Vocational training as a source of competitive advantage

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Montreal, May 22, 2015
1.1 Same technologies - different VET systems

Examples of national differences

- Assembling the Airbus: on-the-job training in UK, FR, ES, vocational training in DE (*Bremer 2008*)

- Retail trade: No or short on-the-job-training in FR, UK, USA, vocational training in DK, NL and DE (*Carré et.al. 2010*)
1.2 Same technologies - different VET systems

- VET-systems are made by actors, there are choices, of course also political and economic constraints

- For example: UK had an excellent apprenticeship in the 1950’s – it was 
  sustainable, but not sustained by important actors (employers, unions and the state)
2. Skill composition in different labour market segments 1995-2011 in Germany in % (GSOEP)

3.1. Revitalization of the German apprenticeship-system

- Apprenticeship-contract with a firm
- Modern duality with more theoretical learning: Now 2 days in public vocational schools – before 1 day
- Social partners responsible (develop occupational profiles, curricula, examination procedures with support from the Federal Institute of Vocational Training, control and supervision by chambers)
- Around 360 standardized national occupational profiles – cannot be split up in modules
- 2 - 3.5 years of training (around 85% 3 years+)
- Promotional training curricula in all occupations (master, technicians, business administrator) on bachelor level (Level 6 European Qualification Framework)
3.2 Modernization of the German apprenticeship system

System requires continuous pro-active modernization:

- "employer demands" not reliable signals for modernization - High diversity of employers "demands" depending on work organization, time horizon of planning, average tenure of employees, low road vs. high road strategies,

- Therefore modernization based on early warning systems - analysis of new technologies and forms of work organization, training in most advanced companies, trends in further training....

- Basic decision for broad vocational training in Germany

- Goal of training: "Working and acting competently and autonomously in an occupation" ("Berufliche Handlungsfähigkeit")
3.3 Modernization of the German apprenticeship system

Last two decades several waves of modernization:
- Fast track (6 months for modernization, 1 year new occupation)
- Creation of broader occupations
- New learning forms reflecting modern work organization (team work, customer orientation)
- Reforms always compromise between modern and traditional companies – implementation of new curricula a challenge for traditional companies
- Increasing importance of vocational schools and regional partnerships for SME‘s – boarding schools for some occupations
- Growth of dual-study - 64 000 in 2012 – combination of VET and tertiary study – apprenticeship contract with a company
3.5 New learning forms: From product towards team work and customer-or-business process orientation

Increasing team work and customer orientation

Source: Bosch 2000a
4.1 Competitive advantages of broad apprenticeship training

- Short learning curves after technological change
- Better communication flow if middle managers are recruited from the skilled shop floor
- Less supervisors: in German machine-tool companies 4% of employees in bottom layer of management compared with 11% in the UK (Ryan et. al. 2011)
- More multi-skilling: Example retail-trade – in NL, DE, DK employees take on typical management functions, such as ordering stock (Carrée et.al. 2010)
- More incremental innovation – specialisation in products of higher value (Prais et. al 1989; Steedman/Wagner, 1989)
- Dissemination of innovation into SME’s: Example SME’s in DE
4.1 SMEs introducing product and process-innovation 2010 as % of SME's

5. Conclusions

- German apprenticeship system pro-actively sustained by social partners
- Accepted by employers because of competitive advantages
- Tensions:
  - short-terminism reduces employer’s willingness to train – regular renewal of national and regional “training pacts” necessary
  - “Academic drift” – not driven by “needs” of the labour market but also by “status” considerations (“Elevator effect” of education expansion (Beck 1992))
References (I)


