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Institutional changes in vocational education in conditions of European integration of Ukraine

Abstract. *Introduction.* Prospects of socio-economic reforms and formation of the knowledge economy in Ukraine is closely related with the success of Eurointegration process which calls for significant institutional changes. Vocational education is considered as one of the most important elements of the institution of education which provides reproduction of skilled labour force for different sectors of economy. *Purpose* of the article lays in substantiation of institutional changes directions in vocational education in the context of European integration of Ukraine.

Results. Organizations impact on directions of institutional changes in vocational education by stimulating the formation of clear idea among employers about the most urgent professional competencies of employees and their possible modifications as to the changes of external and internal environment of businesses. The formation of the organizational knowledge systems by businesses is one of the ways to activate institutional changes in the sphere of vocational training of employees by traditional functions of vocational education transformation. Such transformation will provide the conditions for implementation the concept of lifelong learning in Ukraine. *Conclusion.* Institutional changes in vocational education in Ukraine through organizational knowledge systems formation create preconditions for future realization of European countries' social-economic development priorities, such as smart, sustainable and inclusive growth.

Keywords: Vocational Education, Institutional Changes, European Integration, Organizational Knowledge System

JEL Classification: O15; D83

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Інституційні зміни у професійній освіті в умовах європейської інтеграції України

Анотація. В статті обґрунтовано роль професійної освіти як важливого елементу інституту освіти, що безпосередньо впливає на професійно-кваліфікаційну структуру ринку праці, рівень зайнятості населення, конкурентоспроможність економіки країни у цілому. Розглянуто трансформації функцій професійної освіти на індивідуальному, мікро-, мезо- та макроекономічному рівнях на основі її інтеграції із системами організаційних знань суб'єктів господарювання. Доведено, що ці процеси сприятимуть реалізації концепції навчання впродовж усього життя в умовах євроінтеграції України.

Ключові слова: професійна освіта; інституційні зміни; європейська інтеграція; система організаційних знань.

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Институциональные изменения в профессиональном образовании в условиях европейской интеграции Украины

Аннотация. В статье обоснована роль профессионального образования как важного элемента института образования, который непосредственно влияет на профессионально-квалификационную структуру рынка труда, уровень занятости населения, конкурентоспособность экономики страны в целом. Рассмотрены трансформации функций профессионального образования на индивидуальном, микро-, мезо- и макроэкономическом уровнях на основе его интеграции с системами организационных знаний субъектов хозяйствования. Обосновано, что эти процессы будут способствовать реализации концепции обучения на протяжении всей жизни в условиях евроинтеграции Украины.

Ключевые слова: профессиональное образование; институциональные изменения; европейская интеграция; система организационных знаний.

Introduction. According to the strategy of socio-economic development of European Union till 2020 «Europe 2020» adopted by the Council of Europe, its three objectives of priority importance are smart, sustainable and inclusive growth, which have become significant in the context of future socio-economic reforms and formation of the knowledge economy in our country in connection with the European choice of Ukraine. Taking into account the complexity and large scale of the objectives declared, the necessity of development of specific directions of actions directed at their achievement becomes very relevant.

Brief Literature Review. The results of D. North's (1990) research prove that all essential transformations in the society are accompanied by purposeful transformations of institutions, herewith we mean that «institutions are the rules of the game in a society, or, more formally, are the humanly devised constraints that shape human interaction» [1, p. 3]. From the point of view of S. Makeyev (2003), «the certain type of society is ruling depending on which institution is dominant. The tribal society gives us the domination of the institution of family, the feudal society – the domination of church, the socialist (totalitarian) society has the dominance of state, the capitalist (democratic) –

the dominance of market and ownership» [2, p.12]. Developing the idea of the given author we may state that institution of education has a leading role in formation of the knowledge society. The given institution performs very important functions in modern society and V. Novikov (2010) makes special emphasis on the following ones: creation of foundation for the knowledge economy and ensuring «formation of creative personality with necessary knowledge, skills and competencies for integration in informational society at various levels and ability to learn in the course of her/his life» [3, p. 26]. I. Zhuravleva (2011) notes that «the institution of education determines not only the result of educational, reproductive practice of socium but the character, dynamics of social transformation directed at the society of knowledge» [4, p. 80]. The transformations of such component of the institution of education as vocational education are the most important precondition of the above mentioned conception. According to the definition of the European Centre for the Development of Vocational Training by vocational education (VE) we should understand «education and training which aims to equip people with knowledge, know-how, skills and/or competences required in particular occupations or more broadly on

the labour market» [5, p. 292]. Thus, vocational education is that important element of the institution of education which is directly connected with the professional and qualification structure of the labour market, determines the level of conformity of labour force to the requirements of economy that, in its turn, influence the level of employment of population, competitiveness of both individual workers and businesses and economy as a whole. Modern basic objectives of vocational education and training (VET) in the Members States of EU were declared in the conclusions of the Council of Europe as to the strategic frames of European cooperation in the field of education and training which were coordinated with European strategy of socio-economic development «Europe 2020» [6]. Vocational education in Ukraine needs substantial structural transformations for achieving the objectives which have been declared in the documents of the EU, devoted to cooperation in the field of vocational education and training. Various aspects of vocational education for adults, lifelong learning and peculiarities of organizational learning were considered in the works of the researchers Buiskool, Van Lakerveld & Broek (2009) [7]; Figel (2009) [8]; Mulder, Weigel & Collins (2007) [9], Buckman (2004) [10]; Garvin (2003) [11]; Tsang (2007) [12]. The studies of North (1990) [1]; Morgan, Campbell, Crouch, Pedersen & Whitley (2010) [13]; Streeck & Thelen (2005) [14] are dedicated to the problems of development of institutions and institutional changes. At the same time the search for the directions of transformation of the system of vocational education for adaptation of the latter to modern socio-economic conditions remains actual.

Purpose of the article is substantiation of institutional changes directions in vocational education in the context of European integration of Ukraine.

Results. According to S. Kirdina (2000), the institutional environment plays the role of society's governing system, but if this system is not adequate to the requirements of economic, social and political development of the country, there is a need of institutional changes [15]. Unluckily, from the point of view of its conformity to society's requirements, the modern state of vocational education in Ukraine can not be acknowledged as satisfactory. Thus, the principal attention in this research is given to institutional changes which to the greatest extent are linked up with vocational education of employees. Guided by the most popular definition of institutions in society as «rules of the game» (by North), which may be both formal and informal, we will view institutional changes as the complex of transformations of these rules. Among formal rules which may serve as a basis of positive improvements in vocational education in the direction of ensuring its continuity it is reasonable to pay attention at those achievements which Ukraine have at legislative level now. Thus, some Ukrainian Laws provide the privileges for employees who combine work with studies, expand possibilities for increase of competitiveness of the people older than 45 years old, state the right of every citizen for vocational training, define informal vocational education and approve the order of informal vocational training results confirmation for people of working professions. At present, the informal vocational education is acknowledged in Ukraine at legislative level as the type of vocational education but there are still many problems as to taking into account the requirements of the businesses in the process of vocational education. Besides, the number of works dedicated to the problems of influence of institutional factors on changes in the system of education proves the low

efficiency of only administrative measures in the sphere of vocational education. Thus, F. Abramov (2012) in his work says that the reason for such low efficiency lies in very limited volume of information held by officials in the sphere of education [16]. So, businesses which must take the role of not only basic consumers of the results of vocational education but also active interested participants of the process must play the key role in the change of informal rules and procedures of interaction. Thus, according to S. Bandur (2012), the important mechanism of reformation of the system of VET of personnel is «extension and acquiring clear institutional characteristics of businesses' direct participation in training of personnel which may manifest itself in various forms of cooperation between «producers» (educational institutions) and «consumers» (firms) of labour force» [17, p. 51]. From D. North's point of view is that «organizations are created with purposive intent in consequence of the opportunity set resulting from the existing set of constraints ... and in the course of attempts to accomplish their objectives are a major agent of institutional changes» [1, p. 5]. Taking the mentioned above into consideration it is reasonable to pay special attention, when studying directions of institutional transformations, at those very organizational conditions which will stimulate the formation of clear idea among employers about the most urgent professional competencies. The formation of the systems of organizational knowledge (SOK) by businesses is one of the ways of stimulating certain institutional changes in the sphere of vocational training of employees. These systems perform functions of creation, distribution, renewal, sharing of knowledge between employees, stimulate the enhancement of their competences on the permanent basis and ensure the adaptation of vocational education for changes in progress. In addition to that, the SOK being open not only accumulate knowledge, skills and habits of individual businesses but reflect those tendencies which are taking place in the environment of the latter, in this or that branch as a whole. When considering the connection of organizations, learning and institutional changes D. North points out that «if the firm or other economic organization invests in knowledge that increases the productivity of the physical or human capital inputs or improves the tacit knowledge of the entrepreneurs, then the resultant productivity increase is also consistent with the growth of the economy» [1, p. 78]. So, creation of the SOK will contribute to institutional changes in the field of employees' vocational education which has transformation of functions of the latter as its integral part. It is believed that functions of the institution of vocational education reveal the content, character and orientation of activity connected with formation of knowledge, skills, abilities, needs and value orientations of participants of educational process, i.e. basic components of human capital [18]. Figures 1, 2, 3 and 4 give the list and content of traditional functions of VET (which it performs both at the individual level (the level of individual employee) and at micro-, meso- and macroeconomic levels)

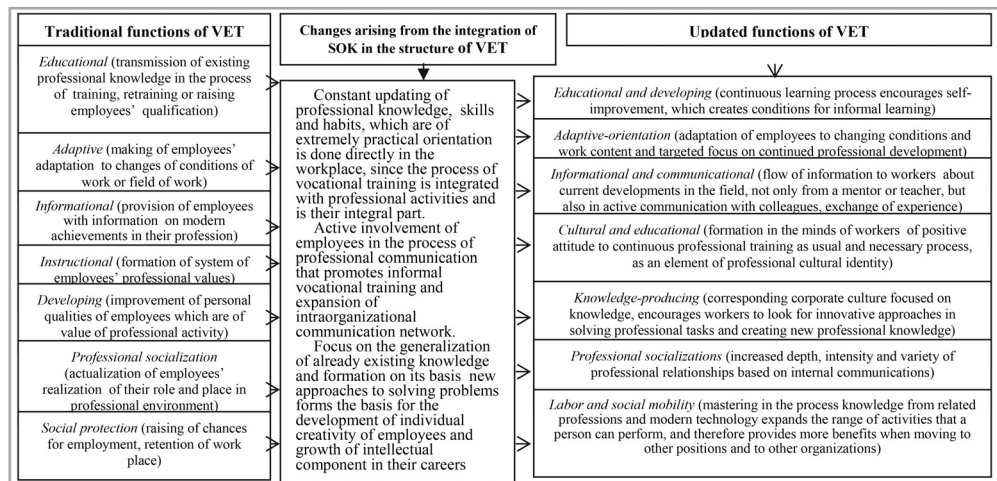


Fig. 1: Transformation of functions of VET on the basis of SOK (individual level)

Source: Compiled by the Author

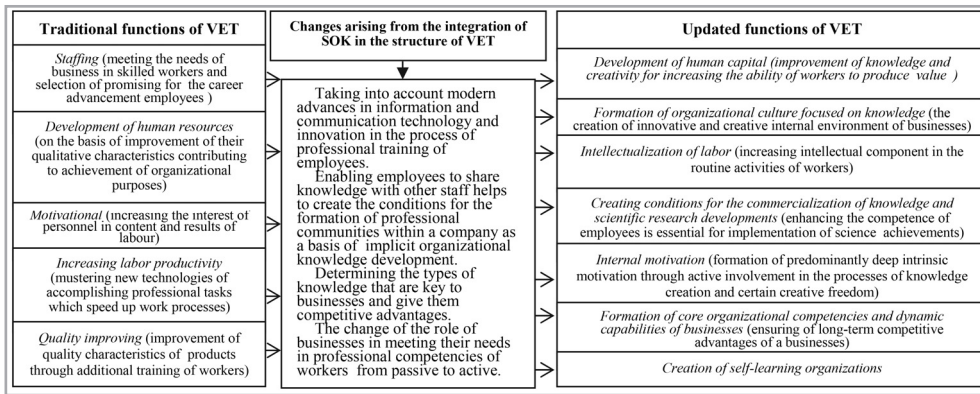


Fig. 2: Transformation of functions of VET on the basis of SOK (microeconomic level)

Source: Compiled by the Author

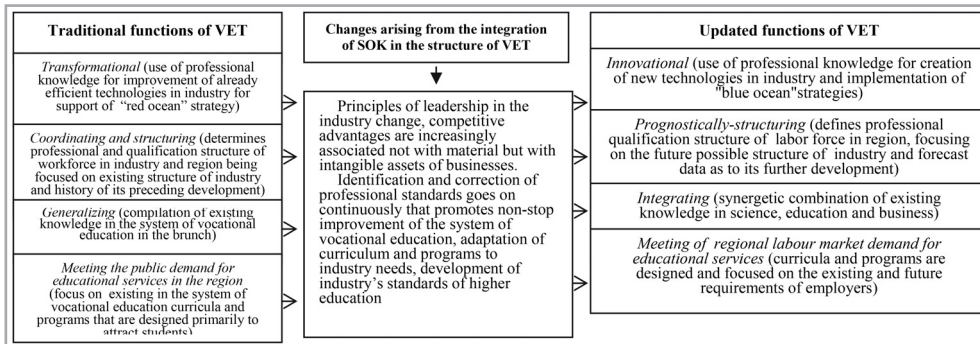


Fig. 3: Transformation of functions of VET on the basis of SOK (mesoeconomic level)

Source: Compiled by the Author

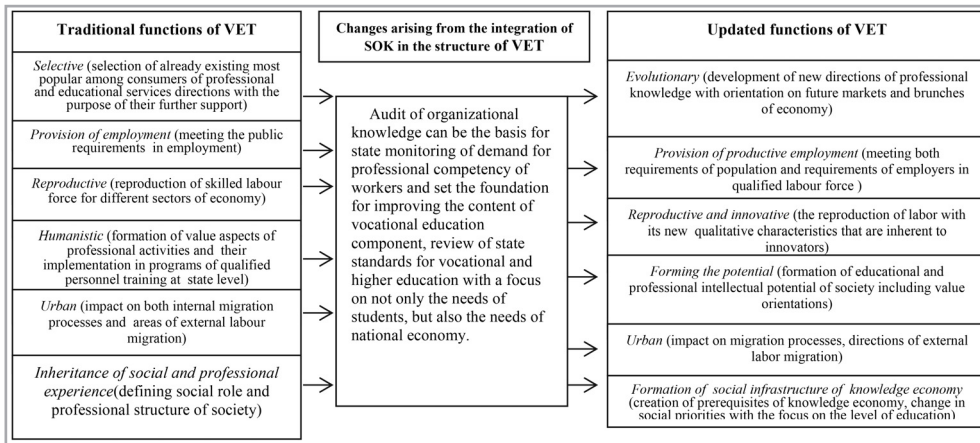


Fig. 4: Transformation of functions of VET on the basis of SOK (macroeconomic level)

Source: Compiled by the Author

made on the basis of the modern authors works [18-21] analysis, and list and content of updated VET functions on the basis of its integration with SOK.

As it is presented in the figures, formation and development of the SOK of businesses and integration of these systems into the structure of VET of employees will contribute to transformations of not only formal and informal structures of employees interaction within organization, but also in essential renewal of the list and content of functions of vocational education of employees at all mentioned above levels. Thus, development of the SOK of modern businesses may play a leading role in stimulating institutional changes in vocational education of employees. As it was mentioned above institutional changes are based on transformation of formal and informal procedures, rules of behavior in society. Herewith, it is the modifications of these very informal ways of interaction that progress with difficulties. Formation and development of SOK of businesses may play the role of the mechanism of providing the adoption of the conception of continuous vocational education by the society.

Development of the SOK involves the change of not only formal but, first of all, informal organizational structures. This process is inseparably connected with formation of new types of self-learning organizations. According to the theory of institutions and institutional changes, maximizing behavior of economic organizations therefore shapes institutional change by: the resultant derived demand for investment in knowledge of all kinds; the ongoing interaction between organized economic activity, the stock of knowledge and the institutional framework; incremental alteration of the informal constraints as a by-product of maximizing activities of organizations [1, p. 78]. Let us review how the given key factors influence the process of institutional changes in vocational education: 1) organizations, businesses determine the knowledge which is practically important and create the basis of the core organizational competences and ensure profit. So, integration of SOK into the structure of vocational education of employees will contribute to natural selection of actual and those which in demand knowledge, formulation of professional standards on its basis. The latter is an important element of improving vocational education as a whole; 2) active participation of businesses in the process of vocational education of employees

by development of SOK requires their close interaction with educational institutions, training companies, centers of advanced training and other educational establishments. The latter, in their turn, must adapt to the requirements of corporate consumers of educational services and improve the content, forms and methods of vocational education. Interaction of producers and consumers of educational services takes place within the existing institutional matrix which, in its turn, may either facilitate or create barriers for development of efficient relations in the market of educational services; 3) imperfection and inefficiency of existing rules of interaction as, for example, the absence of transparent and meeting the requirements of employers mechanism of assessment of the quality of specialists' training by educational establishments, insufficient level of activity and participation of employers in the process of development of professional standards and others result in directing the efforts of parties at introduction of changes in existing limitations. The development of the SOK promotes essential changes of informal principles of interaction of employers and

employees in the process of vocational education of the latter, contributes to distribution of responsibility for organization of continuous vocational education between educational institutions and businesses. Figure 5 demonstrates main directions of institutional changes in vocational education on the basis of development of SOK. These changes form the conditions for achievement priority objectives of Strategy «Europe-2020».

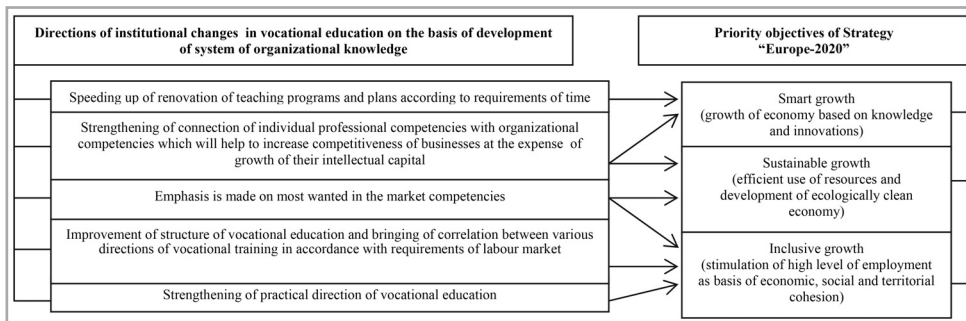


Fig. 5: Directions of institutional changes in vocational education in Ukraine on the basis of organizational knowledge systems development in the context of Strategy «Europe 2020» priorities
Source: Compiled by the Author

Conclusion. The process of formation of knowledge economy in Ukraine may take place under conditions of active introduction of new technologies and approaches to vocational education. Integration of organizational knowledge systems into the process of vocational education, active cooperation of educational institutions with businesses within the limits of which this knowledge is created and improved, will contribute to speeding of renewal of teaching programs, strengthening of practical orientation of formal vocational education, formation of the competences, among graduates, which are in the highest demand in labour market. Advantages of taking into account the organizational knowledge in the process of vocational education of employees lie in creation, on the basis of individual competences, of core organizational competences which make the basis of competitive advantages of modern businesses.

Institutional changes in the continuous vocational education on the basis of integration with the systems of organizational knowledge is the subsoil of formation of intellectual capital of both individual, businesses and society as a whole. The growth of competitiveness of economy on the basis of intellectual capital build-up provides development of ecologically clean economy because the use of intellectual resources does not harm environment. Essential contribution of continuous vocational education into achievement of such an objective, as overall growth, is explained by the fact that continuous vocational education provides for the growth of employees' qualification and their chances as to employment as well. Mentioned above is, in its turn, the basis for achievement of European priorities of smart, sustainable and inclusive growth.

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