РЕФОРМУВАННЯ ПІСЛЯДИПЛОМНОЇ МЕДИЧНОЇ ОСВІТИ

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THE ROLE OF ADULT VOCATIONAL EDUCATION IN BUSINESS ENVIRONMENT IN LATVIA

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Ризький технічний університет, Рига, Латвія РОЛЬ ПРОФЕСІЙНОЇ ОСВІТИ ДОРОСЛИХ У БІЗНЕС-СЕРЕДОВИЩІ ЛАТВІЇ

Abstract. The decisive factor for the country's economic development is competitive workforce resources, for the preparation of which vocational education, its quality, compliance with the trends of economic sectors and the demand of the labour market are essential. One of the global socio-economic problems of the 21st century in developed countries is an aging population, due to the influence of which the importance of adult vocational education becomes significant, as changes in the demographic structure mean that labour market needs are increasingly being met by "silver" human resources. Currently, the demand in the labour market for employees with higher education dominates, pointing to the qualitative development of the labour market and the importance of professional higher education in the aspect of population aging. The authors conclude that the existing vocational education system needs to be improved, fully integrating adult education into it, which would serve as one of the basic elements of the support system for the creation of a high-quality state business environment and stimulate the achievement of the national economic goals. The authors have demonstrated the relevance between the implementation of vocational higher education and the quality of the research, the authors have demonstrated the relevance between the implementation of vocational higher education and the quality of business environment. Recommendations for the implementation of high-quality vocational higher education are provided in order to ensure the compliance of the existing workforce with the requirements of the national economy and labour market and to create a high-quality business environment.

Key words: adult vocational education; business environment; population aging; vocational higher education; workforce resources.

Анотація. Вирішальним фактором економічного розвитку Латвії є конкурентоспроможні ресурси робочої сили, для підготовки яких важлива якість професійної освіти, її відповідність тенденціям розвитку галузей економіки та попиту на ринку праці. Однією з глобальних соціально-економічних проблем XXI століття в розвинених країнах є старіння населення, завдяки впливу якого стає важливим значення професійної освіти дорослих, оскільки зміни в демографічній структурі населення означають, що потреби ринку праці все частіше задовольняються ресурсами людей пенсійного віку. В даний час на ринку праці домінує попит на працівників із вищою освітою, що вказує на його якісний розвиток і важливість вищої професійної освіти в аспекті старіння населення. На думку авторів, існуючу систему професійної освіти потрібно вдосконалити, повністю інтегруючи в неї освіту дорослих, що послужило би одним із основних елементів системи підтримки для створення високоякісного державного бізнес-середовища та стимулювало би досягнення національних економічних цілей. Проаналізовано систему професійної освіти та видів її здобуття в Латвії як одного з факторів, які сприяють створенню високоякісного бізнес-середовища, що забезпечує якість наявної робочої сили. В результаті досліджень автори продемонстрували доречність між впровадженням вищої професійної освіти та якістю бізнес-середовища. Рекомендації щодо впровадження високоякісної вищої професійної освіти надаються з метою забезпечення відповідності наявної робочої сили вимогам національної економіки і ринку праці, а також створення високоякісного бізнес-середовища.

Ключові слова: професійна освіта дорослих; бізнес-середовище; старіння населення; вища професійно-технічна освіта; ресурси робочої сили.

Analysis of the Vocational Education System in Latvia.

Vocational education is a key tool in solving many global problems that require its competitiveness and flexibility to respond to demographic challenges in the epoch of population aging, and is one of the preconditions for creating a high-quality business environment. In the authors' view, vocational education needs to adapt to labour market demand trends and provide a business environment with a qualitative and competitive workforce, as vocational education is an area that practically and theoretically prepares for a particular profession. Vocational secondary and higher or college education are important, as due to the

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decrease in the number of people and the population aging it is important not to reduce the value and competitiveness of human resources. Adult education is defined as education involving people after reaching the age of 25, assuming that at this age the style and goals of human learning change, based on past work and family life experiences (MES 2018). As a scientific problem, there is a contradiction between the external factor, i.e. changes in public life, new demands on the job, change of profession, and the human internal need for lifelong learning and the provision of optimal and effective learning opportunities: Stašāne (2017), which is a basic function of adult education, but which cannot be well implemented by the current system. In Figure 1, the authors have developed a scheme for the acquisition of adult vocational education, which shows approaches through which the adult audience can acquire education.

One can be engaged in the adult vocational education system and acquire knowledge, skills and competences

throughout the life. In Table 1, the authors have summarized the explanations of formal, non-formal and informal education systems, applying them to adult vocational education.

Analysing the types of education systems in the classical formulation as well as suitable for adult vocational education, the authors conclude that all systems complement each other and at the same time can be fully separated, which is influenced by the requirements set by economic sectors for the education and professional qualification. Vocational education competence centres and colleges, which includes all adult vocational education systems in their activities, play an important role in the implementation of high-quality and competitive adult vocational education. The authors have analysed the ways of acquiring vocational education by applying them to adult vocational education, which are reflected in Figure 2.

Displaying types of the acquisition of vocational education, it is not reflected how adult vocational

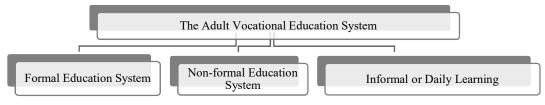


Fig. 1. The Adult Vocational Education System (Created by the authors according to LR MES, 2018).

Table 1. Characteristics of the Adult Vocational Education System (Created by the authors according to LR MES, 2018)

S.n.	Education System	Explanation	The System of Adult Vocational Education	Explanation
1	Formal Edu- cation	Education system that includes levels of pri- mary, secondary and higher education, the acquisition of which is certified by a state- recognized education or professional quali- fication document	Formal Edu- cation	Adult vocational education system that includes knowledge, skills and competences acquired in a vocational education institution and certified by a state-recognized education document
2	Non-Formal Education	Education system that organizes educatio- nal activities that are in line with interests and demand outside formal education	Non-formal Education	Adult vocational education system where knowledge, skills and compe- tences are acquired outside an edu- cational institution and which can be assessed and recognized by an educa- tional institution, leading to the issu- ance of a state-recognized education document
3	ing or Infor-	Education system, which is a continuous and uncontrolled process of experience en- richment throughout the life, during which a person acquires social norms, culture, be- havioural patterns and values of society	Daily Learn- ing or Infor- mal Educa- tion	Continuous, uncontrolled process of enriching professional knowledge, skills and competences throughout the life, as well as a process of enriching social norms, culture, behaviour pat- terns and values of society

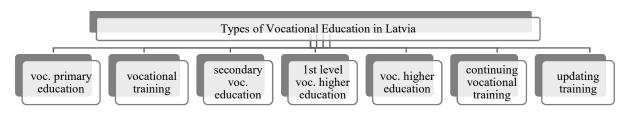


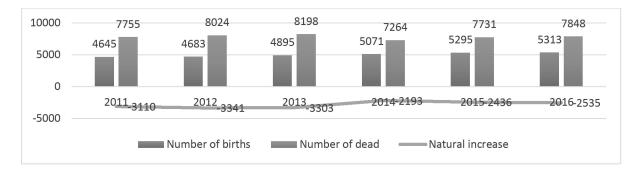
Fig. 2. Types of the acquisition of vocational education in Latvia (Created by the authors according to NEOD (National Education Opportunity Database), 2018).

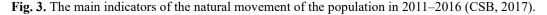
education works at any level. As practice shows, adults can participate in all forms of vocational education, however, the Latvian education system, which includes academic and vocational education, does not directly includes adult vocational education, which is now an essential part of the education system to ensure the adequacy of existing human resources in the labour market and to create a high-quality business environment. As the demand for higher education workers is currently dominating in the labour market that points to qualitative development of the labour market due to the technological development of the sectors and international competition of enterprises, this is reflected in the decrease in the demand for lower education workforce. It can be said that by acquiring higher education a person at any age has more opportunities to adapt to social changes and, by raising his/her qualification or retraining, to integrate effectively into the labour market, resulting in a competitive society and companies that ensure sustainable development of Latvia. (Šenfelde M., Zenčaka A., 2017).

Trends of the Population Aging of Latvia

Europe and Latvia are affected by a significant population aging process, where older people are a valuable and often underestimated resource that can make a significant contribution to society. Europeans will be the oldest population in the world in the near future. In Figure 3, the authors show the main indicators of the natural movement of the population in the period of 2011–2017, 1st quarter. Figure 3 shows that the natural growth in Latvia has been being negative since 2011. In the first three months of 2017, the population in the country, with the number of deaths exceeding the number of births, decreased by 3 083 people, compared to 2 535 in 2016, indicating that these negative trends are increasing every year. LR CSB (2017). Changes in the number of population in Latvia in the period of 2010 – 2016 are reflected by the authors in Figure 4.

Since 2010, the number of population in Latvia has decreased by 170 thousand or 8 %. In 2017, 1 950 116 inhabitants live in Latvia, which is by 18.8 thousand or 1 % less than in 2016. Problems in a country arise when the population is unable to reproduce itself, which results in its aging. There is an inadequately large number of older people and insufficient children in Latvia. Due to the negative demographic situation, the number of economically active population will decrease in the future. It is not only a problem for Latvia, but also for the EU as a whole (LR CSB, 2012). According to the authors, due to decreasing in the birth rate, increasing in the mortality rate and as a result of the migration process, the number of population over the age of 63 is increasing in Latvia, which is above the working age determined for women and men in Latvia in 2017. The population is aging, resulting in a 'silver' society, a special resource group that needs to be built up as a high-quality and competitive human capital to create a high-quality business environment and achieve national macroeconomic goals.





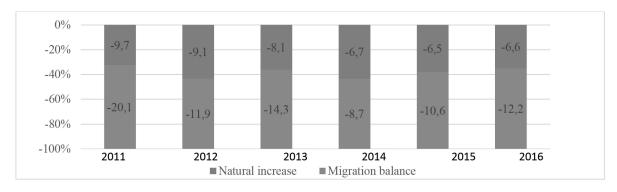


Fig. 4. Changes in the number of population in 2010–2016, th. people (CSB, 2017).

Factors Influencing the Quality of Latvian Business Environment

A high-quality business environment is the basis for the country's economic development and growth, one of the most important goals of any country. The business environment as an integral part of the market economy has been relatively widely studied. In Table 2, the authors offer a number of explanations for the concept of "business environment".

The above definitions show some differences of opinion about what the business environment is and how it relates to companies and their efforts to achieve goals. In practice and in the academic environment, there is a general view that in general the business environment is based on the interactions of internal and external factors that affect the operations, development, competitiveness of companies and economic development of the country as a whole. The generally accepted division of business environment are shown by the authors in Figure 5.

The business environment – both internal and external – does not exist without the influence of public authorities and municipal institutions, as well as other actors of the business environment. Each group of actors has different intensity and effectiveness. (Vanags., J., Linde., N., Bikse., V., 2015). The most important factors influencing the internal and external business environment are summarized by the authors in Table 3.

Improving the business environment is one of the key national tasks implemented by economic and administrative methods. In the authors' view, these methods are often implemented in such a way that they do not promote the development and quality of the business environment, but on the contrary - they

Table 2. Explanations of the business environment concept (Created by the authors, 2019)

Concept	Explanation	Source, year
	A set of circumstances and events that affect activity of a company	Cambridge Dictionaries, 2018
ц	A combination of internal and external factors that create a situation for	Business Dictionary, 2018
environment	achieving business goals	
lon	A socio-economic and technically ecological system that regulates com-	Vanags., J., Linde.,Ņ., Bikse.,
ivi	mercial activity as well as influences business performance and behaviour	V., 2015
	of other actors of national economy	
Business	It is a combination of all forces, factors, and institutions that affect business	The institute of Company Secre-
usi	through management, various policies, and is outside the sole area of influ-	taries of India, 2012
ы	ence of an individual merchant	
	A set of critical factors that affect business in a particular region	Gnyawali, D., & Fogel, D., 1994

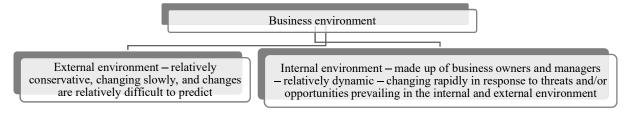


Fig. 5. Business environment (Created by the authors, 2019).

External factors of business environment Internal factors of			
Factors of the farther external environment	Factors of the closest external environment	Internal factors of business environment	
Economic factors: – inflation rate; – unemployment level; – purchasing power of the population; – living standard; – cycles of national economic activities	Suppliers to be assessed for their stabi- lity, reliability, price and solvency	Goals and objectives of the company, vision, mission	
 Social, cultural, and demographic factors: – social affiliation of the population; – cultural level; – population growth; – the national structure of the population; – education level 	Competitors as a force acting on the company's micro-environment also have a significant impact on the deci- sion-making process as they dictate a number of rules that put the company in a state of dependence	Employees, their know- ledge, skills and compe- tences, perception, skills, attitudes	
Technological factors: – development of new production and communication technologies; – scientific and technical progress	Consumers: – households; – companies; – intermediaries; – state; – foreigners	Company structure – decision-making levels, division of work, structural units, division of functions and execution	
Political factors: – a country`s foreign policy, relations with other countries; – the economic and political situation in the world	Contact audience: – credit institutions, investors; – mass media; – public authorities involved in moni- toring and controlling the company's operations; – public organizations that can influ- ence the achievement of the company's goals	Technology – use of equip- ment, information systems	
Legal factors: – includes interaction between the company and the government or legislators; – legislation – tax policy		Corporate culture, ethics, managerial style	
Institutional and informative factors: – banks; – insurance companies; – advertising agencies; – market research agencies; – business support centres, etc.			

Table 3. Factors of internal and external business environment (Created by the authors, 2019)

slow down, as a result of which the adjustment of the business environment in Latvia remains a complex and long-term task of the national economic policy. At the moment, demographic situation has become a serious problem in creating a high-quality business environment. The increase in the number of old people poses unavoidable challenges for politicians and strategies in various fields (Cornet, G. 2015), especially for vocational education whose quality and compliance with labour market requirements is the primary factor for the development of economic sectors. As the development of the labour market is currently prone to quality, (IZM, 2014) in the age of "silver" population, adult education is of key importance in the aspect of vocational higher education. As the number of people diminishes and the population ages, it is important not to reduce the value of the human capital base and increase its productivity, (Auers, D., Gubins, S., 2017) as a result of which vocational higher education serves as one of the key elements in the development of the external and internal environment of a high-quality business. It affects both the quality of the overall workforce in the country and the quality of the staff of a particular company. The involvement of adults in formal and / or non-formal education in Latvia from 2007 to 2016 is reflected in Figure 6.

In 2016, 45.7 % of the population in the age of 25– 64 participated in non-formal education activities. In informal or daily learning, 82.1 % of the population in the age of 25–64 and only 4.4 % of the population in the age of 25-64 participated in formal education activities. (LR CSB, 2016) The authors believe that non-formal education does not provide knowledge and skills at the level necessary to meet the demands of the labour market, as evidenced by the frequent dissatisfaction of employers with the professional quality of the workforce just after the completion of the educational institution. In Latvia, adult education is at an early stage, but has been recognized as a priority at the national level and is mainly implemented by attracting funding from the European Social Fund within the Specific Support Target Project "Improve Vocational Competence of Employees" of the Operational Program "Growth and Employment" 8.4.1, within which is currently the only source of funding for adult education at all levels. In the project, it is possible to acquire new professions or to supplement knowledge and skills in educational programs that cover 11 economic sectors, of which the most demanded are information technologies and transport and logistics.

The Role of Vocational Higher Education in Creating a High-Quality Business Environment

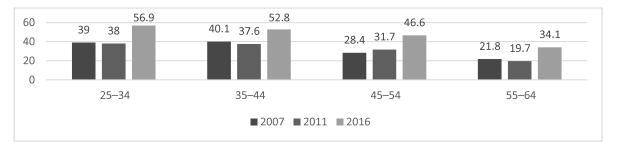
Professional higher education must be competitive in order to ensure a sustainable transfer of education to the business environment and to improve its quality. The definition of the World Economic Forum "The set of institutions, policies and factors that determine the level of productivity of a country" reflects the key outcome of economic competitiveness. It is precisely the increase in productivity that makes it possible for the public to have a higher level of well-being and hence the quality of life. However, competitiveness also manifests itself as the ability of a company, industry or state to successfully market its goods or services. Applying this definition to vocational education means that trained professionals can effectively enter the labour market, which is particularly important as a result of the population aging. As the demand for employees with higher education currently dominates in the labour market, the authors have analysed the most significant benefits of vocational higher education, which is summarized in Table 4.

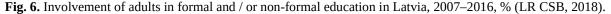
As a result of the implementation of appropriate vocational higher education, the labour market disproportions are eliminated, the development of economic sectors and enterprises is stimulated, the economic development and growth of the state is ensured. Given the importance of vocational higher education in the socio-economic aspect, the authors illustrate the relevance between competitive vocational higher education and the creation of a high-quality business environment as a driving force for the economic development and growth of the country.

By elaborating this relevance, the authors distinguish from the common factors influencing the business environment, summarized in Table 5, the possible factors that are positively influenced by competitive vocational higher education.

As a result of competitive vocational higher education, companies have access to high-quality employees and managers at different levels, ensuring more effective goals and promoting high corporate culture and ethics. Economically and financially stable companies are the basis for the country's economic development and growth, which must be achieved in different demographic situations. As a result of the population aging, adult education becomes particularly topical, which in the context of vocational higher education is one of the essential preconditions for the creation of a high-quality business environment and economic development.

Conclusions. Analysing the vocational education system and the ways of its acquisition in Latvia, the following key conclusions have been put forward as one





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Table 4. The role of higher vocation education in the socio-economic aspect at the household, business and national lev-
els (created by the author according)

	At the household level	At the business level	At the national level
Economic	Intellectual investment in the future;	Intellectual investment in	The sphere of higher education is
aspect	Higher pay opportunities;	human capital;	an important economic sector;
	Higher mobility and competitiveness in	More effective staff deve-	Greater economic returns from
	the labour market.	lopment and staff retraining;	education;
	Higher economic security level	Higher productivity of enter-	0
		prise and resource efficiency;	0
		Higher competitiveness of	More effective implementation
		enterprise	options of employment policy;
			More in line with the labour
			market`s requirements
Social	Better preparedness for the labour	Greater social responsibility;	Higher level of culture of the so-
aspect	market;	Higher values;	ciety;
	Higher status in society;	Higher internal culture	Lower crime rates and safer public
	Greater personal growth opportunities;		environment;
	Higher self-esteem and better		Higher political participation;
	psychological climate;		Higher technological adaptation to
	Better leisure facilities;		the labour market`s requirements
	More informed decision-making for		
	consumption;		
	Higher personal well-being and better		
	health;		
	Better quality of life and growth of the		
	new generation		

Business internal environment

Competitive vocational higher education Business external environment

Fig. 7. Relevance between the implementation of competitive vocational higher education and the quality of business environment (Created by the authors, 2019).

Table 5. The Positive Impact of Competitive Vocational Higher Education on Business Environment Factors (created by
the authors, 2019)

Competitive vocational higher education		
Business external environment	Business internal environment	
Economic factors:	Achieving the company's goals and tasks	
– a GDP increases;		
- the unemployment rate is decreases;		
- purchasing power of the population increases;		
 living standard increases 		
Social, cultural, and demographic factors:	Employees, their knowledge, skills and competences, per-	
- the cultural level increases;	ception, skills, attitudes	
- the level of education increases;		
– crime decreases		
Technological factors:	Corporate culture, ethics, managerial style	
- development of new production and communication		
technologies;		
 scientific and technical progress 		

of the factors of a high-quality business environment that ensures the quality of the available workforce: 1. Vocational education should be flexible in order to respond to the challenges of the national economy and demography and to ensure that existing human resources meet the requirements of the labour market without creating a deficit or surplus of certain professions.

2. One of the problems of the world's developed countries is the rapid population aging, which is characterized by an increase in the proportion of the elderly population and a decrease in the proportion of the working age population in the total population. There is a situation in the country where the macroeconomic goals have to be achieved through the implementation of 'silver' policies and economy, leading to adult education becoming one of the priorities. For it to function effectively, it is necessary to introduce changes throughout the education system, teaching methods and approaches.

3. In the labour market, there is a growing demand for skilled workers with the knowledge and skills to take professional decisions independently and to solve complex issues at the workplace.

4. In a situation where the development of the labour market is quality oriented but the population is aging and the number of people is decreasing, it is important not to diminish the value of existing human resources, which can be achieved through competitive vocational higher education, which affects both the external and internal environment of business, thus affecting both the quality of the overall workforce in the country and the quality of the staff of a particular company.

Recommendations

The authors have developed a set of recommended measures for the implementation of high-quality vocational higher education in order to ensure the compliance of the existing workforce with the requirements of the national economy and labour

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market as a result of the population aging and to create a high-quality business environment:

1. As a result of the population aging, changes should be made to infrastructure, social system, medicine, education, product consumption and other areas that ensure the quality of life of the population and prolong working life, as well as age discrimination in society shall be eliminated.

2. Adult vocational education, which is essential for the development of the national economy and the provision of workforce resources, must be directly included in the common education system. The inclusion of adult education in the education system requires the development of a new model of differentiated vocational education and the adjustment of curriculum content, taking into account the needs associated with adult education and their transfer to the business environment.

3. In the implementation of adult education at different levels, which should be a market-driven system, more emphasis should be placed directly on higher vocational or college education as workplace-based learning, because classical teaching methods and approaches are not always effective in the adult education, taking into account the needs of the adult audience.

4. The preparation of the workforce should be based on systemically developed cooperation between educational institutions, entrepreneurs, state and municipal institutions, which should result in the development of a model of cooperation between entrepreneurs and vocational education, which would prevent disproportion between education and labour market and ensure the existence of a high-quality business environment.

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