

Engaging the Business Sector in Vocational Education and Training (VET)

Working Tool for the Political Dialogue and Project Design
in Development Cooperation

Short Version
(full version see DC dVET website "Topics and Experiences")

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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.

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.

The companies are further distinguished based on different criteria including amongst other size, economic stability, technology/equipment intensity, sectoral development intensity etc.

Relevant Frame Conditions

Efforts to (increasingly) engage the business sector are undertaken depending on a country's specific frame conditions. Particularly relevant and explained in more detail in the working tool are the following:

Existing VET System:

Key starting condition for developing concepts for action.

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.

Economic Frame Conditions:

From a macro-economic perspective primarily relevant are, the level of development and the development perspectives of an economic sector. From the perspective of business management, the willingness to actively cooperate in VET will first of all be influenced by weighing up the existing recruitment alternatives.

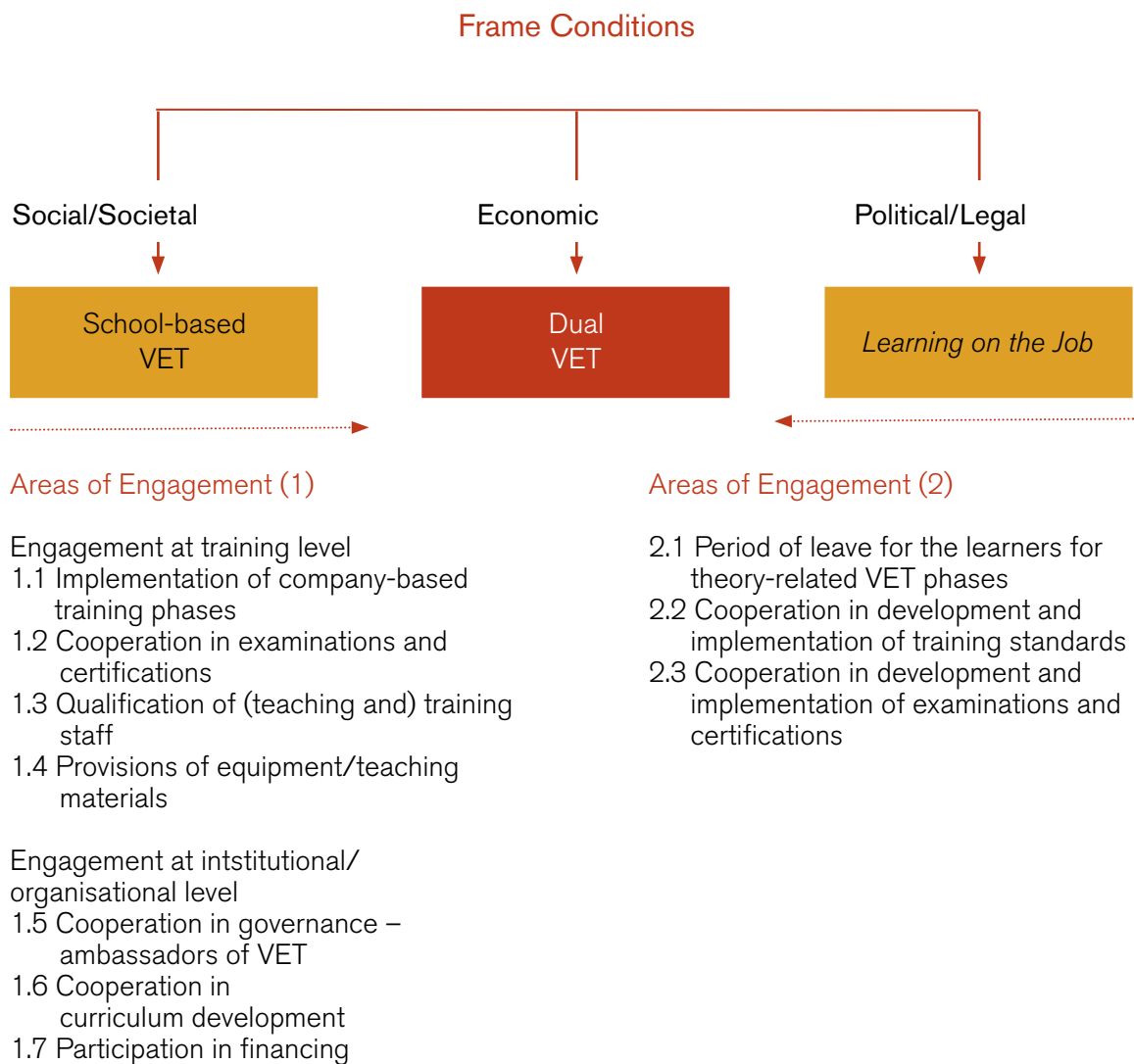
Political and Legal Frame Conditions:

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.

Reference Framework

The targeted engagement of the business sector can be extremely varied. Based on so-called pure forms, the reference framework identifies the constitutive components of a dual VET system with potential relevance for involving the business sector. In a school-based VET system the business sector remains largely excluded, while 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 (Jäger 2016, 10 et seqq.). Based on this, the reference framework then defines and specifies various areas of engagement (AEs) for enhancing (intensified) engagement of the business sector:





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): EOne 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 is realised 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 their 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". One key quality 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 centers or vocational 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, national 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.



Areas of Engagement (2) – Learning on the Job

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 aren't 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. Cooperation can be realized with varying levels of participation intensity: from information and consultation on to cooperation with the right to vote in corresponding bodies to prepare the legal foundations or political programmes.

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 engagement 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 (so-called poaching) 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.

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:

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 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 the use of teaching materials, and in some countries also for school fees. Companies must be convinced that the 'enhancement' of the training may also be 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 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. The modular structure of a curriculum for an occupation would make it possible to ensure better recognition of the competences obtained in informal apprenticeship training and to complement the training with theoretical phases, leading to a 'complete' vocational qualification.

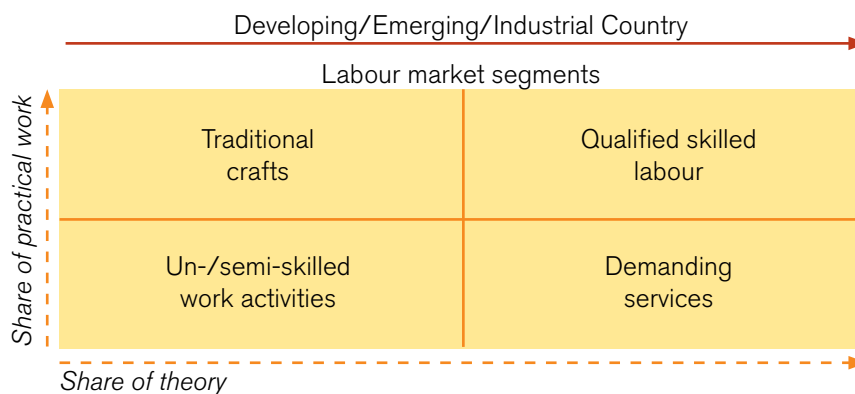
Cooperation in Development and Implementation of Examinations and Certifications (AE 2.3): Another step foresees the integration of apprenticeship training in a certification process. For this, as part of a 'complete' or modular curricular structure, corresponding competence assessment procedures need to be designed, ideally with the engagement 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.

From Conception to Implementation

Differentiated Way of Approaching the Business Sector

Not all sectors, occupational fields and companies are equally suitable and willing to become engaged in VET. For instance, companies in sectors with a high demand for qualified and skilled work seem more sensitive to an engagement in VET than those who can largely handle their production and services with unskilled or semi-skilled workers.

However, even within those sectors and companies that are basically suitable for dual VET, differences in the willingness to innovate are assumed. Rogers (2003) distinguishes between the willingness to adopt a possible innovation across the five categories below. In addition, he also points out that changes require sufficient time.



Labour market segments in different development phases (based on Jäger et al. 2016, 58)

List of Arguments

Companies and industry must 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 compensated by the productive achievements of the apprentices.

Productivity: Qualified skilled workers contribute to increase 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: During 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 their economic requirements.

Employee retention: Often it is difficult and uncertain to recruit qualified and loyal employees on the labour market. The training can contribute to a workforce that brings, with respect to human resources, stability to the company.

Reputation: The training can contribute to a positive brand 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 increase in 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.