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Subject articles

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Formal and informal systems of VET: implications for employee involvement

The age-old conundrum embodied in the skills challenge is this: if it is accepted that skills are a good thing, then why is it that the uptake of skills development practices, through, for example, training and life-long learning agenda, are not widespread? In voluntarist Britain, policy-makers, researchers, educationalists and even practitioners have been grappling for a long time with low training participation, and the low-skills, low-wage route that British industry has adopted. Problems associated with this include claims of a productivity gap that exists between the UK and major competitors and the perpetuation of short-termism that has led to the restriction of capacity development. Scholars offering a panacea to the challenge have often called for the strengthening of institutions, usually supporting such exhortations with evidence from comparative studies that other countries are better in the regulation of both internal and external labour markets. Notwithstanding the necessity to strengthen institutions and to develop a comprehensive vocational education and training (VET) system that respects social partnership and industrial democracy and genuinely involves the employee voice, there is also a need to account for the multi-layered nature that currently exists in formal and informal guises.

The observation of the co-existence of formal and informal systems of VET emanated from an ongoing research project (Ref: CASE/CNA/06/77) funded by the UK Engineering and Physical Sciences Research Council (EPSRC) and the North East Chamber of Commerce (NECC). This study sought to make sense of the complexities arising from a myriad of public and private-sector organisations that claim to have something to do with the skills agenda. Employers have often complained that the training and educational system is too confusing to understand. And so, the motivation behind this research was the need to provide some clarity in terms of who is involved in training and education, what skills development opportunities are available and how employers can usefully navigate through the minefield of funding regimes. The study focussed primarily on the construction and manufacturing sectors. Early desktop study confirmed that the landscape is not only diverse, but its fragmentation is not helpful in engaging with employers that desire to participate in skills development of their workforce.

By employing an ethnographic research approach involving in-depth semi-structured interviews, participant observations and case studies, an attempt was made to uncover the reasons behind the development of such confusion. The extant literature on skills has often criticised employers for not investing in training and education. Yet, interim findings suggest that even the good employers are finding it difficult to distinguish between the quality of a variety of training and educational provision as a result of not understanding the complexities associated with the formal system that usually attracts some level of public funds. Consequently, employers who are willing to engage in skills development have been observed to 'disengage' from the formal system, and seek their skills development needs elsewhere, either through financing privately-organised, largely unregulated training courses and/or informal means at the workplace, for example, mentoring and work shadowing.

Arguably, the co-existence of the formal and informal VET systems stems from the disconnections between the perceptions of what skills really matter across a range of stakeholders which include public funding agencies, educationalists, employers and employees. Ideally, and as evident in more Germanic and Nordic countries, dialogue forged between these social partners should be beneficial in identifying not only what skills matter, but also how best to approach the development of skills over the lifetime of an individual that is supported by legislative instruments. However, this is difficult in practice because of the contested nature of the definition of the term 'skill'. Instead, in voluntarist Britain, where dialogue between social partners remains virtually non-existent, the understanding of skills is open to fragmented levels of interpretation. As a result, what is perceived to be important in the formal system that is driven by funding mechanisms does not match with what is deemed essential in the communities of practice whether demanded by the employers or desired by the employees. So, the public discourse manifested in the funding regimes place a lot of emphasis on such issues as retention and completion rates, and levels of qualifications that are themselves not unproblematic proxies of skills. On the other hand, employers and employees put more credence on such issues as 'getting the job done', 'ability to work harmoniously', 'learning a trade' and even 'expanding one's knowledge'. Yet, the very nature of funding regimes mean that those who engage with the formal system i.e. the 'winners' of funded places and education and training providers that seek to maintain their survival, merely dance to the tune of funding requirements, whilst those who do not 'win' these coveted places and who have sought to meet

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their skills needs elsewhere are damned to be those that do not engage.

So, what does the co-existence of the formal and informal VET systems mean for employee involvement in developing a comprehensive VET system? First, it is argued that the formal system, driven by funding and increasing bureaucratisation, shifts the emphasis away from skills provision to a system that enables and facilitates skills development to occur, often through private-sector involvement. Such a hands-off approach can be described as the depoliticisation of the VET system, where the government retains power and control defining what skills really matter without figuratively 'getting their hands dirty' in its provision. Following on from this, skills development has been left to the devices of a demand-led approach that is characterised by its informal, ad hoc, tactical rather than strategic, reactive rather than proactive or even sustainable, nature. Second, and more importantly, the perpetuation of such bureaucratic and depoliticised formal system of VET serves only to alienate further those who cannot afford to engage with the system. Employers could potentially misplace their efforts on meeting the requirements of funding agencies, instead of focussing on developing skills that really matter for the employee and the workplace. Smaller firms that typify the construction industry therefore become naturally selected out of engaging with the formal VET system, and thus resort to informal means of skills development. One of the employers observed in the study went through great lengths to involve and encourage their employees to undertake training, only to realise that engaging with the funding bodies and the VET system took such a long time that the employees had lost interest in attending the training course.

The problem here is not the co-existence of the formal and informal VET system. Indeed, the findings suggest that the failings of the formal system have fed into the development of informal skills development practices, and that the inadequacies of the formal system could potentially erode employee involvement in participating in the much rhetorical skills development agenda. What is problematic, however, is the depoliticisation of the formal system where the government relinquishes its responsibility in the provision of skills development without specifying how this might then be picked up by others who have a stake in developing skills, i.e. the other social partners. The lack of industrial democracy and the *laissez-faire* approach that have created weak institutions in skills provision do not help in making the aspirations of a comprehensive VET system material. What is needed, there-

fore, is not simply the co-existence of both formal and informal approaches to VET, but a cohabitation of both. Greater understanding of the dynamic relationship between the two can only be helpful.

For more information about the project and future outputs, please contact:
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The skills and training knowledge base of VET in Britain: what the social partners need to know

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If the social partners are to be fully involved in the design and implementation of the apprenticeship curriculum, they need to have ready access to a comprehensive knowledge base. From research that I have undertaken over a number of years, in construction and other industrial sectors, I would suggest that some key elements of building up the knowledge base are as follows:

- *Combine quantitative and qualitative methods*, to answer the "what?" questions and the "why?" questions respectively. This is called "mixed methods research". Research projects commissioned by different agencies need to be informed by other projects commissioned elsewhere and those that academics initiate and conduct themselves using academic funding sources. Research report repositories are a good way to build up a knowledge base – they can be online rather than paper based.
- *Use individual learner data*. For apprenticeship in Britain this means the Individual Learner Record (ILR) that providers supply to the Learning and Skills Council (LSC). The ILR-WBL (Work-based Learning) has files of three types: learner file, aims file, framework and aims file. Compare and supplement this with other data sources, for example Census data, the Labour Force Survey and higher education data. Sometimes results from different data sources will differ. Rather than just stating that they are incompatible, it is better to investigate cases where there is a wide gap. In that way, the data sources can be made to "talk to each other" and can be improved.