

Engaging the Business Sector in Vocational Education and Training



Working Tool for
Policy Dialogue and Project Design
in Development Cooperation

Part 1: Study (Short Version)



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Imprint

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The statements of this study are the responsibility of the author and do not necessarily reflect the opinion of the Donor Committee and its members.

Gender-specific terms and formulations apply in principle to both genders.



Introduction

This working tool aims to analyse the widespread postulate stating that the engagement of the business sector in vocational education and training (VET) can enhance the relevance, quality and attractiveness of VET. In concrete terms, the working tool examines the forms which such an engagement can take and how these can be integrated into a country's frame conditions and objectives. It consists of two parts:

- ✓ **Study (Part 1):** Offers an overview of the topic and
- ✓ **Questionnaire (Part 2),** provides a support tool for application-oriented analysis, planning and further development of own projects and project ideas.

The Business Sector

The “business sector” is interpreted broadly in the working tool. A distinction is made between two reference points:

- All private sector and state-controlled companies which act according to economic principles, and
- Umbrella organisations such as business associations, federations, chambers, guilds and employee representatives which, in principle, can fulfil important functions in (the development of) dual VET.

Relevant Frame Conditions

The engagement of the business sector is not unconditional, but takes place under specific frame conditions. The frame conditions are those influencing factors that are defined as given in the short term, but are understood to be at least partially open to influence in the longer term. Particularly relevant for VET and explained in more detail in the working tool are the following:

Social / Societal Frame Conditions: From the perspective of society, both the appreciation and the prestige of VET among companies and also among graduates constitute major contextual factors.

Political and Legal Frame Conditions: As political and legal frame conditions, besides responsibilities for regulating governance, financing, curriculum development and training of the teaching and training personnel, factors related to VET and labour legislation need to be considered.

Economic Frame Conditions: One central frame condition is, first of all, the form of a national economy or, more specifically, of the respective business sectors. The more the national economy or a sector depends on qualified skilled labour to produce its products and services, the more relevant the corresponding development of effective VET becomes. From the perspective of business management, alternative forms of staff recruitment may also play a role under some circumstances.

Reference Framework

Activities which aim to lead an existing VET system towards a dual form of training need to focus on specific reference points in the respective countries. In a first step, the diversity of possible reference points can be identified by making a distinction between so-called pure types of VET. In the pure types the business sector is positioned differently. In a school-based VET system it remains largely excluded, in a learning-on-the-job system, however, preparation for a company-based activity almost entirely takes place at the company. Dual VET is characterised by joint responsibility of the state and the business sector. Depending on the starting point regarding the predominant pure type, the targeted engagement of the business sector will have a different orientation. The reference framework shows the connection between the frame conditions, the form of VET system and possible areas of engagement (AEs) which, in principle, can be considered for an intensified engagement of the business sector.

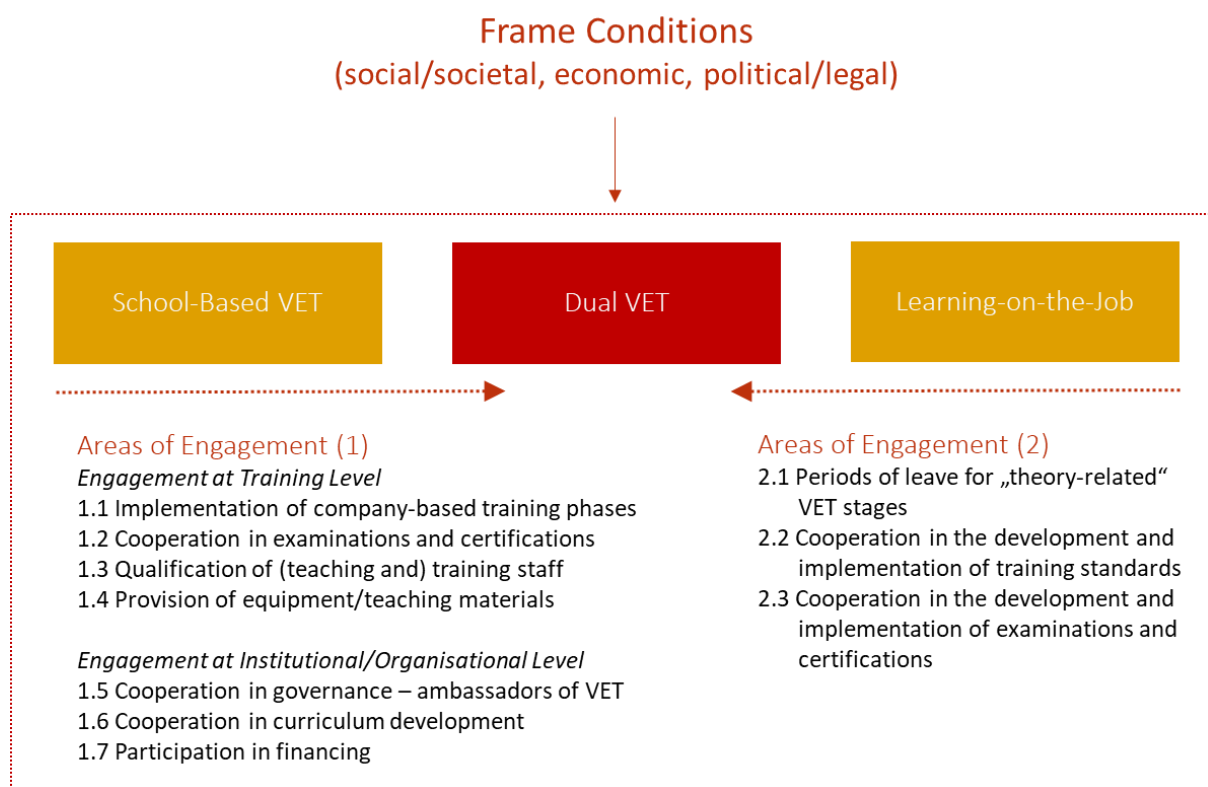


Figure 2: Reference framework for engaging the business sector in developments towards dual VET

Areas of Engagement (1) – School-Based VET

In countries or sectors where VET tends to be school-based, there is basically a distinction between the following areas of engagement (AE):

Implementation of Company-Based VET Phases (AE 1.1): One core principle of a dual VET system is the duality of theory and practice, reflection and action, systematic learning in school-based learning processes and casuistic learning in company-based work processes. Against this background, it is vital for dual VET that one part of the training be held in a company-based work and socialisation environment.

Cooperation in Examination and Certification (AE 1.2): The value of a VET qualification is measured, for example, by the significance of an exam, and the certificate which is awarded as a result, for taking up (company-based) employment. Viewed along these lines, examinations and certificates should enable an as differentiated statement as possible about the graduates' competences. Therefore, the business sector should be involved in designing the examinations in order to enhance their significance and be appropriately informed during staff recruitment. This documents the acceptance of (dual) VET by the business sector. Furthermore, this can enhance the social acceptance of VET among school graduates and their parents.

Qualification of (Teaching and) Training Staff (AE 1.3): The acceptance and prestige of (dual) VET considerably depend on its quality. Generally, there is a risk of fostering a downward dynamic if the young people perceive the company-based training phases only as time serving or wasted time. One key factor is the quality of the teaching and training staff. The companies themselves are responsible for the qualification of the company-based training staff, and in this process, they can, where necessary, make use of external support services. Furthermore, companies can contribute to the qualification of the school-based teaching staff, for example, by offering periods of work placements for teachers, involving teachers selectively in company-based continuing VET programmes or if they employ experts as teachers at least on a part-time basis.

Provision of Equipment and Teaching Materials (HF 1.4): Particularly in technology-intensive occupations, school-based VET institutions quickly experience excessive financial strain when it comes to using state-of-the-art technology in the training. Here the companies can offer assistance to school-based or non-company-based learning places by providing state-of-the-art technology, practice-relevant materials or practice-oriented teaching materials and, in this way, contribute to improving training quality. In certain areas, however, the situation can also be the opposite. This happens when, for example because of international development projects, training centres or VET schools are better equipped than the average enterprises in the respective sector.

Cooperation in Governance – Ambassadors of VET (AE 1.5): The governance of a VET system can be defined in broad and narrow terms. In a narrow sense, it is about the representation of the individual organisations (here: especially companies) in umbrella associations (such as chambers, business organisations, federations, employee representatives). In a broad sense, the involvement in political bodies dealing with VET issues would be the focus (such as national VET agencies or regional committees on VET). From the viewpoint of the individual companies, these far-reaching national participation circles are mostly of little relevance. Often, however, there are also participation opportunities at the local or regional level, such as participation in school councils. The engagement of the business sector in national, regional and local bodies can enhance the impact and efficacy of VET, strengthen the commitment of companies to assume further tasks and therefore, overall, improve the social acceptance of VET in the country.

Cooperation in Curriculum Development (AE 1.6): Companies often complain that the learning objectives and contents pursued in school-based VET programmes do not correspond with the requirements of the companies. First of all, this indicates a lack of acceptance, which can have various causes. On the one hand,

the corresponding curricula may have been drawn up by committees or by people with only a limited insight into company requirements. On the other hand, the curricula may have been very much designed with a practical orientation but are not implemented accordingly by the school teachers. A way of addressing the first-mentioned cause is to include representatives from the practical field of the business sector in the curriculum development process.

Participation in Financing (AE 1.7): Dual VET systems are financed with a division of expenditure between the state and the business sector. The financial participation of the business sector (beyond indirect financing via taxes) to fund VET programmes is unknown in many other countries. In this respect, initially this point does not seem very well suited for greater participation of the business sector. Nevertheless, the financing aspect is a relevant component for the business sector. On the one hand, to a company every form of involvement is an expense, and in this respect, the offset is a possible benefit. On the other hand, many companies fear that they might lose their employees after the training because these are either enticed away by other companies or go into self-employment. It is therefore essential to deal with the financial side of VET.

Areas of Engagement (2) – *Learning-on-the-Job*

In countries or sectors where VET tends to be informal or carried out as part of learning-on-the-job, there is basically a distinction between the following areas of engagement for ensuring (intensified) engagement of the business sector:

Period of Leave for the Learners for Theory-Related VET Phases (AE 2.1): Enhancing practical VET phases with the integration of relevant theoretical parts either in VET schools or in non-company training facilities, for instance, requires support from the corresponding companies. The learners of an occupation first of all have to be granted leave to attend the corresponding phases. Granting a certain amount of time leads to the question of who covers the “loss of earnings” – does school attendance lead to a salary reduction, or does the company cover this expenditure? School attendance is often connected with additional costs for transport and teaching materials, and in some countries also for school fees. Companies must be convinced that the ‘enhancement’ of the training is also in their interest and therefore justifies their support.

Cooperation in Development and Implementation of Training Standards (AE 2.2): The informal company-based apprenticeship training with the addition of theory-related training phases has only an unstructured connection to the curriculum in the formal VET system. It therefore does not cover the entire curriculum as used in the formal VET system leading to a certified qualification. It should be clarified what is relevant for learning the profession and must be developed obligatorily in the supplemented training phases.

Cooperation in Development and Implementation of Examinations and Certifications (AE 2.3): Another step foresees the integration of apprenticeship training in a certification process. For this, as part of the curricular structure, corresponding competence assessment procedures need to be designed, ideally with the participation of the business sector. The certificates could be awarded by state authorities, or umbrella organisations active in the respective occupational field could also be involved, however. Recognition of prior learning may also be relevant in this context.

Planning and Execution of Implementation Projects

Differentiated Way of Approaching the Business Sector

Not all sectors, occupational fields and companies are equally suitable and willing to become engaged in VET. The engagement of the business sector will necessarily be selective because the resources for such implementation projects are usually limited. The selection process can take place in the following three steps:

- Selection of priority business sectors
- Selection of suitable companies in the respective business sectors
- Clarification of expectations in terms of the depth and intensity of the business sector's engagement.

For the concrete implementation it is essential how the communication with the business sector is structured. Even if this process can only be planned to a limited extent, some basic considerations can be revealed, and core arguments prepared.

List of Arguments

The business sector has to be convinced of a potential or intensified engagement in VET. Below is a list of arguments which can be incorporated in this process and adapted to the respective frame conditions:

Cost/benefit: Over the entire duration of the training, the expenses can be offset by the productive achievements of the apprentices. Studies in Germany, Austria and Switzerland demonstrate a net profit at the end of the training for many professions.

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 a sound economic development and competitive advantages; it leads to a return on investment in the medium term.

Screening: In the course of training, potential future employees can be monitored and assessed in terms of their performance, before those employees who have proved themselves are accepted.

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 on the labour market. During the training, the company gets to know the new employees and can decide who it wants to employ afterwards.

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 increasing its brand.

Stability: 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.

