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Britain's Industrial Training Boards, a "unique" national system of vocational training, "offers a useful and potentially successful model for the United States," says a Utah State University economist. He tells why in an article beginning on page 19.



Training Ideas From Britain

by Gary B. Hansen

The Industrial Training Act passed by the British Parliament in March 1964 established the structure for a unique national system of vocational training to be carried out on an industry-by-industry basis under the direction of specially created Industrial Training Boards (ITB's). Only public employment was excepted.

The main objectives were "to see that a sufficient number of people are trained (to meet the nation's skilled manpower requirements), to make recommendations about content and standards of training, and to see that the financial burdens of training are fairly spread throughout the industry concerned." To ensure this fairness and to spur employers, the Boards

were given the power to levy taxes on all firms within an industry. These range from $\frac{1}{2}$ to $2\frac{1}{2}$ percent of payrolls. The money goes for administration and for grants to firms doing training acceptable to the Boards.

In the 7 years since the Act was passed, 28 Training Boards and the Foundry Industry Training Committee, encompassing two-thirds of the labor force, have been established.

Before examining what can be learned from the British experience, it should be noted that there are three major differences between conditions in Britain and the United States. First, unlike the U.S., Britain is a relatively homogeneous society with only small racial and ethnic minorities who are handicapped in their educational preparation for employment.

Second, in Britain the term "industrial training" describes what in America is generally regarded as vocational education and training. British youth do not receive vocational training as part of their secondary schooling and then seek gainful employment. The Youth Employment Service aids them in finding jobs—which usually include arrangements for vocational training—before they leave secondary school. The em-

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ployment and training sought is commensurate with their aptitudes and interests. Occupational training for most young people not entering full-time higher education is a normal adjunct to employment.

Once hired, the young person may receive his training either on the job or off the job with related theory provided at a "technical college." The employer usually pays the trainee's wages and educational expenses. The acceptance of occupational training for youth as a concomitant of employment in Britain has resulted in a much greater reliance on on-the-job or industrially based training than on vocational education in the classroom. This is less true in America due to our acceptance of vocational education as a proper function of the secondary schools.

The third difference is the sheer size of the United States both in population and geography. All three factors, plus the necessity for cooperation among Federal, State, and local governments to implement training programs and policies, create additional difficulties not known in Britain.

Keeping these differences in mind, is there anything we can learn from Britain's new approach to manpower training? The answer, in my judgment, is a firm and resounding yes. The new training system has been largely successful in accomplishing its objectives, and some of its features could be adapted for use in the United States.

Boards Require Solid Industry Support

First, it can be said quite definitely that the Act is working, but not perfectly, and it would be instructive to look at its shortcomings before moving on to its achievements. As many people have learned, the Act is not a machine and it cannot magically increase the quantity or improve the quality of training. It is an administrative framework for promoting more and better training on an industry-by-industry basis. This can be done, notwithstanding money incentives, only if the Boards have solid backing from the firms in their industries. Boards have failed on this count in several notable instances. And the recent demise of the hairdressing ITB makes it clear that not all industries are suited to the creation of this particular training setup.

Although the Boards have made considerable progress in supplying skilled manpower to industry, much remains to be done. The number of craft apprentices being trained has increased substantially. But the training of personnel who may be more important to the nation's well-being—managers, supervisors, and technicians—has until recently lagged rather badly.

One serious problem not yet resolved by the Boards is the inadequacy of existing manpower information gathering and forecasting techniques. Initial efforts to match manpower supply to demand, therefore, have foundered on this shoal, scaling down the original optimism of those who anticipated more rapid action by the Boards in manpower planning. The Boards and the Department of Employment are working to obtain the needed information. Considerable attention also is being given to manpower planning and forecasting at the level of the individual firm. These are clearly long-term exercises, however. Until these techniques are developed, the Boards

will have to continue flying by the seat of their pants—with predictable results.

The Boards' effectiveness has also been hampered by economic events since mid-1966. The economy has slowed, the pound has been devalued, and unemployment has gone up. The British now have the unexpected problem of retraining the unemployed as well as of filling labor shortages. The Boards were unable to respond swiftly to this need, demonstrating that in its present stage of development the Industrial Training Act is incapable of effectively retraining and redeploying labor. The Government, reacting to strong political pressures and great need, expanded its retraining efforts, and is now directly operating an adult retraining system parallel to the industrial training system being created by the ITB's. Little thought has been given to the ultimate relationship between the Government Training Centers and the activities of the Boards.

Much of the criticism leveled at the Industrial Training Act to date has centered on the levy-grant arrangements, designed to apportion costs of training more evenly between firms. Critics say these levy-grants are too complicated and burdensome to all concerned, and are neither fair in redistributing costs nor geared to achieve the correct amount of training. They question their effectiveness in sharing power and costs between the Government, the Boards, and individual firms, and say they may hurt economic growth.

These failures and criticisms, however, should not be permitted to obscure the Act's overall success, and the lessons that can be applied in the United States. First, the Industrial Training Board concept is a workable vehicle for improving and expanding occupational training. In most cases, the Boards are doing an excellent job. They spur the exchange of training experiences and techniques between firms and industries. The collection and dissemination of information through the Boards' publications and advisory services are having a substantial influence on raising the level of training competence throughout industry.

Similarly, the Boards have promoted interfirm cooperative training ventures on a much wider scale than was possible before passage of the Act. This has been a tremendous boon to small and specialized employers who, acting alone, were unable to afford the cost of developing effective training programs.

The Boards furthermore are developing realistic training standards and some excellent training syllabuses. They have also begun to place considerable emphasis on the development of management training. In the process they are developing radical new approaches which may lead the way to major reorganization and improvement in training below the management level. The Boards have helped identify training problems within given industries and they are promoting experimental, demonstration, and research projects of common value to their respective fields. The British have demonstrated that the best way to get action from the individual employer—particularly the small and medium-sized one—is not to exhort him but to give him practical aid in establishing a training program.

What about the levy-grant system? Is it a desirable or neces-

sary approach for funding industrial training? Given the deep-rooted and stubborn nature of the problems, levy-grants have served a vital purpose in modernizing Britain's manpower system. Experiences of the previous period under the voluntary Industrial Training Council, as well as the difficulties encountered in the past 7 years, suggest that necessary reforms could not have been made without the centralized direction provided by the Boards and the combination of compulsion and incentive embodied in the levy-grant mechanism.

Certainly the levy-grants, however cumbersome or inequitable they may be, have helped bring manpower training to the attention of British management for the first time. The development of a firm's human resources is beginning to be recognized as an important management function. Furthermore, the responsibility of employers to train new entrants into the labor market has now been made explicit. There has also been a notable acceleration in the attention paid to training economics. Finally, the levy-grants have given the Boards the money to make some useful innovations in training.

Despite these positive contributions, however, levy-grants should not be retained, at least not in their present form. The past 7 years have proved that they are too complex. The concept of redistributing training costs among firms in a compulsory fashion has attracted widespread criticism, and has generally encountered too much opposition. Manpower training is a national as well as an industry problem, and direct funding by the government of general types of vocational training found to be in short supply seems a better and fairer way to raise the necessary money.

Advisory Service Practical for U.S.

With or without levy-grants, the British system offers a useful and potentially successful model for the United States. The overall role of the Boards may be unrealistic here, given our greater size and different circumstances. But the concept of a manpower training advisory service, developed by the Boards and Britain's Industrial Training Service (a small, competent training advisory organization which served as the prototype for the Boards) is both relevant and practical.

Indeed, one wonders why development of such a service has not been given more serious consideration here. At a time when concern for the disadvantaged and unemployed has become paramount in our thinking, the failure to provide employers with advisory assistance is surprising. During the past decade, a large array of programs to make more people employable at Federal expense has been inaugurated.

But we have omitted a vital part of the mechanism—a realistic and effective means of helping the employer do his part of the job. It is true that Ford, General Electric, and other firms among Fortune's 500 have the expertise to train people properly, and have done so on their own initiative or through the Job Opportunities in the Business Sector Program and the Manpower Development and Training Act. But one wonders how much more effective Federal programs would be if the British system were adopted. The likelihood is that many more small and medium-sized employers could be drawn into these programs and could improve their training capabilities. The result would be better training at the

entry level and upgrading for more people, particularly the disadvantaged.

Technical training assistance is not altogether absent from the American scene, of course. Some is offered by private proprietary organizations. The little that the Federal Government makes available is provided on a crash basis or through hired consultants and is tied directly to specific manpower programs. For the most part, this assistance has limited impact and is expensive. Moreover, under existing manpower regulations, it is applicable only to programs for the disadvantaged and for specific kinds of assistance. It is usually employee- or applicant-centered. Rarely is this support designed to help an employer identify and overcome his own manpower training problems on a broader and more systematic basis.

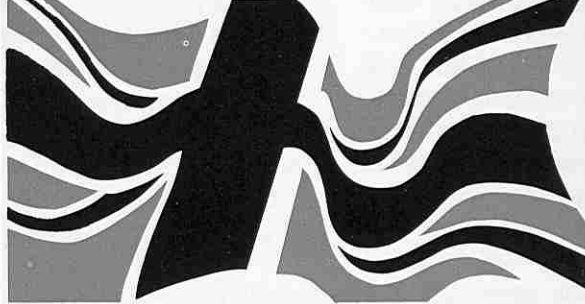
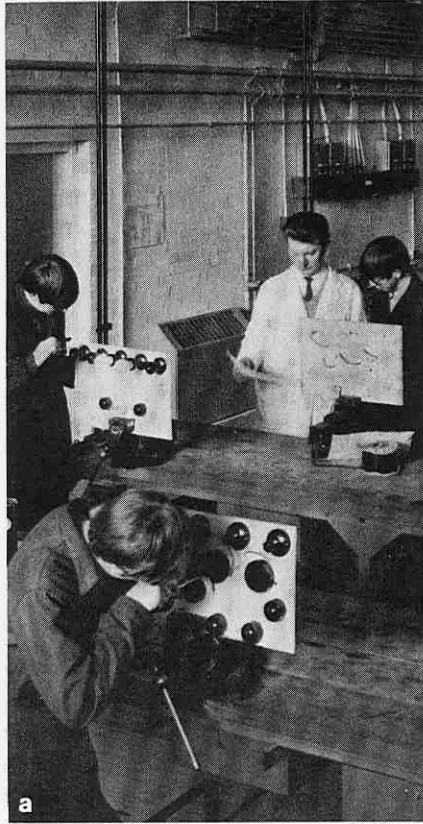
The contrast between the extent and effectiveness of training assistance given individual firms under U.S. manpower programs with that provided by the British is striking. In my judgment the British approach is the better one. Serious consideration should be given to the development in the United States of a permanent Manpower Training Advisory Service (MTAS) under public auspices to perform the same functions as the British ITB's and Industrial Training Service. Such a service should be broadly conceived and organized to help any employer identify and resolve his training problems and improve his training competencies, regardless of whether he has a Federal contract to train the disadvantaged.

Among the specific functions envisaged for the MTAS are:

- Surveying job deficiencies and training needs.
- Designing, developing, and testing appropriate training programs.
- Planning the selection and training of training staff.
- Selecting and preparing teaching aids.
- Designing training accommodations or facilities.
- Measuring training effectiveness.
- Developing manpower budgeting capabilities for individual firms.
- Dealing with the special training problems of the disadvantaged.
- Disseminating training information.
- Dealing with the special training problems of small firms.
- Dealing with the special problems of employee upgrading.

A number of possible approaches can be suggested for developing the Advisory Service. There is at present no publicly sponsored institution in the United States comparable to the British ITS or ITB's. The most closely related organization at the Federal level is the Bureau of Apprenticeship and Training (BAT) in the U.S. Department of Labor. The BAT provides mainly promotional and organizational assistance to employers and unions desiring to set up apprenticeship programs. While its past efforts have been useful, this organization appears to be too traditionally oriented to the skilled crafts to be expanded into a broad gauge MTAS capable of assisting firms with the tasks outlined above.

Other possibilities at the Federal level include the creation of a federally directed MTAS within the Manpower Administration of the Department of Labor, within the Small Busi-





ness Administration of the Department of Commerce, or in the Division of Vocational and Technical Education of the U.S. Office of Education. The Manpower Administration appears to be the most appropriate agency at the Federal level. Its current commitment to and activities in manpower training give it special qualifications for this work.

There are at least four possibilities for the development of the proposed MTAS at the State level: The State technical services agencies created by the 1965 Technical Services Act, the State vocational education departments, the State-Federal employment services, and the State land grant universities or some other academic institution concerned with the "mechanic arts." The employment service is an attractive candidate because of its evolution during the past decade into a manpower agency with considerable responsibility and diversity.

A major drawback, however, is that the employment service has had no previous experience with nor organization capability for providing the kind of sophisticated services contemplated for an MTAS. The imposition of a new responsibility at this point might further strain the resources and blur the focus of an already overburdened agency. For these reasons, colleges and other institutions of higher education appear more desirable candidates at the State level. One distinct advantage of the educational approach is that it would help bring together the expertise of technical and vocational educators, business school faculties, and the extension services to give specialized training courses for employers on a statewide basis (in cooperation with the MTAS).

Link Needed Between Employers, Schools

Much of the work of the MTAS in identifying employer training needs and in designing training programs could be fed back into the vocational education system to help improve the curriculum, increase efficiency, and improve teaching techniques. The MTAS could perform the vital function of providing an effective link between employers and the vocational education establishment.

There are at least two other possibilities for organizing training advisory services in the United States. We could follow the industry-by-industry pattern of the Industrial Training Boards. Or we could work through industry trade associations on a more modest scale. I am rather skeptical of this latter approach due to the variable quality of such organizations. Most of them are not up to the task. The model of the Industrial Training Board with its broader range of functions deserves additional study.

The development of a Manpower Training Advisory Service with broad power and responsibilities stands a good chance of contributing more to the improvement of manpower training in the U.S. than most of the changes in manpower programs that have been advocated in recent years, and at considerably less expense. Stated another way, an MTAS could help assure that Federal funds spent for manpower programs in industry result in better training for the unemployed and the disadvantaged. A well conceived Manpower Training Advisory Service would also contribute to the overall improvement of training in industry and to a more effective manpower policy in the United States. □

- a) *First-year off-the-job instruction in the Durham Engineering Training Association's program includes basic electrical skills.*
- b) *Britain's future craftsmen work with a variety of hand and power tools during the first year of their off-the-job training.*
- c) *Women preparing to be assemblers on a flow (production) line are given dexterity exercises.*
- d) *Neophyte boatyard workers build a 14-ton motor sailer during their 48-week course at the Shipbuilding Industry Training Board Center in Southampton.*
- e) *An instructor (left) explains the operation and use of a crawler-loader to trainees at a Construction Industry Training Board Center.*
- f) *Mechanical drawing is an important part of the development of technician engineers in the London school run by the Engineering Industry Training Board.*