation among various education, training providers and researchers would facilitate improved labor force training at all levels. The figure below indicates to high evaluation by public administrators (Fig. 8).

As the demands for competencies of the medium level specialists in the labor market change, also the public administrations need to adapt to this situation—by developing new institutional mechanisms and co-operation schemes that are capable of addressing these new demands in developing medium level competent and competitive specialists. The research has provided answers to this question also from another perspective—could and should the labor force prepared by VET system be strengthened through better links between higher education and VET

**Table 2** Statistical indicators of public administrators and experts evaluations on statements “In the development of competitive labor force there should be more co-operation”

Statistical indicators	Higher education and VET policy makers and administrators	Research and VET policy makers and administrators	Higher education and VET institutions
N	116	115	115
Mean	8.42	7.93	8.76
Std. error of mean	0.151	0.204	0.129
Median	9	8	9
Mode	10	10	10
Standard deviation	1.549	2.103	1.328
Range	6	9	6
Minimum	4	1	4
Maximum	10	10	10

Note: Evaluation scale 1–10, where 1—do not agree, 10—fully agree



**Fig. 8** Public administrators and experts evaluations on statement “Horizontal co-operation between institutional mechanisms (various councils expert groups etc.) in higher education institutions, research institutions and VET institutions would contribute to a better development of competitive workforce”. Note: Evaluation scale 1–10, where 1—do not agree, 10—fully agree

and if this can serve as a means to support innovation and technology competence in VET labor force.

Regarding the cooperation among various ministries and the results of this cooperation have been evaluated both, by the public administrators themselves and by entrepreneurs. It is quite surprising that the evaluations by these two target groups are comparatively uniform, given the fact that the entrepreneurs traditionally have a rather negative attitude towards the operation of public administrations. The similarity by the answers could be caused by several reasons. Potentially it indicates that the public administrators tend to be fairly objective when evaluation their work regarding the quality of inter-ministerial co-operation and the achieved results. It might indicate to new tendencies in the public administration—to be able to critically reflect on own activity and acknowledge the drawbacks or bottlenecks. This allows to assume that a constructive dialogue between the involved stakeholders is possible and that the existing situation might be improved. However, it

**Table 3** Statistical indicators of administrators, experts and entrepreneurs, sectors expert’s evaluations on statements “Ministries sufficiently coordinate their activities for jointly addressing education and employment issues” and “The joint activities of ministries in addressing education and employment issues produce good results”

Statistical indicators	Ministries sufficiently coordinate their activities for jointly addressing education and employment issues		The joint activities of ministries in addressing education and employment issues produce good results	
	Administrators	Entrepreneurs	Administrators	Entrepreneurs
N	116	238	116	235
Mean	5.11	4.59	5.04	4.74
Standard error of mean	0.184	0.144	0.169	0.141
Median	5	5	5	5
Mode	5	5	5	5
Standard deviation	1.986	2.134	1.826	2.081
Range	8	9	8	8
Minimum	1	1	1	1
Maximum	9	10	9	9

Note: Evaluation scale 1–10, where 1—do not agree, 10—fully agree

should be noted that the respondents from public administration had more alike evaluations if compared to respondents from entrepreneurs group—that is characterized by indicator of variability—standard deviation (see Table 3).

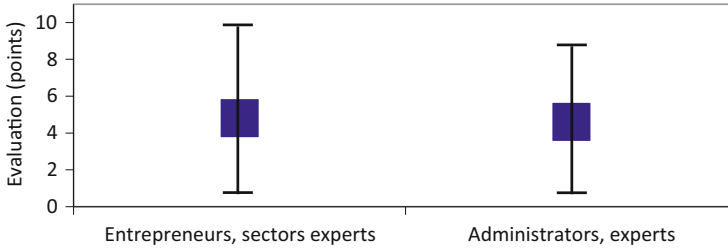
Evaluations for the below stated question were similar for administrators and entrepreneurs. The arithmetic means of evaluation by entrepreneurs were lower than by administrators. Variability of evaluations by entrepreneurs was higher (characterized by standard deviations).

The distribution of the results regarding the coordination of activities shows that the public administrators and entrepreneurs are of different opinions regarding the effectiveness of ministerial co-operation and the produced results (see Fig. 9).

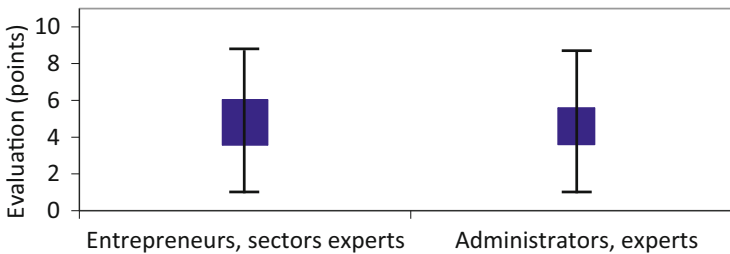
Slightly less market differences in the opinion among public administrators and employers apply to the statement regarding the results of the ministerial activities in the labor market training (Fig. 10).

The entrepreneurs’ evaluations show the indication that ministries have to pay more attention to education and employment issues. The highest score for co-operation results is 9, which constitutes only 2.9 % of all the evaluation, however the lowest score has been given by 10 % of the respondents. The results of the evaluated statement have the indication that ministries have a lot to do in addressing education and employment issues. It is important to note that the opinion of public administrators on these issues is also comparatively low, but still higher by at least one score or slightly more.

At the same time entrepreneurs are highly satisfied with the results of the training of the workforce by the enterprises themselves which suggests that new forms of co-operation between VET institutions and enterprises are highly welcome in



**Fig. 9** Distribution of evaluations of administrators, experts and entrepreneurs, sectors experts on statement “Ministries sufficiently coordinate their activities for jointly addressing education and employment issues”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

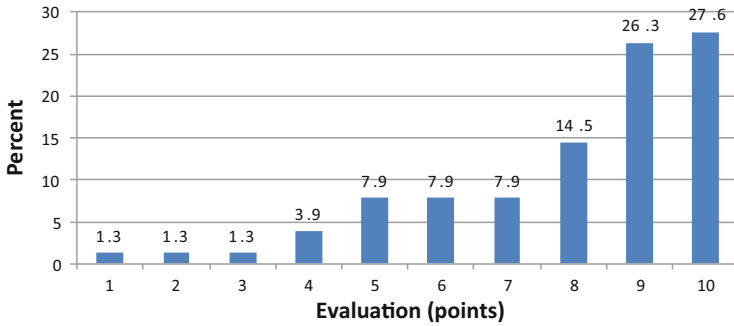


**Fig. 10** Distribution of evaluations of administrators, experts and entrepreneurs, sectors experts on statement “The joint activities of ministries in addressing education and employment issues produce good results”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

Latvia and have to be under attention of public administrators to develop best possible decisions.

At the same time, public administrations are also highly supportive to a strong co-operation among VET institutions and enterprises and give high scores to the statement “The most effective is the training implemented jointly by a VET institution and an enterprise”.

The conclusion is supported also by the entrepreneurs answers to the statements “New forms of VET governance where the decisions are taken by a broader spectrum of stakeholder should be introduced at state level” and “New innovative approaches to VET should be promoted at state level for the training of a competitive labor force”. It indicates that the entrepreneurs are not only supporting new initiatives by public administrations but are prepared to become more actively involved in the governance of the VET institutions to improve the training of competitive VET specialists. In this context it is not surprisingly that there has been a high level of support for the development of a legal act regulating the obtaining of all levels of professional qualifications—which is not the case under the present regulation in force in Latvia. This could be interpreted as a growing need among public administrators to simplify and make more user-friendly the legal framework and procedures regulating education and training processes at all levels. Although the development of such a law is hardly feasible in the near future,



**Fig. 11** Public administrators and experts evaluations on statement “The law on professional education should regulate the acquisition of professional qualifications of all levels”. *Note:* Evaluation scale 1–10, where 1—do not agree, 10—fully agree

the perceived need by the stakeholders has to be communicated to the decision-makers in the form of recommendations (Fig. 11). Moreover, this has further implications regarding the development of professional standards, the permeability of various education and training programs in VET and higher education, regarding the potential work of joint expert councils and the certification issues in various professions. All this indicates to the need for revising the existing procedures and governance mechanisms, and suggests the need for new governance approaches in the public administrations themselves to be able to respond to the new objective developments in VET.

The results of the empirical research has allowed to draw conclusions on the role of strategic partnerships for improved labor force training and to identify the tasks of public administrations to improve their overall operation and decision making processes related to preparation of competitive labor force.

## 4 Conclusions

Based on the research results conclusions were drawn and recommendations worked out. The key findings refer to the need for public administrations in VET to improve the co-operation mechanisms and schemes not only with employers but also among the key stakeholders in the public sector itself—at national, regional and local level. Only through improved and more flexible governance mechanisms and the increased role of the local governments the skills’ gaps and labor market challenges can be adequately addressed at all levels.

The present EU policy regarding the development of the VET system puts great emphasis on closer links between the higher education and research and the VET system, as well as more co-operation between general education and VET. As one of the key issues to be addressed by public administrations is the constantly changing *skills* of the future workforce; thus, the existing institutional mechanisms

in the education system should become more flexible to respond to the fast changing labor market demands.

The experts from public administration in Latvia on the average are not considering the quality of the skills of the workforce produced by VET system as sufficiently high. It refers to both, the VET system and the college system. The quality of the specialists trained by the education system at all levels in Latvia only partly corresponds to the employers' expectations. At the same time the evaluation of the quality of the specialists trained by the VET system has relatively improved if compared to the 2012 evaluation against the quality of specialists trained by the HE system. This could testify to the gradual increase of the quality of the specialists trained by the VET system.

The status of training by enterprises still has a higher status if compared to the training by VET institutions, but the differences are not as great as of the 2012 evaluation. The positive tendencies towards VET training might be the result of the increasing co-operation between VET providers and enterprises, especially in relation to the new approaches in work based learning—WBL.

A new tendency can be observed—in recognizing the need for innovation competence in specialists prepared by the VET system. This is equally recognized by both—the public administrators and by entrepreneurs. A shift in thinking paradigms is taking place if compared to 2012 also regarding a need for more horizontal co-operation among various committees and expert councils in VET in HE—testifying to the gradual blurring of the borderlines between the various types and levels of education in relation to the emerging new type of labor market skills, including innovation competence for all levels of workforce.

This is a uniform opinion among public administrators and employers on the employers' organizations and sector association's insufficient involvement in the VET provision. Since a comprehensive set of institutional mechanisms are in place for an active involvement of these organizations and associations in the VET provision, an in-depth study of the problem is needed to identify the roots of the relatively negative opinion by the key stakeholders in VET.

There is a uniform support to a stronger involvement of the local governments, the planning regions and the enterprises in the VET provision which indicates to a changing paradigm in the perception of VET governance. This has also been stated explicitly by all the involved national level stakeholders acknowledging that new approaches to VET implementation and VET governance is needed at state level. There is a high level of support to the introduction of new forms of VET governance also in public administrators at the regional and local level which indicates to the uniformity of perception of strategic VET goals at national scale and shows a potential for success in addressing the new VET challenges.

These is a comparatively low evaluation among public administrators and the entrepreneurs regarding the co-ordination of activities by different branch ministries regarding VET implementation and regarding the achieved joint results by these ministries. The uniformity of the opinion of both the stakeholders testify to an inherent challenge or communication problems which require a further in-depth study and analysis.

These is a relatively high support to the introduction of new approaches in VET in Latvia—e.g., work-based learning. At the same time the actual awareness level on the existing activities by public administrations is lower than expected which indicates to the need for a more intense awareness raising and information campaigns among the relevant stakeholders. On the positive side—the employers are relatively highly aware of the potential benefits of WBL and have a clear vision about the challenges that need to be addressed by the public administrations to increase the WBL attractiveness in the eyes of the employers. There are indications that there is a huge potential for the introduction of WBL in Latvia at systemic level, provided the awareness raising activities and strengthened and the motivation system for entrepreneurs put in place—especially addressing the needs of small enterprises.

The traditional approaches in Latvian public administration in the implementation of VET are gradually changing giving place to more flexible and innovative approaches—as a result of increasing discussions with the social partners, critically overtaking the best practice from other countries and learning from own experience.

The existing traditional approaches, on the one hand, may secure stability and continuity, but on the other hand, may act as potential hindering factors, given the overall novelty of the global economic situation. Therefore, further academic research is needed on how to create and secure flexible and enduring future models. Further study is also needed on the possible effects the existing and emerging institutional mechanisms may leave on the training of the modern workforce, and vice versa. Discussing and developing new institutional mechanisms by key stakeholders may prove to be an effective approach in the training of competitive labor force by VET. A new type of discourse is needed how to address skills' shortage or innovation skills gap, as well as on the issue how to determine the needed qualifications.

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