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Success factors for the Dual VET System

Possibilities for Know-how-transfer

Due to high youth unemployment, dual VET is moving into the focus of interest in many countries and is a priority topic of the EU agenda. But it does not appear to be too promising to pursue the strategy of copying existing systems such as those of Austria, Germany or Switzerland. Education systems, institutional framework conditions and traditions in the possible target countries differ too much.

Therefore WIFI International commissioned this study as part of a cross-border cooperation between Austria and Slovakia, which was conducted as part of the SmartNet project. Based on established apprenticeship training systems it was attempted to identify factors that appear to be vital for the success of a dual VET system. This forms the basis for analysing how the framework conditions and bases for these success factors can be created in Slovakia and other possible target countries. Consequently the study forms a research-based starting point for discussions on related know-how transfer processes.

Starting point and objective

Under the impact of high youth unemployment and many companies' increasing difficulty in covering their requirement for skilled labour, a large number of countries in Europe and beyond are discussing the introduction or expansion of dual VET. In many cases it is still necessary to create or adjust the legal bases for complementing the vocational training system with dual VET with strong emphasis on company-based training portions.

Building on experience with successful dual VET systems (such as the apprenticeship training systems in Austria, Germany and Switzerland) it is necessary, in a first step, to identify the success factors for a functioning dual VET. Then it is possible to develop implementation models to establish these core elements in the target countries and support the specific implementation.

This study¹ focuses on identifying these key success factors and therefore forms a research- and evidence-based starting point for discussions on know-how transfer processes. The main focus here is on the Austrian apprenticeship training system. But the study deliberately does not give any recommendation for the actual design of the VET system in individual countries, instead it reveals relevant starting points and different options for designing a dual VET system. The specific implementation needs to take account of the special national circumstances and framework conditions.

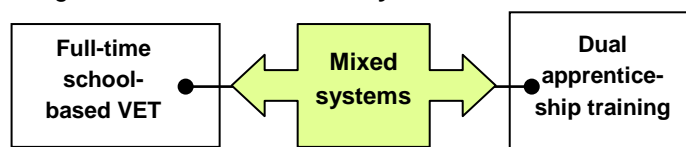
As well as an analysis of relevant research literature from countries with traditional apprenticeship training systems,

findings and observations predominantly result from a large number of talks and discussions held with representatives of training companies and potential training companies.

Decision for a system

The possible varieties of VET systems move between two typical extremes: a purely full-time school-based VET system (with and without practical sections) and a purely dual VET system with predominantly company-based training and accompanying attendance of vocational school. Between these two extremes, mixed systems can be conceived which offer full-time school-based and dual VET to an equal extent (equivalent but not the same) (cf. Diagram 1).

Diagram 1: Varieties of VET systems (source: ibw)



It can be assumed that a mixed system will be relevant for many countries, with full-time school-based programmes complemented by dual VET.

Mixed systems can be designed in a way that

- school-based and dual programmes exist side by side in the same occupational field, which means a certain competition is caused between school-based and dual VET.

b) school-based and dual programmes are restricted to clearly defined occupational fields.

Depending on this fundamental decision for a certain system, different decisions for a certain structure need to be made for implementation.

In connection with the decision for a system it is by all means necessary to regulate the relationship of programmes to each other and to the general education school sector. Here it is particularly important to regulate permeability, including mutual recognition/credit transfer of qualifications and training times between the sub-systems, and also to have clear access regulations which are uniform nationwide.

The company & workplace as an environment which facilitates learning

Those who are responsible for designing a dual VET system should be aware of a fundamentally tense relationship between school-based and company-based VET.

The key challenge is for both the school-based and the company-based training providers to widen their different perspectives and recognise the value and benefits of the respective other learning system. Similar to the way school-based learning processes lead to major learning outcomes in many areas, company-based work processes are especially successful in facilitating the development of other desired competences.

Particularly in qualification systems which are dominated by school education, there is the challenge of recognising the workplace as an environment which facilitates learning and is relevant for learning and appreciating it accordingly. Therefore it is necessary to create fundamental **trust in the companies** so that they can provide high-quality training.

Also, the companies should have freedom of choice regarding the learning models and methods to be applied in the course of the training.

The decision for a structure

Many factors need to interact to make sure that dual VET works. These factors include a feasible governance system, efficient administration structures and mechanisms of quality assurance and innovation as well as motivated young people who are interested in taking part in training.

The core element of dual VET, however, is the **companies** which are willing to act **as training companies**. Even though many companies in established apprenticeship training systems stress their own social commitment with which they make successful entry to the world of work possible for young people, **business benefit calculations** will as a rule be in the foreground **as a legitimate goal**. This applies even more so to countries where dual VET is only just becoming established and companies have no experience with this tradition.

This circumstance must be recognised at the political level and the question needs to be raised what catalysts are necessary for the companies' informal training and instruction activities to turn into a comprehensive and lasting commitment in a dual VET system which becomes an inherent part of the education system. How does dual VET become attractive for companies?

One major contribution in this context is made by practice-relevant job profiles and training regulations which are geared towards the companies' needs. Practice-orientation can be assured by directly involving the companies and their associations in the development. Simple administration structures and efficient support mechanisms (ranging from subsidisation systems and the training of trainers on to help in the recruitment of apprentices or support with training materials) make it easier for companies to enter the VET system. Above all, however, it is necessary for the companies to develop the conviction and understanding that dual VET gives them the opportunity to train their **future skilled workforce themselves**.

In the following, seven success factors are identified for how to set up dual VET in a successful and lasting manner (cf. Diagram 2). The benefit for training companies is stressed particularly in success factor 3 but also plays an essential role in the other success factors.

The concrete design and implementation of these success factors can only be made within the framework of the respective national political, institutional and structural conditions.

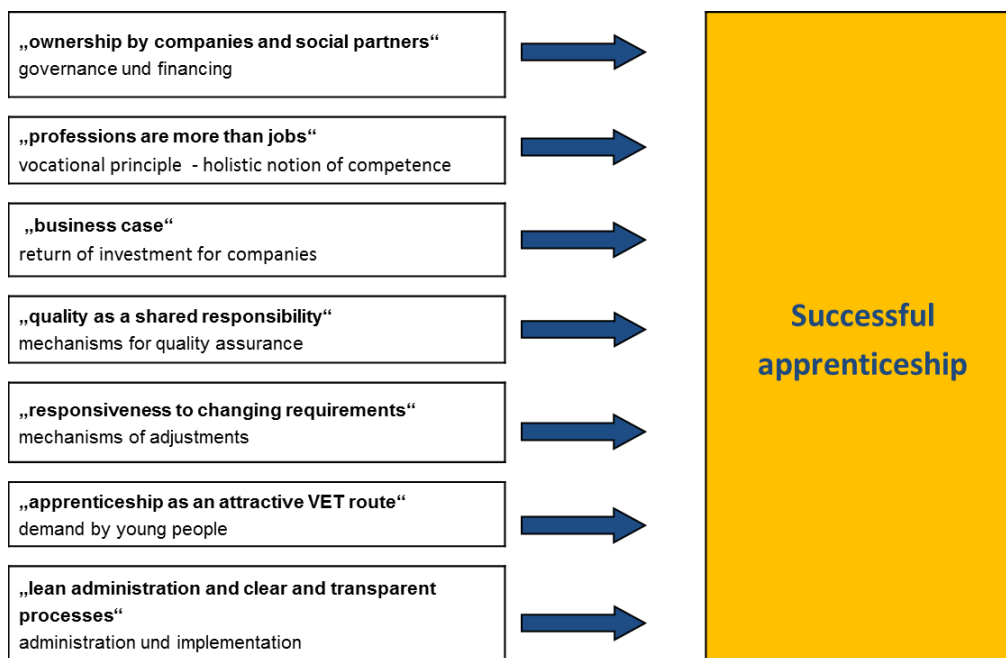
Seven success factors

Success factor 1: Governance and Financing

Intermediary institutions, particularly companies and their representations of interest, are the providers of dual VET. This is also reflected in the entire governance and funding structure. Governance comprises the legal regulations and responsibilities in dual VET. At the national level, this also concerns the ministries which are responsible for school-based and company-based training.

The legal foundations of apprenticeship training are laid down in a specific law (in Austria: the Vocational Training Act). When developing job profiles and training regulations it has proven beneficial to directly make use of the companies' practical experience. These cooperate actively in the development of job profiles and training regulations via their associations and representations of interest, but also become active in an advisory and regulatory capacity in many other matters related to dual VET (such as in advisory bodies where employees' representations also cooperate). For this it is necessary that the responsible ministries and authorities are willing to transfer competences to such a body and accept and implement recommendations and concepts from it.

Diagram 2: **Core content dimensions**



Source: ibw

An executing body (in Austria: the apprenticeship offices of the economic chambers) is needed to administer dual VET (such as to record the apprenticeship contracts, carry out assessment procedures of the authorisation of training companies, conduct the apprenticeship-leave exams, etc.).

As part of governance it is also necessary to regulate the responsibility for establishing and equipping as well as regularly operating part-time vocational schools and the payment of teacher salaries. Part-time vocational schools form an integral part of the economic life of their respective location. Direct contact with training companies in the region is one of the most essential prerequisites for ensuring they optimally implement dual VET.

The **funding structure** in traditional apprenticeship training systems such as in Austria is basically characterised by co-funding: The training companies bear the costs of the company-based training structures and pay a remuneration to the trainees (in Austria: the apprenticeship remuneration) while the public finances part-time vocational schools and, on certain conditions, grants funds for training companies and apprentices. By far the greatest part of costs for VET in the apprenticeship training system is borne by the training companies.

Success factor 2: Vocational concept - holistic notion of competence

A dual VET system requires a so-called occupation-based VET approach as its basis. An occupation comprises a package of activities for which qualifications are obtained in a broadly designed programme. It is

ensured that the graduates have acquired the professional capacity required for exercising a qualified professional activity and that the acquired competences can be used on the labour market. In this way, a dual VET system combines work and learning on the one hand and professional qualification and personal development on the other. Consequently the occupation-based VET approach as the constituent element of a training occupation differs from other approaches which only qualify for narrowly defined work, a “job”. Dual VET not only imparts to the trainees the ability to exercise the respective occupation within a relatively short period of time, but at the same time also professional identity and professional self-confidence: This constitutes a considerable factor for the personal development and social integration of young people.

Success factor 3: Return of investment for companies

One essential core dimension for dual VET which functions in the long term is the commitment on the part of companies to provide apprenticeship places in sufficient quantity and quality. This, however, will only happen if companies expect benefits. Empirical studies provide ample evidence that dual VET safeguards the companies’ own future skilled workforce and therefore encourages both business continuity and innovation. Expenses for company-based training (time, resources, training workshops, trainers, apprenticeship remuneration, etc.) are additionally offset by the trainees’ productive work during the apprenticeship period. The expected cost-benefit ratio of training represents one major determining factor for the companies’ supply of training places, and here the benefit cannot be quantified

exclusively in productive work but, for example, a medium-term investment motive is linked with it.

Success factor 4: Mechanisms of quality assurance

The fourth core dimension relates to quality development and assurance. Formal qualifications and therefore also apprenticeship diplomas function as labour market signals: Consequently it must be guaranteed that a holder of an apprenticeship diploma also boasts the associated competences. From the viewpoint of graduates this is also relevant for labour market opportunities “outside” their immediate training company. It needs to be ensured that – no matter in which company they have completed an apprenticeship – the training quality comes up to guaranteed levels; only then will an occupation be demanded on the labour market. Therefore quality assurance focuses on all levels: on the training company as well as on the quality of training at part-time vocational school and the apprenticeship-leave examination.

Success factor 5: Mechanisms of adjustments

In dual VET it is necessary to continuously adjust apprenticeship occupations and their contents to economic developments and changes in requirements for qualifications. Only in this way can it be guaranteed that apprenticeships teach the relevant occupational competences which are also demanded on the labour market.

Therefore the individual items of job profiles are not laid down statically but formulated in a way that adjustments of training to new developments can be made easily and quickly. The initiative for a new regulation can come from the economic sectors concerned as well as from representations of interest and the competent ministries, but as a rule it will come from the companies as they are directly in touch with changes. This work should be supported by evaluations.

Success factor 6: Demand by young people

From the viewpoint of young people, dual VET is attractive because it offers a wide choice and varied possibilities. Apprenticeship training teaches all the relevant abilities and competences required for exercising a specific occupation. But it also provides general and supra-company, transferable competences, which are of use not only at the training company but beyond that, in the economic sector and in the labour market in general.

From the perspective of many young people, practical “learning on the job” in particular constitutes an important attractive feature. Other major aspects are: stable occupational and employment prospects; good opportunities on the labour market; regulated working conditions and pathways of continuing training; and an improvement of income opportunities compared to unskilled or semiskilled work. One major advantage of VET programmes which are organised in a dual form is the possibility of being employed immediately after completing the training. One additional plus factor of dual VET for young people is that they already earn their own money during their training period.

Success factor 7: Administration and implementation

Lean, transparent administrative structures and procedures are another basic element of efficient dual VET systems. In Austria this builds on the apprenticeship contract, which must be concluded in writing between the authorised apprenticeship trainer and the apprentice and comprises precisely defined contents. An administrative body (in Austria: the apprenticeship office) examines the data of the apprenticeship contract and the training company’s suitability, and it recognises eligible professional training periods. The recording of the apprenticeship contract is a prerequisite for the later admission to the apprenticeship-leave exam.

The study includes more in-depth analyses and findings related to these seven success factors. Download: www.ibw.at/de/ibw-studien.

¹ The study was drawn up as part of a cross-border cooperation between Austria and Slovakia in the SmartNet project, which was commissioned by WIFI International. The aim is to support the development and establishment of a dual VET system in the Slovak Republic.