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**HUMAN RESOURCE MANAGERS AS AGENCIES OF  
LIFELONG LEARNING: CASE OF ESTONIA**

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Primus

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## Saateks

Primuse toel võtsid Tallinna Ülikooli sotsioloogid Triin Roosalu, Auni Tamm ja Eve-Liis Roosmaa uuesti ette professor Ellu Saare poolt Euroopa Komisjoni 6. teadusprogrammis algatatud mahuka rahvusvahelise uuringuprojekti “Elukestev õpe 2010: tasemehariduse roll elukestval õppel põhineva ühiskonna tagamisel (vt <http://LLL2010.tlu.ee/>)” käigus kogutud andmed ja otsisid vastuseid küsimustele, mis algselt uurijate tähelepanu keskmest kõrvale jäid. SA Archimedese vahendusel Primuse programmi raames Euroopa Sotsiaalfondi ressurssidega kaasrahastatud üliõpilasgrandiga ette võetud uuringuprojekt “Täiskasvanud kõrgharidust omandamas: õpingute ühildamine töö ja eraeluga”, lühemalt TAAS KOOLIS, kestis poolteist aastat ja jõudis äsja lõpule.

Miks see teema praegu oluline on?

Esiteks tuleb haridussüsteemil tänapäeva kiiresti muutuv maailmas kujunevas õppivas ühiskonnas noorte esmase väljaõppe kõrval järjest enam orienteeruda kord juba haridussüsteemist lahkunud, ent sinna tagasi tulnud täiskasvanud õppijatele. Tuleb ka tõdeda, et mitmed ajalooliselt täiskasvanud õppijale omased jooned iseloomustavad tänapäeva Eestis suurt osa neist noortest, kes kõrgkoolist alles esmast väljaõpet taotlevad (nt paljud põhiõppe tudengid töötavad õppimise kõrval), niisiis võib täiskasvanud õppijate kohta kehtiv heita valgust kogu õppijakontingendile.

Meil olid kasutada nelja tüüpi andmed. 2007. aastal korraldati 13 riigis, sealhulgas Eestis mahukas küsitlusuuring, mis hõlmas Eestis enam kui tuhandet täiskasvanut, kes on kunagi jäänud õpingutest kõrvale vähemalt kaheks aastaks, kuid kes parajasti põhi-, kesk-, kutse- või kõrghariduse tasemel taas tasemeharidust omandavad. Samal ajal intervjueriti nende koolide esindajaid, kus vastajad õppisid, et paremini mõista koolide hoiakut ja panust täiskasvanud õppijate õpingute sujumisel. Kolmandaks tehti süvaintervjuud seitsme väikese või keskmise suurusega eraettevõtte töötajatega, kes parajasti ise tööga samaaegselt koolis käivad. Neljandaks intervjueriti nendes ettevõtetes mõnd juhtkonna esindajat, uurides lähemalt nende personali arendamise strateegiaid ja hoiakuid elukestva õppe suhtes. Mõistagi on nende andmete toel võimalik välja tuua terve hulk erinevate valdkondade jaoks olulisi tulemusi. Oleme projekti raames tehtud töid avaldanud eestikeelses kogumikus “Kolmekesi elukestvas õppes” (Roosalu 2010, kättesaadav ka elektrooniliselt [www.andras.ee](http://www.andras.ee)) ja ingliskeelses raamatus “Learning in Transition” (Kozlovskyi, Vöörmann, Roosalu 2010).

Käesolev artikkel on tööversioon analüüsist, mis mõeldud avaldamiseks viimatimainitud raamatus. Head kaasamõtlejad!

Triin Roosalu

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## Introduction

As a starting point of our approach, employers in the transition society must be a special species in the overall pool of employers, since in a postsocialist society the profession of an employer, the concept of SME, and the notice of private ownership as such emerged only within last 20 years. Therefore, the entrepreneurs probably changed their lifecourse path and ideas of their potential professional identity during the societal transformation by taking up the new challenge in profit-oriented market economy and perhaps engaging even in private ownership, as the lack of this option in the environment disabled these to be guiding one's life plans. So, during their careers, they must have themselves been continuously engaged in learning. We also suggest that because of the small population and small size of the country may mean that the employers themselves or their family and friends were during the soviet time employees, or are currently. They are thus assumed here to carry with them some values of the previous society, since majority of the employers were socialised in the socialist era, but also the values of the more egalitarian identities with quite low level of diversity.

Our research question is about the role of lifelong learning in the human resource management strategies in Estonian enterprises as perceived by the specific employers. We start our analysis by outlining human resource development strategies that exist in Estonian SMEs according to the extent that education and training are reflected in these. Then we characterise the language used by the employers to talk about their personnel and their training, interpreting this as influential part of the overall framing in Estonia of the discourse of lifelong learning.

In framing our analysis, we follow Wherry (2008) who builds on Burawoy (2000) defining the 'Three Fs' of globalisation – forces, frames and flows. These are defined (see Wherry 2008:16) as follows:

- Forces – large-scale economic processes to which artisans respond; macroeconomic changes in the economy spur reactions from the nation-states,

private industry, and private citizens in their efforts to fend off threats and to take advantage of opportunities

- Flows – interactions among actors and institutions as well as their exchanges of information, materials, money and status. Circumspect investigations of these flows unveil the third dimension of globalisation – frames
- Frames – how actors and institutions make sense of their maneuvers and with what consequences.

In his book Wherry (2008:135) analyses economic and political forces; flows of people and materials; and frames that differentially define cultural and market situations. In our analysis, we see the societal change and institutional restructuring and development of market economy with the economic restructuring as relevant political and economic forces. We are also studying flows of people and knowledge: we look at the personnel management in the SMEs and the training policies and practices in the companies. However, our main attention concentrates on the way the employers – representatives of SME management – frame their principles and reason their strategies, comparing this with the change in the dominant values, framing the public discourses.

We find interesting as well as inspiring Wherry's (2008:151) conclusion that neither the neoliberal prescriptions of laissez-faire nor Marxist predictions of the market's overwhelming force explain how some of the small businesses (in his study) become more dynamic while others operate at the level of mere subsistence. Since Estonia has been considered one of the best and fastest students of neoliberalism among the postsocialist countries, it would be interesting but also theoretically relevant to see to what extent can Estonian employers' strategies be explained by the shifts in ideology on the societal level. For that end, the human resource development practices in Estonian SMEs are analysed on the backdrop of the strategies identified in the international research project (Hefler & Markowitsch 2010). However, in addition to describing those strategies, we also seek to listen to the managers, paying attention to how they talk about the issues under question. As 'changing language can change the existing order' (Halliday 1990, referred to in Mühlhäusler and Peace 2006), we want to see, how the managers speak about their employees and educating and training them, and with which words they describe – and explain, not to say justify – their chosen strategies. We believe this gives us further insight into the frames which can influence the outcome at

the very general level, reflected in adults' participation in lifelong learning in a society as well as in their perceived aims to do that. However, we want to listen also to the silences (Blackman and Sadler-Smith 2009) in this regard.

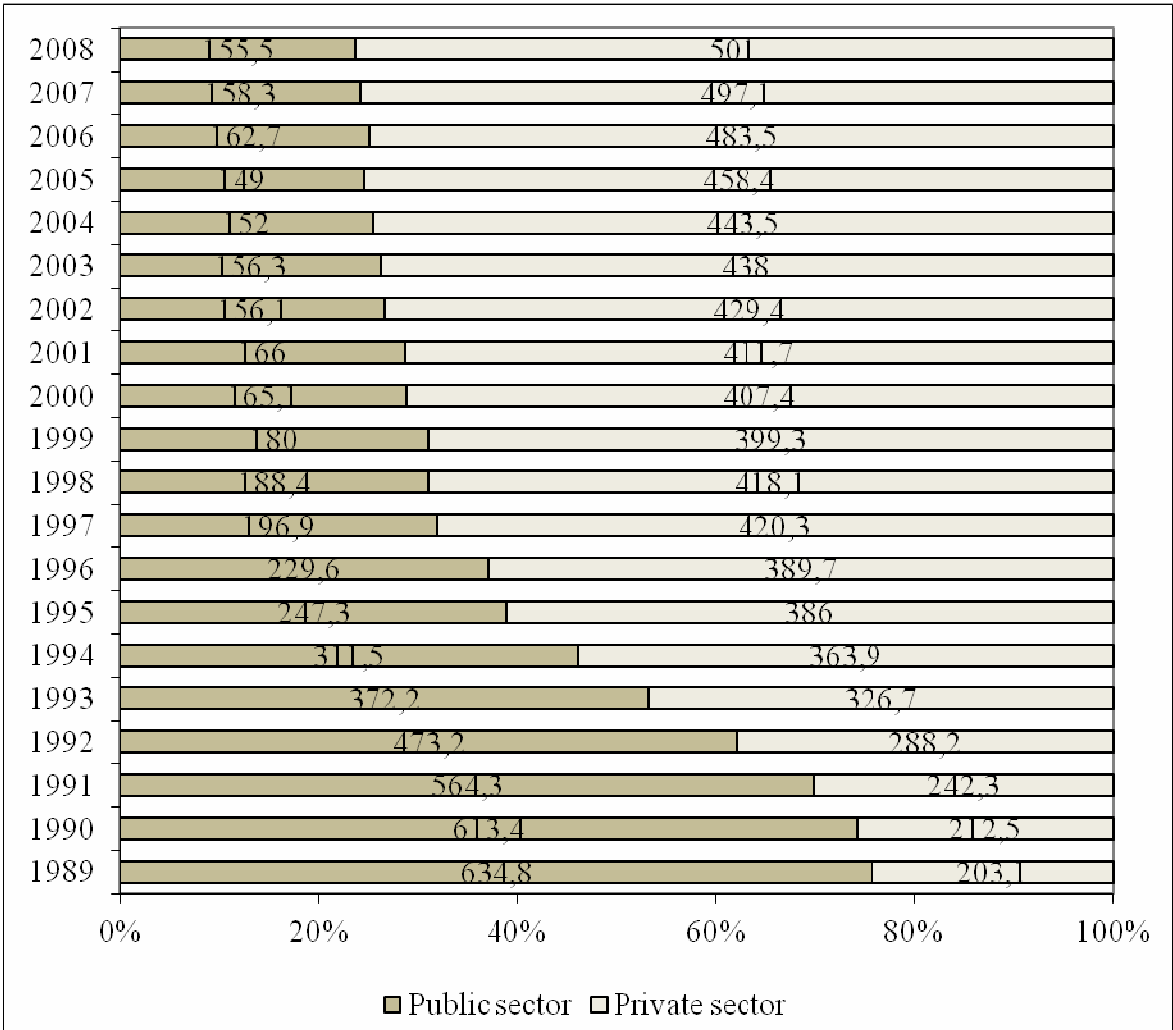
The paper is organised as follows. We start by giving some overview of the theoretical considerations we rely on in the analysis. Thereafter, we give some overview of the development of occupational 'group of managers' in Estonia. Then, we propose and discuss our research methodology and sample. Then, we present our results, providing overview of the different human resource development strategies as to their involvement of education and training employed by the managers of the Estonian small- and medium-sized companies. Finally, we give our own interpretation of the results.

### **The human capital values that employers could align with**

Analysing the Estonian labour market, as well as the others of post-socialist experience, one cannot get by without the main development in the past twenty-thirty years, namely that of emerging private ownership and private enterprises, as opposed to previous, socialist co-ownership. Williamson (1992) has noted that already six years of perestroika (1985-1991) destroyed not just the traditional command economy of the Soviet Union, but also the "bargaining economy" that some analysts argued had replaced the command economy as the center progressively lost its power to dictate to the enterprises. Not only in political dimensions, but even in the economic realm some of the seeds of reform were sown: enterprises did achieve independence from the central planners and the beginnings of a private sector emerged in the cooperative movement and individual entrepreneurship. Talking about the changes in the Baltic states, Williamson (1992) claims they had more recent memories of markets elsewhere, plus recollections of prewar democracy, this conditioning their louder applause to the idea and more eager application of markets and privatisation. Of course, the fact that during the collapse of Soviet Union the reputation of the ideological alternative to the market economy was severely damaged resulted in the suggestions by the international and supranational regulatory bodies, such as IMF, that there actually could be no alternative. The introduction of private ownership and thereby creating the jobs in private sector was the very inherent process that had no questioning to it. As a result of the economical

re-structuring, Estonian labour market became compatible with market economy, so the number of workplaces in private sector has considerably grown while the share of public sector jobs was reduced; this process was especially rapid in the end of the century (see figure 1). One can also notice that after the change in regime, new jobs were more likely created in private sphere than in public sphere (Table 1): even if 24% of the employees in 2007 were working in public sector, of new recruitments only 13% were in public sector.

However, it is important to discuss here also the probable change not only in the ownership of the workplaces but the management culture. By the time of the collapse of Soviet Union the management theories in Soviet Union were by and large the same that were employed elsewhere, especially US (see Klesment 2008), implying, that the globalisation in terms of trading the ideas and via that universalise the approaches had had its effects already before actual opening up of the borders or markets.





Source: Statistics Estonia.

**Figure 1. Employed persons by ownership, 1989-2008, thousands, %**

One might assume that the major changes in the production regime and in opening up the society have greatly altered the ways people perceive the sales of one’s labour, so the ways which are used to find a job (and the ways which are used to fill a vacancy) alter accordingly because of such changes. One could think here of mechanisms like new management culture, imposed on by learning from outside experiences, or by foreign investors who start managing businesses in a formerly relatively closed country. The changes on the one hand were due to the general closedness of the small society, and it was likely for any newcomers to have some disadvantages in the possible use of informal networks in the society. Similarly, better awareness from the employees’ point of view on how and which practices are most valued in the market economy – and consumption culture – might have brought about changes in the ways they searched for jobs, and what they searched for in a job, as well as why they did. With the perceived freedom to choose one’s occupation based on one’s expectations on self-realisation jobs were sought based on what they’d offer, rather than who could offer them.

Table 1 Proportion among those employed, and among those who obtained job during that year

	1989		1994		1996-1997		2000		2006-2007	
	Empl oyed	Obtaine d job last year	Empl oyed	Obtaine d job last year	Emp loye d	Obtaine d job last year	Emp loye d	Obtaine d job last year	Emp loye d	Obtaine d job last year
Public	86,5	88,4	32,8	32,5	35,2	21,4	15,7	15,9	23,9	12,9
Private	13,5	11,6	67,2	67,5	64,8	78,6	84,3	84,1	76,1	87,1

It would be expected based on the available ideological choices on social justice (Roosmaa and Plotnik 2010) that employers’ views on employees and lifelong learning would be reflecting either the more market-oriented ideologies, views supporting state-redistribution, or social responsibility. Support to market can be twofold – either the

employers are ready to provide training to get the more efficient workforce because of their increased skill-level or increased motivation, or they leave all the education and training decisions to be up to each employee, since any further knowledge or skill increases their employability, competitiveness and as such “market value”, making them more attractive in the labour market for the other employers, who the employer then need to compete with to be able to keep the employee. Belief in state intervention may be reflected in the belief that it is up to the state to guarantee education and equal opportunities to participate in education, reflected or their belief that providing conditions for lifelong learning is part of their social responsibility. From the perspective of social responsibility, the employer takes care of the needs of the stakeholders not because it is, or may be, directly or indirectly economically useful, but because they see and accept the intrinsic value and meaning of every individual and they want to support individuals achieving their own goals, and to encourage them develop and follow their own agenda.

From the point of view, the employer and the manager are (representing) the by nature oppressive owner of the company (see Freire et al 2000), and do have the power to be less oppressive. However, they do not have power to fully empower the employees. Freire suggests that the oppressors simply can not discontinue their practice and change the system, but that it should be the oppressed who can do this, and while they do, this is in the end useful also for the oppressor. Freire talks about the differentiation between the formal education, which is supposed to reproduce the hegemonic social order, to much more flexible and less controlled informal education, stating that the latter could bring about the empowerment of the weak. We could suggest, based on the recent developments of Estonian education system, that the rank of more supportive and more empowering learning conditions would rather be the following:

- 1) The least empowering in this sense would be the non-formal training, as this is mostly work-related and most often paid by the employer, and thus more likely to re-enforce the norms that support participating in paid work. Also, through the increased employability and competitiveness of the participating employees, it makes it less likely that they, now more privileged by their new skills and knowledge, would question the system. Rather, they could see the system as filling their own needs of belonging and contributing, since they have more

opportunities to choose between employers and negotiate their own work conditions.

- 2) The formal education contexts would follow some alternative ideology to choose from, being less concerned with market rules. One would suggest that private education institutions are more likely to support the market-based ideology and public institutions than the alternative ideals. Since learners engage there more likely based on their individual goals than based on the expectations or needs of their employer, this gives the learner more agency and more freedom also to make use of the acquired knowledge outside the world of work. On the other hand, again, in great deal the design of formal education programs suggests preparing the learner for competition in labour market and taking up paid work. Since more education gives the learner more negotiation power and improves her competitiveness in labour market, she also may be less inclined to change the system, since from the point of view of her personal interests, she exercises more autonomy and control over her time and contribution, finding more opportunities for self-actualisation in the framework of intrinsically motivating job. However, it is also possible, that more education resulting in more critical thinking may direct the learner more likely to question the existing values and therefore abandon the idea of centrality of paid work. This liberation would not mean the person would give up self-realisation through work; rather, she might decide not to participate in paid labour market and work for someone else. There is also the possibility that the more educated person would take the chance and become an individual entrepreneur, and soon find herself in situation of oppressing the others. That phenomena was referred to also by Freire (2000), who pointed out that it is very likely that the previously oppressed instead of attempting to change the order rather think of changing the places with the oppressor. This occurs partly because of the unavailability of alternative frames to organise the ideas. However, it would seem that in Estonia, it is more likely in the case of formal education system to offer those alternative frames than the work-related non-formal courses.
- 3) The most empowering of these training options would then be participation in informal training, as well as non-work-related non-formal courses, since these have in their core the power to pay their attention absolutely outside the world of

work. Learners there will learn something which is relevant to them because of other reasons, to help them accomplish something for themselves. In those learning environments, the intrinsic value and reasoning of the learner gets to be encouraged, and the personal empowerment of the learner can occur. However, since in this case the learner has more difficulties in identifying her acquired knowledge and skills in terms of labour market competitiveness, she may feel inferior to her employer as well as her colleagues because of the lack of negotiation power and therefore not even consider changing the system. Perhaps, however, the learning offers her more tools to make life more meaningful outside of world of work, so she is not as emotionally dependant on the paid labour market.

Now, this discussion shows, that some kinds of training and learning may indeed end up being less supportive to the employer, who – by definition – represents the oppressor. So, the employer may indeed get valuable surplus value to her human resources from the continuous training and educating of the personnel, but she may also end up with the system that questions her authority.

This kind of oppression was the one not present in socialist period, since the incentive to it had been removed with the lack of private ownership. In the socialist period, the education and learning was, true, more controlled by the existing order due to the centralised control over the educational offer, compared to the relative freedom and resulting diversity of the more liberal market-based system. However, the possibility to learn oneself into more efficient and more complete discovery of self, and thereafter better actualisation of self, and learning for the intrinsic value of the knowledge in its own, was more likely an aim for the learner than in the current system which has those completely different founding principles. Education might have opened the access to specific jobs that required specific skills and knowledge, but this could not have the nature of oppression in the workplace, in the way the everyday life was organised. However, oppression then occurred in the society due to the lack of political freedom, but it is another topic; suffice it here to say that this kind of idea of empowerment by political participation and exercising one's choice is perhaps not the most characteristic trait to current democracy in Estonia due to the lack of influence of an individual because of the passive civil society. Other than that, one could see that the way

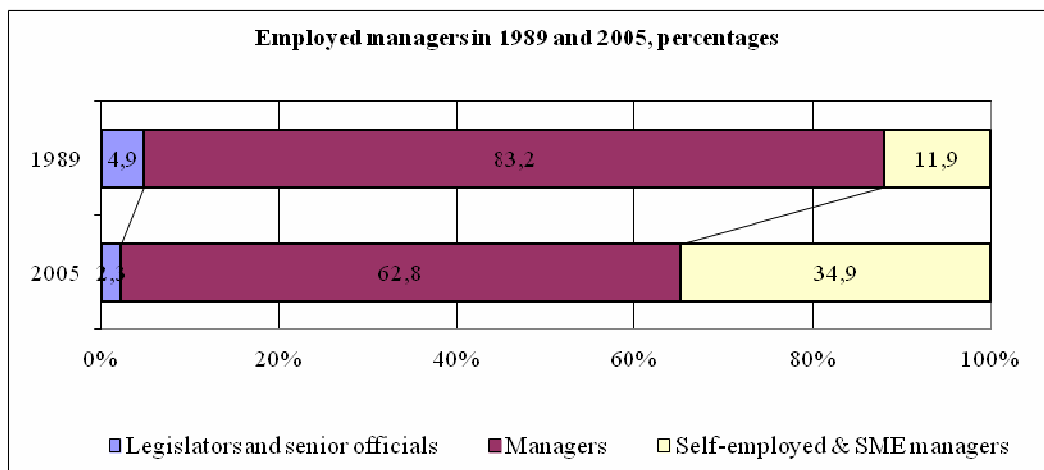
education and training works in the two kinds of societies, market-economy and planned-economy, the former rather than latter supports the individual achievement for the collective good while the latter rather than former creates the environment where it is acceptable to sell one's labour, or human capital in a wider sense, to the surplus profit of the private owner. Then, also any additional skill or knowledge will help increasing the value of the human capital and thus help the employer acquire increased profit from the more efficient work. Here, the paid work may be as intrinsically rewarding to the worker as it was in the previous ideological context, while in addition to offering this very important feeling of self-actualisation, as a side-effect it continues to produce the alienation from the outcomes of one's work in the Marxist sense.

This problem does not exist in public sector, as far as there the profit, so to say, is anyway a common property of the people in this country at large. Nor does it exist in the non-profit sector, since the monetary profit is not the aim of its functioning. This does, though, exist in case of the private sector, as this is the very core of the private ownership.

It may be, that in case of private small and medium sized companies, the employee has even more likely internalised the goals and values of the employer than in the larger ones. The more personal relations that form between the workers and between the manager and the employee, the more likely it is that the oppressed will choose to identify their interests with those of their oppressors (Freire 2000). In this case, the articulated attempts to find a middle way, define common interests and common strategic goals for the employer and the employee seem to be sufficient tools of personnel management strategy to secure cooperation and motivation on behalf of the employee. However, anything undertaken by the employer to motivate the employee or to create her further incentive to remain loyal would then be in the service of, again, surplus profit for the employer – though, sometimes instead of surplus profit to be earned, this just helps to avoid additional costs, perhaps with recruiting and training another employee.

As pointed out by Tamm and Kazjulja (this volume), participation in formal education has grown from 1997-2007 among all the occupational groups but the blue-collar workers, for whom it remained the same (being the smallest among the occupational

groups), and general managers of small scale enterprises, who participated much less in 2007 than in 1997. So it seems the SME managers have less need, less opportunities, or less will to learn new techniques at training courses or (university) studies than they did in the beginning of the changes. It may well be that the group of SME managers itself had to go through a legitimation procedure, since they had previously been employed in publicly run and owned enterprises and needed not only new knowledge, but also to prove the others – employees, competitors and public opinion at large – that they do actually know how to run business. It must be noted the group of managers itself has somewhat altered, including in the latter period also a considerable amount of SME managers and the self-employed (see Figure 2), who were much more rare in the earlier period.



**Figure 2. Professional group of managers in Estonia 1989 and 2005 (%)**

### **Training cultures in European SMEs**

Enterprises' training activity is mainly determined by their organisational agency. Enterprises develop a comparatively stable training culture, which could be characterised either as (more) reactive, showing little momentum, or (more) expansive, demonstrating a tendency to evolve up to a certain level of training activity, concluded Helfer and Markowitsch (2008). The basic opposition between the so-called 'reactive' training culture and the 'expansive' training culture covers, according to them, the following categories:

- the organisational attitudes towards training: Understanding training as a cost factor or as an investment.

- the level and range of training activities used by the enterprises: It is – in the average year – low within reactive training cultures and high in expansive training cultures.

- the development pathways in the use of training: Reactive training cultures tends to minimize the use of training, while expansive training cultures shows a momentum towards increasing the use of training up to a certain maximum.

- The dependence of factors ('drivers', 'barriers') in the environment: Within reactive training cultures, changes in external factors lead to changes in training activities, while in expansive training cultures, changes in external factors influence mainly the composition of training activities.

- the diffusion of training experience in a given workforce – in particular, with regard of different groups of employees – of an enterprise: In reactive training cultures, experiences with and competences for making use of training are concentrated on a small range of employees; however, both are widely distributed among members of the organisation in expansive training cultures.

When they analysed personnel development in SMEs in twelve European countries in the framework of the research project LLL2010, Hefler and Markowitsch (2010b) decided to extend the typology of training cultures by including the training culture of enterprises which were currently not able to use training in a reasonable manner, labelling the absence of training activity due to strong limiting factors as an *Annihilated Training culture*, expecting a crisis to be capable of turning both a reactive and an expansive training culture into an annihilated state, with only changes in these restricting factors reopen an option to develop training. According to the analysis by Hefler and Markowitch (2010a), enterprises' methods of supporting adult education reflect both the requirements connected to follow a demanding educational programme with a high workload and the usual patterns of supporting general employer-initiated training. Enterprises may not decide on a case-by-case basis, but develop cultures of supporting formal adult education. This also follows the hypothesis that balancing costs for support and costs for non-support cannot be done on an individual case, but must consider general employee relations. Even if some valued employees leave the company

despite the string support offered, the general balance might still be rather favourable, as employees prefer that employers support individual educational goals.

In research on human resource development, high on the agenda in the beginning of 1900s, the attention to the ethical concerns has not been steadily growing. While focus on work systems and job design to satisfy human motivational needs, especially the need for autonomy, variety, skill development and self-actualisation, were firmly on the management agenda in the 1960s and '70s, today they only receive a glancing acknowledgment relative to the emphasis on 'high performance' and 'high commitment' work systems linked to efficiency and effectiveness rather than intrinsic job satisfaction (Winstalney and Woodall 2006).

According to Winstalney and Woodall (2006), there are at least three concrete reasons, why employee well-being and ethical treatment are justifiable a focus for human resource policy and practice. First, as they put it, the 'enlightened self-interest' model of business suggests that a business will be more successful if it pays attention to ethics, as this will enhance its reputation with customers and improve motivation among employees. However, if managers/employers foster their employees' participation in training and education because they know – or assume – it is useful for their business, this can be considered unethical on the basis that has exploitative approach in its core.

Secondly, they comment on 'business of business is business' argument, saying it may be irrelevant for a considerable number of cases in human resource development, as the claim does not hold in not-for-profit organisations, including most of the public sector, social business, nongovernmental organisations (NGOs) and the voluntary sector. In that sense, there is no reason in these settings to consider business-arguments.

Finally, they remind their readers about the argument that the wider economic system and ultimately the business organisations within it exist to serve human and societal needs rather than the opposite.

Do all of these aims get to be reflected in the employers' views and attitudes on lifelong learning in Estonia 2010, or are some more dominant?



## **Methodology and data**

The data for this paper is chosen from a case-study approach, studying the significance of formal adult education in small and medium enterprises. An international research project's "Towards a Lifelong Learning Society in Europe: The Contribution of the Education System" local research teams in twelve countries (Austria, Belgium/Flanders, Bulgaria, England, Estonia, Hungary, Ireland, Lithuania, Norway, Russia, Scotland and Slovenia) conducted 6-8 (in one case 13) case studies in small and medium enterprises (see further about the methodology, approach and results in Hefler 2010; Markowitsch and Hefler 2008). Small and medium enterprises were defined as enterprises with 10 and more employees but less than 250 employees in the local unit. Local branches of multinational corporations were excluded from the group of possible candidates for case studies. Moreover, two broader groups of sectors were defined as common research areas: one in manufacturing and one in business-to-business services.

Only enterprises were eligible where one or more employees participate(s) or has/have recently participated in formal adult education. At least one member of the management (general management or personnel management) and at least one employed participant in formal adult education must agree to participate in the survey and participate in a face-to-face interview (45-60 minutes). If possible, more than one person in an enterprise was interviewed. Moreover, we sought to interview the participants' direct supervisors.

Enterprises were selected in order to achieve the greatest variety of meaningful cases. The regional research teams consulted different sources (besides generally accessible sources such as the web and databases, contacts with the chamber of commerce, trade unions, educational providers, institutions responsible for co-funding) for identifying enterprises, where employees actually participate in formal adult education. Achieving participants engaged in education on different ISCED levels and representing a wide range of backgrounds (in regards to age, migration background, minority status, language etc.) was another priority in the selection process. Enterprises selected could not be representative for all enterprises in formal adult education in one country or in general.

Interviews with the management or the personnel management, the direct supervisors or the individual employee were conducted according to common interview guidelines, provided in English. The partners transcribed all interviews. Based on the interviews and additional available sources (for example, homepages, company leaflets, media coverage, business intelligence services), partners prepared case studies, following a common outline.

As a general reminder, the following points should be emphasised (Hefler 2010):

- Enterprises covered by the survey are not generally representative of small and medium enterprises or of the SMEs in a partner country. By using theory-based sampling – focusing on enlarging the variety of cases – we have decided clearly to explore variations of settings and types.
- Self-selection of enterprises ready to participate should clearly contribute to selection bias. Among our case studies, enterprises with management quite interested in the topic of formal adult education and aware of a number of relevant aspects in the field would be clearly over-sampled. By the chosen case-study approach, we have accepted this drawback in order to provide a first exploration of a widely under-researched field. Future research should build on our findings and develop strategies to examine enterprises whose representatives are less prepared to share their views.

This current paper provides an overview of the role of formal education in general and in connection with the development of human resources of a company on Estonia. The report is based on interviews conducted in seven enterprises.

The Estonian sample covered three industrial and four service enterprises, which were recruited by different strategies (see Table 1). In the first stage, four companies were approached based on their fields of activity, number of employees and location. The four companies were identified through different channels (recommendation of the professional organisation or trade union, personal contact, homepage of the company). In the case of the following companies the following additional parameters were taken into account:

- The company uses different strategies to develop their personnel (not represented in previous cases);

- The language spoken in the company, to include also enterprises, where Russian is (one of the) working language;
- The participants in formal education are both men and women and have different educational backgrounds;
- The role of line managers: to reflect experiences of learners in subordinate positions, those who had line-manager, were sought for.

Finding the last three cases was more difficult because of the above mentioned conditions. These participants were found by using personal contacts and the information on the companies' homepages.

**Table 1 Strategies used to recruit the sample**

<b>Strategy</b>	<b>Cases identified</b>	<b>Cases contacted</b>	<b>Refusal/no suitable participants</b>	<b>Cases arranged</b>
Organisations/unions of personnel managers	3	1		1
Trade unions of the selected industries	3	2	1	1
Personal contacts of the research team	4	4	1	3
Information on companies' website	12	8	6	2
Information/recommendations of participants in the previous research	9	5	5	0
<b>Total</b>	<b>31</b>	<b>20</b>	<b>13</b>	<b>7</b>

## **Results: training culture in Estonia**

Our analysis on Estonian small- and medium-sized companies' (SMEs) human resource development strategies enables us to look more closely behind the rhetoric and justifications in the companies within four different training and human resource development (HRD) policies. It is suitable to look at support/non-support for formal education by enterprises within the general HRD context. All companies in the sample expressed a positive attitude towards learners and learning.

Differences in **placing importance on formal education, using the knowledge and skills obtained by learners as well as supporting** learners depend on:

- how is the role of formal education seen in the general context of personnel development and on the background of other ways of development;
- whether the development of the employees is decided by the employer or by the employees themselves.

Our aim in this paper is to describe the most typical patterns in using formal education and other means of development by enterprises. We distinguish between four strategic choices and their implications in SMEs, based on the two dimensions: how important is formal education for the HRD policies in the company; and how important are in-service training as well as open, but still non-formal courses, for these HRD policies. So, we provide further description of the following strategies (see Figure 1 below): neither formal nor non-formal education is seen important (strategy I); formal education is considered important, while non-formal education is not provided (strategy II); formal education is not important for the company, while attention is paid to non-formal learning (strategy III); both formal education as well as non-formal education are seen as relevant tools for the company to develop their personnel.

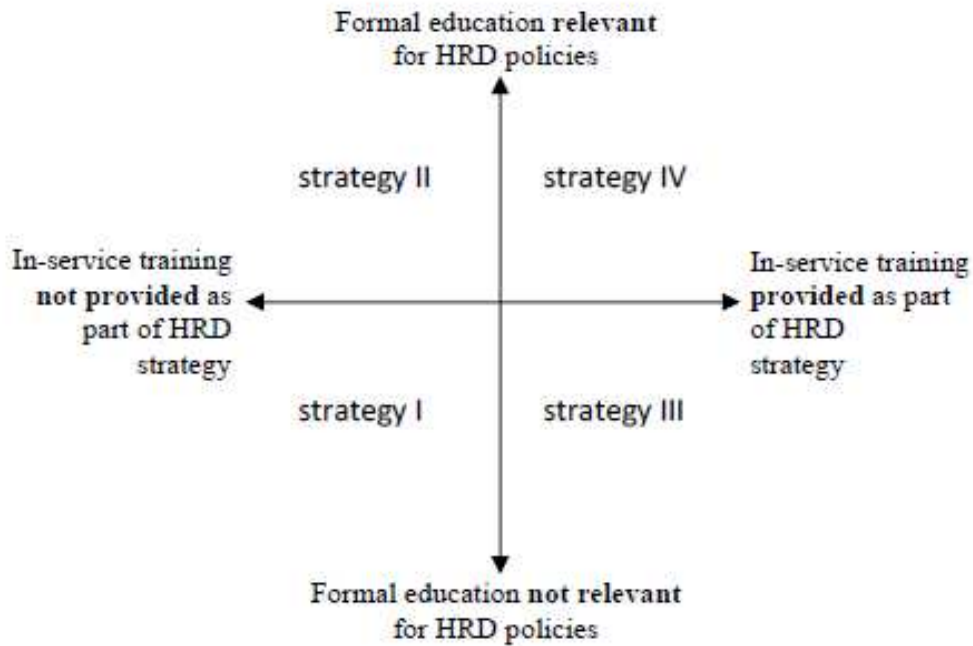


Figure 1 Analysed strategies of education and training in Estonian SMEs, according to the views of managers

Next, let us provide short descriptions of the main traits of the respective training strategies.

**1) Pattern I: Formal education not important, no provision of in-service training.**

The company relates the obtaining of formal education primarily with the personal development of its employees. The company “benefits” from formal education only indirectly: learners acquire the skill of logical thinking, understand better their duties, and work faster and more efficiently.

Using the positive outcome of learning by the company depends mainly on the employee’s initiative and wish to contribute more to the company. If this wish is supported by the internal atmosphere of the company (by the immediate superior) or by an opportunity to get more interesting and responsible tasks and accordingly higher salary, this strategy works.

Professional development of employees is taking place through added experience and learning on the employees’ initiative. In-service training is provided occasionally. The company considers training as an expense.

Support by the enterprise is usually limited to enabling the learner to work part time (which means less income) or have a more flexible working schedule on the condition that all tasks are performed on time. If the job is simple or the employee has necessary knowledge, such employer is useful for the learner, but only for a certain period.

## **2) Pattern II: Formal education important, no provision of in-service training**

The company is active, reacting and adjusting to the changes taking place in the market. Expectations of formal education are high – the company expects educational establishments to prepare highly qualified work force. The company in its turn is willing to offer the learners or graduates an opportunity to develop through work experience. The company is willing to cooperate with schools/universities both by offering practical training and formulating their expectations more precisely. The company offers in-service training little or occasionally to fill a specific need; in-service training is organised mainly on the employees' initiative. Longer courses (analogous to the curriculum of formal education) are preferred to improve the employees' skills and knowledge in particular fields; the implementation of the obtained knowledge is left to the employees. As the company considers formal education important, it is ready to offer the learners indirect financial support (paid days off and study leaves, etc., smaller workload during the periods of exams, copying of study materials, etc.).

Similarly to in-service training, the knowledge and skills obtained in the course of formal education are implemented in the company on the initiative of learners. The ideas and propositions expressed by learners are not always accepted by the management or other employees. This means that the company benefits from formal education mainly if the learner is interested and ambitious and teamwork in the company is functioning well.

## **3) Pattern III: Formal education not important, but in-service training provided**

The enterprise has an ambition to become a leading company in its field. When hiring new staff, personal traits are more important than education. The company places little importance on formal education because it is considered to be too theoretical. Therefore, the company offers extensive in-service training and pays much attention to learning from experience, bearing in mind the company's objectives. The main

competitive advantage of the company is highly qualified personnel and training the personnel is considered an investment.

Learners are supported by flexible working schedules and suitable work load; however, the pay depends strictly on the performance and hours worked, i.e. no financial support is offered (not even indirectly). Unlike the first two cases, the company is interested in the results of studies and encourages learners to share their knowledge with others; the company also provides opportunities for further development.

Cooperation with educational establishments may take place in the form of asking lecturers to the company to deliver lectures or referring employees to carefully selected courses.

#### **4) Pattern IV: Formal education important, in-service training provided**

The company has a clear vision of further plans and the ways of achieving the goals. The development needs of employees are identified based on the company's stage of development. If necessary, employees are encouraged to study. Formal education is considered to provide employees with a broader view of how the company is functioning, in addition to specific skills and knowledge. How much the company benefits from a particular employee obtaining formal education depends on the chosen specification, the educational establishment and last but not least on the learner himself and his willingness to implement the skills and knowledge he has acquired. The company supports learners by offering additional in-service training, assessing the efficiency of training and its relevance to the company's objectives.

Training budget can be overrun if this is considered necessary, and training the personnel is considered an investment in the future.

Besides supportive attitude the learners whose studies are related to their specific tasks now or in the future are offered indirect financial support by allowing them to attend lectures during working time and to take paid study leaves, etc.

Based on these four patterns it appears that formal education (in particular that related to the job) in the context of the company's development is more important in the case of models II and IV, though for different reasons:

II – it is the main way of development besides getting experience because in-service training is provided by the company only occasionally;

IV – in-service training is an important basis for other ways of development

However, for models I and III it is less important also for different reasons:

I – the work is relatively simple and can be learned on-site or the employees have the necessary skills and knowledge;

III – formal education is considered to be too theoretical and not meeting the company's specific expectations.

When looking at how formal education is supported in the case of different patterns, we can see that supporting formal education participants is higher in case of the patterns where formal education was considered more important for the development of the company. Therefore, in the case of models II and IV, students were supported by offering flexible working hours plus indirect financial support – basic salary is paid for the time spent at school/university. Accordingly, when formal education is not seen to be directly contributing to the development of the company, support for the participants is also lower. So, in the case of models I and III main tool used to support participants was flexible working hours; however, still no payment for the time spent at school/university.

Formal education (as a way of providing new knowledge and broader world view, a way of improving one's learning skills or cooperation with educational establishments) was considered beneficial by the representatives of all models. In the case of models I and II the implementation of knowledge was more related to the learners' initiative and their specific duties. In the case of models III and IV companies have created through in-service training and regular meetings, analysis of working processes and career opportunities a system which enables learners to share their knowledge and use it for the benefit of the company.

Thus, the knowledge and skills acquired by participants in formal education is better implemented by those companies which offer systematic in-service training based on the company's needs; this creates for the company an opportunity to be more successful. If formal education is perceived as useful by the company, the company is also more willing to invest in it by supporting learners and learning.

Support offered to and perceived by the employees are not correlated.



Combining work and studies inevitably raises the question of how employers support studying. Usually, the conditions (attending lectures during working hours, the possibility of taking a study leave, etc.) are agreed upon starting work. These agreements concern the following:

- Flexible working schedule that enables the employee to attend lectures;
- Attending lectures during working hours without pay;
- Attending lectures during working hours while the employee continues to receive his/her basic salary;
- Attending lectures during working hours while the employee continues to receive his/her basic salary on the condition that the work is done outside working hours;
- Additional study leaves, paid or unpaid.

How the participants in formal education perceived their respective employers' support was not related to any specific measure (e.g. whether or not the employee continues to receive her/his basic salary). The learners expected more support even if they continued to receive their salary for the time spent at lectures or on a study leave.

Such expectations may be related to the learner's perception of the financial state of his/her company. If the company's financial state is good, more support is expected from the employer. If it is not so good or the company is rapidly developing, it is considered normal that all costs of studies are borne by the learner.

The participants pointed out that the attitude of the employer and colleagues towards studying is important. All respondents said that their employer valued and supported learning. However, this attitude is expressed differently – it may be only positive attitude or real support, encouraging and enabling to use the knowledge acquired in the course of studies (provided that the occupational position of the learner allows this) and acknowledging the results. Putting the learner's new knowledge and skills into practice convinces the learner that studying is useful and increases the likeliness that the learner will continue with the company even after finishing his/her studies.

## Discussion

One of our attempts in this paper was to see which of languages do managers or HR specialists use when reflecting on the issues of lifelong learning for their employees.

We see there are a number of points raised depending the other characteristics of the company, which have made them to prepare and follow (or not prepare and not follow) different HRD strategies. All in all, the point we feel is valuable to take on board is the one about the employer responsibility, social or otherwise, towards their employees and employee's families. Namely, the need for studying and learning in the case of the employee is taken to be their individual project, so they should also see to it that it happens, as they are the major benefit of the schooling. This approach, however, where the employer does eagerly support the participation in learning, is biased towards the idea that employers should take care to prepare their workforce to be as skilled and updated on knowledge as possible. When the support to the individual learners in the company level remains unsystematic, being in some cases only emotional, that means that the learner indeed does invest her own time and energy to acquire new knowledge in the course, which she, when working fulltime on continuous basis, can only dedicate to her employer. So, it seems a relevant question for social justice perspective: is it fair for the employer to suggest or even demand that her employee participates in training; and what exactly does the learner gain from this; and how far can the learner actually make use of the acquired knowledge outside of the paid labour market.

Winstalney and Woodall (2006) distinguish between ethical sensitivity (the ability to reflect on HRM and be able to identify the ethical and moral dimensions and issues) and ethical reasoning (the ability to draw on relevant theory and frameworks to make more explicit the alternative interpretations and responses that could be made to inform decision-making). In ethical reasoning, they differentiate between what seems to be three main categories: first, those upholding managerialist position, such as ethical individualism, utilitarianism and 'Rawlsian' justice; second, more socially inclusive ones, especially stakeholding and discourse theory; and, third, theories for whom the intrinsic self-worth of individuals is paramount - Kantian rights-based theory and also communitarianism, virtue theory and the ethics of care. This suggests there generally could be three different approaches to the reasoning of lifelong learning: the one stressing the utility of every training hour and competitiveness in the widest sense; the

other claiming that one should provide training for their employees, to guarantee their employability, but also to guarantee they are useful now and in the future (human response to human need for belonging); and the third one offering any options for training and education to one's employee based on the needs the latter has reflected on on herself, apart from those purely external, job- and labour market related aims. They, furthermore, suggest the human resource specialists should consider those aspects in their daily work, and while there has indeed been some interest in the role of the human resource specialist as a guardian of ethics, for some responsibility of ethical leadership should also be placed on the shoulders of the whole senior management team and line managers.

### **Conclusion**

We do suggest there is a need to rethink the role of the employer, and the role of the manager, in fostering learning experience. Perhaps the tax-disincentive practice in Estonia that makes it more costly for the employer to support employees formal learning than non-formal learning was ideologically very important message, saying that it is up to each individual employee to guarantee their skills are up-to-date. At the same time, with that the employee who participated in formal studies is also 'saved' from owing the acquired knowledge and skill to the owner. So there are two principal ways to proceed with fostering the participation of the employees in formal education. One would be supporting the employer so that she would be interested in bearing this wider social role of giving people the opportunities to learn, having employee integrity in mind but also not forgetting the business interests. The other way would be establishing a more direct connection between the individual learner in terms of financing their studies from the public budget, so as to enable ideawise the empowerment of the adult learners and overcome step by step the culture of oppression. The OECD (2000) report about Estonia's policy of education stated that employers should play an increasing role in the demand for accessible training opportunities. It nevertheless seems that not only the employers but also the employees feel that the work-related training is a legitimate cause for participating in studies (see Roosalu and Roosmaa, this volume). Perhaps Estonia is a society where the understanding of the role of learning, and the role of paid work, is implicitly central to one's identity, and social dimension in life is less relevant.

While our analysis gave a few hints on how to look at this in the future, it dealt mainly with the environment and conditions to learn – as that is what the SME HRD cultures do, enabling or disabling one the chance to learn.

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