Chapter 5

Tools to Support Policy

Good tools are needed to make effective policy. The development and implementation of policy depends on well-informed people, working with different stakeholders through strong institutions.

Information tools make the system more transparent, and the choices better-informed. Information allows students to see their way through a vocational education and training (VET) programme into the labour market, employers to understand what potential recruits have learnt in a VET programme, and policy makers and VET institutions to see whether VET programmes and institutions are getting their graduates into relevant work.

There are various ways to improve data on labour market outcomes. Better information might be provided either through leaver surveys, or through the development of longitudinal datasets, linking VET administrative records to later experience including employment experience. (In addition, good qualifications frameworks can help to make the level and type of competencies acquired in VET programmes more transparent to students and employers alike.) Information on labour market outcomes is complicated and needs interpretation to make sense to a young person choosing a career pathway. While informal sources such as family and friends may provide useful information, high quality professional career guidance, well-supported by labour market data, is indispensable.

VET policy development also requires engagement with employers and unions. Their involvement helps to ensure that the content of VET – what is taught in VET schools and in the workplace and how exams are designed – is relevant to the labour market. Their involvement is also necessary to gain their support for policy implementation.

5.1 Strengthening data on labour market outcomes

Why data are valuable

One of the defining characteristics of vocational education and training is that it aims to have a useful outcome in the labour market. But in the VET institutions where learning takes place, sometimes little is known about what happens to students once they complete their training, *i.e.* whether the learning leads to relevant jobs. The lack of information is partly a practical difficulty as graduating students are mobile and hard to trace. Yet labour market outcomes are a fundamental measure of the extent to which VET programmes are meeting labour market needs, helping VET institutions to adjust provision to labour market needs and public authorities to support the most relevant programmes and institutions.

Data also help students to choose career paths. In countries where students have good information about the labour market outcomes of prospective VET programmes, they are in a better position to make informed career choices, in their choice of VET programme, target occupation and VET institution. Under-informed students may choose occupations that are not in demand on the labour market (Grubb, 2002). All these effects are more important in VET systems in which student preference plays a large role in determining the mix of provision. By contrast, within an apprenticeship framework, there is much less scope for students to pursue vocational training which will not lead to a job, since employers will be unlikely to offer apprenticeships in those fields.

Improving data collection

Through a destinations survey

One way of finding out what happens to VET graduates is simply to ask them. A graduate destinations survey, administered to those leaving VET programmes around one year after completion, establishes whether graduates are working and in what occupation, whether they are pursuing further study, or whether they are unemployed or otherwise not in the labour market. This allows the success or failure of different VET programmes and sometimes different VET institutions to be assessed. A survey can also ask graduates about what they thought of their VET programme – whether it was well taught and provided them with relevant skills for example. In this way such surveys become a tool to monitor quality in VET programmes. There is much international experience with leavers' surveys, typically in higher education (*e.g.* Australia and the United Kingdom) but also increasingly at secondary school level (*e.g.* Northern Ireland, the Netherlands, Scotland and Ireland).

Box 5.1 Destinations surveys

In **Ireland**, the School Leavers Survey is based on a national sample of school leavers, who are contacted one year to 18 months after leaving school. Face-to-face interviews, used in this survey since its beginning in 1980, have become more difficult as a result of declining response rates and high costs (McCoy, Kelly, and Watson, 2007). Therefore the 2007 School Leavers Survey used a mix of approaches. The selected individuals were asked to complete an online questionnaire and could also ask for a paper copy. Participants were offered an incentive to complete the questionnaire, their names entered in a draw for one of eleven prizes. After a few weeks those who had not completed the questionnaire received reminder postcards and received paper copies of the questionnaire a few weeks later. Those who were particularly difficult to reach (*e.g.* early school leavers) were followed up by telephone initially and then face-to-face (personal communication from the Irish Economic and Social Research Council, 11 April 2008).

The fieldwork is carried out by trained interviewers who contact and interview the selected school leavers throughout the country. Given the variation in response rates between leavers from different programmes, the results were re-weighted to give unbiased estimates (McCoy, Kelly, and Watson, 2007).

In **England** the "Framework for Excellence" programme includes a learners' destinations survey and an employers' survey. A pilot exercise has been conducted (LSC, 2008).

In **Australia**, a student destination survey, the *Student Outcomes Survey* run by the Australian National Centre for Vocational Education and research (NCVER),[12] covers student satisfaction with VET.

Through other surveys

Other types of survey also provide information. Censuses are normally a 100% sample and contain information on qualifications, or highest qualification, as well as a lot of other information on employment status. The value of censuses is limited by the fact that they are normally only conducted every ten years, so that the most recent trends and developments are not usually reflected. Labour force surveys also contain qualification and employment data, but are a sample only. Some countries also run longitudinal or cohort studies of young people. These involve identifying a random sample of young people at a particular age and interviewing them at regular intervals, for example to follow through experiences between school and work. Such longitudinal studies are a powerful source of information on the broad tracks which people follow through educational systems and into labour market outcomes, but sample sizes are commonly quite small and therefore a substantial limitation when looking at smaller VET programmes.

12 *www.ncver.edu.au/statistic/21065.html*

Table 5.1 Types of survey allowing information on labour market outcomes to be collected

Estimated percentage of upper secondary VET programmes where outcomes are recorded in surveys

	Regular labour force survey	Longitudinal survey	Leaver survey	Census
Australia	■■■■	-	■■■■	■■■■
Austria	■■■■	-	-	■■■■
Czech Republic	■■■■	■■■■	■■■■	-
Denmark	■■■■	■■■■	■■■■	-
Finland	■■■	-	■■■	■■■
France	-	-	■■■■	-
Germany	-	-	-	■■■
Hungary	-	■	■■	-
Netherlands	■■■■	*	■■■■	-
Norway	■■■■	■■■■	■■■■	-
Sweden	■■	-	■■■	-
Switzerland	■■■■	■■■■	-	■■■■
Turkey	■■■■	-	■■■■	-

Note: Estimated percentage of VET secondary programmes: - 0%; ■ 1-25%; ■■ 26-50%; ■■■ 51-75%; ■■■■ 76-100%. In addition, some countries (as described below) notably the Nordic countries, employ national registers to track students into the labour market, bypassing the need for regular surveys.

* In the Netherlands a cohort study is following a group of pupils – data on 16-plus in upper secondary education will be available in a few years.

Source : Kuczera, M. (forthcoming), *The OECD International Survey of VET Systems*, OECD, Paris.

Through a national register

In some countries (notably the Nordic countries) a unique identifier code is attached to each person, and this identifier is in turn attached to a range of administrative data sets, including education, labour market and tax records. This makes it possible to track individual education and employment histories and thus to analyse the links between VET and later labour market experience. For example:

- In **Sweden**, a central population register includes a unique personal identifier and some basic personal information (sex, age, etc.). This is linked to labour market information such as income and educational status. This allows individuals to be tracked through their school years and into the labour market. The use of these personal data is authorised by law and commands relatively wide public support. If privacy issues arise, they are discussed publicly and the government tackles them actively (United Nations Economic Commission for Europe, 2007).
- A number of countries outside the Nordic region have plans to introduce similar systems. In **Switzerland**, for example, from 2010, an individual student number will link data on education and working life, thereby meeting a number of data needs, ranging from precise nationwide data on dropouts or failures in examinations, to the possibility of tracing individual students' careers and trajectories between apprenticeships and tertiary education.
- While such unified data sets raise privacy concerns, they can be a very efficient way of organising relevant data. Better data costs money to collect, and once the data are collected, more also needs to be spent on analysing, interpreting and presenting the data. However, given the scale of public resources currently invested in VET in many OECD countries, resources devoted to making VET more efficient are likely to represent money well spent.

Improving the evidence base

Good policy making requires a strong evidence base, to identify key challenges, and assess the effectiveness, costs and feasibility of different policy options. Establishing a strong evidence base is always hard, but one particular problem in the VET field is that there are so many different institutions involved. In many countries responsibility is shared between different ministries (typically the ministries of education and labour) and different bodies and agencies (for example tripartite bodies, including government, trade unions and employer associations). A variety of other bodies are often involved in the collection and management of data relevant to VET, such as public research institutes, universities and employers groups. It is hard to ensure the efficient co-ordination of data collection, analysis and research among these different bodies.

To overcome these challenges, some countries have established national VET centres, with responsibilities typically including the co-ordination of data collection, the analysis of data and research evidence and the provision of policy advice to government (see Box 5.2 for various examples of institutional settings). Such centres provide a number of potential benefits. Where there are already substantial existing data, co-ordinating research and analysis allows for better knowledge management. If there are substantial gaps in the evidence base, then these institutes offer more efficient ways to collect data. For example, conducting different employer surveys in the same country is likely to produce lower response rates than a single, co-ordinated large survey.

Box 5.2 National VET centres in OECD countries

Australia: The **National Centre for Vocational Education Research** (NCVER) founded in 1981, is a not-for-profit organisation owned by federal, state and territory ministers responsible for VET. It employs over 80 persons. NCVER's main tasks are: *i)* collecting VET statistics; *ii)* managing the national VET research grants; *iii)* managing a VET research database; *iv)* disseminating the results of research and data analysis; *v)* building links with similar organisations in other countries; and *vi)* undertaking commercial consultancies. These various activities are financed mainly (85%) by the Department of Education, Employment and Workplace Relations, other revenues come from other state bodies and private consultancy activity.

Austria: The **Institute for Vocational Education and Training Research** (*Österreichisches Institut für Berufsbildungsforschung, ÖIBF*) was established in 1970 through an initiative of employee associations and the Ministries of Labour and of Science and Research. This non-profit institute, employing around ten staff, mainly aims to facilitate a better understanding of VET in Austria and promote interdisciplinary research in the field. Its research activity centres around: (1) initial and continuing VET, including at tertiary level; (2) career guidance; (3) evaluation of individual programmes and institutions; (4) labour market analysis; (5) new teaching and learning methods; and (6) economics of VET.

Czech Republic: The **National Institute of Technical and Vocational Education** (*Národní ústav odborného vzdělávání*, NUOV) has a similar function to that of the Hungarian NIVE (below). However, its scope is more concentrated on development of teaching materials and other implementation related issues (NITVE, 2008). A similar institutional setting exists in the Slovak Republic with the State Institute of Vocational Education.

Box 5.2 National VET centres in OECD countries (Cont.)

France: The **Centre for Research on Education, Training and Employment** (*Centre d'études et de recherches sur les qualifications, Céreq*) was established in 1971 with the aim of assisting national and regional public authorities, occupational branches, and social partners in developing and implementing VET and HRM policies. In 1985, Céreq became an autonomous public institution placed under the Ministries of Education and Labour. Since then, it has enlarged its scope acquiring new fields of research and developed a growing network of associated regional centres. Today, it fulfils five main tasks: (1) developing international; and (2) regional VET research networks; (3) researching and analysing the French VET system according to the ministries requests; (4) producing regular employment and qualifications forecasts; and (5) managing a VET documentation centre.

Germany: The **Federal Institute for Vocational Education and Training** (*Bundesinstitut für Berufsbildung, BIBB*) founded in 1970, is a state owned company financed directly from the federal budget and controlled by the Federal Ministry of Education and Research. It employs around 500 staff. Its decision making bodies comprise representatives from employer and employee associations, federal and states governments. Its main tasks are: (1) analysing labour market trends, particularly identifying future skills needs; (2) compiling general statistics and conducting research on the German VET system; (3) managing several VET research databases; (4) supporting training enterprises and VET training centres through targeted training programmes (*e.g.* JOBSTARTER, STARegio); (5) contributing to the development of qualification frameworks; and (6) engaging in international co-operation.

Hungary: The **National Institute of Vocational Education** (NIVE) was established in 1990 and its successor is the Hungarian National Institute of Vocational and Adult Education (*Nemzeti Szakképzési és Felnöttképzési Intézet, NSZFI*), which was established on 1 January 2007 through integrating four separate VET institutes. It is a government-funded research centre which also has an active role in VET policy development and implementation, also in co-ordinating VET research and services. It also raises funds through its commercial activities (maximum 20% of its total budget). Its main tasks are rather diverse and encompass: (1) developing examination and teaching materials; (2) managing the Labour Market Fund's Training Subfund raised through training levies and other smaller VET development funds; (3) evaluating vocational training institutes; (4) disseminating best practices; (5) collecting VET data and managing the resulting database; (6) organising training for vocational teachers; and (7) accrediting adult training institutions. In order to support these diverse activities it employs more than 200 people and commissions research projects.

Korea: The **Korean Research Institute for Vocational Education and Training** (KRIVET) is a government-funded research institute whose purpose is to inform VET policy making and to disseminate VET related data and knowledge. Established in 1997, it has since grown to host 130 full-time researchers. Its main tasks are: (1) analysing national VET policies; (2) supporting the network of VET stakeholders; (3) developing and propagating VET programs; (4) conducting research on qualifications systems; (5) evaluating vocational training institutes; (6) carrying out regular labour market analysis and managing the resulting database; (7) providing career guidance; and (8) promoting international co-operation.

Box 5.2 National VET centres in OECD countries (Cont.)

The Netherlands: The national **Expertise Centre for Vocational Education** (*Expertisecentrum Beroepsonderwijs, ECBO*) started work from January 2009 and is responsible for developing and transferring knowledge together with educational practice. In addition there are expertise centres for different industrial sectors, which form the link between VET institutions and the relevant industrial sector. Their managing boards include representatives of employers, employees and VET-institutions. The centres are responsible for developing a qualification structure setting out the knowledge and skills required by employers, for ensuring sufficient training placements and to ensure the qualification of companies to provide practical training. Their umbrella organisation, COLO, is one of the members of the advisory board of the national Expertise Centre for Vocational Education.

United States: The US has a **National Research Center for Career and Technical Education** similar to the above institutes but with a much more limited scope, as state VET systems are very diverse and several competing private and public organisations already provide research on VET aiming to inform policy making.

These advantages need to be set against the risk that the establishment of a single centre will create a body with no competitors and therefore few incentives to respond to the needs of policy makers and practitioners. To avoid this, strong accountability mechanisms are needed. A national VET research centre should also not be a complete monopoly, because some competition will spur innovation and efficiency in the field. While some tasks are better carried out centrally, others require diversity and independence. Even for those activities requiring a single national focal point, some contestability may be ensured by franchising the responsibility to a body for a fixed period, potentially renewable, depending on performance at preserving the option of transferring responsibility elsewhere. The body in question may also be virtual, decentralised amongst a group of universities for example, as in the Swiss "Leading Houses", and in the Centre for the Economics of Education in the UK.

Box 5.3 Leading Houses in Switzerland and the UK Centre for the Economics of Education

The **Swiss Leading Houses** (LHs) are VET competency networks built around one or more university professorships. Their purpose is to address gaps in the Swiss VET evidence base and to build up a VET research community. Since 2004, six LHs have been commissioned by the federal Office for Professional Education and Technology which also determines uniform performance assessment standards: (1) Quality of Vocational Education and Training; (2) Learning Strategies; (3) Economics of Education: Firm Behaviour and Training Policies; (4) Economics of Education: Transitions, Skills and Labour; (5) New Media and Technologies; and (6) Social Competencies (already completed). International advisory boards prevent a too narrow research focus and LHs are required to open up parts of the projects for public tendering to foster competition. Young researcher's involvement is promoted; dissemination receives considerable importance (*e.g.* Reihe Berufsbildungsforschung Schweiz).

The UK **Centre for the Economics of Education** (CEE) was established in March 2000 and receives core funding from the government (Department for Children, Schools and Families and the Department for Innovation, Universities and Skills). The CEE is a multidisciplinary research centre with three partners: the Centre for Economic Performance at the London School of Economics and Political Science (LSE), the Institute for Fiscal Studies, and the Institute of Education. All three partners provide research in the field of the economics of education and training, and issues relating to education, training and the labour market. The research is heavily orientated towards empirical work with the aim of informing policy by making use of data and research results.

5.2 Reinforcing career guidance to focus on labour market outcomes

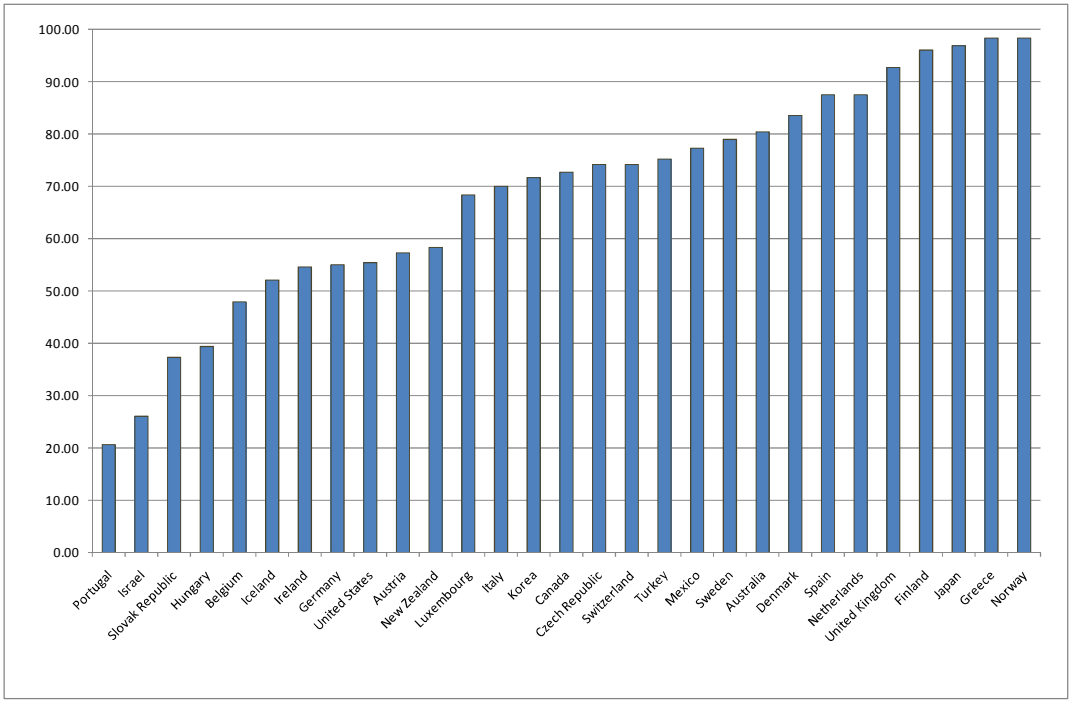
Availability of quality career guidance varies across countries

Information on labour market outcomes is complicated. It needs interpretation if it is to make sense to a young person choosing a career pathway. That is the task of career guidance. To be meaningful, counselling should be available to pupils before they make a choice between academic and VET tracks, and before they choose a particular occupation.

While it is desirable that such guidance is readily available to all for reasons of both efficiency and equity (OECD, 2004), the amount of career guidance formally scheduled into students' time at secondary school varies across countries (see Figure 5.1). If formal sources of career guidance are not available, students will rely on informal sources, such as family and friends. While such sources have their strengths, they may lack reliability and impartiality or confine choices to the known and familiar rather than opening up new horizons (OECD, 2004). If young people choose the wrong career early on the costs of later changes are high, both for the individual, and for the education system, although these costs may be reduced by flexible pathways to other occupations or educational tracks, allowing careers to evolve over time. Moreover, insufficient information at the critical moment may undermine motivation and cause students to drop out.

Figure 5.1 Provision of career guidance at secondary school

Percentage of secondary schools where career guidance is formally scheduled into students' time according to interviews with school heads



Source : PISA 2006 database: school principals' responses.

Note: These data should be treated with caution. They come from interviews with school heads as part of the PISA exercise, and in some cases they appear to contradict formally promulgated school policies which indicate that guidance is fully mandatory in some countries. This may reflect nuances, or perceived nuances in the meaning of "formally scheduled."

Some countries have come up with successful models of information provision

Several countries have come up with successful models for the provision of information and career guidance.

Box 5.4 Using a USB stick to provide career guidance information in Mexico

The Mexican Ministry for Education has developed "Career guidance in my memory" (Orientación vocacional en mi memoria), a USB stick distributed to students and also available through the Internet. It includes tools that help students to identify their strengths and interests, information on institutions offering particular programmes, and data on the labour market outcomes. Thanks to data on outcomes collected by the Mexican Labour Market Observatory (*Observatorio Laboral Mexicano*), students can compare different career options, exploring whether graduates work in an occupation related to their training, how much they earn and their average working hours. Although currently it does not cover all occupations and levels, it is an interesting example of user-friendly, interactive guidance tool, which takes advantage of new technology.

Source: www.orientacionvocacional.sems.gob.mx

In many countries VET institutions themselves provide information and career guidance to potential students. But these institutions have incentives to direct students towards programmes offered at their own institution even if this is not in the students' interest. Such pressures are particularly marked in systems that link school funding to student recruitment (OECD, 2004), and where there is a demographic decline in student numbers, as in several OECD countries. One solution, as in Germany, is to link the advice given by schools to the labour market expertise of employment offices.

Box 5.5 Joint career advice by schools and employment offices in Germany

In Germany, a co-operation treaty between the Federal Employment Office and the Permanent Conference of the Education Ministers of the German States (a co-ordination body between the states [*Länder*], which meets regularly and sets rules that apply to all states which in Germany have large autonomy in terms of their education policy) sets out the joint obligation of schools and employment offices to provide impartial, up-to-date and professional career advice.

Schools are expected to provide students with basic information on the functioning of the economy and the labour market, on different occupations and on the principles of career choice. They also co-operate with local employers to offer students insights into the world of work and arrange contacts for practical training. Employment offices inform students about the requirements of different occupations and provide students with up-to-date information on the state of the labour market, on apprenticeship and higher education opportunities, as well as options for direct labour market entry after school.

Joint career counselling starts at least two years before the end of any school programme. It takes into account the individual interests and skills of students and future labour market needs. Counselling takes place in schools during class hours or during special events on the premises of local employment offices, either on an individual basis or in groups. Schools and local employment offices co-operate in various ways. They form local and regional networks involving various stakeholders, such as employers and higher education institutions. Schools are involved in developing the information provided by employment offices and joint training courses are held for teachers and employment office staff. Schools and employment offices also harmonise their planned measures and projects every year.

Source: Bundesargentur für Arbeit and KMK (2004).

Career counsellors should receive VET-specific preparation

A frequent problem of career guidance in OECD countries is that career counsellors lack familiarity with VET systems, having received their education in tertiary academic institutions, and often are qualified in psychology rather than something which might have informed them about labour markets. As a consequence, attention to the educational and vocational guidance needs of students tends to get squeezed by attention to the personal and social guidance needs of (few) students with particular difficulties.

Switzerland has established a strong system of vocational career guidance and counselling. Attending career guidance and information sessions is mandatory for students in compulsory secondary education. In years 7, 8, and 9 of lower secondary school, students learn in their own schools about their career options; all teachers receive some training in labour market opportunities so that they are knowledgeable about the labour market. Then students in those years are introduced to the main institutions for guidance and counselling, the centres for occupational information (*Berufsinformationszentren, BIZ*). These are free-standing institutions providing unbiased information and counselling for all levels of the VET system.

In these centres individuals can see generalist counsellors, and may then be directed to specialists with more knowledge of specific institutions. They work closely with schools, and indeed may provide some services at the school rather than at the BIZ site. The Swiss system therefore conforms well to the recommendations of the OECD review of career guidance.[13]

5.3 Using the evidence for policy making: appraisal and evaluation

Given that the evidence base on VET is sometimes weak, it is necessary to use it carefully. This means undertaking a careful appraisal of policies in advance of their implementation, and linking this to evaluation of their impact. Policy appraisal is a systematic way of bringing evidence to bear on alternative policy options, weighing up costs and benefits, their distribution between different parties and over time, uncertainties and risks, as a way of assisting the development of policy (see HM Treasury, 2003; Layard and Glaister, 1994). The art of policy appraisal lies in making the most effective use of the evidence that is available, assessing areas of ignorance and uncertainty and devising strategies for handling these uncertainties – for example, when a benefit is uncertain, by assessing its likely minimum and maximum value, or alternatively by launching an initiative as a carefully evaluated pilot so that the risks of a full roll out can be reduced. These steps are considered below in summary form in the context of VET policy. Further details are available in Field (2008).

Identify and clarify policy objectives. Clear objectives need to be measurable. Outcome indicators might include:

- Awareness of labour market requirements by students, VET institutions and policy makers.
- Employer satisfaction and profitability and increased use of the specific competencies acquired in VET programmes in work.

13 This thematic review recommended "specialised external career guidance agencies that visit the school", see OECD (2004), Ch. 3.

- Employment rates and earnings among VET graduates.
- Indicators of costs and efficiency in delivering these benefits would include cost of the programme to different parties and dropout rates.
- Equity outcome indicators would include evidence on the distribution of net benefits to different parties.

Identify a set of alternative methods of realising those objectives (including doing nothing). The policy options might include:

- More workplace training.
- Better information on the labour market.
- More effective involvement of the social partners.
- Improved training for vocational teachers and trainers.

Systematically assess costs, benefits and risks of the options, including potential unintended effects. Costs and benefits of VET policy options are the subject of a separate literature review (Hoeckel, 2008). Benefits may include job-relevant competencies (measured by ease of obtaining employment), quality of employment level (partly indicated by level of earnings), long term employability (measured by employment rate after five to ten years), acquisition of skills in learning how to learn (measured by labour participation in training).

Choose the most promising option or options and determine feasibility and acceptability. Sometimes theoretically desirable initiatives are just not practicable – because of legal obstacles, opposition from powerful stakeholders, or because the initiative is not affordable. The choice of option needs to take account of these issues.

Develop an implementation and evaluation strategy. Appraisal sets the conceptual framework for subsequent evaluation but not the empirical methodology. For example, an appraisal may suggest that a proposed one-year vocational module at the end of upper secondary education may (based on experience of similar schemes in other countries) have positive effects on labour market outcomes which could justify its substantial cost. Evaluation might involve introduction of the module in pilot areas, with random allocation of those completing upper secondary education into a control group and a group who would be offered the option of the one-year vocational module. Experience of the two groups would then be compared, looking at intermediate factors like the tendency for certain groups to take up the training, dropout rates, and labour market outcomes. This would then provide a strong basis for assessing the impact of a full roll-out.

5.4 Involving the stakeholders

Why involve employers?

The objective of this study is to help VET systems respond better to labour market needs. The involvement of employers in the VET system is crucial to achieve this for three main reasons. First, employers are in the best position to see if the content of VET – curricula and qualifications – meets current labour market needs, and employers can guide their adaptation to new emerging requirements.

Second, employers need to be involved in policy development not only because that ensures that policy reflects labour market needs, but also because employer engagement is essential at the outset, if the policy is to be successfully implemented. In Norway for instance, the establishment of apprenticeship training required the full support of employers and trade unions. In the UK by contrast, persistently weak employer engagement in VET has been pointed out as a factor undermining many initiatives launched in the VET field (see Keep, 2005; Ryan, 2000; Soskice, 1993). Typically, engagement in VET policy making and provision of apprenticeship places go together: employer engagement and apprenticeship provision are very high in countries like Germany, Switzerland or Austria and conversely in countries like Sweden both engagement and provision are weak.

Third, active involvement in the design of VET policy makes employers understand the system better. If employers do not understand the policy context and the institutional settings, they are likely to disengage. In the UK for instance, where employer engagement is not particularly strong, a report on employers' views on improving skills for employment prepared by the National Audit Office (2005) stressed that some employers are confused by the range of information, bodies and training promotional material available.

Forms and scope of employer engagement

Stable and effective institutional frameworks for employer engagement are crucial. Instead of depending on individuals, formalised schemes ensure common quality standards and can therefore provide more effective communication channels. In some countries the role of employers (and trade unions) in VET design and delivery is clearly institutionalised and even stipulated by law (Switzerland for example). By contrast, reliance on local *ad hoc* initiatives and co-operation between individual schools and employers can lead to a proliferation of different practices in VET. Different local arrangements make the system more complicated for both students and employers, increasing the risk that students will follow inappropriate tracks, and employers will disengage because they do not understand the system.

Employer engagement in VET is very variable across OECD countries both in terms of the institutional arrangements and the tasks and actions carried out by employers. It can also vary in scope and involve merely an advisory or consultative role – of varying weight – or may be an actual decision-making role (see Tables 5.2 and 5.3).

Table 5.2 Forms of employer engagement in VET

	Tasks and actions	Institutional setting	Country examples
Agenda setting	Analysing evidence Recognising problems Determining issues for reform	Collectively through employer organisations, associations, chambers Individually, using employer surveys and opinion polls	Advisory Council for Initial vocational Education and Training, Denmark (*Rådet for de Grundlæggende Erhvervsrettede Uddannelser*) Employers' surveys, *e.g.* in the United Kingdom and Australia
Policy formulation	Reforming the regulation, structure and funding of the VET system Developing curricula, content and duration of VET courses and practical training Determining number of VET places Developing/updating the qualifications framework, determining examination requirements and acquired competencies	Collectively through employer organisations, associations, chambers School governing bodies which include employers Regional or sectoral bodies	Advisory Council for Initial vocational Education and Training, Denmark Sectoral employer organisations in Australia and the United Kingdom Regional VET centres in the Netherlands, Regional development and training committees in Hungary VET partnership (federal government, cantons and social partners) in Switzerland
Policy implementation	Promoting VET *e.g.* by hosting interns Delivering on-site training Sponsoring training for employees Examining student performance	Individual employers offering workplace training (including sector-wide basic practical training), apprenticeships, or releasing staff to supply vocational teachers to institutions Individual or collective financing, under voluntary or mandatory arrangements	Apprenticeships in dual-system countries Industry courses in Switzerland Training levies in Hungary Final examination in the workplace, *e.g.* in Germany
Policy evaluation	Assessing the quality of VET outputs Assessing student outcomes	National VET institutions Collective employer bodies Individual employers (*e.g.* through surveys)	KRIVET, BIBB, NCVER, etc. Surveys of employer satisfaction in Australia and the United Kingdom

Table 5.3 Social partners' impact on VET

Estimated percentage of VET upper secondary programmes in which social partners have advisory or decision-making role, by different aspects of VET

	Curricula		Practical training content		Duration of practical training		Number of students in VET		Number of places in practical training	
	D	A	D	A	D	A	D	A	D	A
Australia	-	-	■■■	■■■	■■■ [1]	-	-	■■■ [1]	-	■■■ [1]
Austria	■■	■■■	■■	■■■	■■	■■■	-	-	-	-
Belgium (Flanders)	■	■■■■	■■	■■■■	■	■■■■	-	-	■	-
Czech Republic	-	■■	-	■■	-	-	-	-	-	-
Denmark	■■■ ■	■■■■	■■■■	■■■■	■■■■	■■■■	-	-	-	-
Finland	■■■	■■■	-	■■■	-	-	-	-	-	-
France	-	-	-	■■■■	-	-	-	■■■■	-	-
Germany	-	■■	■■■	■■■■	-	-	-	-	■■■	■■■
Hungary	-	■■■■	-	■■■■	-	■■■■	■■■■ [2]	-	■■	-
Ireland	■■	■■	■■	■■■	■■	■■	-	■	-	■
Netherlands	-	■■■■	-	-	-	■■■■	-	-	-	-
Norway	-	■■■■	■■■■ [3]	-	-	■■■■	-	■■■■	■■■■ [3]	-
Sweden	-	■■■■	-	■■■■	-	■■■■	-	-	-	-
Switzerland	■■■ ■	-	■■■■	-	■■■■	-	■■■■ [4]	-	■■■■ [4]	-
Turkey	■■■ ■	-	■■■■	-	■■■■	-	■■■■	■■■■	■■■■	■■■■

	Acquired competencies		Examination requirements		Delivered Qualifications		Accreditation delivered to enterprises providing practical vocational training		Sectors/occupations in which practical vocational training is available	
	D	A	D	A	D	A	D	A	D	A
Australia	■■■	-	-	-	■■■	-	-	-	-	■■■
Austria	■■	■■■	■■	■■■	■	■■■	■■	■■■	■■	■■■
Belgium (Flanders)	■	■■■■	■	■■■■	-	■■■■	■	-	-	-
Czech Republic	-	■■■■	-	■■■■	-	-	-	-	-	-
Denmark	■■■■	■■■■	■■■■	■■■■	■■■■	■■■■	-	■■■■	-	■■■■
Finland	■■■	■■■	■■■	■■■■	■■	-	-	-	-	-
France	-	■■■■	-	-	-	■■■■	-	-	-	■■■■
Germany	-	■■	■■■	■■■■	■■■	■■■■	-	-	-	-
Hungary	-	■■■■	-	■■■■	-	■■■■	■■	-	■■	-
Ireland	■■	■■	■■	■■	-	■	-	■	■■	■■
Netherlands	-	■■■■	-	■■■■	-	■■■■	-	■■■■	-	■■■■
Norway	-	■■■■	-	■■■■	■■■■	-	-	■■■■	-	■■■■
Sweden	-	■■■■	-	■■■■	-	■■■■	-	-	-	-
Switzerland	■■■■	-	■■■■	-	■■■■	-	-	-	■■■■	-
Turkey	■■■■	-	■■■	-	-	-	-	-	-	-

Note: D – decision making; A – advisory role

0%; ■ 1-25%; ■■ 26-50%; ■■■ 51-75%; ■■■■ 76-100%

Total score in each category might be bigger than 100% .This is because social partners involved at different levels may have a say over the same aspects of VET. For example, in Denmark, the Advisory Council for Vocational training (REU) has advisory status towards the Minister of Education (national level). The Council advises on the overall structure of the system. At local and sectoral levels Sectorial Trade Committees and Local Trade Committees can decide on many elements of VET within the overall structure.

1. The role, ranging from advisory to none depends on industry, occupation, etc.

2. Since January 2008.

3. The apprenticeship model (2+2) for IVET consists of two years at school and two years as apprentice in a company. Figure refers to apprenticeship component of the programme.

4. Students taking part in VET programmes are free to choose the programme. But it is the business that provides apprenticeship places. Therefore students can only enter the programmes if there are enough available places in the apprenticeship.

Source : Kuczera, M. (forthcoming), *The OECD International Survey of VET Systems*, OECD, Paris.

Which models of institutional frameworks for employer engagement work?

Bodies for employer engagement and representation can be established at various levels, depending on how policy making is structured in a given country (see Box 5.6 for country examples). They can be created at national level, according to industrial sectors, regionally structured or at the level of the individual institution (*e.g.* employer representation in school boards). While involvement at national level allows for the steering of VET policies more generally, employer engagement at school level can help to improve the concrete links between the workplace and schools, and encourage the exchange of teaching and training personnel as discussed in Section 3.1. Bodies organised by sector (for example in the construction sector) are particularly helpful in developing skills standards associated with qualifications.

Box 5.6 Examples of institutional frameworks for employer involvement

National level:

The **UK Commission for Employment and Skills, UKCES** is an employer-led body that has the task to advise ministers on strategy, targets and policies, monitor the VET system, and observe the performance of the Sector Skills Councils which are licensed by it. Launched in April 2008 following recommendations on a major report assessing UK's skills needs (the 2006 Leitch Review of Skills), UKCES is commissioned to assess the UK's overall progress towards fulfilling the skills targets set it the report. It is primarily composed of business leaders, and also has members drawn from the trade unions and local government.

The **Danish Advisory Council for Initial Vocational Education and Training** (*Rådet for de Grundlæggende Erhvervsrettede Uddannelser, REU*) comprises 25 members from the social partners, but also school leader and teacher associations as well as a number of members appointed by the Ministry of Education. It advises the Ministry of Education on all matters concerning the VET system, monitors existing programmes and labour market trends and on this basis recommends the establishment of new VET qualifications, the adaptation of existing ones or discontinuation.

The **Swiss partnership arrangements** between the Confederation, the cantons and the social partners are established by law. This co-operation is a fundamental principle of the VET system and is set forth in Article 1 of the Vocational and Professional Education and Training Act. In this arrangement, employers and trade unions have a direct role in VET policy making. Each of the partners has their own area of responsibility (the Confederation is responsible for strategic planning and development, the cantons for implementation and supervision and the social partners to determine course content and provision of apprenticeships in host companies) all major decision are discussed and taken jointly and all three partners are represented at national, cantonal and local level.

Sectoral level:

The **Australian Industry Skills Councils, (ISCs)** are privately registered companies run by industry-based boards of directors, but whose funding is provided substantially by the Australian Government. There are currently 11 national ISCs covering the skills needs of most of the Australian industry. Their tasks include provision of industry intelligence and advice to Skills Australia (an independent body providing advice to the government on current and future skills needs), government and enterprises on workforce development and skills needs; actively supporting the development of training products and services, including training packages; provision of independent skills and training advice to enterprises, including matching identified training needs with appropriate training solutions; and working with enterprises, employment service providers, training providers and government to allocate training places.

The **UK Sector Skills Councils, SSCs** are employer-led bodies that set training strategies for particular sectors of the economy. There are currently 25 licensed SSCs grouped in the Alliance of Sector Skills Councils and covering roughly 85% of the UK's workforce, representing the interests of small and large business. SSCs are charged with determining the skills offer for their vocational area. They have a lead role in determining the qualifications which deliver skills and are eligible for public funding.

Regional level:

Regional VET Centres in the Netherlands (*Regionaal Opleidingscentrum, ROC*), have representatives of (regional level) social partners in their supervisory board. ROCs supply all the vocational training schemes financed by the government at secondary level and provide adult education for a region. There are currently 46 ROCs in the Netherlands.

It is very difficult to design institutions for employer engagement if employers are not already organised into representative bodies. Relying on individual companies rather than employer associations has the disadvantage that the system may give undue influence to a few random (mostly big) companies instead of a representative body that can act on behalf of the rest. However, if employer organisations (rather than individual employers) are represented in government bodies, it is important that these organisations are truly representative and recognised as such by the great majority of individual employers. In the UK for instance, the quality of sectoral industry bodies (Sector Skills Councils) has been evaluated (SSDA, 2006). Since they have been found to vary substantially in terms of employer awareness and confidence in them, the UK Commission for Employment and Skills (see Box 5.6) has been commissioned to relicense them to ensure that they meet relevant criteria.

Trade unions balance employer influence

Trade unions also have a role to play in the process of VET policy making. As representatives of the work-force, they take part in negotiations about the design of VET policy. In Norway for instance, only the tripartite co-operation between the state, the employers and the unions creates sufficient legitimacy for the VET system to be established and operated effectively.

As argued in Section 2.2, trade unions can usefully balance the influence of employers. Trade unions have complex incentives in respect of training. They have incentives to protect the interests of existing workers, to ensure that those in work have access to good quality training and that employees have transferable skills (DGB, 2008). Less positively they also have incentives to reduce access to shortage occupations, so as to maintain high wages and union bargaining power for the group of workers involved.

5.5 Tools to support policy: conclusion

Arguments and evidence

- Good data on the labour market outcomes of VET programmes are crucial to evaluate if programmes meet labour market needs, to inform student career choice, to adjust provision in VET institutions and government funding priorities.
- Currently, the quality and comprehensiveness of the collection and presentation of such data varies across OECD countries. Better information might be provided through:
  - Systematic surveys of those who have recently left VET institutions.
  - Census and survey data relating labour market information to VET qualifications.
  - Sample longitudinal surveys, following a cohort of young people through VET and later transitions.
  - Full longitudinal datasets, linking VET administrative records to later experience including employment experience through an individual reference number.

- Currently career guidance for VET students is patchy and sometimes uninformed by information about labour markets. Career councillors often lack VET specific preparation.
- Evidence is sometimes used inadequately for policy formulation, appraisal and evaluation.
- Countries have diverse arrangements for engaging employers and trade unions in VET policy and provision. In some countries lack of organisational frameworks for employer engagement is a problem.

Policy tools: OECD recommendations

- Engage employers and unions in VET policy and provision and construct effective mechanisms to that end.
- Collect good data on the labour market outcomes of VET, and provide the capacity to analyse and disseminate that data.
- Provide career guidance accessible to all, informed by knowledge of labour market outcomes.

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