

How to Convince the Business Sector to Engage in VET?

List of Arguments

COST / BENEFIT CONSIDERATIONS: IMPORTANT, BUT NOT THE ONLY REASON TO TRAIN

List of arguments to convince the business sector to participate in (dual) VET

Convincing the business sector to engage in (dual) VET is a challenge, not only in development cooperation and contexts where companies are not used to train. The following list of arguments might help to prepare and shape the discussion with business sector representatives, but also other important stakeholders:

Cost / Benefit

Evidence from Austria, Germany, and Switzerland shows that companies are either able to recoup their costs during training ("production motive"), mainly thanks to high productive contributions from the apprentices, or after training due to saved hiring and induction costs induced by the hiring of skilled workers from the external labour market ("investment motive").

Productivity

Qualified skilled workers contribute to increased productivity, quality, and growth. This argument is at the fore in sectors with a strong or increasing orientation towards a quality competition.

Investment

The training of future skilled workers is an investment in the future of the company. It establishes the precondition for sound economic development and competitive advantage; it leads to a return on investment in the medium term.

Screening

During training, potential future employees can be monitored and assessed in terms of their performance before being accepted. They also have the chance to prove themselves in the eyes of the employer.

Relevance

Through the participation in VET, the business sector is in the position to increase the relevance of the training and, subsequently, to recruit employees who better match the economic requirements.

Employee Retention

Often it is difficult to recruit qualified and loyal employees from the labour market. Offering training to young people is one option to create strong bonds form an early age and may convert the apprentices to loyal employees.

Reputation

The training can contribute to a positive image for the company or a sector. Visible engagement in the training can help the company to be perceived as an organisation that is concerned with the quality of its staff (and thus with its performance level).

Social Responsibility Argument

The company/sector can present itself as socially responsible through its engagement in training and can indirectly contribute to further improve its brand.

Stability & Resilience

Through the participation in VET, the business sector contributes to increasing social and economic stability in the country. Indirectly, this promotes possibilities for the establishment and expansion of economic activities. Particularly in times of crisis, it is important to keep training and thus have skilled workers available when the economy recovers and grows again.

Innovation

Engaging in (dual) VET can be an important source and driver of innovation. In Switzerland, there is a significant amount of research on this relationship by the <u>Leading House on the "Economics of Education"</u>.

Attraction of Direct Foreign Investment

One important decisive factor for companies for choosing where to invest or open a new plant is the availability of skilled workers. Therefore, if companies in partner countries engage and invest in high-quality VET and "produce" skilled workers, this serves as a positive signal for good quality products and services on the one hand and turns them into attractive business partners on the other.

Advantage for Export Industry

Companies that want to export goods and/or services very often must fulfil certain criteria to be able to export to different countries and regions. This is only possible if skilled workers are available to produce those high-quality goods and services. An excellent way to ensure that those skilled workers are available and that their skills fit to the company's needs, is to train them through dual VET.

Source: The list of arguments is from the <u>DC</u> <u>dVET Working Tool on Engaging the Business</u> <u>Sector in VET</u> and has been expanded with arguments collected throughout the last years from discussions in the developing context.









Swiss Agency for Development and Cooperation SDC