The Paper Chase in the Workplace: The Use and Value of Vocational Education and Training Qualifications to Employers. A Paper for the Workplace Learning Special Interest Group.

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Australian employers' appraisal and use of vocational education and training (VET) qualifications were examined through case studies of 15 small, medium, and large organizations in 8 of Australia's "old" and "new" economy industries. Data were collected through interviews with management/employer representatives, middle managers, and union representatives at each organization and a company profile that was administered during the site visits. Employer confidence in the ability of Australian VET providers to meet business needs was mixed. Although providing training was not part of their core business or primary focus, they generally considered it important in supporting their business goals. This view was particularly evident in the use of training for recruitment and for meeting legislative requirements. All sectors but the surfing industry used formal training. The employers were also ambivalent toward training providers. Their comments on training providers were generally negative, in some cases, expressing the view that all training is lacking but training supplied to their own organization was satisfactory. When asked what they want in VET training, the employers mentioned flexibility of VET qualifications and training, flexibility in delivery, and training organizations that listen to and are responsive to business needs. A need for greater understanding and knowledge of recent changes to Australia's national training system was identified. (Contains 60 references.) (MN)
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Accountability for Educational Quality — A Shared Responsibility

‘The Paper Chase in the Workplace; the Use and Value of Vocational Education and Training Qualifications to Employers.’

A Paper for the Workplace Learning Special Interest Group

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This paper reports, in part, on the findings of the Use and Value of VET Qualifications to Employers Project, funded by the National Centre for Vocational Education Research, and does not reflect, nor purport to reflect, the views of the funding agency.
The Paper Chase in the Workplace: the Use and Value of Vocational Education and Training Qualifications to Employers.


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This paper reports on a research project into the 'Use and Value of VET Qualifications to Employers,' a project funded by the National Centre for Vocational Education Research (NCVER).

Background to the study.

The National Training System was developed in Australia in the 1990s as part of a long term national strategy to improve the skills of working Australians. It provides for portable, national qualifications with recognition of prior learning and training for members and potential members of the workforce. The Training policies are described as being 'industry led.' Peak representative bodies, Industry Training Advisory Boards (ITABs) have been established in most industry sectors in order for employers and unions to channel their needs and knowledge into the formal training system, particularly in the development of industry competencies to be developed through National Training Packages.

National Training Packages provide frameworks for competencies and assessment for accredited training programs and guide the delivery of formal training programs for achievement of qualifications. Training is encouraged to be delivered on the job. Assessment of competencies achieved is a key focal point.

The Australian Qualifications Training Framework, introduced by the Australian National Training Authority in 2001 provides the basis for all qualifications gained. The Framework identifies and provides a description of each level of certificated training in Australia from Certificate 1 through to Doctoral Degrees.

The National Training System in Australia is similar to those delivered or being developed in other countries. Therefore this Australian research has international application and relevance. The study contributes to a more sophisticated knowledge of how a diverse set of employers appreciate and utilise Vocational Education and Training (VET) qualifications.

The Research Partners

The National Training System, administered by the Australian National Training Authority (ANTA) encourages VET research through biannual research grants to its constituent groups. ANTA encourages consortiums of researchers and practitioners in its training and research strategies. NCVER is the national body attached to the Australian National Training Authority (ANTA) that conducts research in the area of Vocational Education and Training (VET).

Workplace Learning Initiatives, is a private Registered Training Organisation, working within the National Training System, in partnership with The School of Education, Victoria University conducted research into the use and value of Vocational Education and Training qualifications to employers. The project was funded by the National Centre for Vocational Education Research Ltd.

The Use and Value of VET Qualifications to Employers

What value is placed on qualifications gained by workers in the course of their employment; on qualifications gained related to the performance of their work? Is accredited training valued and if so in what ways? To whom do the pieces of paper gained for accredited training have importance?
A starting point for the researchers was the impression that VET qualifications are not valued equally within different domains and sectors throughout the community. There appears to be differences between enterprises of different sizes engaged in different activities and in different sectors of the economy. Unions and the government training bodies are strongly committed to national portability of qualifications, but what counts in the workplace appears at times to be at odds with these commitments. The pressure from enterprises for localised interpretation of skills and standards may sit uncomfortably alongside the requirements for national certificates. Government incentives support the national qualifications system. However, the views of employers are a critical factor in maintaining the integrity and credibility of the system.

The purpose of the project was to tease out these issues and potential anomalies. Case studies in fifteen organisations in eight different industry sectors have been carried out. Using qualitative methodologies, supported by collection of some statistical data, the research addressed questions from three points of view:

- the enterprise perspective
  (exploring employee qualification profiles, attitudes to in-house skill development and recognition through VET qualifications, perceived links between qualifications and productivity and between qualifications and size and nature of business)

- the industry context
  (exploring the influence of different industries and industrial relations on qualifications and the way employers use qualifications across the industries)

- the perception of providers
  (weighing the worth of qualifications from different providers).

Key research questions were:
- What relative importance do employers give to the different types of qualification (Statement of Attainment to Advanced Diploma)?
- Is the relative importance given to the different types of qualification consistent across different industries?
- In what ways are qualifications used by employers in their industries? (For example, to select, to motivate, to promote employees, to formalise pay rates)
- Is the importance of a qualification in the eyes of industry a function of the size of the company or the nature of the business being conducted?
- Do employers equate the attainment of a qualification with increasing productivity in their companies?
- Do employers value a VET qualification from some institutions or organisations for example, schools, private and public providers) more than others? If so, what are the reasons for this and are there differences in approach across industries?

Methodology

A qualitative research methodology was employed, using case studies. The qualitative research was complemented by the collection of quantitative demographic data gathered through the use of a company profile administered during the site visit. The study focused on a purposive sample of industries and areas of employment, including some from 'old' economy industries, that is with a focus on production of a material product, such as the motor vehicle industry, mining, engineering, manufacturing and viticulture and the 'new' economy industries, that is, people oriented with an emphasis on provision of services, such as hospitality, retailing and information technology. There were eight industry sectors and fifteen enterprises in the study. The approach used in sourcing the smaller enterprises was to locate a 'cluster' of businesses in that particular industry.

The study represents a range of views from a purposive sample of organisations and the opinions, perceptions and views expressed by the interviewees provide indications for further research and development. The key people interviewed were management/employer representatives, middle managers and union representatives. The views of employer and industry associations were also included in the study, and at one site, unionists.
The case studies were conducted of a cross section of 'old' and 'new' economy industries in Australia. They are drawn from motor vehicle manufacturing, mining/power, baking, seafood processing, viticulture, process manufacturing, hospitality and information technology and surfboard manufacturing. Hence there are surfboard and automotive manufacturers, power station managers, a wine producer, and bakers, whose voices come through in the studies.

The case study organisations are small, medium and large companies located in urban and rural areas in different states of Australia, bringing a national perspective to the project.

**Issues of Definition**

**Vocational Education and Training**

This study explores how vocational education and training (VET) qualifications are valued by employers and reflects upon what this tells us about education and training in Australia. Qualifications and education and training may be defined and valued in different ways by different sectors of society and this was experienced throughout the research for this project. The study highlighted significant issues of definition and interpretation, as noted in the final project report: '...when this employer says we need to consider the competencies and what they mean to the company s/he reflects the importance of interpretations of meanings.' That is what the study was all about. (Townsend, Waterhouse and Malloch, 2003:6 in draft)

Smith and Keating (1997:3) provide the following definition: 'VET is an international term that describes the development and improvement of skills and knowledge for the specific purpose of improvement in an individual's capacity in productive work.' It is associated with industry, a job or task, learning on and off the job and is skills based.

Sloan's description is: (1994:130) 'Training' is a commonly used word in a number of settings. It is generally understood to encompass the processes whereby individuals acquire skills and competencies to undertake various employment tasks.' Formal training is usually structured and planned activities, organised by a training facilitator and leading to an accredited qualification. (Townsend, Waterhouse and Malloch, in draft, 2003:12). Accredited training leads to an Australian Qualifications Training Framework qualification or statement of attainment.

For the study, an encompassing definition was utilised, with 'Vocational Education and Training System' refers to training auspiced through the Australian National Training Framework (AQF). This framework under the auspices of the Australian National Training Authority sets the standards for training and qualifications in areas relevant to the work undertaken within a broad range of Australian industries.' (Townsend, Waterhouse and Malloch, 2003:11 in draft) The term VET used alone in the project refers to any training activity: formal, informal or non formal that concerns work life.

There is not scope in this paper to explore all the relevant issues of definition but it is worth noting that the various interpretations of terms such as competency, capability, training, accreditation, contextualisation and customisation (of training) were significant. The final report addressed these issues of definition, for the purposes of the study.

**Employers**

'Employers' for this study are regarded as organisations or enterprises which employed people to provide a service, or products and the people interviewed to provide the 'perceptions of the use and value of VET qualifications to employers' are people in line management positions in the organisation, for example, the Chief Executive Officer, the human Resources Manager, the Recruitment Officer, the Training Manager, Shop Floor Supervisors. People interviewed from Industry Training Advisory Bodies (ITABs) employer bodies and unions were in the positions of Executive Officers, the Shop Steward, Project Officers or Training Officers. These people are employees in that they are in receipt of a salary, a wage for work carried out, and they also represent the policies and interests and views of the employing organisation.

**BEST COPY AVAILABLE**
The Case Study Organisations

Case studies of organisations were constructed with enterprises offering a range of sizes from large and urban to smaller and rural. Case studies were selected in different states to provide a national perspective to the project. There are eight industry sectors with fifteen enterprises in the study.

The case study enterprises may be classified as ‘large’ and ‘small’. It is within the context that ‘large’ and ‘small’ in relation to organisation size are terms nowadays referring to what previously would have been identified as modest and small sized enterprises. In the ‘large’ category are the automotive, with 5000 employees, and the wine industry, (2000) power generation and hospitality and information technology are medium sized case studies with (100+) employees. Small organisations, such as the bakery and surfboard companies, and one of the IT companies had approximately 6 – 12 employees each.

The case study organisations:
- Automotive: Excell Motor Company
- Viticulture: North Star Wine Company
- Power: Biggs Power Company
- Surfboard Manufacturing: Wild Bill Surfboards and Wave Wizard
- Bakery: Bake On, Bake Rite, Coast Bakeries and Sweet Delight
- Seafood: Fisherman’s Basket and Coastal Seafoods
- Information Technology: Curve, Ram Ltd and Excell IT
- Hospitality Accommodation: Seaside Village

Of the interviewees, 70 per cent were male, 63 per cent were between 26 and 45 years of age. Only one interviewee was from a non English speaking background. A third had a qualification, for example, a degree, diploma, trade qualification and/or industry certificate and in some cases a number of qualifications.

The qualifications held by the organisation employees varied. Degrees/diplomas were evident only in the three larger businesses: automotive, wine and power and in Information Technology. Trade qualifications and Industry certificates were evident in a majority of the case study businesses. The surfboard manufacturing businesses had no qualifications at all, understandable in that this ‘bijou’ industry is not addressed in the National Training Packages. There was a high percentage of other qualifications in evidence, qualifications not required by the employing enterprise.

Annual turnover of the case study organisations varied from the automotive company, an international conglomerate with a massive income, to the wine and power generation organisations, part of national/multinational conglomerates with a turnover of more than 15 million dollars. Some of the businesses had an annual turnover of less than a million dollars. (Townsend, Waterhouse and Malloch, 2003:17, in draft) Some of the businesses, for example the hospitality and bakery, were located in regional or rural settings with local markets; the surfboard manufacturing businesses a fascinating combination of regional location, small number of employees, and local, national and global markets.

Differing employment categories were used: for the power organisation a combination of permanent and contract, for wine, permanent, including some trainees, and a large casual and seasonal workforce, for baking a strong emphasis on family members as core workers and in the surfboard businesses, company owners working with a progression of itinerant workers. (Townsend, Waterhouse and Malloch, 2003:17in draft)

The training programs

The vocational education and training being conducted by and for the case study organisations is part of the Australian Qualifications Training Framework.

Levels commonly utilised by industries are Levels 1, 2 and 3. Certificates I to IV are described as ‘preparing candidates for both employment and further education and training. (ANTA, 2003) Certificates I and II are for basic vocational skills and knowledge. Certificates III and IV are trade training.
These levels of training ‘recognise skills and knowledge that meet nationally endorsed industry/enterprise competency standards as agreed for those qualifications by the relevant industry, enterprise, community or professional group.’ The training can be gained through new apprenticeships, work based or school or institution based training. (ANTA, AQF website, 2003)

The NCVER (2000) reported that 13.2 per cent of Australia’s working age (15 – 64 years old) population was taking part in VET to gain skills and qualifications for specific areas of employment through competency based training.

The literature

This study, in investigating the use and value of Vocational Education and Training (VET) qualifications to employers, facilitates a reexamination of a cornerstone of the Australian VET system – the confidence that employers have in the system and its outcomes.

The rhetoric and rationale for the current forms of vocational education and training are that ‘industry’ has demanded the nature and type of training instituted nationally. The Australian Qualifications Framework, industry competency standards, competency based training, the National Training Packages, Recognition of Prior Learning, Recognition of Current Competence, Workplace Training and Assessment all designed to increase the skill base of the Australian workforce and international competitiveness.

Employer perceptions

This study aimed to tease out the perceptions held by a range of employers on the use and value of VET qualifications. How do employers perceive the Vocational Education and Training achieved by their employees; what value do they place on VET qualifications? There is an impression that industry does not value training, that training will only be conducted with a financial inducement, that the amount of training accessed by employees is decreasing. Is there any veracity to these perceptions?

There are big picture industry/employer needs of the training system and specific industry needs. Access to and perceptions of VET are different for large enterprises compared with small businesses.

Key themes

Key themes which emerged in the study are compliance and qualifications, role of qualifications in the community and labour markets, benefits of accredited training, employer satisfaction with VET provision, demand for VET qualifications and the characteristics of small to medium enterprises.

Compliance and qualifications

The Human Capital Alliance (2001) in researching the relationship between total competence requirements of an enterprise for specific jobs, found a gap between the total competence required and the competencies valued for a qualification by employers. ‘The beguilingly simple answer is that qualifications are not significantly valued by employers as outcomes of their own training efforts, although this response varies...’ (2001:62) They indicate that employer commitment to qualifications also needs to be seen in the context of regulatory and licensing requirements. The case study organisations conducted several different training programs in order to meet such requirements, for example, occupational health and safety, food handling, breathing apparatus, machine operation and first aid.

Role of qualifications in community and labour markets

Keating (2000:2) suggests ‘qualifications are essentially about closure and restriction on the part of occupational and institutional (educational) communities.’ Therefore, entry into these communities is controlled by groups with a vested interest. Keating also notes that there has been an emphasis on credentialing ‘rather than an educative or skills formation function.’ (2000:8) There is also an emphasis on assessment systems for qualifications which can be limiting. (Warrington, 2001:12)
Benefits of accredited training

There is a growing body of research and data collection on the value of VET qualifications to employers. Does training pay? Sloan comments that (1994:160) ‘More latterly, an additional objective has been the establishment of nationally consistent training and skill standards. More training is seen as better, rather than the benefits of training being weighed in relation to the costs of training.’ This is counter to return on investment (ROI) approaches to training.

Also explored in the literature is the possibility of a correlation between training and productivity and profitability. As Yeatman (1994: 115 - 116) observes ‘vocational and educational training tend to be viewed economistically, in terms of how that can enhance productivity as distinct from knowledge.’

The OTFE (Office of Training and Further Education), Victoria produced a comprehensive literature review (1998) Benefits to Employers from an Investment in Training, and a report Return on Training Investment (OTFE, 1997). In the 1997 study (1997:4) the benefits of training were identified as:

- Improved performance
- Change in skills
- Attitudinal and behavioural improvements
- Changes in workers’ earnings as a result of skill gain
- Satisfying legal requirements

It was also noted that ‘...benefits accrue to the organisation in terms of improved use of human capital resources and a resulting increase in competitiveness; and benefits accrue to employees in terms of job security, increased job mobility, and satisfaction. Training and learning are emphasised in organisations undergoing change because of the need for employees to undertake different or more complex tasks, to work in teams sharing expertise and decision making, and to make more effective decisions. In many organisations, reward systems are beginning to reflect these changing responsibilities.’ (1997:3)

Employer satisfaction with VET provision

The National Centre for Vocational Education Research (NCVER) conducts an annual survey on employer satisfaction with vocational education and training. The Australian Bureau of Statistics (ABS) has also collected information on education and training experience. This literature monitors the reactions and opinions of employers to VET.

In 1998, the most satisfied industries were construction, government administration, and education; the least satisfied, accommodation, cafes and restaurants, mining and transport and storage. Areas in VET identified for improvement were graduates’ work ethic, relevance of course content, graduates’ work skills, ability to work without supervision, and teachers’ ability and experience. (NCVER, 1998; xx)

A majority of employers report being satisfied with the VET training provided, with skills gained being appropriate to needs, and that training pays for itself through increased productivity. (NCVER, 2001) More work experience or work placements were regarded as desirable improvements. Course content was another desired improvement. Seventy six per cent were of the opinion that it was hard to tell what a person could do from qualifications. (NCVER, 2001)

Demand for VET qualifications

Kirkpatrick and Allen (2001), in reviewing literature on issues relating to demand for VET, focus on big picture issues. They identify that there has been policy neglect of learning to improve quality of life in comparison with an emphasis on work, there is a need for attention to individuals and communities and demands are expected to increase for knowledge work, that is soft skills and literacy numeracy.

There is an impression that training is either directly provided for or subsidised by the government and that businesses would be loath to provide training without financial incentives. There are a variety of views on this. Sloan comments that (1994:157) ‘In reality, most training in Australia is probably provided by firms, especially if account is taken of informal training.’
Hall et al (2002:1) argue that given employers' contribution to training and education funding has been falling, that training provided to non standard workers is either limited or non – existent, that creation of high skilled white collar jobs is not progressive, that non standard and precarious forms of employment are increasing, Australian workers skills are under utilised. They identify a challenge to raise levels of funding for training and more importantly to change the 'regime that underpins current arrangements. (Hall et al 2002:1) Hall et al (2002:37) argue that employers value what they pay for, that industry investment in training contributes to successful results.

With the introduction of National Training Packages, reporting on training outcomes has become more sophisticated and detailed. Terminology has also changed. There is an emphasis on 'module completers,' people who have successfully completed at least one module. Approximately 40 per cent of module completers reported having got what they wanted from their training. (NCVER, 2001:37 cited in Townsend et al, 2003:23 in draft) Is this an indication of a shift of focus from gaining a qualification to gaining successful completion of a competency based module.

Small to medium enterprises

Field (1998) points out that many small businesses don’t need the product the VET system provides as training. Gibb (1999:60) sees a need for VET to respond to the needs of small to medium sized businesses.

Size does matter: Ball and Freeland (2001:20) found that enterprises with more than 20 employees were more likely to engage in apprentice and trainee training. The small case study enterprises in the Use and Value project generally did not take part in structured training, had more casual than permanent staff members and were not unionised.

In Ball and Freeland’s study (2001:22) of small and medium sized enterprises, into factors affecting the provision of entry level training, the propensity to provide entry level training was found to be influenced by the training practices, the type of training and training providers. ‘Two formal methods of training delivery, structured and on – the – job, were found to significantly influence the propensity of enterprises to provide apprentice and trainee training. The higher the percentage of employees receiving structured training (up to 75%) the higher the likelihood that the enterprise would provide apprentice and trainee training:’ ‘It would appear that firms that provide more than a quarter of their staff with on – the – job training are significantly more likely to train apprentices and trainees than other firms.’ ‘Firms that use the informal training method of job – rotation and job – exchanges are not likely to provide apprentice and trainee training.’

‘Enterprises that utilised either associations (professional and industry) or TAFE for training were significantly more likely to provide apprentice and trainee training than other enterprises. Enterprises using TAFE as a training provider were more than ten times more likely to provide apprentice and trainee training than enterprises that did not use TAFE to provide any training.’ (Ball and Freeland, 2001:23).

The size of the organisation was a factor influencing likelihood of apprentice and trainee training – enterprises with more than 20 employees were 'significantly more likely to provide apprentice and trainee training.' ‘Enterprises with a high proportion of employees working full time were more likely to provide trade and apprenticeship and traineeship training than other firms.’ Ball and Freeland, 2001:20). Enterprises that expanded employment between 1994 – 95 and 1997 – 98 were significantly more likely to provide apprentice and trainee training than enterprises with stable or declining employment levels.' (Ball and Freeland: 20).

There can be, in a training system, a focus on credentialling, on the achievement of a piece of paper which puts education and skill formation in the background. Such a narrowing of training and education focus diminishes opportunities to include a wider social political and economic context. (Schofield, 2000, Warrington, 2001, Keating, 2000). Work practices are also impacted upon, teaching and learning diminished, and the training, teaching, becomes more complex and demanding. (Angus cited in Seddon, 1998, Waterhouse et al, 1999)

This brief overview of literature points to the findings from the study. There are indications that the investment in training by industry is gradually declining, that the educational qualifications of
employers are important in setting a scene for training, that smaller companies find provision of training more challenging, that employers provide opportunities for training for morale, use it for recruitment and pay scale progression rather than as a key element of organisational change and development.

The current training system is predicated upon the achievement of competence through recognition of previously gained competence, through on - and off -the-job- learning, with a preference for on - the -job learning and a strong emphasis on assessment of competencies achieved.

There are concerns that the way training is delivered can contribute to a more limited society, as indicated by Yeatman: 'A narrow productivity – focussed view of VET must lead to over-emphasis on the productivist, workerist and formal properties of a VET delivery system.' (1994: 120).

Sandberg’s study (2000 in Townsend, Waterhouse and Malloch, 2003:27 in draft) of Volvo employees in Sweden suggests that workers need to reconceptualise the task in order to move to a new level of competence. Competence based training is based in specific real life situations. To transcend this, to move beyond this, the notion of capability is being researched. Hase, Cairns and Malloch (1998:5) identify major features of capable learners and organisations as: flexibility and adaptability, self managed learning, mindful awareness of capability and learning, values bounded behaviour, and readiness and confidence to engage in the unknown, that is risk taking.

Workplace learning has the potential to go beyond the delivery of a very specific range of competencies. Much depends on the vision of the organisation. Sefton, Waterhouse and Cooney (1995, cited in Townsend, Waterhouse and Malloch, 2003:29 in draft) found that in a study of the automotive industry that business characteristics creating change were strongly related to the development of the workplace as a learning environment. The interviewees, when asked if they regarded their organisations could be considered learning organisations were very unsure as to what the term might mean and then upon reflection, a majority decided that they were not learning organisations. Workplace and competency based training has limitations.

**Key issues from the study**

The case study organisations operate in a world of international competition, of being both local and global, of flatter structured organisations, of fewer people to do the work, increasing casualisation of the workforce and the disaggregation and sale of public utilities. ‘New’ industry aspects of use of e-commerce, of integrated logistics systems and electronic stock control systems have been adopted by the ‘old’ industry case study organisations.

Key issues which emerged from the study:

- Ambivalence and tension in the system
- Training providers don’t meet needs
- Compliance driving training

**Getting the job done…the Enterprise perspective**

‘It’s not what you know it’s whether you can do the job that counts’

‘It’s not the qualification that’s important – it’s whether they can do the job.’

There was ambivalence in how employers viewed accredited training. Training is carried out to assist in ‘getting the job done.’ Comments made reinforcing this include: ‘It’s not the qualification that’s important – it’s whether they can do the job.’ And another: ‘Industry is not just looking at the qualification, it’s looking at the skills within that qualification.’ However all but one of the case studies utilised the National Training System.

The case study organisations were all focussed on the production of goods and services for profit. Providing training is not a part of their core business. Training however is important in supporting their business goals. This is particularly evident in the use of training for recruitment and for meeting legislative requirements. All of the case study organisations except for the surfing industry make use
of formal training. Licenced activities such as Fork Lift Operation, Crane Chasing, Breathing Apparatus, Occupational Health and Safety and Hygiene, food Handling are a common feature. The IT industry case studies have the International Computer Drivers Licence (ICDL) for evidence of entry level IT skills. Such courses and qualifications are seen as delivering required skills.

Qualifications are also seen as indicators of potential. VET qualifications are used as a mechanism for screening applicants. There was an awareness of the usefulness of a qualification in that with one exception, the case study organisations chose to employ people with qualifications. (Townsend, Waterhouse and Malloch 2003:37 in draft) The employers emphasised the need to make their own judgements about competence for their own particular work place. They were keen to have the employees trained in their 'own' competencies and practices.

Special and different

Companies generally expressed a preference for their own particular training programs. There were identified components of Training Packages which could be transferable, but the 'special and different' characteristics of their business and needs were referred to in explanation why workplace specific customised training programs are required.

Each case study enterprise made the point that they wanted training to meet their own specific needs. The bakeries had special lines which required their own form of training. North Star Wines wanted to have training relevant to their modes of production; a compulsory module on tank waxing was not what they required!

For the large companies, like Biggs Power Company and North Star Wines, qualifications were important in the relationship with enterprise bargaining agreements and formal structures for career profession and remuneration. For IT, qualifications were important as indicators of employees being able to respond to change and future developments.

As part of the ambivalence expressed towards training, accredited training was preferred compared with non accredited because of providing a message of recognition, portability and transferability to the workforce. Fully accredited training is provided as a motivator to get workers involved in training. The case study employers preferred to train their employees themselves in their workplace specific practices. Some non accredited training was utilised and delivered in house. On the job training is generally the preferred option for delivery of training. Assessment in the workplace was referred to as a common occurrence. Mentoring was utilised.

In small businesses, accredited training was reported impossible without government support. Informal on the job training is preferred over accredited training in order to meet specific business needs in terms of skills, attitudes and commitment. Accredited qualifications are seen as acceptable baseline credentials for initial entry, but not satisfactory for doing the job in a specific workplace. Another set of skills is necessary. Compliance is a key reason for engaging in accredited training for example, hygiene, food handling, occupational health and safety.

It was interesting to note that there was a general unfamiliarity with the term 'VET,' the acronym for the training system. Obtaining information about VET seemed a challenge. Some larger organisations had very close links with their Industry Boards, and their local providers of training, and consequently were able to access information more readily. Especially for those with this access to information, local Training Providers were frequently cited as being not up to date with the latest Training Package amendments. Smaller organisations in particular had not been aware of financial support for training.

Perceptions of providers - VET and employer needs – training providers don’t meet needs!

In turning to the employer perceptions of the training providers, ambivalence was again in evidence. Despite the positive responses from employers in the national employer satisfaction surveys (NCVER, 2001, 1998), the comments on Training Providers were generally negative and in some cases were reminiscent of parents' comments about their children's schools; that all schools are lacking but their own school is satisfactory!
What did the employers want in VET training? Flexibility of VET qualifications and training were seen as desirable. Some employers are interested in specific skill sets of accredited training and not necessarily complete certificates or complete modules. Tailoring of Training Packages to individual workplaces was held as extremely important.

Flexibility in delivery was also a need. Geographic isolation of an organisation can mitigate against accessing a training program at a TAFE or private RTO. The bakery had their training organization come to them to deliver on the premises. There were long held memories of the use of a 'ute' to get to and from class and the winery and the 'ute' not back on time!

In all the case studies, employers emphasised the need for training organisations to listen and be responsive to their business and learning needs. ((Townsend, Waterhouse and Malloch, 2003:48, in draft) There was a distinct pause for laughter from one interviewee in response to a question as to relationships and responsiveness of external training providers:

'It's very inconsistent. Training Providers have too much say in the certificates themselves. We are constantly at loggerheads with the main training provider. However, it is getting better.'

Consistency in quality provision is a big issue. Providers are still unable to link theory and practice together. There is a perception that training providers are not up to speed on developing relevant curriculum out of changes to training packages.

Some smaller organisations reported that there were no training programs they could use in their business. The bakeries reported that they had been approached by a specific training provider about training programs and that this had been their entrée into training.

**RTO status**

Only one of the case study organisations, the largest, Excell, the motor manufacturer, was a registered training organisation. Excell made a strong contribution to the development and delivery of national training. North Star Wine view was 'our core function is producing wine, not training.' (Townsend, Waterhouse and Malloch 2003:38 in draft)

**Trust in the system**

Despite the concerns and criticisms of training provided by the VET system, accredited training was generally viewed positively. Seaside Village, one of the hospitality case studies preferred to employ people with accredited hospitality training as they were better prepared for the work. In the Wine industry, the view was expressed that training was not new but that the training package had taken training to a new level. (Townsend, Waterhouse and Malloch 2003:38 in draft)

Comments from the interviewees:

'Accredited obviously will always matter in that there's something you'll know for sure that the standard is there. Whereas with the non accredited there is no guarantee that the standard is actually maintained or was even intended to be maintained.'

'Accredited is always better because the standard is there.'

'The employees want the accredited training which means they want the transferable accreditation.'

'It provides some portability for the employee, a certain standard.' (Townsend, Waterhouse and Malloch 2003:37 in draft)

**The industry context - Why train?**

With the ambivalence towards training and the training providers, why are the enterprises utilising training?
Key factors identified in the case studies were compliance and motivation of workers. Many organisations train because of statutory requirements, to develop and maintain positive relationships in the workplace, as a recruitment selection tool, and for ongoing promotion progression for workers.

Wild Bill: 'They've got to have enough qualifications, that I can get them to do half the work and leave but if they've got none whatever they're going to cost me ... I can't afford to put them in.' (Townsend, Waterhouse and Malloch, 2003:45 in draft)

The peak bodies, the Industry Training Advisory Boards or equivalent organisations are saying that:
- Flexible forms of training are preferred
- Training leads to improvements in confidence and motivation
- Government subsidies have a massive impact
- Providers are falling short on meeting industry needs on key fronts
- No strong responses as to whether training is linked to increased productivity
- Legislation is a motivator for accredited training
- Little influence of unions in accredited training in small enterprises

These views reinforce those expressed by the case study enterprises.

**Compliance driving training**

Statutory and industrial requirements also provide an impetus for accredited training to be carried out. The Peak Body representative for the Wine Industry expressed the view that using the National Training Package assists in achieving the required training for legislative compliance. Service agreements are also influential. Sweet Delight reported moving into accredited training:

'We have our own in-house training program now. (It) came about as one of our customer's requirements. On top of that, becoming co-producers of (another major customer) - their standards are a bit demanding ... They actually want us to have a bit more ongoing formalised training, to make sure that people's skills are up-to-date and as part of that we've signed up last month, we're putting all our employees who have no qualifications at all through Certificate III in Food Processing.' (Townsend, Waterhouse and Malloch, 2003:39 in draft)

Occupational Health and Safety and Food Handling legislation means employees have to be trained in, for example, first aid, breathing apparatus, specific machine operation, hygiene and food handling standards.

'Yes, in some particular areas, for example, areas of statutory need. We can't afford to have unqualified people... we need skilled people for specific jobs.' (Townsend, Waterhouse and Malloch, 2003:39 in draft)

For the seafood and bakery case study organisations, 'With HACCP (Hazard Analysis Critical Control Point) requirements everyone does a 4 hour program. This is a necessity because of the new legislation.' (Townsend, Waterhouse and Malloch, 2003:39 in draft)

**Motivating the workers**

Employers recognised that the achievement of an accredited qualification had in many cases more value to the employee than to the employer. Workers saw value in gaining a qualification, a piece of paper. 'We have to have it. Boiler ticket, Level 1 First Aid is compulsory. Accredited training is valued Australia wide.'

At North Star Wine Company, the value to workers was recognised: 'Apart from being able to do the job easier and getting more knowledge, it also makes their skills recognised so then it's easier to pick up other employment if that's what they want to do. I guess in a way giving them a sense of worth because traditionally ...it's been classified as non skilled work. Whereas now it's really a certificate level, it's giving some worth to what they do.'

When National Training Packages were introduced there was reference to portability of qualifications being an advantage. Portability and transferability of accredited qualifications are seen as an advantage...
for employees, but not necessarily for employers. The case study organisations constantly reiterated their preference for training which meets their own specific and defined needs. Each argues a 'special and different' case. 'Portability is not a huge selling point (for the company) Another employer would want their own competencies.' (Biggs Power Company Production Manager). Employers recognised that the achievement of an accredited qualification had in many cases more value to the employee than to the employer. Workers saw value in gaining a qualification, a piece of paper. 'We have to have it. Boiler ticket, Level 1 First Aid is compulsory. Accredited training is valued Australia wide.'

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The achievement of a qualification, a certificate was recognised as being important to the workers. 'They were just all really keen, (before) there wasn't any incentive...'

'Working in an abalone shed, I never thought it would be something that would happen...the more certificates that you have, you know, the more places you can go.' The larger companies also paid financial and/or other benefits to employees to gain further accredited training relevant to the company. It is an industrially negotiated aspect of employment that there is a linkage between position in the company, achievement of specified levels of accredited training with pay scales. (Townsend, Waterhouse and Malloch, 2003:42 in draft)

In Australia, skills based progression systems are linked to accredited training programs. This places pressure on organisations and consequently the training system to provide higher level qualifications, some of which, particularly Certificates 4 and 5, are yet to be developed. Certificates 4 & 5 also, in a majority of Training Packages focus on management and administration, not necessarily areas of skill development desired by employers for training of their workers. (ANTA, 2003 - AQF website)

Training was in most cases linked to status within the organisation, role, position, and pay scale. Most of the case study organisations provided and were able to access training for AQF levels 1 – 3 relatively easily. Levels 4 and 5 were not available in all industry areas. What happens when you have done all the training recognised as appropriate for the job and are on the top of the pay scale?

Enterprise based agreements incorporate the rights of workers to accredited training. Training was frequently carried out during work hours, on the job in particular, but generally without extra pay. In most workplaces training is provided to ongoing employees, casual workers are generally not included in training programs other than essential occupational health and safety and machine operation. Some industries such as the wine industry draw upon a causal workforce for seasonal work. The impact of casualisation on training is an area for research.

**Influence of subsidies**

Training subsidies are available for companies as part of the National Training System. For the smaller companies in particular, a financial subsidy made a difference.

Coastal Seafoods 'Well it makes it... that you're not forking out for things yourself.'

Sweet Delight: 'It's through the traineeship ... I think it's the incentive scheme from the government? Each new employee costs us $300 and we get it all back ...that's part of the motivation.'

And ... 'The Government assistance, it facilitates us being involved in it because obviously it reduces the cost quite significantly.'
North Star Wine expressed some differing views. It accessed Government Training Schemes minimally, through a small number of trainees.

'Personally, I don't believe those subsidies are there to get untrained people into a job and get them skilled and so many companies abuse the system and use it as a means of free training and openings for getting their people qualifications for free and that really is not what it's all about, mind you there have been times when I thought, well everyone else is doing it, why not?'

The surfboard manufacturers saw themselves as outside the parameters of national training. They are a fascinating combination of highly specialised, international, and yet like a 'cottage industry' in their operations. (Townsend, Waterhouse and Malloch: 41 in draft)

'...since the change of government, there's been offers for money to help train people but then when I've looked into it there's nothing in our industry 'cause our industry is not classed as an Industry...

Oh, I would like to be able to pull younger people and then train them if there was a kick back, you know, if there was money from the government. So that it wasn't just cost, cost, cost, cost.'

Importance of qualifications across industry sectors

The National Training System Levels I to III are commonly used. These provided the training required to obtain or to recognise skills already attained for the organisations. Employees who had gained the Certificate III level were now seeking enrichment and extension and this was difficult. One Training Committee member aimed to do a computer training course, but this was outside the parameters of the Training Package for the area of work.

North Star uses Certificates I to III in Food Processing for production employees and Frontline Management and other management programs. Levels 4 and 5 are yet to be developed for the sector. Biggs Power utilises the Certificate in Open Cut Mining Levels 2 and 3. Ram Computer Company employ graduates finding that they have required skills, for example report writing.

Curve, the other computer company reported that they had a relationship with a university which has relevant courses, and they work together with the university and also sponsor some scholarships. However, in a study carried out trying to identify selection criteria, Ram reported: 'We did a study across Latin America, Africa, about 60 countries and we recruited people and pulled from different sets of skills, computers, engineering, archaeology, you know lots of different skills or degrees and there was no statistical difference in success (within the company) based on qualifications. The difference was based on people's attitude. '

We found ourselves asking is there life after Certificate III? Levels IV and V in the National Training Packages tend to focus on skilled trades levels or administration and management skills – and these are not regarded as necessary for a large number of employees to obtain. The challenge is there to develop a form of training to further develop worker capability rather than continuing the qualifications bottleneck, stalemate. (Townsend, Waterhouse and Malloch, 2003:42 in draft)

Concluding comments

In essence, from the research project on the use and value of VET qualifications to employers,

- There is a need for greater understanding and knowledge of recent changes to the national training system.
- There is mixed confidence in the ability of the VET providers to meet business needs.
- In one sector there are no industry standards or official government recognition, or structured training. However skilled 'artisans' are highly prized.

Accredited vocational education and training is being utilised by all but one of the fifteen case study enterprises, primarily for reasons of recruitment, linking pay to positions, perceptions of employee morale and regulatory compliance.

Enterprises expressed a need for more individualised training programs, in focus, content and delivery. There were many comments about the 'special and different' needs of each of the enterprises and the desire to have these heeded. A lack of communication and ready access to information about VET has been identified.
Access to training is an issue. Casualisation is a feature of employment, an increasingly common mode of employment, which cuts many employees out of accredited training. They are afforded the ‘must do’ training, the essentials for induction, compliance related activity and safety. Employers frequently referred to benefits that employees received in gaining a qualification which was portable, and recognised nationally. However, the employees in the case study organisations were not highly mobile; once in their work, the tendency is to stay. Other interviewees referred to the need to acquire workplace /organisation specific competencies in they moved employment.

In the surfboard industry, Wave Wizard and Wild Bill conduct training almost as a ‘magical process, a master – apprentice relationship in shape shifting in the creation of a board tuned to the waves; their informal training processes are designed to achieve capability and expertise in their employees. There are no national industry competency standards or training programs yet for their industry.

The other case study employers used qualifications, the pieces of paper, as part of the selection process for recruitment for employment and as a requirement for meeting industry regulations. Qualifications also serve as access to a level of employment and pay. Accredited training also is regarded as a motivation for employees, a morale boost, a recognition that accredited training is important to them.

Training as presented by the interviewees of the fifteen enterprises tended to focus on the ‘here and now’, on present needs, although one organisation referred to forward planning and succession planning. The training programs provided as examples were very much focused on the provision of basic and operational training, within a very specific context. If organisations are to be able to continue to grow and develop and to prosper, then being flexible and being able to cope with change are desirable aspects to cultivate.

Wild Bill wanted employees to be already capable.

‘If someone rings up and I’m looking for a glasser, I’ll ask them, “Well come around and see the work.” I look at their own surfboard in the car. Well you can’t really judge them on that ‘cause a good sander could make the glass job come up pretty good, but you gotta get them in for a day and you’ve got to get them to try it out, and there is no, like, no accreditation system.’ (Townsend, Waterhouse and Malloch, 2003:45 in draft)

The interviewees grappled with the question as to whether they are learning organisations, unsure of the term, not sure as to whether they might be or not. This self perception is important in the approach taken to learning and training within the organisation.

In exploring perceptions of linkages between training and productivity, interviewees found it difficult to respond to this question, citing lack of awareness of research to establish a formally recognised link. However there were ‘perceptions’ that there probably is a link, particularly through higher morale. Training is viewed as a high cost activity rather than a sound investment. However, not all companies accessed government training subsidies; some knew of them and deliberately chose not to access them.

The wider community and regions need to be considered as well. We have a myth of full time work, a myth of full employment and the VET system is driven to attempt to meet this myth. How suitable are the strategies employed in training and education in a time of greater awareness of the importance of both regionality and internationalisation.

Lifelong learning is on the international and national agenda. Do we aim for a workforce composed of people who have self efficacy and capability, flexibility and adaptability in a changing environment or basic levels of skill to meet basic legal requirements? It seems we have some way to go before there is a shared responsibility for educational quality in the provision of vocational education and training. The ‘paper’, the qualification, has some importance but its value is subject to fluctuations in the market!
Abbreviations

ANTA Australian National Training Authority
AQF Australian Qualifications Framework
AVTS Australian Vocational Training System
CBT Competency Based Training
NCVER National Centre for Vocational Education Research
RTO Registered Training Organisation
NVQ National Vocational Qualification
RPL Recognition of Prior Learning
RCC Recognition of Current Competence
SVQ Standard Vocational Qualification
VET Vocational Education and Training
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