

NATIONAL AND KAPODISTRIAN UNIVERSITY OF ATHENS
SCHOOL OF LETTERS

MSC PROGRAMME IN COUNSELLING AND CAREER GUIDANCE

LABORATORY OF EXPERIMENTAL PEDAGOGY

CENTERS FOR VOCATIONAL GUIDANCE AND COUNSELLING

PROCEEDINGS OF THE 1ST INTERNATIONAL CONFERENCE

ATHENS (23-25-1-04)

**PROMOTING NEW FORMS OF WORK ORGANIZATION AND OTHER
COOPERATIVE ARRANGEMENTS FOR COMPETITIVENESS AND
EMPLOYABILITY**

With the Support of the European Committee

ATHENS 2004

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CULTIVATING HUMAN RESOURCE POTENTIAL IN MALTA: A CHALLENGE FOR THE SOCIAL PARTNERS

Anne Marie Thake, University of Malta

1. List of Acronyms

BPA	Business Promotion Act
CVT	Continuing Vocational Training
EIRA	Employment and Industrial Relations Act
ESF	European Social Fund
ETC	Employment and Training Corporation
ETF	European Training Foundation
EC	European Commission
EU	European Union
FHRD	Foundation for Human Resource Development
FOI	(Malta) Federation of Industry
GDP	Gross Domestic Product
HRD	Human Resource Development
ICT	Information and Communications Technology
ILO	International Labour Organisation
ICT	Information and Communications Technology
IT	Information Technology
ITS	Institute of Tourism Studies
JAP	Joint Assessment of the Employment Policy Priorities (of Malta)
LFS	Labour Force Survey
LLL	Lifelong Learning
MCAST	Malta College of Arts, Science and Technology
MCESD	Malta Council for Economic and Social Development
MCST	Malta Council for Science and Technology
ME	Malta Enterprise
MEA	Malta Employers' Association
MIM	Malta Institute of Management
MSA	Malta Standards Authority
MTA	Malta Tourism Authority
MUS	Malta University Services
MPVQAC	Malta Professional and Vocational Qualifications Awards Council
NACE	Nomenclature generale des activites economiques dans les Communautes europeennes
NARIC	National Academic Recognition Information Centre
NMC	National Minimum Curriculum
NGO	Non-Governmental Organisation
NSO	National Statistics Office
NRCVG	National Resource Centre for Vocational Guidance
NVQ	National Vocational Qualification
RTD	Research Technology and Development
SDO	Staff Development Organisation
SEC	Secondary Education Certificate
SME	Small and Medium Enterprise

VET Vocational Education and Training
 WPDC Workers Participation Development Centre

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3. Introduction

A key challenge for Malta's future is how to equip both individuals and employers with the necessary tools to successfully compete in a changing economy. The cornerstones of this new economy are knowledge and skills. These are key factors of competitiveness today, which can only be achieved by all stakeholders. Employers increasingly demand a labour force that has high levels of vocational skills, and government has the responsibility to ensure that adequate standards prevail in the educational and training systems. The state is responsible overall for shaping and developing the structure, organisation and content of the country's educational and vocational training systems. It has a crucial role in bringing about a learning society.¹ Society has a legitimate expectation that employers will also invest adequately in the skills of their workforce, and individuals must also take responsibility for skill development that contribute to their employability.

As the pace of change accelerates even further, it will be the adaptability of people and the ability of work organisations to move quickly to exploit new opportunities that will determine our ability to create and sustain competitive advantage.

The Maltese economy is undergoing a transitional stage that involves restructuring not only in terms of capital equipment and work organisation, but also of its human resources. As the backbone of Malta's economic development, the 'restructuring' of its human resources presents particular challenges.

4. Role and Responsibilities of the Social Partners

The new opportunities for the development of our human resources will depend on the investment made by the social partners in human resource development. This realisation will also depend on the effectiveness of the policy framework which the Government puts in place to facilitate the development of what effectively must become a knowledge-based and knowledge-driven economy. The interests of the various social actors, including individuals, do not always converge. Employees, workers, service/training providers, individuals and Government are guided or motivated by different principles for action. Sectoral interests may precede the line

of action and intervention. However, in a democracy, governments operate on a mandate to uphold the national interests as delivered to them by their citizens. The State's interventions in the provision of education and training, sets the roles of the social actors within the whole context of the vocational training scenario.

Quite apart from the need to improve the efficiency of the available productive systems – such as through foreign investment in modern technology – there is an urgent need to focus our educational and training institutions on an enhancement of the required technical skills and professional competencies. Realistically, in Malta's case, the maintenance of international competitiveness can best be achieved through the implementation of an HR strategy which promotes “high skills, quality products with a high value added and high incomes” (Fricke, 2001: 20)¹

Experience shows that employees will only be motivated to constantly upgrade their skills and qualifications if adequate incentives and rewards are available for their efforts. These, in turn, can be effectively secured through negotiated deals in collective agreements among the social partners. When other countries like Ireland and Holland were confronted with such a situation, a series of national development plans were adopted following negotiations among the social partners. These included an acceptable ratio of pay and productivity increases together with a realistic target of economic growth. Like other member states, Malta will soon have access to EU services for technical and financial assistance towards the realisation of its development strategy. Success or failure will depend on its ability to fully utilise such opportunities.

5. The Maltese context

The Maltese Islands have few natural resources and its people are highly exposed to international events. The country's imports and exports amount to nine-tenths of the Gross Domestic Product (GDP). The Maltese labour force depends upon its capacity for high quality products and services offering value for money as well as its ability to attract foreign investment. Tourism, manufacturing and services are three key sectors in the Maltese economy. In recent years, *per capita* value added in manufacturing has increased, with employment in this sector moving away from footwear and clothing, towards the manufacture of electronics (in a few companies), engineering and health-related products.

Maltese industry has been restructuring in recent years to generate better returns. As liberalisation requires the removal of import restrictions and levies on domestic oriented companies, so there needs to be greater investment in the country's capacity to raise its productivity. While capital investment is necessary, raising the skill levels of the country is critical to progress. A greater repertoire of knowledge and skills benefits individuals in terms of self-development and opportunity. Raising skill levels also increases productivity and earning-power, enhances the quality of the match between supply and demand for labour, and has various other social and political benefits.

6. The Labour Market on the Maltese Islands

6.1 Employment Profile

During the nineties, the number of persons in employment increased modestly. There were 148,403 persons in employment in December 2002, of whom less than a third were women (see Table 1). The National Statistics Office (NSO) defines the employment rate as persons in employment (15-64 years) as a percentage of the population of working age (15-64 years). The unemployment rate is the unemployed persons (15-64 years) as a percentage of the labour force.

Table 1: Labour Status in the Maltese Islands

	Males		Females		Total	
	No	%	No	%	No	%
Employed	102,120	65.1	46,283	28.5	148,403	46.5
Unemployed	6,715	4.3	4,160	2.6	10,875	3.4
Inactive	48,085	30.6	111,659	68.9	159,744	50.1
Total	156,920	100.0	162,102	100.0	319,022	100.0

Source: Labour Force Survey (December 2002)

46.5% of the working age population are in employment – 65.1% of working age men, and 28.5% of working age women. Despite a gradual rise in female employment, Malta's overall employment rate remains low when compared to the EU average. 14% of the employed persons are self-employed. Persons working part-time as their primary job were equivalent to 6.1% of all employees in December 2002.

A demand for labour and changes in the outlook of Maltese households on work outside the home have resulted in a greater proportion of working age women seeking paid employment. The ratio of women working part-time as a first job is 3.8% of all persons in employment.

In December 2002, the unemployment share stood at 3.4% (NSO Statistics), a total of around 10,875 persons. Accounting for gender, the unemployment share for men was 4.3% while that for women was 2.6%. 35.6% of them have been unemployed for 18 months or more. Out of these, 16% are females. At end December 2002, 74% of the registered unemployed held no qualifications while 17% of the total unemployed were illiterate.

6.2 Emerging Changes

Changes in employment during the past years point to some important underlying inclinations in the Maltese society. The labour force has become more varied and is drawing from all kinds of backgrounds and social sectors. The diversity of the workforce due to job mobility and new recruits will lead to different forms of work organisation (see Table 2). As a result, employers would need to create more flexible policies in the workplace.

Concurrently, the pressures and needs arising from a higher standard of living have pushed more Maltese to engage in part-time work as a secondary job. This process reflects an active economy, but it undoubtedly points at new pressures on the Maltese to work more, to earn more because they need to spend more. Besides, a lack of flexible working hours and other forms of work organisation is also putting pressure on the Maltese family. In many cases, this leads to less time available for leisure and for time spent with one's family. These costs and benefits are part and parcel of such a developing situation and constantly need to be kept in perspective by social and economic planners.

7. The Human Resource Infrastructure: The Social Partners

The social partners consist of the public sector, employers, and trade unions. The Malta Council for Economic and Social Development (MCESD)¹ was created by Government as an advisory body in order to provide a forum for consultation and social dialogue between social partners and, where necessary, with organisations of Civil Society. It was entrusted with the task of advising Government on issues relating to the sustainable economic and social development of Malta. MCESD is composed of representatives nominated by the national employers and workers organisations, representatives of government, and the Governor of the Central Bank (G. Baldacchino, S. Rizzo, E. Zammit, 2003:123,125). 1

7.1 The Public Sector

The public sector employs 32.9% of the labour supply.¹ This sector is undergoing a restructuring and privatisation process involving leaner organisations so as to reduce production inefficiencies and improve labour force flexibility (E. Zammit, F. Borg, & S. Vella, 2001: 81).¹ As a result, the public sector needs to develop its human resources to adapt to the ongoing changes in terms of skills and quality standards.

Government is responsible overall for shaping and developing the structure, organisation and content of the educational and vocational training systems. The state has a crucial role in bringing about a learning society.¹ As Malta operates within a market economy, there are some overarching trends which follow from the development of a culture in which there is less control by the state and more opportunity at regional and local level for people to exercise initiatives, to take responsibility for the management of their own lives and learning. This alters the roles of the key players in a fundamental way.

Table 2: Labour Supply Distribution*

	Dec 1997	% of Labour Supply	Dec 2002	% of Labour Supply
Labour Supply (Full-time gainfully occupied & Registered unemployed)	140,834	100.0%	144,379	100.0%

Full-time gainfully occupied (Including self-employed)	133,141	94.5%	136,863	94.8%
Self-Employed only	15,963	11.3%	15,340	10.6%
Private Direct Production	37,095	26.3%	37,705	26.1%
<i>Of which:</i>				
Agriculture and Fisheries	2,181	1.5%	2,215	1.5%
Quarrying, Construction & Oil drilling	6,053	4.3%	6,803	4.7%
Manufacturing	28,861	20.5%	28,687	19.9%
Private Market Service	44,937	31.9%	50,528	35.0%
<i>Of which:</i>				
Wholesale & Retail	15,095	10.7%	15,596	10.8%
Banking, Insurance & Real Estate	3,213	2.3%	4,865	3.4%
Hotel and Catering Establishments	6,111	4.3%	6,085	4.2%
Transport, Storage & Communication	8,988	6.4%	8,969	6.2%
Others	11,530	8.2%	15,013	10.4%
Public Sector	50,263	35.7%	47,556	32.9%
<i>Of which:</i>				
Government Departments	30,188	21.4%	30,327	21.0%
Armed Forces	1,526	1.1%	1,450	1.0%
Independent Statutory Bodies	374	0.3%	144	0.1%
R.S.C. & Airport Co.	10,304	7.3%	7,925	5.5%
Public Sector Companies	7,871	5.6%	7,710	5.3%
Apprentices & Pupil Workers	846	0.6%	1,021	0.7%
Registered Unemployed	7,693	5.5%	7,516	5.2%

Source: ETC Labour Market Research Statistics (December 2002)

* It is to be noted that ETC classifies employers by ISIC whereas the NSO uses NACE and therefore, ETC and NSO data do not tally.

The state also has a coordinating and facilitating role with responsibility for the overall infrastructure, the provision of a legislative framework, the setting of standards and the monitoring of quality assurance, the provision of mechanisms for accrediting qualifications nationally, and the licensing of education and training establishments. Government therefore needs to take the lead in encouraging the social partners to work together, with shared responsibility for strategy and operations, decision-making, management and where possible, even sharing financial commitments to training and development.

7.2 The Employers

The shortages and recruitment problems which organisations have been facing are various. 61% of employers declare that shortages were due to qualification deficits, lack of skilled manpower and other reasons.¹ The recruitment problem is common to several labour categories namely managerial level, clerical, skilled and unskilled labour.

Employers often view continuous training as a cost if investment in training is not expected to give a return on productivity at least in the long term. Training is generally tailor-made to an organisation's needs. It is goal oriented and runs on specific lines. Employees' overall development is not emphasised. It seems that in Malta, general formal learning ends with compulsory schooling. The notion of lifelong learning (LLL) needs to be further developed. Lifelong learning will be accepted insofar as it matches the changing skill requirements of today's dynamic labour environment. Most of what is called training is simply the repetition of good operations in the context of an organisational set-up. It is not, strictly speaking, skill-empowerment. In a competitive changing labour market environment, organisations have to develop their human resources.

The allocation of working hours/days for professional development purposes is not widespread. However, various contributing factors (such as tighter labour markets in certain economic and service sectors) have changed the profile of relations between employees (and their representative bodies) and their employers. Entitlement for a number of study leave hours/days should be included in collective agreements to be used by employees to advance their technical or managerial aptitude by following external training programmes related to their role and responsibilities within their organisation.

7.3 The Trade Unions

The traditional industrial relations model in Malta was that of a voluntary, bi-partite collective bargaining at the enterprise level in a polarised relationship between employers and trade unions (E. Zammit, F. Borg, & S. Vella 2001:62)¹ In recent decades, this model has gradually changed into a pattern of corporate tripartite bargaining at the national level based on social partnership. Around 60% of the Maltese workforce is represented by unions.

Malta has enjoyed an atmosphere of relative industrial stability. This can be attributed to the readiness of the social partners to work together in a highly competitive international market as well as the government's readiness to solve industrial relations issues as they emerge.¹

7.4 The Individual

Employment contributes to the individual's identity in society. It is a source of belonging and status of the individual in her/his organisation, in its immediate social environment and within the household itself. Job stability affects the social texture within this context and therefore, the greater the changes in the political and economic environments, the greater the feeling of uncertainty.

Ultimately, the challenge of finding work and adapting to an industrial environment must be met by the individual. Few businesses offer secure jobs for life, and the employee is likely to have to adapt to new circumstances. Employers have the impression that the educational system does not yet equip individuals with this ability to adapt, as shown in various human resource surveys carried out in the past. Government also needs to assess the apprenticeship schemes and evaluate the existing teaching methods, in order to enhance skills required by the labour market.

Changes in the environment bring about associated changes in values and expectations among working people. Malta's economic growth, sectoral orientation of economic activity towards services, and higher household expectations have all contributed to the increase in female employment.

The promotion of equal opportunities is being addressed in general and in relation to particular sectors of the Maltese Society by a number of statutory bodies.

7.5 Civil Society

The Civil Society plays an important role in what is referred to as the social economy. This comprises co-operatives and voluntary organisations. In general these organisations may be distinguished from public and private organisations by their characteristics of being value-based organisations of committed individuals oriented towards mutual or social good. Their espoused values are usually participation, user and community orientation, and non-profit distribution. Two main sectors in the Civil Society which contribute to the development of Maltese human resources are NGOs and the Archdiocese of Malta.

The scale of current economic and social change in Europe, the rapid evolution of the knowledge society, and the demographic pressures resulting from an aging population, demands a fundamentally new approach to education and training. Lifelong learning is the umbrella under which all kinds of teaching and 'life-wide' learning should be united. It sees all learning as a seamless continuum 'from cradle to grave', extending from the early years through adult life. Encompassing a common core of knowledge and skills which goes beyond basic numeracy and literacy, it aims to equip people with the essential building blocks required to function in modern society – 'generic' or 'life skills' such as problem solving, teamwork and learning skills, motivation and disposition for learning at all ages.

Skills, knowledge and understanding will not last a lifetime but require regular updating. Thus, lifelong learning covers not only basic education but all purposeful learning activity undertaken on an on-going basis with the aim of improving knowledge, skills and competence.

Lifelong learning is needed not only to develop employability and personal fulfilment of current and future generations, but to ensure their inclusion in society and to promote their active citizenship. This notion of lifelong learning can be implemented on a wide scale. It is these challenges that Malta seeks to address.

8. Challenges for the Social Partners

8.1 Challenges for Government

The European Commission White Paper on Education and Training (1995) stated that ‘the State is responsible overall for shaping and developing the structure, organisation and content of their educational and vocational training systems. Clearly, the State has a crucial role in bringing about a learning society.¹ Its functions include the following:

8.1.1 Coordinating and Facilitating Role

The State has a coordinating and facilitating role with responsibility for the overall infrastructure, the provision of a legislative framework, the setting of standards and the monitoring of quality assurance, the provision of qualifications nationally and the licensing of education and training organisations.

8.1.2 Basic Skills

Government is to ensure that the educational system is producing high levels of achievement in the field of basic skills, such as languages, sciences, mathematics and technology, on which work-based learning can be built. Young people need to be flexible, enterprising and technically proficient to be equipped for an uncertain and rapidly changing future. They need to begin to learn all this while they are still at school, since school is only the first stage of their learning pathway.

8.1.3 Social Dialogue

The labour-capital relationship is being transformed and Government’s approach to social dialogue needs to pace the process of adjustment to new forms of social agreements. The process of managing these changes needs to realistically consider whether the social partners can fulfil their roles.

8.1.4 Co-partnership

Government needs to encourage the social partners to work together in genuine co-partnership with shared responsibility for strategy and operations, decision-making, management and where possible even sharing of financial commitments to training and development matters.

8.1.5 Consensus

Government is responsible for building a consensus on ideas put forward by the social partners and reaching agreements and commitment.

8.1.6 Enterprise Support

The state needs to give support to employers, especially small and medium enterprises, possibly financial support and/or incentives from the state to successfully invest in the training and development of their employees.

8.1.7 International Certification

The state needs to ensure that there is a system of qualifications which enjoys national credibility and recognition. Nationally recognised qualifications need to be international that is acceptable, transferable and accreditable to any country.

8.1.8 Quality Assurance

Training providers need to ensure quality education and training and the State needs to ensure a proper accreditation, inspection and monitoring mechanisms for quality assurance which may incorporate principles of intervention. Training providers need to ensure that their deliverables meet the needs of employers and the community. Government needs to set up a quality improvement strategy to ensure consistency, coherence and sustain a culture of continuous improvement.

8.1.9 Co-Funding

The state is not ultimately responsible for the funding of all training and development initiatives. However, it can influence policy and give support to education and training institutions in a number of ways. For example, tax reliefs for individuals or enterprises who invest in training and development, national funding for new schemes.

8.1.10 Vocational Education and Training

Competence and skill acquired in the workplace need to be recognised and accredited through systems of vocational qualifications. This would encourage closer links between academic and vocational qualifications. Qualifications need to recognise what people know, understand and can do and the standard they have reached. Both academic knowledge and practical applications need to be recognised and assessed. Vocational qualifications systems should benefit mostly persons already in employment.

8.2 Challenges for Management

The rapidity of technological and organisational change in business, changes in the nature of work itself and the increasingly competitive international business environment, all require the adoption of a continuous and lifelong approach to skills acquisition and training and the promotion of greater flexibility and adaptability within the workforce.

A recent NSO survey on vocational guidance has found that Maltese organisations do not invest sufficiently in upgrading employee and management skills. This is particularly the case for small businesses. Yet it is known that effective investment in HRD will yield a good commercial return provided it is done in the context of a sound business plan. The tendency for enterprises to under-invest in training may be due to:

- A fear that the employees benefiting from human resource investment may leave or be poached by other employers;
- A lack of funding for HRD investment purposes;
- An insufficient recognition of potential benefits of investment in HRD, due to a lack of readily available information.

To overcome these deficiencies, it is not enough to simply allocate additional resources to HRD. A strategic approach to the utilisation of the opportunities available to the organisation, together with new attitudes to training are also required. The successful enterprise is a learning organisation where people at all levels are able to acquire and renew the knowledge and skills identified through an analysis of the training needs of the organisation and of the training potential of its employees.

Closer links between the educational and training services are essential to underpin the capacity of organisations for innovation across the full range of business activities and to ensure that the education and training sectors are responsive to the needs of organisations.

In addition to raising the quality of existing skills, new work practices require the acquisition of new skills. Failure to master these new processes will put organisations at a competitive disadvantage.

The challenge for management is to make the transition to activities which are based on the use of higher technology, better quality, better organisations, and which will yield profitable margins. This transition requires a significant change in traditional management-employee relationships. It involves new forms of work organisation which foster greater employee autonomy and discretion in the performance of jobs within an agreed framework of responsibility. It requires work practices suited to developing competitive advantage in individual organisations, based on the acquisition and mix of skills and on flexibility.

A greater disclosure of information and partnership in the management of change needs to be revealed to avoid crises-driven change. This places new demands on management. The communication skills and negotiation capabilities of management and employees need to be strengthened to achieve greater effectiveness in this changed employee-management environment. Training and education in these skills is growing in importance. The aim must be to benchmark training performance at both the national level and at the level of individual organisations against the best known international practices.¹

8.3 Challenges for Trade Unions

Traditionally, trade unions act as intermediaries, constantly striving to represent the interests of their members and improve their conditions of work through bargaining and negotiation. At the work place, management encourages flexibility and adaptability to the market needs. This may imply leaner organisations due to restructuring and downsizing. Any form of flexibility introduced by management puts unions in a dilemma. A union's mission is to promote solidarity rather than divide the workforce and flexibility measures may be viewed as going against this objective. The challenge for trade unions and management is to integrate flexibility with security. In order to face these challenges, unions need to manage change more effectively and according to a pre-determined strategy. The new initiatives may include the following:

- Image building;
 - Coping with the new economic environment;
 - Employee involvement;
 - Relations with the state;
 - An active role in vocational training and development.
- **Image Building**
All unions need to improve their public image through upgrading their public relations and mobilising their resources (G. Baldacchino, S. Rizzo, E. Zammit, 2003:148).¹

- **Coping with the New Economic Environment**

Unions should operate more actively their networks with other international trade unions – particularly within the European Trades Union Confederation (ETUC) - to devise common policies, such as the European Employment Strategy (EES) and keep up to date to with international events.

- **Employee Involvement**

Maltese trade unions should negotiate with the other social partners different forms of employee involvement and workplace participation. These would enable their members to be more involved in decision-making processes and achieve a balance between security and flexibility.

- **Relations with the State**

The unions are often viewed as offering ‘stiff resistance’ to Government. The latter follows a policy of industrial peace and should involve unions in formulating national policy. This may be viewed as ‘union accommodating state policy’. It should be noted that in the Malta survey, 67% of respondents believe that their union has achieved a balanced relationship. 23.7% of the respondents feel that the unions should offer ‘stiffer resistance’ to Government.

- **Active role in Training and Development**

The unions should be actively involved, in conjunction with the other social partners, in employee training and development as well as in vocational training and lifelong learning. Without this active union role, the success of any such schemes is likely to be severely impaired. This could also be their most effective contribution towards securing the employability of their members throughout their work lives.

In view of the above, trade unions are faced with a trend of increasing non-unionised, atypical and marginalised employees. A number of workers in the highly unionised public sector are decreasing. This trend poses a challenge to the Maltese trade unions in the future. For unions to maintain credibility, they need to show tangible evidence not only of competence but also of fairness and equity (G. Baldacchino, S. Rizzo, E. Zammit, 2003: 153).¹

8.4 Challenges for Individuals

The individual will also have to give importance to ensuring that qualifications, training and personal development are updated, internationally certified and meet the need to secure and maintain employment. The minimum levels of initial education and training required to secure and to hold a job are rising. There is evidence to suggest that those who leave school with no or minimum qualifications will enter into an on-going cycle of unemployment.

There is also a need to ensure that, in the workplace of today and of tomorrow, where change is endemic and the need for new skills is constantly apparent, a commitment to lifelong learning is required to ensure their ‘employability’. Individuals will need to develop a ‘personal portfolio’ of skills and attitudes that are continuously upgraded over a working life-time in which the concept of a ‘job for life’ in any business activity, will no longer hold.

The greater the extent to which organisations and individuals have invested in the upgrading of qualifications and skills, the lower the possibility of redundancy and the easier it will be to achieve reintegration into the workforce if redundancy occurs. Where employees do become redundant, their reintegration to the workforce can be facilitated by effective advisory and counselling services.

8.5 Challenges for the Civil Society

The Civil Society motivates individuals within their own area of activity to equip themselves with relevant skills. This will enhance the individuals' employability. The characteristics of the Civil Society organisations are value-based, orienting individuals towards mutual or social good. Their espoused values are usually participation, user and community orientation, and non-profit distributing. They also confirm values like self-help, self-responsibility, democracy, equality, equity, and solidarity (R. Spear: 1998).¹

In every society there is a growing minority of people who are more vulnerable, undereducated, under-skilled and unemployed. In some cases, these people have multiple difficulties to add to their employability problems. Private organisations cannot cater for all the needs of these people. Government has a social responsibility and ensures that provision is made for these people's needs, with the aim of helping them to become employable and capable of taking active participation in society.

9. Critical Challenges Confronting the Development of Employees in Malta Today

A field survey was carried out among a number of selected, influential individuals and experts on HR to support the findings. Further primary data was gathered through field research consisting of mailed questionnaires¹ and selected individual interviews.¹ The following questions were addressed:

- What are the most important challenges confronting the development of employees in Malta today?
- For each of these priorities, identify an initiative that could address the challenge.

The analysis of the questionnaires identifies the following eight most important challenges today:

9.1 Reintegrating unemployed people into the national workforce

Specific human resource development interventions are required to help bring those who have been unemployed and particularly long-term unemployed back into the workforce. Unemployed persons in the over 40-age group (mid-careers) are susceptible to long-term unemployment. These persons are likely to be severely affected by the restructuring of the economy.

9.2 Helping people become more employable and promoting gainful employment through the development of their skills

There is a need to prevent the drift of school leavers into long-term unemployment and improving opportunities for pre-entry vocational education and training together with its quality and relevance. Employees need to become more employable through the development of their knowledge and skills.

9.3 Underpinning competitiveness by promoting investment in the skills and knowledge of the workforce

Good educational attainments and qualifications are key requirements in reducing the numbers of people at risk of becoming unemployed. A lack of information technology and communication skills needs to be enhanced to support Government's drive for an information-based society and economy.

9.4 Strengthening commitment to lifelong learning/Continuous Vocational Training (CVT)

Individuals and their employers need to be committed to lifelong learning and vocational training. Malta has an imbalance of vocationally qualified personnel – young persons or individuals who have experience but no qualifications. MCAST is trying to address this issue.

9.5 Providing Comprehensive Guidance and Counselling Services

Vocational Guidance should be seen as a continuum, life-wide and lifelong. Mobility of employees and continuing advancement in technology make some jobs obsolete and change others. Vocational guidance becomes important for employees, before entry into employment and throughout their whole working life.

9.6 Promoting Equal Opportunities

Female participation in the labour market is significantly low when compared to other European countries. Gender differences may be due in part to a fair amount of women who drop out of the workforce when they have their first child (G. Baldacchino, F. Camilleri 1992:10).¹ Employers may also be reluctant to provide incentives to encourage women to remain working (A. Caruana, 2003:189-221).¹

Moreover, persons who experience social problems and who may be at risk of exclusion, often suffer from prejudiced employers. The existing schemes need to be monitored and continually reassessed to ensure their effectiveness in further integrating these persons into working life.

9.7 Assisting Small and Medium Enterprises (SMEs) to overcome the skill barriers to development

The majority of the work force is employed in SMEs. These organisations face difficulties in identifying what their training needs are relative to best practice, in developing HRD plans and in releasing staff for training. They also face financial constraints in investing in training. These difficulties are addressed.

9.8 Developing a strong quality assurance system

A recognised quality assurance system needs to be in place in relation to the quality and relevance of training, if investment in human resource development by individuals, by business or through the State is to be effectively encouraged. This system should provide authoritative information on best practice, provide information on training consultants or institutions and ensures acquired skills and experience are certified to a standard which has widespread recognition and portability.

10. Actions

The Brussels European Council in March 2003 emphasised the necessity of structural reforms, in particular good governance, social partnership and efficient employment services. The renewed Employment Guidelines focus on three over-arching objectives:

- Full employment
- Quality and productivity at work, and
- A cohesive and inclusive labour market.

Within these broad objectives are some guidelines:

- “Access of workers to training is an essential element of the balance between flexibility and security.
- Increasing investment (in HR) requires the provision of adequate incentives for employers and individuals, and re-directing public finance towards more efficient investment in human resources across the learning spectrum.
- A successful implementation of employment policies depends on partnership at all levels, the involvement of a number of operational services and an adequate financial provision to support the implementation of the guidelines.
- Improved quality at work is closely inter-linked with the move towards a competitive and knowledge-based economy and should be pursued particularly through social dialogue.
- Quality encompasses intrinsic job quality, skills, lifelong learning and career development, gender equality, health and safety at work, flexibility and security, inclusion and access to the labour market,¹ work organisation and work-life balance, social dialogue and worker involvement, diversity and non-discrimination, and overall work performance.”(A. Caruana, 2003: 194-202).¹

The very nature of work and work organisation is changing, driven both by the rapid pace of technological change and a need to maintain competitiveness. It is a world of work where flexibility and adaptability, the ability to change, to accommodate and generate new products and processes are essential for success, and where the concept of ‘employability for life’ is superseding the traditional concept of ‘a job for life’ (Department of Employment, 1997:149).¹

Human resources must increasingly require the highest levels of knowledge, skills and competencies. An ongoing investment in learning is required both at the point of entry into the labour market and, just as importantly, throughout the working life by constantly updating and adapting the employees’ knowledge, skills and competencies.

The Maltese people’s abilities are matched by their high aspirations. In this context, Malta’s main development objective is to restructure its economy by embarking on

the “high road of innovation” (W. Fricke, 2001:20)¹ In practice, this means the creation of “highly skilled jobs producing high quality goods”. The occupants of such jobs must be capable of constant innovation in order to compete successfully on the global market. The realisation of this objective requires the establishment of local facilities for advanced vocational training at institutions like the University, Malta College of Arts, Science and Technology (MCAST), Institute of Tourism Studies (ITS) and others. Where this is not feasible, specialised training may be imparted through exchange agreements with high-ranking foreign institutions.

All this, in turn, also requires the availability of adequate incentives for employees to dedicate their efforts to ambitious training projects which can best be secured for them through negotiated agreements among the social partners. It is strongly believed that the realisation of the above objectives will be facilitated if Malta avails itself fully of the new opportunities available following its EU accession.

The analysis suggests that Maltese enterprise has yet to fully realise the changing circumstances which it is facing, especially when measured in terms of the levels of its investment in people. In other words, the Island’s HRD potential is not being adequately utilised at present.

There can be mutual benefit resulting from greater synergy between the training infrastructure and the industrial sphere. An institutionalised dialogue is required between the educational organisations and industry so as to shape the training of human resources to the industry requirements.

The Governmental institution that is currently responsible to facilitate enterprise operations is Malta Enterprise, while that for employment and training is the Employment and Training Corporation (ETC). Together with the educational institutions, Malta Enterprise and ETC should analyse the current skill gaps in Malta and predict future skill requirements that result from current and planned future investment. The social partners should also be deeply involved in this process. As a result, the educational institutions will be in a better position to draft new prospectuses as well as to re-launch current courses. This analysis will also permit the system of training certification and quality assurance to update its criteria according to new requirements. Guidance and Counselling facilities represented by a National Vocational Guidance Unit would be in a better position to provide the right direction to individuals seeking further skill specialisation.

The synergy between Malta Enterprise, Employment and Training Corporation (ETC), the social partners and the educational institutions will also aid students to gain hands-on experience, and industry to commission its research requirements in these institutions.

The effectiveness of government incentives to companies for employee training and development (currently being provided under the Business Promotion Act, through ETC and Malta Enterprise) needs to be constantly monitored and its impact on HRD assessed.

11. Conclusion

The challenges and strategies will contribute towards overcoming some of the barriers that undoubtedly exist and help to bring about the culture or attitude change that is necessary to generate the new focus on investment in people. The strategies are to be used dynamically, and must inevitably change and evolve. New actions will need to be developed regularly to properly reflect that changing world of work to which they are meant to be applied.

All the social partners are to assume the responsibility for training and development of Malta's human resources. It is everyone's responsibility to get their house in order and adjust to the new work environment.

Government is making its commitment with respect to its own employees. It is already making a substantial contribution in HRD – particularly through the recent, significant investment in Malta by leading foreign companies operating in the vital Information and Communications Technology (ICT) sector. The ETC has also created a range of structures through which its labour market interventions are implemented. Government has an obligation to ensure that its investments remain effective and are utilised efficiently.

The challenges confronting Maltese society are best viewed as opportunities to be grasped. All sectors of society should strengthen their resolve to mobilise Malta's key assets – our people – towards the attainment of our common objectives.

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13. APPENDICES

13.1 The Geo-Political Profile of the Maltese Islands

Malta is an archipelago of three main islands of which the largest (Malta) is 17 miles long and 9 miles wide covering a superficial area of about 96 square miles. The archipelago is situated about 60 miles South of Sicily (Italy). The second largest is Gozo (Ghawdex) with an area of approximately 26 square miles. Comino (Kemmunna) is only about 2 square miles and lies mid-way in the 4 mile channel that separates the two major islands.

Apart from being one of the most densely populated places in the world, the Maltese islands rightfully boast of a history spanning over six thousand years brimming with a wealth of civilisation. The strategic location of the islands made it inevitable that nearly all the major civilisations of their respective time made Malta their pride possession from where they controlled the maritime traffic plying the Mediterranean. They have all been here - Phoenicians from the East, Carthaginians from North Africa, the Romans, the Byzantine Greeks, the Arabs, Spanish medieval feudal princes, the Knights of St John, Napoleon the Emperor and finally the British Crown with a presence of lasting nearly 180 years. The UNESCO protected megalithic architecture comprising of free-standing temples and underground hypogea are thought to be older than Stonehenge.

The islands, strategically located at the crossroads of the Mediterranean, have throughout their history acted as an important geo-political point of reference between Christian Western Europe and the Muslim region of North Africa and the Middle East. As stated the islands were ruled by various foreign powers ranging from the Phoenicians, Romans, Arabs, Aragonese (c.1200-1529), the Knights of the Order of St John (1530-1798), the French (1798-1800) and the British (1801-1964). Great Britain formally acquired possession of Malta in 1801. The island staunchly supported the Britain through both World Wars and remained in the Commonwealth when it became independent in 1964. A decade later Malta became a republic. Since the mid-1980s, the island has become a major freight trans-shipment point, financial centre and a prime tourist destination within the Mediterranean region. On 1 May 2004, Malta will become a full member of the European Union (EU).

13.2 Malta's Fact File

Capital city:	Valletta
Government type:	Republic
Size:	27.4 km long and 14.5 km wide – 398 square kilometres
Situated about:	96 km from South of Sicily
Second largest island:	Gozo – 68 square kilometres
Religion:	Roman Catholic 98%
Languages:	Maltese (official), English (official)
Currency:	Maltese Lira (MTL)
Legal system:	based on English common law and Roman civil law
Population:	about 385, 000 persons
Climate:	Mediterranean with mild, rainy winters and very hot, dry Summers
Economy:	Resources are limestone, productive labour force, has no domestic energy sources and depends on foreign trade, manufacturing and tourism.
Unemployment rate:	7% (2002)