

PROSPECTIVE OF LOGISTICS TRAINING IN LITHUANIA

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In this article authors try to define the main problems and perspectives of logistics training in Lithuania. Also they described main reasons in training process, methodology and training costs. Very important point is catchall view of personnel management organization to achieve situation when adult education and training at the working places in the enterprises are combined. Authors discuss the possibilities to be used at the working places in the logistics training process. In the logistics and “near-logistics” firms should be provided training and information methods, which are used for effectively, joined in the implementation of logistics training. These are very important points because adult’s education has additional impact, i.e. social development of a person.

Keywords: *logistics training, formal and non-formal education, education at the working place, training cost, personnel management*

1. INTRODUCTION

Companies are trying to score an advantage against their competitors. Companies’ managers chunk their time thinking about the directions in which their company must develop. They try identifying the tasks that must be realized. Without good coordinated teamwork it can’t be realized. Managers must think about how personnel must to change its work and how employees must interact in relationships. More and more companies’ owners or leaders understand that manpower may be important, and that it may be sensible to begin to consider how they can assist to the personnel to perform to the peak of their potential. Accepting that personnel are important means that big attention must be given to the learning and training.

Since the first years of Lithuania’s independence, the image of the country is being established as a transit and logistic service country, which by international transport corridors connects Western and Eastern, as well as Southern and Northern European countries. This was predetermined by the importance of possible logistics services that can be proposed for the local and foreign companies. Incomes for logistics services create major part of the country GDP and establish thousands of working places.

2. TRAINING NEEDS IN LOGISTICS

Coming into new situation – Lithuania joined to EU at 01 05 2004 – service trade and industrial companies had to prepare a mental strategy how to respond. The biggest part of companies’ business strategy based upon their existing skills and knowledge, their experience and their standards of work. Part of company’s managers recognized that this feedback is unsuitable. This was the first key stage in learning.

The second key stage is being willing to change. If they understood needs to change, they had to have a motivation to learn. If they have a motivation to learn, the next step is to help them build a vision of a new business strategy, and then to construct an action plan of how it can be achieved.

Implementation plan can help people to change their approach, which should then result in their changing their actions and behaviour. At this stage Lithuanian middle level and top-level managers started to participate in different seminars and training courses in Lithuania and abroad. The result was/is personal growth for the individual and improved business performance for the companies providing logistics services.

It is important to examine some business and development trends that will create the environment for logistics activities in Lithuania.

There exist ranks of reasons, which are stimulating training process in logistics.

Integration into European Union and globalisation. All large Lithuanian and foreign companies have an international aspect to their supply chains which cover Europe and wider markets. Implemented contemporary information technologies safeguard that new products and services receive international exposure much more quickly. This means that logistics companies located in Lithuania are exposed to international competitors more quickly.

Company management structures. Supply channels all the time are changing and the company's organization structures must from time to time be transformed. Companies do quite many organizational changes for themselves, and there is an increasing reliance on outsourcing partners. The ability to maximize such relationships will be a source of advantages.

New technologies. The use of modern technologies in logistics is more and more prior. Few major technology changes have a significant impact on logistics activities: wide application of multi-modal cargo transportation, implementation of modern applied information technologies and EDI. Application of e-business, which enables logistics services providers to work more closely on a collaborative basis with other supply chain partners. New technologies especially are significant to the transport and warehousing services providing companies.

Business performance. It is identified that modern business performance is oriented to the high professional employees. New technologies replace hackwork and more and more people are willing to move towards jobs that are adding more value and hence have the capability to be competitively important. The speed of change will be influenced by the capability of employees to absorb new ideas. Currently in Lithuania companies are competing between themselves for the university graduates that have diplomas in transport management and logistics.

Better relationships with customers and competitors. There is evidence of increasing emphasis on the development of internal and external relationships, moving from confrontation with competitors to collaboration and teamwork.

Competitive advantage. Competitive advantage will increasingly involve using information, knowledge and manpower. The traditional sources of logistics advantages such as **7R** are becoming very visible, very quickly, and their ability to deliver sustainable advantage is limited. Knowledge, information and the way we manage and organize people are invisible, posing greater challenges to competitors who seek to copy.

3. POLITICAL BACKGROUND FOR TRAINING ORGANIZATION

The European Council outlined its aspiration for the European Union to become the most competitive and dynamic knowledge-based society in the world by the year 2010. It happened in Lisbon in March 2000. Engagement in lifelong learning was identified as one of the key ways through which such a goal could be achieved. After the "Memorandum on lifelong learning", a broad consultation process was launched across Europe to identify coherent strategies and practical measures that could foster lifelong learning for all. Based on consultation input, the European Commission issued a communication entitled "Making a European area of lifelong learning a reality" that was adopted by the European Council (Education, Culture, Youth), and followed this up with the establishment of a working group which produced a "European report on quality indicators for lifelong learning".

Both the communication and the report reinforce the lead given by the memorandum, which pinpointed information, guidance and counselling (henceforth guidance) as one of the key components of national strategies for implementing lifelong learning policies and a priority area for action at European and national levels. There is widespread consensus that meeting the challenge of ensuring easy access to good quality information and guidance about learning and working opportunities throughout Europe and throughout citizens' lives is central to constructing a competitive, knowledge-based economy, to advancing active employment and welfare policies, and to social inclusion. Recently, this same view was reiterated by another Europe-wide consultation process, which led to the white paper on "A new impetus for European youth".

The role of guidance in contributing to several policy objectives of the European Union has been highlighted in a spate of EU policy documents, with guidance being defined in the lifelong

learning communication as a range of activities designed to assist people to make decisions about their lives (educational, vocational, personal) and to implement those decisions. Both the Council (Education, Youth and Culture) resolution and the Copenhagen declaration of 2002 on enhanced European cooperation in vocational education and training call for: "Strengthening policies, systems, and practices that support information, guidance and counselling in the Member States, at all levels of education, training and employment, particularly on issues concerning access to learning, vocational education and training, and the transferability and recognition of competences and qualifications, to support occupational and geographical mobility of citizens in Europe".

In the labour market, the Commission and Member States also look to guidance for support in tackling three main obstacles hindering cross-border access to the EU labour market, namely inadequate occupational mobility, low geographical mobility and fragmentation of information and lack of transparency of job opportunities. Guidance has a strategic role to play, particularly if it provides wider access to information is more transparently and coherently organized and is more present in the workplace where guidance services are still largely absent. In another document, considering the role of the European public employment services in the labour market, the European Commission highlights the role of guidance in supporting occupational mobility and flexibility among jobseekers and those already in employment. Similarly, guidance is called upon to assist in the Union's goals of increasing labour force participation and of promoting active ageing by creating a supportive environment in an effort to integrate the inactive, the unemployed and older workers into the work force [1].

4. PROBLEMS OF TRAINING PROCESS

During analysis of lifelong learning process we have identified that this process has positive and negative side. Learning organization process faced with singularity in the work place learning particularly. Some authors notice that there are many features of the learning organization model that makes it attractive to the persons who are interested in lifelong learning, so as it is broadly emancipated and inclusive language and it has an emphasis on organizational goals that transcend the pursuit of short-term profit maximization. The role of the teacher/lecturer and of his qualification in teaching process is already recognized at policy level.

According Jim Gallacher (Glasgow Caledonian University) and Fiona Reeve, (Open University) if we want to explore question about informal learning in the working place, from the point of view of the employees, we will draw on the findings of a research project undertaken by Eraut et al (1998) as part of the ESRC funded Learning Society Programme. Their study focused on the development of knowledge and skills in employment and involved 120 people with different life, job and education experience. Interviews were conducted to explore what types of knowledge and skills the participants used in their work activities, how they acquired the capacity to do what they did, and what factors had affected their learning process. Their findings are stark, suggesting that formal education and training provided only a small part of what is learned and used at work. Most of the learning described in their interviews was non-formal, neither clearly specified nor planned (Eraut et al, 1998). They suggest as a consequence that dominant assumptions underpinning policy for "The Learning Society", stressing the importance of formal provision, need to be balanced by an understanding of the value of informal learning "on-the-job" and the factors that affect it. (Jim Gallacher, Glasgow Caledonian University, Fiona Reeve, Open University).

These authors provide an important role of universities in the practical education process. The universities have to work more closely with employers in contributing to the processes of economic change and development. It is expected that universities must be more flexible in their modes of delivery in meeting the lifelong learning agenda. The role of an increasingly wide range of organizations and agencies in meeting learning needs has been emphasized. This creates a potential threat to the role of universities at this important time of change, and the recognition, on their part, of the need for adaptation and change if they are to avoid being marginalized with respect to some of these key areas of development. (Jim Gallacher, Glasgow Caledonian University, Fiona Reeve, Open University).

According Jim Gallacher and Fiona Reeve, policy has been actively seeking to bring together the two relatively separate spheres of the workplace and higher education, contributing to the "blurring of boundaries" which has been identified as characteristic of moves towards lifelong learning

(Edwards, 1997). Work-based learning is positioned as a radical disruption of the traditional boundaries between the academy and work, leading to new types of engagement and different kinds of relationships [2-4].

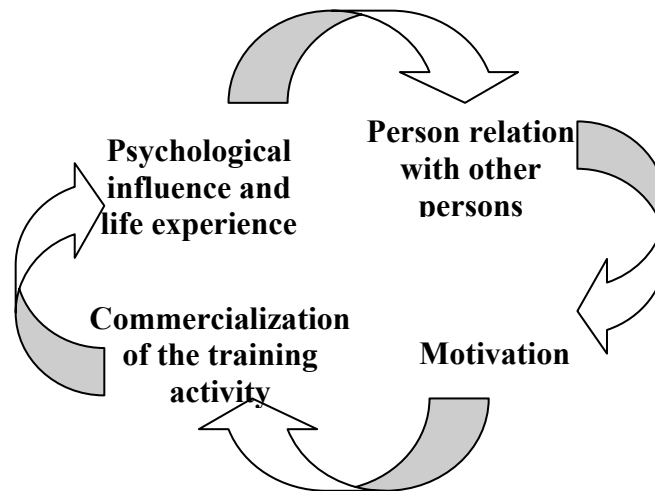


Figure 1. Model of problem's fields in the training process

When we are talking about problematical points in the logistics training process, especially when this process is organizing with adult or employee, we have notice four groups of problems that arise during this process (See Fig. 1). Firstly, we can name **psychological influence and life experience** problems. These problems arising from different persons' life positions and environment influence for them:

- **Negative experience;**
- **Negative self-estimation;**
- **Negative view from environment.**

The second group of problems in training process has deal with **person relation with other persons**, especially with trainers and teachers. Sometime we can heard replications from adult students classroom "...our professor is much younger than us..." This example shows that some persons cannot change subjective view for trainer age and his experience. It is enough difficult because related with person's personality limitation and stereotype thinking mode. This barrier can create situation when training process becoming impossible though trainer was enough competitive. These problematical points related with:

- **Ego;**
- **Distrust;**
- **Negative stereotype view.**

During the last years new problem arise, which is related with **commercialisation of the training activity**. Many consultancy and training firms are organizing miscellaneous one – two days training courses and during these courses they are using much more non – formal education methods or group management methods comparing with formal education facilities. Participation in these courses is very attractive and pleasure for the participants because using of these methods can to create comfort and safety atmosphere but can not to convey systematic knowledge. Training process commercialisation connected with "syndrome of consumer society". It means that some training process participants are thinking that if they pay money, they have become a competent automatically. Unfortunately, but this point of view is still actually and some consultancy firms which want to avoid conflicts between clients and themselves attend more attention for the "show" but not for deep knowledge. It is possible to describe these problematical points as:

- **View to knowledge as to "Fast food";**
- **Belief, that somebody knows about "super technologies" that could be understood and implemented during lunch-hour.**

From another point of view, we cannot reject role of group's management methods during the training process. If students playing role of "students" and lectors playing role of "lectures" without

motivation and internal power – it is the best way to the failure. **Motivation** is the most important point in the training. Participants must understand that they are not “players for fun”, and they can gain benefits from knowledge that they are getting during the training process. These problems are related with:

- **Insufficient teaching methodology;**
- **Insufficient flexibility.**
- **Bad understanding of structured knowledge's role in the education process.**
- **Bad understanding of knowledge's benefits in the practical live.**

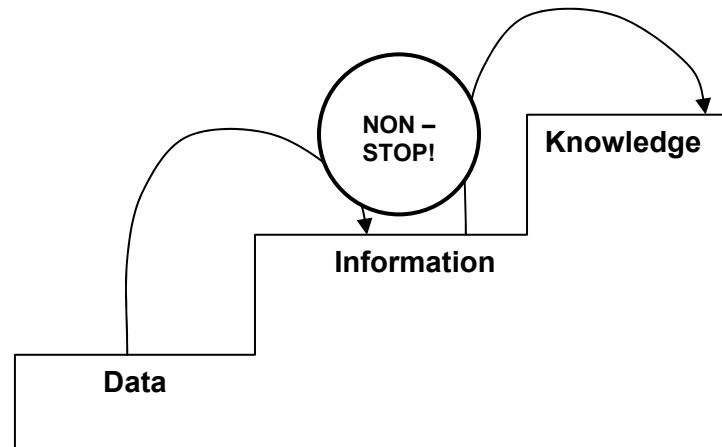


Figure 2. Model of problem's resolving decision in the training process

Finally, the biggest part of these problems can be resolved by complex decisions that can create transformation: *data* → *information* → *knowledge* (see Fig. 2). It means that everybody can collect data, but data are not useful without perceptions. If data are perceived, they are becoming information. Unfortunately but many consultancy firms like to stop on this step. Information is enough important but if a person cannot to use this information for his business or life tasks and create *added value* – information is fulfilled sketchbook only. Knowledge is information which can be used for creation of *added value* in the person business and personal life and all institutions which have relation with training activities have provide this task.

5. STATE'S AND NON-PROFIT EDUCATION INSTITUTION ROLE IN TRAINING PROCESS

Vilnius Gediminas Technical University Transport Management Department has a tradition of educating engineers for a wide range of technology-related fields. Adding a managerial and economic dimension to the engineering education may create more opportunities for the graduates in the job market. Very important to mentioned that Department's students expect to graduate having acquired not only "soft" managerial skills, and "theoretical" knowledge of economics and business administration, but also the solid ground for the "real" profession in transport engineering. It will be noted although that this combination of technology, management and economics may be also achieved in other, perhaps more suitable and sustainable ways too.

Transport is a significant sector of the Lithuanian economy and its importance continues to grow with Lithuania becoming a "border" country of the EU. This is reflected also in national long-term strategic objectives of economic development. The increase in the number of transport companies and their capacity are creating favourable prospects for specialists, who are able to manage the resources in this field. Also, in the public sector, both at municipal and national level, there is a need for proper coordination, planning and control of transport-related services. The graduates of the programme have confirmed that they have not faced any difficulties in finding jobs upon their graduation. Also the employers expressed their satisfaction with the ability of the graduates to integrate quickly into the work environment.

The curriculum contains the fundamental knowledge required of higher education programmes, in general and that is required to train management specialists, in particular. The integration of theoretical and practical knowledge is also appropriate. What concerns the content of the courses they seem to follow reasonably closely the international tendencies. The list of recommended literature, however, does not always contain the textbooks that are most often used in similar courses in other European countries. The basic economic, managerial and methodological courses should especially be revised and improved in this respect.

The sequence of the courses seems on die whole logical and appropriate, except perhaps for the introductory microeconomics and macroeconomics, which enter into the curriculum in the second year (III and IV semesters) only. The ratios of the general and the professional specialisation courses seem appropriate, although most courses in economics and business tend to be unnecessarily over-specialised towards the transportation sectors.

The curriculum comprises overwhelmingly of compulsory courses. There is very little room left for electives (less than 10 %), and the number as well as the range of electives is also rather limited. In the curriculum there are two specialisation areas offered, but, as a matter of fact, they are basically one and the same (only four out of the total 17 specialization courses are different in the two areas). They constitute, thus, not real specializations.

The share of lectures, seminars and laboratory work appears to be appropriate (see Table below).

Type of study	Percentage
Lectures	59%
Laboratory	8%
Seminars	33%
Classroom load	100%
Classroom load	44%
Individual study	45%
Internships	5%
Final paper	6%
Total	100%

More effort could be given to increasing the ability of the students to communicate in foreign languages, especially English. Also, the Department and Faculty could benefit from organising an Alumni Association for its graduates.

Advantages of the Department's programme:

- the programme provides highly skilled bachelors for the transportation sector providing them with sufficient knowledge in the areas of business administration and economics combined with the technological specificities of the transport areas;
- the programme satisfies the requirements of the overall regulations and requirements;
- the programme has a sufficient number of professionally well-trained academic staff;
- a significant part of the faculty is engaged in applied research;
- there is a demonstrated need for and support of the programme in Lithuania.

Disadvantages:

- the programme is overspecialised, focuses on a relatively narrow area;
- there is not enough flexibility in the curriculum (small number and narrow scope of effectives);
- and thus graduates may find it difficult to change their specialisation entering into Master's level;
- the faculty is not equipped sufficiently with the modern theories and practices of business administration and management, especially in areas beyond transport management;
- the number of weekly hours in class is on the whole too large.

LINAVA Training centre that the Lithuanian National Road Carriers Association (LINAVA) established in 1997 could be a good example of non-profit training. The task of the Centre is to provide high quality training and consulting services to the members of association – international freight transport companies and passenger operators. Along with the members, all other road transport companies both – international and domestic successfully use the services of the Centre. The Centre is involved in training and improvement of professional competence of all specialists employed in road transport enterprises. They are able to master their knowledge in road transport law, CPC for managers of freight and passenger companies, ADR, DGSA, TIR procedures, AETR, ATA, ATP, transportation of live-stock and a number of other subjects related to transportation by road.

The Centre strives to take a leading position in road transport training and consulting market of Lithuania. It has well equipped modern facilities. Up to 2000 participants take part at training courses annually. The Centre is approved to provide training in ADR and DGSA. It is also a certified Travel Agency and organizes group visits to international transport and logistics fairs, trainings and seminars abroad. Traditional are visits to fairs in Moscow, Munich, Amsterdam, Hanover, Poznan, and St. Petersburg. For road transport enterprises the centre organizes presentations of new products that might be of their interest such as oils, tires, spare parts, etc [5].

6. TRAINING COSTS

Training is frequently perceived as being expensive. Training can be expensive if it is badly planned, badly organized, badly conducted and badly controlled.

It is important to identify all of the costs associated with training. These are:

- training costs;
- ignorance costs;
- lost opportunity costs.

Training costs. These costs can be broken down into five areas:

- **Analysis costs:** associated with the initial problem identification, needs analysis and development of objectives. They will include salaries, materials and consulting fees.
- **Development costs:** directly related to the programme development. These costs are usually substantial, but could be spread over several running of the programme if the assignment allows.
- **Delivery costs:** include all the costs associated with delivery of the programme, including materials, accommodation, salaries and expenses of participants, instructor fees and equipment rental.
- **Evaluation costs:** include the evaluation material and the time to administer the evaluation, analyse the results and report the findings.
- **Transfer costs:** include all the costs of providing the transfer work to ensure that there is a conducive to training climate.

Ignorance costs. These costs can be broken down into two categories. The first is costs of failure, which covers the costs of correcting mistakes both internally to the business and externally with customers: cost of shipping wrong product;

- cost of retrieval;
- cost of returning to stock;
- cost of loss, damage or shrinkage;
- cost of premium transport to replace;
- cost of administration and overheads;
- cost of lost sales;
- cost of accidents;
- cost of theft.

The second category is costs of exceeding requirements. These are incurred for providing services for which no known requirement exists. Examples include excess stocks, extra transport cost from quicker delivery, excess cost from inappropriate distribution network, and excess cost of under-utilization and performance of resources.

Lost opportunity costs. Costs of lost opportunities are reflected in the profit impact of the lost revenues resulting from cancellation of orders or lost business, as a consequence of the actions of the

logistics department. These occur from not delivering in time or from not having stock available. Before training commences there is likely to be considerable waste in the form of ignorance and lost opportunity costs.

7. CONCLUSIONS

1. The combined industrial engineering and management type study programmes have certain disadvantages at undergraduate level, and also, there are not fully compatible with the principles of the Bologna declaration either. For example, their narrow focus on industrial specificities limits the scope of both the job opportunities and the further study possibilities for the graduates. It makes it also difficult to supplement and deepen the knowledge of their graduates in similar industrial management programmes organized at Master's level.

2. In the logistics training process we face with psychological influence and life experience, person relation with other persons, commercialisation of the training activity and motivation problems relation together. In many cases, commercialisation of the training activity connected with desire of commercial firms avoid conflicts with commercial training course participations. For this reason firms are trying to use more non-formal education methods for formal education methods that are more difficult and not attractive. For this reason quality of training process and knowledge become worse.

3. For achieving quality of training process are necessary to understand role of transformation from information to knowledge. It is very important to show real benefits of knowledge using at the person's business and/or personal life. It helps to create more deep motivation for participants and teachers (trainers).

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