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**INVESTMENT IN TRAINING: A MATTER FOR RATIONAL DECISION
MAKING?**

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GLOSSARY OF ACRONYMS

A level: Advanced level

CBI: Confederation of British Industry

CEO: Chief Executive Officer

CLAIT: Computer Literacy and Information Technology

DFE: Department For Education

DfEE: Department for Education and Employment

EU: European Union

ECDL: European Computer Driving Licence

GCSE: General Certificate of Secondary Education

GNVQ: General National Vocational Qualification

HRM: Human Resource Management

ICT: Information and Communications Technology

ILM: Internal Labour Market

IMS: Institute of Manpower Studies

LIC: Library Information Commission

MMC: Monopolies and Mergers Commission

NVQ: National Vocational Qualification

OLM: Occupational Labour Market

PFA: Professional Footballers' Association

RPI-x: retail Price Index (where x is a value set for pricing policy purposes)

TEC: Training and Enterprise Council

TUC: Trades Union Congress

YT: Youth Training

A LIST OF 10 PAPERS WRITTEN BY THE APPLICANT AND SUBMITTED AS PART OF THE PHD APPLICATION

Monk D. 1998 “How do graduates transmit desired signals in the workplace?”, *Journal of European Industrial Training*, 22:9, pp.362-367

Monk D. 2000a “New training methods: A giant leap of faith?”, in L. Borghans et al.(eds) *Educational Innovation in Economics and Business V*, Kluwer, Dordrecht

Monk D. 2000b “Modern apprenticeships in football: Success or failure?” *Industrial and Commercial Training*, 32:2, pp.52-60

Monk D. 2000c “Who quits flexible learning programmes?”, in K. Appleton; C. Macpherson & D. Orr (eds) *Selected Papers: Lifelong Learning Conference*, Central Queensland University, Yeppoon, Australia

Monk D. 2000d “The delivery of IT skills: A tale of two countries”, *Administrative Studies*, 19:3, pp 312-319

Monk D. 2001a “The economics of training. To what extent should football be treated as a special case?”, in G. Atkinson (ed) *Developments in Economics*, Vol 17, Causeway Press, Ormskirk

Monk D. 2001b “Lifelong learning: Are the wrong questions being asked?” *Reopen*, 2;1, pp 1-9 (<http://www.edca.cqu.edu.au/lit/re-open/current.html>)

Monk D. 2001c “Elinikainen oppiminen: kuka koulutta kouluttajat?” (“Lifelong learning: Who trains the trainers?”), *Informaatiotutkimus, (Information Studies)*, 20:2, pp 34-38

Monk D. 2001d “Open/distance learning in the United Kingdom. Why do people do it here (and elsewhere)?”, *Perspectives in Education*, 19:3, pp 53-66

Monk D. & Russell D. 2000 "Training apprentices: Tradition versus modernity in the football industry" *Soccer and Society*, 1:2, pp 62-79

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ABSTRACT

Vocational training has attracted increasing attention over the past two decades both in theoretical and policy terms. This study set out to raise questions about the management of such training. Evidence from previous work suggests that policy makers responsible for training are faced with exogenous forces that make decision making prone to irrational choices.

This study attempts to fill the gap in research on post entry screening by examining a series of longitudinal data. The approach has been through the use of interviews with trainees from selected industries (British Gas, the football industry and the provision of a public library service). Between them, these industries represent a large cross section of the British economy. British Gas is an example of a former nationalised industry that has been subsequently privatised. By contrast, the football industry is (and always has been) in private “hands”. Finally, this study examined the provision of ICT training given to public library service personnel in both the UK and Finland. The aim, in all cases, was to assess whether resources devoted to training were used efficiently. A second aim was to locate the findings in the context of a debate between the neoclassical school of economic analysis and its institutional rival, especially Internal Labour Market theory.

The evidence suggests that institutional theory explains post entry progression better than its neoclassical rival. Furthermore, the research also concludes that managers charged with the task of implementing training schemes frequently do not evaluate them and as a consequence, the stated aims of organisations’ training strategies are not realised. This situation is likely to continue unless more thought is given to the

issue of monitoring training carefully both at a micro and macro level. Ultimately, this research demonstrates that industry-wide (or macroeconomic) policies designed to increase employees' skills do not necessarily result in the desired gains at a local (or microeconomic) level.

INVESTMENT IN TRAINING: A MATTER FOR RATIONAL DECISION MAKING?

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CHAPTER ONE: INTRODUCTION AND REVIEW OF THE RELEVANT LITERATURE

1.1 Introduction

The main research question examined in this work considers a paradox that appears to undermine work-based training in the UK. A number of authors (including Finegold, 1999) have suggested that there is a severe shortage of skilled personnel in the British economy. At a macro level, it would *seem* rational to allocate resources to industry-wide training projects, especially as a response to exogenous shocks. However, if one examines the operation of such projects at a local (or micro) level, then a suspicion remains that the supervisors or managers entrusted with the implementation of these schemes fail to adequately administer policies or monitor the progress of the trainees concerned. If this suspicion were true, then this would mean these training programmes would *not* achieve the aims set out by policy makers at a national level. Thus the central question in this research can be stated as follows: To what extent do policies that seem rational at a national level, appear much less well advised when viewed in operation at local level?

The theoretical approach adopted in this work draws on both the institutional and neo-classical economics paradigms explained below (in section 1.2) but is on the whole more sympathetic to the former school of thought. In that sense, the research is located somewhat nearer to the work of Adnett (1989) rather than Schackleton (1992), who have also commented on the economics of training, with particular reference to the UK.

A number of authors have suggested that vocational, work-based training has become more important in the last two decades in the UK and elsewhere. This suggestion has been made both at a micro level, within an organisation, (Saggers, 1994) and at a macro level, comparing one country with another, (DfEE, 2000; Candy, 2000). However, those managers responsible for making decisions about training typically have to do so under conditions of uncertainty and with information at their disposal that is far from complete (LIC, 1998). This thesis represents an attempt to examine three different British training programmes, by means of longitudinal studies. Thus,

the central issue of this work is concerned with an assessment of such training programmes and in particular, if one compares the outcomes of such programmes, do they fall short of the claims made by managers at the outset of such training?

In theoretical terms, Adnett (1989) has outlined two distinct paradigms that set out to explain the causal link between wages and levels of education/training. The contrast between these two theoretical paradigms is explained below; it concerns the debate between those in favour of a neoclassical/mainstream explanation, as opposed to those writing from an institutional perspective, who favour the screening hypothesis. Writers from both paradigms are agreed that there *is* a link between higher wages and more education/training but as Adnett suggests the central question is why such a link exists. The advantage of this research is that data has been made available in the public domain, which looks at disaggregated data sets in which information has been collected over a number of years. As Woodhall (1990) *inter alia* has reported, there has been little information available to settle the rival claims of these two competing schools of thought and that which has been made available tends to come from American sources and represents a “snapshot” picture at one point in time. The data in this study is of a longitudinal nature and examines the nature of post entry screening (see below). This research is generally more consistent with the screening paradigm rather than the neoclassical mainstream view.

This thesis is organised as follows. In the first chapter, a brief summary of the theoretical background to this research is examined and evaluated. This chapter also examines the claims made by relevant policy makers, such as the government and the CBI. (In this chapter, those sentences put into italics refer to propositions that are further critically examined by the findings presented in the third chapter.) In the second chapter, the methodology is examined that was used to collect the data associated with the publications in support of this PhD thesis. In the third chapter, the specific contributions that this research can offer to a discussion about the theory of training (and its policy implications) are set out. Finally, some concluding remarks are offered and some suggestions made about worthwhile directions for future research.

1.2 A Review of the Relevant Literature

1.2.1 The Theoretical Context: A Neoclassical Paradigm

As Adnett (1989) and Woodhall (1990) suggest, economists are agreed that there is a positive link between wages and the level of education/training. The debate between the neoclassical and institutional paradigms is about the causal connection between these variables. The mainstream neoclassical model would liken investment in extra units of education/training to an investment in capital; in both cases, immediate utility gains from consumption are sacrificed in favour of a stream of future benefits (extra income). Thus, in the neoclassical model, extra units of education/training will lead to improved levels of productivity and thus to higher earnings. As Hutchens (1989) points out, this clearly implies that increments to productivity associated with one individual can be measured and suitably rewarded.

One of the most important writers in this paradigm is the American economist Gary Becker (1962). Becker was anxious to make an analysis of training dynamic and thus drew an important distinction in terms of time between the training period itself (t1) and the post-training period (t2). He also drew an important (and oft-cited) distinction between general and firm-specific training. As Becker himself admitted, training was unlikely to be entirely specific or general; this distinction was made for analytical reasons and was to be viewed as a continuum rather than a purely discrete difference. General training, strictly speaking, raises productivity equally across a number of employers, whilst firm-specific training is (again strictly speaking) only of interest to the host employer, since it will only raise productivity there. Becker's contention was that employees would pay for general training, since they can take that training to other employers in the post-training period. It is transferable, whereas firm-specific training is not. This payment would be an imputed one in that employees would pay for general training by accepting lower wages than they otherwise might expect. Becker gave US airforce pilots as an example of employees receiving general training. These employees would be prepared to accept low wages during their training period (t1) because they would know that in the post-training period (t2), their skills would be of interest to commercial airlines, as well as the US airforce. *Thus, the central prediction that comes out of this work is that general training would*

be accompanied by low wages for the trainee during the actual training period. By contrast, Becker suggested that the question of who pays for firm-specific training is more ambiguous. Indeed, Chapman (1993) has argued that Becker has linked this issue to rates of labour turnover in an unsatisfactory manner. For the purposes of this analysis, we might consider an extreme case in which the labour market was hostile to employers (i.e. in which unemployment rates were low and labour turnover high). In this case, the firm would pay for firm-specific training during period t_1 , in that they would have to offer trainees a wage that they could expect elsewhere (i.e. their transfer earnings as untrained operatives during t_1). In the post-training period, firms would look to recoup this expenditure by setting the post-training wage rate below the value of the marginal productivity of the workers concerned. Employees for their part would be prepared to accept this post-training wage, since it would be higher than the alternatives that they might expect (as an untrained worker, whose wage would not change from t_1 to t_2).

As Stevens (1994) points out, an important implication of this work is that the free market will always provide sufficient training. Economic agents are assumed to be rational and would therefore know how many funds to allocate to the training process. However, as Stevens suggests, firms are expected to act independently in this model; an alternative view is that they act strategically, or interdependently. What a firm might do is to wait for its rivals to pay for training (which is frequently a costly process), and then see if product market conditions warrant the employment of more skilled workers.

This leads one to consider the existence of market imperfections. Shackleton (1992) has suggested that poaching within the labour market is a potential problem; it might deter employers from providing training because they might be concerned with “free riders”. Poaching refers to the practice whereby one employer (the free rider) waits for a rival to go to the expense of training employees and then tempts them away (poaches them) by offering higher wages and/or better conditions of work. *Shackleton’s suggestion was that in Britain, poaching is more of a potential, rather than actual, problem.* In practice, Shackleton presents evidence that it deters fewer than 1% of employers from providing training.

1.2.2 The Theoretical Context: An Institutional Paradigm

An alternative explanation to suggest why higher wages are associated with extra units of education/training is offered by screening theory, which comes out of an institutional paradigm. The starting point for writers such as Arrow (1974) or Blaug (1993) is that it is actually difficult to measure an individual's productivity, upon which the neoclassical paradigm is based. Furthermore, employers want to minimise transactions costs (the costs of going to, or leaving a market - in this case, the labour market). Given these conditions, employers will want to sift through applicants for jobs as easily as possible. Of course, it might be possible to screen on the basis of race or gender but such a practice is illegal here and elsewhere. However, it is permissible to use education/training qualifications as a sifting (or screening) mechanism. Such qualifications can be used as a proxy measure for future "trainability" or other characteristics sought after by employers, such as the ability to follow instructions or organise their own workload (Blaug, 1993).

Traditionally in economics, empirical evidence has been used to try to assess the rival claims of different theoretical models. Unfortunately, in this case, there is little by way of empirical research. What little exists tends to be based on American data sets and is concerned with pre-entry screening (i.e. at the point of entry into the job market) rather than post-entry screening (which might apply to vacancies that would occur within Internal or Occupational Labour Markets). Moreover, such research tends to be concerned with aggregated data sets and arguably one needs to consider disaggregated analysis in this context. Intuitively one might expect screening to apply more in some sectors of the economy than in others (Shah, 1985).

Shah used British pre-entry data to examine the issue of screening and disaggregated his analysis to the extent that he divided the workforce into employed and self-employed categories. Furthermore, he sub-divided the employed group into four categories: high and low wage-earners in screened jobs and high and low wage-earners in unscreened jobs. His conclusion was that there was some "tentative" evidence for screening. By contrast, most American authors (e.g. Jones and Jackson, 1990; Kroch and Sjoblom, 1994) conclude that available evidence tends to give more support to the neoclassical than the institutional paradigm. In both of these cases, as

with Shah, a snapshot picture was obtained, at one point in time, rather than considering longitudinal data, to look at post-entry screening.

Strictly speaking, as Blaug (1993) admits, screening theory and Internal Labour Market theories are separate entities. However, he goes on to argue (plausibly) that they are linked. Adnett (1989) makes a similar suggestion. Internal Labour Market theory is most commonly associated with the work of Doeringer and Piore (1971), who pointed out that the neoclassical model did not adequately explain the link between product and labour markets. Their argument was that this model (with its emphasis on exit) oversimplified managers' responses to shifts in demand. Given the existence of transactions costs, firms would be apprehensive about immediately shedding labour (especially core workers), when faced with a faltering demand for a product. Instead, firms would have some workers (in secondary jobs) who could be hired/fired at will (such as, for example, part-time production operatives); these workers would give employers a degree of numerical flexibility. However, many primary (or core) workers in big organisations would be given rather more security of tenure and could expect a career (as opposed to just a job), given that their employers would want to promote from within. In this model, employers would not want to go to the expense of hiring and training core workers only then to make them redundant, given a temporary setback in the product market. Doeringer and Piore (and others such as Blyton and Dasmalchian, 1992) suggest that ILMs (Internal Labour Markets) are characterised by long lengths of service. This length of service becomes longer as employees move upward through the career ladder, and furthermore, promotion is usually from within. In effect, organisations with a degree of market power (economic rent) would share some of the benefits of this power with their primary employees in the form of greater security of tenure, the possibility of promotion and access to more training, compared with their secondary sector colleagues. These ideas are echoed in later contributions from Atkinson (1984) who talked of core, as opposed to peripheral employees and Lindbeck and Snower (1988) who instead used a distinction between insiders (i.e. core/primary employees) and outsiders (that included the unemployed as well as those employed on a peripheral/secondary sector basis). In each case a similar distinction is being made; in essence, as Ryan and McNabb (1990) point out, the difference amounts to a divide between good (desirable) and bad (less desirable) jobs. Ryan and McNabb went on to suggest that

there might be some overlap between core/insider/primary employees and their peripheral/outsider/secondary colleagues in terms of salary or other benefits but the distinction is useful for analytical purposes. Indeed, Atkinson refined this basic distinction by splitting the peripheral group into first and second categories. The first peripheral group would (like the core group) have full-time, permanent contracts but less would be expected of them in terms of job flexibility, partly because they would receive less general training than the core group. This factor would in turn give the core group more security, since one would assume that the employer would want to see some returns to the greater investment that they had made in terms of training such core workers.

1.2.3 The Policy Context: The Governments' View

The *Economist* (1992) pointed out that many governments were concerned to improve the performance of their education/training systems. They did not want to be left with low value-added work, whilst competitor countries might attract more skilled work that would give rise to higher wages. These concerns were reflected in the Clinton administrations' constant reference to their high wage/smart work motto during the 1990s. Similarly, the Blair administration cited education as its priority when elected in 1997.

However, the *Economist* also pointed out that governments were concerned to get value for money from any expenditure on education/training. This was at least in part because they were concerned with the size of the PSBR (Public Sector Borrowing Requirement). This special edition of the journal then went on to examine the education/training policies of a number of countries around the world (including the USA and the UK). The *Economist* further suggested that the governments of both of these countries were anxious to improve the skill levels of their workforce without necessarily increasing the size of the PSBR. This might go some way towards explaining the UK government's desire to ensure that employees take more responsibility for managing their own training; this would then imply a greater willingness to pay for more of the costs associated with training (DFE, 1992). As Gospel (1998) also points out, the development of an accreditation system like that of the National Vocational Qualification (or NVQ), from the late 1980s onwards, was

also important in this context. The government were clearly intending that a system of accreditation (with a large currency) would encourage employees to regard training as their responsibility; under these conditions, a situation would develop in which training that had hitherto been of purely firm-specific interest would acquire more resonance across an occupational labour market. Unfortunately, as both Gospel and Shackleton (1995) point out, take up rates for NVQ-validated courses remain stubbornly low.

1.2.4 The Policy Context: Trade Unions and the Confederation of British Industry

There has been some discussion in recent years about the role that British trade unions might play in terms of ensuring that their members gain adequate access to training of a reasonable quality (Mahnkopf, 1992; Heyes and Stuart, 1998). In particular, some writers such as (e.g. Claydon, 1989) have suggested that trade unions could have done more to help themselves when faced with a dramatic decline in membership, since the late 1970s; training could be one area that more trade unions treat as contestable terrain. *Mahnkopf draws a distinction between British and German trade unions; unlike the latter, British trade unions do not (in general) regard training as an area of contestable terrain.*

Given the sharp distinction alluded to earlier between core and peripheral employees, it is interesting to see that a number of employers' representatives (CBI, 1994; LIC, 1998) have expressed concern about the lack of training given to part-time and temporary staff. The CBI have admitted that there is an equity problem in that training budgets are often directed towards the needs of core employees, who are often better educated than their peripherally-employed colleagues to begin with (see also Seyd, 1992). The LIC (Library Information Commission, 1998) has suggested that only a quarter of the 27,000 employees in the public library service are professional career librarians; the vast majority are front-line staff doing administrative work and acting as library assistants. Many of these front-line staff are part-time, but the LIC was adamant that these staff should receive ICT (Information and Communications Technology) training of a general nature, including Saturday-only staff.

1.3 The Choice of Data

What the literature examined here seems to suggest is that there might be a disparity between the micro and macro views of training. At a national level (or even company HQ level), it seems quite reasonable to suppose that *all* workers might be trained to provide work that is of a high value added nature, but as Blaug (1993) has pointed out, the suspicion remains that managers find it convenient to treat core/primary workers differently, compared to their peripheral/secondary colleagues. In that sense, there would seem to be something of a paradox emerging. Decisions which might have seemed rational at a national (or headquarters) level may well not be implemented as “principals” (i.e. policy makers) might wish, given that their strategies have to be carried out by “agents” (i.e. individual managers). (A principal is someone who has to rely on an agent to carry out a policy; the literature in economics has often alluded to the problems that can then result, given that the two groups often have different priorities, Griffiths and Wall, 1997.) As Storey (1992) has indicated, managers now have to make human resource decisions when faced with considerable exogenous change (such as the onset of globalisation); moreover, this problem is compounded by a lack of evaluation on the part of those responsible for training within an organisation (British Gas West Midlands, 1993). In the meantime, it is often the case that economic analysis ignores the intentions of those concerned with decision making, as Killen et al argue (1999). In order to make sense of training decisions in the workplace, this thesis suggests that one might be able to resolve the paradox alluded to above, by contrasting what organisations *say* about their training policies, and what individuals *do*, over a period of time.

The primary data collected in this research programme featured three quite different industries; taken as a whole, these represent a wide cross-section of the British economy. The direct costs of training involved ranged from £18 million spent over 5 years in the case of the football industry (Monk and Russell, 2000), to £20 million spent on the ICT training given to librarians, again over a 5 year period (LIC, 1998), to the £35 spent per annum by British Gas, on its corporate training programme (Monk, 2000a). Of course, the fact that a number of consistent themes emerged from these results, despite the variety of institutional settings, supports the contention that

such results have a greater degree of validity, compared to a situation in which employees were examined from just one case study.

The first case study featured graduate trainees from a large multinational corporation (British Gas) that had been privatised for less than a decade when the study began. As a nationalised industry this organisation had wielded considerable monopoly power in the UK and continued to do so for approximately five years after it was privatised in 1986. However, the corporation was subjected to a forceful exogenous shock (in the form of the Littlechild formula, $RPI-x\%$), from 1991 onwards. Not surprisingly, British Gas' human resource strategies were the subject of massive change in the 1990s, compared to the 1980s, as Ferner and Colling (1991) have also pointed out.

The second industry chosen for analysis comprised the English professional football league clubs. The questions asked of the school-leavers about to begin their apprenticeship were designed to explore the same set of theoretical issues as those explored with the graduates employed by British Gas (and described in section 1.2 above). Once again, this industry was chosen because it was about to embark on a major change in its training provision, resulting from exogenous change (in this case, involving a different level of subsidy associated with the incoming Modern Apprenticeship scheme, as opposed to the "old" YT). In contrast with the gas industry, the professional football industry is highly competitive; there are many sellers of the product (i.e. the 92 clubs in the league) and many buyers (i.e. thousands of fans following "their" clubs). Moreover, the trainees featured here were school-leavers, traditionally from working class backgrounds (Monk and Russell, 2000) and were about to enter what Sutherland (2000) has described as a craft industry. Again, this contrasts with the background of the British Gas trainees, who were university educated and in their 20s, at the point of entry.

The third industry chosen in this research programme was (and always had been) in the public sector, namely the public library service. This contrasts with the first two industries, which were both in the private sector. The research methodology was designed to test the same set of theoretical issues as before; once again, this study featured an industry faced with a considerable degree of exogenous change that would

have a significant impact on human resource strategies. In this case, the exogenous change concerned developments in Information and Technology Communication. Government advisers in this country (such as the Library and Information Commission, 1997; 1998) and elsewhere (Finnish Ministry of Education, 1997) were aware that significant developments had occurred in the way that information could be stored and retrieved and that there was an important role that public libraries could play in this context, especially in terms of helping to promote lifelong learning. However, this case study represented a further progression in the research process in that the employees who were tracked came from two countries; the comparator (Finland) is often regarded as a leader in the development of online information services (Finnish Information Technology Development Centre, 2001). Strictly speaking, the library employees who featured in this study were not trainees, in that they were employed as library professionals or frontline staff, at the point of entry. This again contrasts with the employees who were tracked in the first two case studies, who were explicitly employed in point of entry positions as trainees. Given the considerable degree of pressure that it faced from the government to update its provision of online information, all 27,000 of the UK's public library staff were given ICT training, from 1998 onwards, that was designed to lead to the award of the European Computer Driving Licence, (LIC, 1997; 1998). If we then put these three studies together, a cogent research programme has emerged, in which the key ideas outlined from the relevant literature could be examined.

CHAPTER TWO: METHODOLOGY

2.1 The Advantages of Using a Longitudinal Approach

The methodological approach adopted in this work meant using interviews with the trainees concerned, in three quite disparate industries, over a number of years. This longitudinal approach made it possible to explore a number of issues that have hitherto been under-researched. For example, the phenomena of post-entry screening is best examined by tracking employees over a period of time, to see if a correlation exists between internal promotion and training. Although there has been a limited amount of research into pre-entry screening both in the UK and the USA (see Shah, 1985, for the former; Jones and Jackson, 1990, for the latter), there has been no work published in the public domain about post-entry screening.

Secondly, the fact that employees were interviewed on an annual basis meant that changes in expectations could be examined. This was particularly important in the context of all three industries. By adopting this research methodology questions could be asked which would continue to develop an understanding of employee behaviour over a number of years. In this context, other methodologies proved less useful; for example, the use of panel data, which is common in economics, only gives one a “snapshot” picture at one point in time. Alternatively, a lot of social science research uses participative observation but that suffers from a form of regulatory capture, i.e. a risk that the research is compromised because the values and views of representatives from the “host” organisation exert undue influence on the research team. Moreover, a major advantage of interviewing trainees at their place of work was that it elicited a far higher response rate than asking the same questions via a postal questionnaire; the latter methodology suffers from notoriously low response rates.

2.2 The Methodology Used in the First Study (British Gas)

This study (Monk, 1998; 2000a; 2000c) looked at the training and promotion of 30 graduates, employed by British Gas, over a three-year period (1994-1997). These graduates were recruited on to the company's GDP (Graduate Development

Programme) in 1993. The GDP was of two years duration and in 1994, a graduate conference was held by the company that enabled the author to gain access to these employees. Of the 60 graduates at the conference, 53 agreed to complete a questionnaire and 38 offered to take part in the longitudinal study. (The questionnaire had been amended as a result of a pilot study held with five graduates who were not featured in this data set; this was done in the first few months of 1994). Of the 38 who offered to take part in the longitudinal study, eight offers to take part were declined because they came from individuals who were working in remote locations. Twenty of the 30 graduates surveyed were men and five of them had PhDs, as well as a first degree. The graduates in the study represented all three of the major business streams of the enterprise and were employed in a variety of locations around the UK. Interviews were held in the autumn of each successive year; these were *in situ* in 1994 and 1995 and by telephone in 1996. These would typically last approximately 45 minutes for the first two years and 30 minutes in 1996.

Conducting longitudinal research and collecting data from within an organisation is difficult (Hanushek, 1992). Clearly, one has to “get inside” an organisation and be able to track employees who are likely to be ambitious and therefore change job titles and locations frequently. Moreover this particular organisation, like many other employers, was unwilling to allow outsiders access to detailed information that was often not in the public domain. Given these difficulties, it was imperative that the graduates concerned (and their respective managers) realised that the information was to be aggregated and that it would be impossible to attribute responses to particular individuals. Indeed, one of the main reasons for doing the first two sets of interviews *in situ* was in order to gain the individuals’ confidence. However, this did mean that the research was very costly in terms of the amount of time needed to travel to, and then interview, the graduates concerned. The process of physically tracking the graduates was made easier by the fact that most of them volunteered their home telephone number. In addition, the company ran its own internal e-mail system that was, at least in principle, updated when individuals changed jobs or location.

2.3 The Methodology Used in the Second Study (Professional Football Clubs)

In the empirical study featured here (Monk 2000b; 2001a; Monk and Russell, 2000), an attempt was made to analyse the costs and benefits of the version of the Modern Apprenticeship scheme being applied to most of the professional football clubs in England (the Scholarship system). It was considered that a longitudinal study (over three years) would yield a rich data set and provide the basis for a better understanding of events, than a simple “snapshot” of data, taken at one point in time. When answering the questions, the apprentices were guaranteed confidentiality. The replies were again subsequently aggregated.

Of course, tracking individuals in a study such as this is difficult for a number of reasons; longitudinal research is time consuming and implementing and maintaining contact is difficult (Atkinson, 1983). As Hanuschek (1992) also points out, longitudinal studies are often interesting, but difficult to carry out. It is the case is that organisations such as football clubs are wary of “outsiders” investigating them. Similarly, one has to accept the obvious caveat that the employees concerned are not responsible for the answers that they give. Interviews were held in the late summer/early autumn of 1998 and 1999, at the respective grounds of the three clubs. A pilot study had been undertaken in the spring of 1998, with ex-trainees of various clubs, by way of checking the validity of the questions to be asked.

To begin with (in 1998), 21 apprentices were interviewed across three clubs in the northwest of England. These (structured) interviews were conducted at the relevant grounds but after those initial interviews were done, one of the clubs recruited another trainee halfway through the season and that is why 22 replies were recorded for the subsequent round.

There were particular problems tracking the apprentices in this study due to the lack of co-operation evinced by those involved; this was much more of a problem in this industry than the other two. Frequently, arrangements were made to see trainees, that there not kept. Similarly, telephone messages were frequently unanswered, especially in the third round of the study. As a result of these difficulties, a record of the apprentices’ views and experiences was possible for only for the first two rounds of

the study. Later, in the year 2001 (when apprentices had completed three years of the Scholarship, telephone enquiries were made at each of the clubs, to ascertain whether the trainees had been offered terms as professional footballers.

2.4 The Methodology Used in the Third Study (ICT Training Given to Librarians)

It is increasingly true that research (including research into education/training provision) is being done on an international basis and such comparisons can often yield interesting results (Shackleton et al, 1995). Equally, there are several obvious problems with such research, not the least of which is related to basic difficulties resulting from the use of different languages. As Williams (1992) points out, the differences between education/training systems are deep-rooted and make comparisons difficult. Even comparing something such as a university degree across countries can be difficult, given that the time span taken to obtain such a qualification varies enormously. Bearing such difficulties in mind, results from the UK were contrasted with those of another country and Finland was chosen for a number of reasons. First, the University of Central Lancashire has well-established institutional links in place with Finnish universities and polytechnics. Second, Finland was considered to provide an interesting comparator, given that the standard comparisons between the UK and Germany or Japan, have already been well rehearsed in the literature (see Deissinger, 1997, and Needle, 1994).

Finland provides an interesting source of comparisons in that there are some significant similarities between the countries; for example, both are in the EU and have approximately the same landmass. (Finland's is 338,144 square kilometres, compared to the UK's that is 241,752 square kilometres.) There are, of course, significant differences between the two countries. In this context the fact that Finland has 5.099 million inhabitants, compared to the UK's 59.395 million is important (Readers' Digest, 1997). This spatial difference per capita, coupled with a significant difference in the standard of living might have led one to the conclusion, that Finland would be significantly ahead of the UK in terms of the take-up and development of flexible learning. (The average income per capita in Finland was \$22,851 in 1997, compared to \$21,683 in the UK, according to the Confederation of Finnish Industry

and Employers, 1997). Indeed, in this context it is significant that Scandinavia is often regarded as being more advanced in terms of its adoption of ICT than its partners in the EU (DfEE, 2001). Finland provides an example of an economy whose government has not adopted the same attitude towards deregulating its labour market during the past two decades, as was the case in Britain (Julkunen and Malmberg-Heimonen, 1998). The research interest here lay in seeing what differences and similarities there were, comparing the two cohorts (both from a library background), faced with a similar set of problems (Monk, 2000d; 2001b; 2001c). The fact is that in both cases, there have been significant improvements in the development of computer technology in the last decade and these improvements have impacted on the library service offered to “consumers” (borrowers). The common problem for each country is ensuring that all of the relevant staff has access to adequate training (LIC, 1998).

To investigate these issues, it was felt useful to track 20 employees from each country, over a period of three years; we wished to “get inside” the libraries of each country and track specific employees working in town/polytechnic libraries. Logistically, this was felt to be possible (albeit difficult) and likely to yield interesting results.

The UK was represented by a county library service, featuring the main HQ branch, as well as several smaller branches, scattered over an urban area in the northwest of England. The Finnish group, who were from the eastern side of the country, comprised a mixture of librarians; most (15/20) were from a local town library and the rest were from a polytechnic library. The replies to questions were aggregated and confidentiality guaranteed. Each member of staff was interviewed *in situ* for 20-30 minutes.

2.5 Investigating the Intentions of Economic Agents and the Importance of Expectations

An important issue here concerns the choice of interviews as part of the methodology used. Traditionally, in economics, extensive data sets are used to test the predictive validity of a particular model. Often the data sets would preclude interview data but would, instead, comprise thousands of pre-recorded observations, which would in turn

make it possible to use rigorous statistical techniques. However, mainstream neoclassical economics often does *not* concern itself with economic agents' intentions (Killen et al, 1999). The interviews used in the studies presented here did allow for the possibility that such intentions could be explored, which helped to understand events, especially by contrasting such intentions with policy makers' statements about training strategy. The fact of being able to "get inside" organizations, in order to collect longitudinal information about employees in this fashion has been tremendously important in this context; very often in economics, researchers have to rely on cross-sectional data which represents a "snap-shot" picture, rather than a picture over time, which can often be more useful.

The issue of expectations is one that could be developed in the literature on the economics of training. This research suggests that national policy makers (as principals) have been naïve in terms of expecting their local managers (as agents) to implement the programmes concerned, in the relevant timeframe. The evidence presented here suggests that an appropriate system of incentives needs to be applied, to solve this principal/agent problem. Thus, local managers need to be given a greater incentive to ensure that they do adequately monitor training schemes and implement them as intended.

This research has further demonstrated that employees may well respond to training in ways that may not have been envisaged by policy makers. Employers therefore need to have suitable human resource policies that will help to motivate the trainees concerned. In the case of British Gas, the active joiners were those who were simultaneously working for the company and also studying for membership of professional bodies; this was precisely what the company's own internal guides expected them to do (British Gas, 1993; 1994). However, of the 9/30 graduates that left the company during the research, eight were active joiners. Presumably, the company may well have wanted to keep these employees, but the training signals that they sent out were of interest to other employers as well as British Gas. Similarly, the UK government's advisors on libraries (the Library and Information Commission, 1997; 1998) intended that all 27,000 of the UK's public library staff should be trained up to the ECDL standard by the end of the year 2002. However, it was quite clear by the third round of the study into that scheme, that this objective would not be met, as a

Senior Librarian from Lancashire also admitted (in an interview held in Preston, June 2001). The progress amongst front line staff was especially tardy; by the end of the third round of the study, there were six professional staff still employed by Lancashire County Libraries (from the tracked group of 20 employees) and *all* of these had completed the seven ECDL tests. However, of the 13 front line staff, only one person had completed all of the ECDL tests. What both of these case studies imply is that employers need to consider making greater use of flexible payments to suitably reward the employees concerned, who have completed the training and stayed with the organisation that provided such training (Monk, 1998; 2001c).

Much mainstream neoclassical analysis is essentially a-temporal and a-spatial as Adnett (1989) *inter alia* suggests, and arguably is not especially cogent in terms of explaining changes in expectations during the training process, within a given institutional setting. One of the most important contributions within this paradigm is represented by Becker's (1962) article, in which he famously makes the distinction between firm-specific and general training. However, this article and other empirical pieces that subsequently followed it (such as Jones and Jackson, 1990) have ignored the possibility that economic agents might change their expectations *during* the training process. This is an especially important consideration given that training programmes typically take several years (as Blaug, 1970, has pointed out). The training programmes in this study lasted 2-3 years and as such it seem quite plausible to suppose that the expectations of both managers and their employees might change in that time. The methodology used here had the advantage that such changes could be investigated and thus an important addition to the existing literature has been made possible.

CHAPTER THREE: RESULTS

3.1 A Lack of Evaluation by Policy Makers

As a number of authors (including Storey, 1992) have suggested, the pace of technological change is arguably quicker and the impact of globalisation is now more acute than it was in previous decades (Dunning, 1996). Managers therefore now have to make decisions about labour strategies under conditions of greater uncertainty. Given the fact that relevant information is far from complete the managers concerned are liable to make decisions which on reflection could be judged to be inefficient and in that sense, irrational. However, this research conducted here suggests that those responsible for training programmes consistently underestimate the difficulties of completing those programmes in the timescale set, without significant attrition. This problem is compounded by the fact that those in charge of such decisions do not take the trouble to evaluate the (often considerable) investment in training.

In the case of British Gas, at least one internal report suggested that although senior management were satisfied that the organisation provided sufficient training, they were not satisfied that this training was sufficiently well assessed (cited in Monk, 2000a). The internal guidelines to the Graduate Development Programme (British Gas, 1993; 1994) assumed that graduates would join relevant professional bodies as part of their continuing development. In fact, of those 30 graduates who were tracked in this study, six did not join any professional body at all and another six were able to claim such membership by virtue of a previous qualification at the point of entry (Monk, 2000a). In other words, whereas British Gas HQ had intended graduates to study for professional examinations *whilst* they were working for the company, a significant number had not done so. However, the signals (implicit messages) that these active joiners sent out to senior management increased their chances of gaining promotion within the company (Monk, 1998). The GDP for this cohort finished in 1995; by the autumn of that year, 28 of the original group of 30 graduates were still with the company and of these, 16 were active joiners (two active joiners had left the company in the twelve month period from autumn 1994). Of this group, the majority (10/16) had gained promotion at the end of their training programme. Interestingly, these graduates (the active joiners) were also the ones who were most likely to leave

the organisation to get jobs elsewhere. By the end of this survey, there were nine people who had left British Gas from the tracked group; of these, 8/9 were active joiners and the other individual had professional membership by virtue of his PhD at the point of entry (Monk, 1998). Conversely, none of the six non-joiners had left the company by the end of the third round of the study.

This suggests that the graduates themselves might have wanted to use the GDP to send out signals either within their own ILM, or to a wider audience in an OLM. However, it seems that managers themselves did not evaluate the graduates' training programme sufficiently well. They certainly failed to carry out a third of the appraisal interviews, which, according to the GDP guidelines, should have been conducted (Monk, 2000a). This would suggest a principal-agent problem. British Gas HQ (as a principal) had to rely on local managers (as agents) to carry out a particular policy. Of course, these managers for their part had their own priorities and immediate concerns; in particular, they did not stand to gain any direct benefit as a result of assessing the graduates' competencies acquired during the training process.

There was no mention of the possibility of an attrition rate of almost 30% over a three-year period (autumn 1994-autumn 1996, counted inclusively) in the internal British Gas literature on graduate training; yet this is precisely what this study revealed. Moreover, it seems tempting to suggest that the graduates with drive and ambition were those who would be active joiners, i.e. the ones who were sufficiently well-organised to work for British Gas during the daytime and use their own time to prepare for tests and examinations that would lead to professional, chartered status. Of the nine leavers in the study, eight were active joiners and again, it is tempting to suggest that these are the very graduates whom British Gas might want to keep.

The direct costs of training met by British Gas generally were substantial both in absolute and relative terms, in the order of £35-40 million per year (Monk, 2000a). (To put this in context, British Gas' profits for 1994 were £918 million; British Gas, Annual Report, 1994b). Similarly, the amounts spent on the training programmes in the other two studies were also very considerable. In the case of the New Library Project, £20 million was set aside (over a five year period) to meet the direct costs of ICT training (Monk, 2000) and £18 million (again spread out over five years) was the

estimate of the costs of the Scholarship scheme, provided by the PFA. It is important to add that these are estimates of the *direct* costs of training; they do not cover the imputed (or indirect) costs of training associated with the loss of output, which might occur because employees were doing training in the employers' time, when they could have been producing some form of output. In other words, if the true costs of such training programmes were computed (both direct and indirect), then there would be even less reason for management to fail to evaluate them thoroughly.

The PFA's version of the Modern Apprenticeship (the Scholarship scheme) was launched in 1998 (Monk and Russell, 2000). A PFA estimate put the attrition rate of the previous training programme (the YT, or Youth Training scheme) at around 75%, i.e. only a quarter of those taken on as football apprentices actually became fully-fledged professional players. The intention of the Scholarship scheme was twofold; to try to improve the chances of the trainees concerned and also to make it possible for apprentices to have something to fall back upon, in the (fairly likely) event that they did not become professional footballers. This PFA official was adamant that the somewhat cavalier approach to off-the-job training that had characterised the YT scheme would be swapped for a more rigorous approach to the college component of the training under the Scholarship scheme (Monk and Russell, 2000). Henceforth, apprentices would be required to go to a local college for the equivalent of two days a week, instead of the previous requirement of one day per week. Indeed, the very title (Scholarship scheme) had been chosen to signify the importance of academic success. Moreover, the PFA's intention was to limit clubs to recruiting six trainees per year (for each of the three years of the apprenticeship). Clubs could recruit more than 18 apprentices *in toto*, if they so wished, but none of the clubs observed did so (Monk, 2000b). Additionally, the point here was that the PFA was subsidising the recruitment (and training) of apprentices, so that the clubs only paid about 50% of the costs involved (and these were mainly associated with wage costs). If the clubs recruited more than 18 apprentices (across three years), then they would have had to pay for all of the marginal costs associated with the extra recruitment. The PFA hoped that by limiting the number of apprentices, this might improve the job prospects of those that were accepted onto the scheme. Previous experience with the YT scheme in the 1980s had demonstrated that each of the clubs had recruited more

than they needed, given that the government paid all of the wage (and training) costs of those taken on as trainees (Monk, 2001).

Once again, though, the actual results of the training programme fell some way short of the anticipated outcomes announced by policy makers. The football clubs in this study did not make the most of the academic routes open to the apprentices concerned. In fact, of the 22 apprentices featured in this study, seven gained eight GCSEs at grade C or above, which suggests that they would be able to cope with an academic “diet” of A levels (Monk, 2001a). In the event, only two of these apprentices started A level courses and one club made all of its apprentices do a vocational course (GNVQ in Leisure and Tourism), largely because it was easier to manage.

By the start of the second year of the scheme, it was clear that the majority of the 21 apprentices still being tracked were unlikely to “make the grade”. A significant differential had emerged between the eight trainees who were likely to become professional footballers and the rest (13/21), (Monk, 2000b). By this stage, the majority were being paid the standard Modern Apprenticeship allowance of £50/week plus £10-20/week expenses. Six of the remaining eight were being paid a sum of between £175-600 per week. (The two other players refused to disclose their salary but the strong suspicion remained that it was far more than the basic Scholarship allowance.) Interestingly, there was some degree of correlation between the wages being paid to trainees at this early stage and the number of first/reserve team appearances they had made (Monk, 2000b). Subsequent research at the end of the three year period did in fact confirm that six of these eight were the ones who were offered professional terms. A seventh trainee was offered terms at the end of his apprenticeship, even though his wages during the second round of the study simply amounted to the standard Scholarship allowance. (An eighth apprentice had the period of his Scholarship extended into a fourth year simply because he had received a bad injury during his third year but there was no suggestion that he was to be offered a fully-fledged contract; rather, he was kept on for an extra year to fulfil the terms of the Apprenticeship.) In one sense, one could accept that the chance of becoming a professional footballer under the new scheme was higher than was previously the case. Approximately one third (7/22) of the group tracked did become

professional footballers, compared to the previous track record of 25%, under the YTS (Youth Training Scheme). Interestingly, the results of this work were entirely consistent with some work done by the PFA (cited in Baker, 2001), which suggested that of 541 young players who signed Scholarship agreements in 1998, only 192 were offered professional contracts at the end of the three year training period. Clearly this ratio cannot be viewed as an unambiguously successful indicator of the scheme. To put this result into context, it is worth commenting that local TEC (Training and Enterprise Council) sources had suggested (in an interview held in July, 1998), that Modern Apprenticeships typically had a 75% chance of a successful outcome, in that trainees obtained jobs or went on to further full-time education. Moreover, only two of the apprentices tracked did achieve A levels, when at least seven of them had achieved GCSE results that would suggest that they might benefit from such an academic course of study.

The Library and Information Commission (LIC, 1998) had also made overtly optimistic assertions about its training programme that it was about to embark upon as part of the new Library Project. The LIC had decided that all of the nation's public library staff (27,000 employees) would be given general computer training up to ECDL (European Computer Driving Licence) standard, including those employed on a part-time and even Saturday-only basis (LIC, 1998). In the Lancashire region, this training was to be achieved, according to policy makers, by the end of the year 2002 (Lancashire Libraries, 2000). Of the 20 UK library workers initially featured in this study, half were part-time, and it is the case that they were given substantial ICT training (Monk, 2000d). This finding runs somewhat counter to the literature referred to earlier, on the distinction between core/primary jobs and periphery/secondary occupations (Atkinson, 1984; Doeringer and Piore, 1971). However, during the course of this study, (1999-2003), discussion with the policy makers at Lancashire Library HQ (in June, 2001), revealed that this training had been rescheduled, mainly as an admission that the original timescale had been overly ambitious. The results from the third round of this study have yet to be published but three of the 19 staff who were still employed by the authority as at autumn 2001 (i.e. the third round of the study) had not yet started their ECDL training. Once again, the clear impression gained is that policy makers had made predictions about the nature of their training programmes that were not borne out by actual outcomes.

This issue of a lack of evaluation on the part of management can be further exemplified through an examination of the link between wages and training. According to neoclassical model, training should improve productivity and this in turn should lead to an increase in wages. As Hutchens (1989) has pointed out, in practice employers, especially large ones operating an ILM, pay their staff annual increments until they get to the top of a given salary scale, on the assumption that productivity has indeed improved, as employees learn on-the-job, gaining more experience. The evidence from two of the studies in this research seems to be at odds with this neoclassical model. The link between training and wages seems to represent another facet of managers' failure to evaluate their training programmes.

In the case of the UK library staff, there was no financial incentive to participate in ICT training. The specialist journals in this area have been vindicated in their prediction that computers would become increasingly important during the 1990s and beyond (Jones and Sprague, 1999). Furthermore, as front-line staff continued to receive more ICT training, then the distinction between their work and that of professional (chartered) library staff would become more blurred (Lewis, 1999). However, during the third round of the study (yet to be published), it emerged that the staff interviewed as part of this survey were mostly (15/19) on the top of their salary scale. By doing the ECDL training they would not get any extra salary, even though (as seemed likely), their productivity would be affected beneficially. There would seem to be a case for giving staff a one-off *ex gratia* payment (of the order of, say, £100) at the end of the course, as recognition of a successful completion of all of the seven tests covering the different modules. This would act as some sort of incentive; during the third round of interviews several staff suggested that they might well not do the tests associated with the ECDL modules (although they would be prepared to do the training).

The evidence from these three case studies is inconsistent with the neoclassical model in general and the work of Becker, in particular. The neoclassical model is predicated on the basis that employers can measure the productivity of workers and reward them accordingly (during and after training); the evidence from this research suggests that management did not even attempt to measure productivity in any systematic fashion

in two of the case studies surveyed (i.e. British Gas and the library service). The one industry that did link training (and by implication, productivity) to wages was represented by the English football clubs. Trainees here were assessed on a number of practical points every week and the responses to questions 5a and 5b of the second round of that study are interesting (Monk, 2001a). Here it is evident that trainees were aware of their deficiencies as players; they had been encouraged to analyse their game in some detail and think about specific ploys that could be used to improve aspects of their game. Moreover, during the pilot study for that research, one ex-player showed his logbook that was completed every few weeks by the coaching staff at the club concerned. It was significant that what should have been a chance for *him* to reflect on his development was instead used by the coaching staff to suggest specific ways that his game should be improved; the trainee concerned then merely signed the logbook every week (Monk and Russell, 2000). One could argue that there at least been some attempt by management to assess gains in productivity arising out of the training programme. It is also significant that football clubs had felt it necessary to reward promising players to a much greater extent than other trainees, as early as the start of the second round of the Scholarship scheme. The evidence from this study indicates that there was some attempt to link productivity to wages. By contrast, there was no support for the Becker proposition that general training would be linked to low wages paid to the trainees of British Gas. Graduate trainees here were paid £1000 *above* the median graduate starting salary (Monk, 1997). The evidence from the football industry *was* consistent with Becker's work; here, trainees paid for general training by accepting an imputed loss of earnings of the order of £100 per week, (Monk, 2001a).

The fact that the football study yielded different results, in this respect, compared to the other two industries is worthy of comment. One possible explanation is that in football there is more of an approximation to the neoclassical model of the labour market than the other two industries. There are 92 professional football clubs in the English League and many young people who wish to be considered as apprentices (Bradley, 1997). In short, there are many buyers and sellers in this particular labour market. Moreover, transactions costs (i.e. the cost of going to, or leaving a market) are low; football clubs rely on a system of scouting in which there is a great deal of producer subsidy in that scouts do not get paid a routine wage for their services.

Instead, they get an *ex gratia* payment of £100-200 per trainee, who is “signed up”, and typically scouts get perhaps one or two such signings per season (Monk, 2000b). Finally, there is an emphasis on “exit” rather than “voice” to resolve difficulties that the clubs (or footballers) may feel that they have, in the case of a continued contract. The players’ voice is collectively felt through the PFA (Professional Footballers’ Association), which acts as a quasi trade union but which has historically proved itself to be relatively weak (Schindler, 2001). (The more prestigious clubs, playing in the Premier League will typically have established players’ interests represented by individual agents.) The market for apprentice footballers is one in which institutional factors (such as trade union voice or transactions costs) are much more muted and as such, it does conform to the sort of competitive labour market that exists within the neoclassical paradigm.

3.2 Poaching is a Potential Rather than an Actual Problem

The results of this research confirm Shackleton’s (1992) suspicion that poaching is a potential problem, but not a source of actual difficulties for employers. In two of these industries (British Gas and the public library service), employees were much more likely to apply within an internal labour market than outside the organisation. In the case of the public library service, it was significant that in both countries (the UK and Finland) considerable ICT training had been given to employees, but both cohorts were remarkably stable. In the second round of that study, it emerged that only one of both groups (i.e. 1/38 employees) had even applied for an external job (Monk, 2001c). Instead, when public librarians in both countries did apply for jobs, they did so with their existing employer and even then such applications were limited; for example, in the second round of that study, only 2 British employees and one Finnish librarian had applied for internal jobs.

A similar picture emerged at British Gas, with its graduate trainees. The results from this study indicate that nine employees left British Gas (over a three year period) from the cohort of 30 trainees who were tracked; of these, seven left for better jobs and two left for personal reasons (one to get married and one to travel around the world). However, the majority (21/30) stayed with the company and (with two exceptions) were promoted to posts with enhanced salaries, which suggests that the internal labour

market was more important as a source of advancement than more general occupational labour markets. At the end of the second and third round of that study, it emerged that less than half of those being tracked had made external job applications; in the second round 11/28 trainees had made external applications, compared with 9/21 in the following round (Monk, 1997). Moreover, the rate of internal applications matched the rate of external applications; in the second round, 13/28 employees made internal applications, compared to 7/21 in the following year. It seems tempting to conclude that the fact that these graduates were aspiring to chartered professional status was itself significant. In a sense, the signals that were well received within British Gas' own ILM were the same signals that employers in a wider OLM were also interested in. However, it was also significant that during the course of one interview with a Senior Training Manager (held in December, 1996, at West Midlands Gas HQ), a senior representative of the company argued that poaching did not deter British Gas from providing training, at *any* level. Indeed, one source in the relevant literature (Pike, 1992) has suggested that the half-life of a group of graduate trainees is five years; furthermore, this figure does not seem to vary in times of economic recession, which seems counter-intuitive. This estimate would suggest that the tracked group of 30 graduates who joined the GDP (as part of a larger cohort) in 1993 would be reduced to a group of 15 by 1998, anyway. These graduates were typically in their 20s and were unmarried (with two exceptions) at the start of the survey, and thus we would expect a significant degree of movement out of the company. What this survey also revealed was that whereas the graduates earned approximately £1000 above the median rate for graduate trainees at the start of their training, they were comparatively poorly paid at the end of that two-year programme (Monk, 1998). During interviews with these graduates, it became increasingly clear that they were aware of this discrepancy and so, once again, we might expect that at least some of them would be prepared to make external applications (Monk, 1998; 2001c).

Again though, it appeared that football was an exception, rather than following the trend set by the other two industries featured in this research. During an interview held in July with one of the clubs, it was evident that scouts from other clubs were not to be allowed to be present during youth games. Moorhouse (1998) *inter alia* has made the point that there is a growing gulf between a few relatively rich clubs in the premier division of the English League and the rest of the professional clubs in that

industry. Smaller clubs rely on the income generated by the sale of promising players; this income is of key importance and is based on clubs getting a reasonable price for such players. That is why smaller clubs often refer cases of poaching to an independent arbitration service in that industry, to determine what would be a reasonable fee (or award) to the club losing the services of a good young player; such cases often mean that the young player has been tempted away by a larger club (as a result of clandestine negotiations) against the wishes of the “donor” club. One of the clubs featured in this research agreed to sell a 16 year old goalkeeper to West Ham United and this revenue (£1 million) was far more than the entire season’s gate receipts, from an average home crowd of 1800 (Monk and Russell, 2000).

In such a context, it is hardly surprising that clubs would be concerned about the unwanted attentions of representatives from other clubs. The problem here surrounds the concept of a reasonable price, especially as players are often encouraged to move before the donor club has agreed a price with the one responsible for poaching. In effect, the award that is suggested by the arbitration service is a shadow price. To exemplify this point it is worth considering a particular case that arose during this research that featured a promising defender sold by Brighton and Hove Albion to Aston Villa (Guardian, 1998). Brighton complained bitterly about the sum paid to them by Aston Villa and so went to arbitration. Of course, from the player’s perspective, it would understandably be beneficial in terms of wages and prospects to play for a bigger club. One issue, explored during this research, addressed a further point made by Becker in his 1962 article, namely that it was virtually impossible for an employer to “tie” an employee to their services, after general training had been given, and as such, the employee could take their (enhanced) services elsewhere. The employer thus had no effective means of ensuring that they would get a return on general training. In this context, it is interesting to note that one of the results of the Bosman ruling (of 1998) was that clubs could expect a transfer fee for an apprentice that they had trained, up until the point where he was aged 24. One might have expected that very good young players might have resented this ruling, since they were tied to their existing club, and any club interested in employing them would have to pay a fee. Several representatives of clubs interviewed in this research suggested that there might well be a challenge to this ruling, in that young gifted players might have argued that they were good players simply because of their innate

talent. Young players at the three clubs were therefore asked to say (on a Likert scale) whether they thought that their skills were innate, or the product of training at the club. Broadly speaking, the survey carried out suggested that a significant proportion (up to half) of their skills (and hence commercial evaluation) were developed by their employer's training (Monk, 2000b).

The key to understanding the disparity between the results from the football research and those from the other two industries once again lies in the nature of the relevant labour markets. In the football industry, employment contracts were (and are) of limited duration. Once past his apprenticeship, a player could typically expect a contract of a few years; indeed, a contract of 5 years would be a relatively long-term one. Moreover, the Bosman ruling of 1998 significantly increased the importance of exit in football's labour market. Prior to that ruling, football clubs that did not want to let a player go would insist on an inflated transfer fee, even if the player concerned was coming to the end of an existing contract. Schindler (2001) illustrates this with reference to a player called Summerbee, who was kept at Preston North End in the 1930s and 1940s with only three first team appearances, by such means. The Bosman ruling meant that players who were at the end of an existing contract had to be allowed to transfer to other clubs (if they so wished), without those clubs having to pay a transfer fee.

One also has to remember that an apprentice who was about to embark on a career as a professional footballer would typically be aged 19 and would not have significant geographical ties, such a marriage or his own children to consider. Furthermore, these young men would also be aware that their career as a footballer would be brief. A lucky outfield player might last until their mid 30s (Schindler, 2001). In the past decade, British clubs have proved themselves increasingly willing to purchase foreign players (Atkinson and Milner, 1998). Indeed, the purchase and sale of these foreign players is now so important that it forms a separate item on the country's balance of payments.

If one puts all of the characteristics described above together, it seems that the market for football players is again much closer to the neoclassical model of a labour market than would be the case for the other two industries. For institutional reasons,

employees and employers in British Gas and the library system found it convenient to adhere to an internal labour market. However, the football industry has a different set of characteristics and although there have been significant developments in commercial activities (Comm, 1999), the recruitment and training of apprentices is still one that owes more to tradition than modernity (Monk and Russell, 2000). Again, a paradox has emerged in that one might have imagined that developments in off-the-field activities would be mirrored in the training of apprentices, but this research would suggest otherwise. However, one must be careful not to exaggerate. The chairman of Brighton and Hove Albion complained that poaching might well deter clubs from providing training for young players in the future (Guardian, 1998). As yet, none of the 92 clubs in the English League has withdrawn from the Modern Apprenticeship (or Youth Training) programme. In that sense, one might suggest that although poaching is a problem in football, it is not so serious as to dissuade clubs from recruiting and training apprentices; even with the subsidy referred to earlier, clubs still have to pay for approximately half of the costs associated with this activity. Certainly this evidence generally (including that which has been collected from the football industry) leads one to support Shackleton (1992) rather than Rajan (1988); the latter suggested that employers *would* be dissuaded from providing training, because of the poaching issue.

3.3 The Importance of Exogenous Forces as a Key Driver in Terms of Training Provision

What employers from these three industries seemed to have in common was a realisation that training would have to change in response to exogenous events. Three sources of such exogenous change are considered below.

In the case of British Gas, it was quite clear that there were important changes in product market conditions that had a knock-on effect in the labour market in general and upon training in particular (Ferner and Colling, 1991). In 1994, the then Chief Executive Officer of the company (Cedric Brown) was able to boast that 1986 had witnessed “the privatisation that never was”, in the case of British Gas (Monk, 2000a). He meant that for the rest of the 1980s, company policy did not dramatically change, mainly because it still held a powerful monopoly in the product market for

gas that prevailed in the 18 million households of the UK. Indeed, profit levels for the years 1986-1991 would bear out the veracity of Brown's boast (Monk, 2000a). In current cost terms, and at nominal prices, profit levels ranged from £1018 million to £1469 million; they never dropped below the £1000 level during this period. However, after 1991 the Littlechild formula (RPI-x) was applied where RPI (the Retail Price Index) represented the level of inflation and x was a variable figure set at 4-5% per annum in the case of the gas industry. The important point about the Littlechild formula was that it prevented British Gas being able to increase its prices even in line with inflation.

Faced with this prospect (of falling real revenues), the company accepted that it would have to radically alter its existing human resource strategy. Moreover, the Monopolies and Mergers Commission report of 1993 was the largest report into a single company (stretching over two volumes) and was extremely critical of the company's continued monopoly power. The Littlechild formula can be thought of as a form of quasi-competition but after 1993 the company was to face the prospect of renewed attempts to attack its monopoly position, especially in terms of the provision of gas to domestic households.

Two of British Gas' senior training officers (Whitley and Martin, 1995) freely conceded that these developments in the product market had a significant effect on training policy. Henceforth, training budgets were not to be depleted (which might have been one response), but there was to be a renewed effort to make sure that training budgets were spent with a view to getting value for money. Whitley and Martin thought that the emphasis on devolved training centres, together with a vastly increased use of open and distance learning materials would henceforth be a rational strategy under such changed conditions. In fact, although the majority (17/30) of the graduates who were tracked in this survey had used open/distance learning materials, during their training period, only a handful (6) found them useful. Similarly, Whitley and Martin's optimistic view of the new training policies to be adopted were at odds with the observed willingness of graduate employees to follow the same strategies (Monk, 2000c). A surprisingly large proportion (12/30) of the graduates surveyed did not pursue continuing professional development (leading to an accredited

qualification) and Whitley and Martin's assumption that *all* employees would undertake learning on an autonomous basis was overly optimistic.

A different set of exogenous factors impelled 2/3rds of English football clubs to switch over to the three year Modern Apprenticeship scheme in 1998, away from the two-year Youth Training scheme (originally adopted by the football industry in 1984). In general terms, the Youth Training scheme had been introduced by the Conservative government in 1983 and was extended from six months duration to two years. Employers could receive a subsidy that would cover all wage and training costs and there was widespread evidence of both deadweight and substitution effects. Begg et al, (1991), for example, estimated the former at 71% and the latter at 9%. Certainly, in this particular case, it is true that football clubs recruited large numbers of apprentices and the vast majority of those would never become professional footballers, as a representative of the PFA admitted in an interview held in July, 1998. In other words, a subsidised recruitment policy that was rational to adopt on the part of the clubs may well have been deemed less rational on the part of the apprentices themselves, given their slender chances of becoming professional footballers. The three clubs featured in this research recruited an average of 18 apprentices per year under the YT scheme, compared to the six per year they recruited under the Modern Apprenticeship scheme (*Rothmans Yearbook*, various years). Under the latter scheme, clubs would get half of the costs associated with the recruitment and training of apprentices, provided that they did not recruit more than 18 trainees *in toto*, over the three year period. In fact, clubs *could* recruit more than 18 apprentices, if they so chose to do but tellingly, none of the clubs featured here did that. In short, football clubs were under pressure to change training programmes because of the changes to external funding arrangements (via the PFA) with which they were faced (Monk and Russell, 2000). UK governments of the 1990s (whether Conservative or Labour) were no longer willing to fund Youth Training schemes as generously as before and in the meantime, clubs found that they could get half of the costs of recruiting and training apprentices reimbursed through the PFA, provided that they adhered to the six per year rule associated with the Scholarship scheme. In return for this subsidy, clubs had to accept that apprentices were entitled to two full days at a college (doing off-the-job training), rather than the two half days associated with the former Youth Training scheme (Monk and Russell, 2000).

In the case of the libraries, changing technology was the key driving force behind the new training programme associated with the New Library project (Monk, 2001d). The LIC documentation of 1997 and 1998 was quite clear that *all* 27,000 staff in public libraries were to become sufficiently computer literate so as to provide guidance to those members of the public who needed assistance. Under this New Library scheme, £20 million of public money was set aside specifically for the purpose of training both professional and front-line staff (to use LIC terminology) up to ECDL (European Computer Driving Licence) standard, by the year 2002. In fact, the LIC had (like the *Economist* journal before it in 1992), compared the UK's education and training provision to other countries, and found it to be a source of concern (LIC, 1998). The problem was (and is) that unless we are careful in this country, then we will be left with a relatively under-trained workforce that is unable to compete with other countries. As Finegold (1990; 1993) has suggested, the danger is that the British workforce becomes trapped in a low skill/low wage equilibrium.

The LIC were adamant that public libraries in the UK were to be involved in making online information available to the general public (LIC, 1998). In doing so, the intention was that the 57% of the population belonging to a library would also be encouraged to find ways of retrieving and storing electronically-held data. In this respect, an analogy can be made with the Community Access Centres of the USA (Monk, 2001b). The CACs were to include schools and youth-clubs, as well as libraries; the American authorities were concerned that as many people as possible could be exposed to the information revolution.

3.4 Trade Unions do not Usually Negotiate about Training

All three of the industries surveyed here had union (or quasi-union) representation available for the employees concerned. In the case of British Gas, it is noticeable that there was no mention of trade union involvement in drawing up the Graduate Development Programmes (British Gas, 1993; 1994). Indeed, the union acting for white collar workers (UNISON) drew up its own (somewhat uncritical) guide to those open/distance learning courses provided by management (Monk, 2000a). However, at no time was it suggested that trade unions should negotiate with

management about the quality or quantity of training on offer. In this respect, British Gas conformed to the pattern identified by Mahnkopf (1992); Heyes and Stuart (1998) and Wright and Spaven (1999) who have all suggested that British trade unions do not treat training as contestable terrain. Traditionally, these authors argue, British trade unions negotiate about pay and conditions of work, but regard training as a management issue.

A similar picture emerged in the library industry, both in Finland and the UK. In both of the cohorts surveyed, union density was high (Monk, 2001c). All of the British workers were in UNISON and with one exception; all of the Finnish workers were also in a trade union. However, trade unions in both countries were not involved in the design of ICT courses available in either country (Monk, 2001d). It is true that one lay British official had made sure that extra CLAIT (Computer Literacy and Information Technology) courses were made available to those that wanted them, and who worked at the main site of the Lancashire County Library service. It is worth pointing out that this official had not been involved in negotiations to design ICT courses, and although extra training places were made available, the employees concerned had to be prepared to do this course in their own time. Of the 20 people who were tracked in this survey, three did the CLAIT course via the trade union route and received tuition in local TUC offices (Monk, 2000d). Interestingly, this local official left Lancashire County Libraries at the end of the first round of this survey and there was no further trade union involvement in the provision of training.

In the UK and Finland, it was evident that trade union representatives received training on matters such as safety legislation (as Wright and Spaven suggest, 1999, for British trade union officials). This is, of course, different from suggesting that trade union officials are involved in negotiations concerning the quality or quantity of training offered to employees generally. The comparison with Finland also demonstrated how research questions that would prompt an unambiguous reply in Britain were far less clear-cut elsewhere. In the first round of the study, workers were asked if they were in a trade union (Monk, 2000d). In the UK, it was quite clear that respondents would be expected to give a simple yes or no, in answer to that question. When the question was put to Finnish workers, one woman answered that in some ways she was, but that in other ways, she was not. In that country, a worker can opt

to pay roughly 50% of normal membership fees, as a form of insurance against the possibility of being unemployed. If these workers were then without a job, then the level of benefit that they received was approximately twice what it would have been, with no trade union involvement at all. For the purposes of this research, this person was not classed as a trade union member because she did not have full membership rights (including the right to vote on issues such as industrial action).

The footballers in this research had two possibilities of exercising voice, although neither of these was via a trade union. The first possibility was to let an agent represent them in individual negotiations with football clubs. Although much publicity has been given to the role of these agents, it is comparatively rare to see players at this level (below the Premier League) with an agent. Of the 22 young players tracked in this survey, only three had an agent (Monk, 2001a).

By contrast, all professional football players are entitled to representation by the Professional Footballers' Association. This body is not a member of the TUC but does act as a quasi-union in that it represents the collective interests of a particular group of workers. Schindler (2001) criticises the PFA for being weak; he suggests that they have not done much to raise the level of pay or improve working conditions for the mass of professional footballers in the twentieth century. He explains this by saying that the problem that the PFA have is that so many British young men want to be professional footballers. In effect, they are willing to work for less than their transfer earnings precisely because they love playing the game so much. Employers are able to exploit this willingness and that is why the vast majority of professional footballers (outside the Premier League) are paid such low wages and tolerate such job insecurity. Certainly, the largest share of the cost associated with the training of apprentices was borne by the individuals themselves, in terms of foregone wages. In the first year of the Scholarship scheme, these young players were given an allowance of £55-65 per week and thereby forfeited at least another £100/week, even assuming that they were only able to get unskilled labouring work (Monk, 2001a).

However, of the three industries surveyed, the football case study did at least indicate the presence of a quasi-trade union body able and willing to negotiate on behalf of its members, in a bid to improve training provision. The adoption of the Scholarship

scheme (a version of the Modern Apprenticeship) in 1998 undoubtedly represented an attempt to get clubs to take off the job training more seriously and improve the prospects of apprentices in the general labour market (Monk, 2001a). Instead of the two half-days per week college provision of the Youth Training scheme, apprentices were offered a wider range of courses as part of the two full days a week that they were to spend at a local college, under the new scheme. Moreover, clubs had to commit themselves to a three-year apprenticeship, under the Scholarship scheme, whereas previously the Youth Training scheme lasted two years. Finally, the PFA was anxious that only 25% of Youth Trainees actually became professional footballers (Monk, 2001a). They were hoping to improve the chances of young trainees getting to be professional footballers and this would explain the funding arrangements discussed in section 3.3.

The longitudinal study featuring the football industry did show some significant evidence of collective bargaining over training but it is important to put this finding into perspective. Firstly, a key aim of the new scheme (from the PFA's point of view) was to increase the job prospects of the apprentices, both inside football and in the wider labour market. They wanted both to improve the chances that young trainees did become footballers and if that was not possible, they wanted to provide the trainees with a wide a range of qualifications, to help them find an alternative job. In fact, a third (7/22) of those tracked were offered contracts after their apprenticeship had finished, but that does not seem a very significant improvement on the previous odds. Secondly, the PFA had suggested that boys should be given a wider choice of courses to study than was previously the case under the old YT scheme, which concentrated on GNVQ vocational courses in Leisure Management. However, the eight trainees at one club were all told to study for the GNVQ course, because this was deemed to be the most convenient option (from the clubs' perspective). The evidence from GCSE results suggested that at least three of these eight trainees could have benefited from a more academic course of study. Indeed, out of the 22 trainees in this survey, only two did A levels, despite the fact that eight of them (across the three clubs) had seven or more GCSEs at C grade or above.

CHAPTER FOUR: CONCLUSION

This thesis set out to examine the rationality of investment decisions associated with training. Research was conducted that was based on longitudinal studies in three different industries. In each of the studies primary data was collected, and this research programme has shown results which taken together, can be regarded as significant. In particular, the use of using longitudinal studies has meant that the phenomenon of post entry screening could be examined in some detail. Furthermore, the evidence presented has been shaped by a desire to locate the material within an appropriate theoretical and policy context.

What the 10 papers presented here have demonstrated is that additional attention needs to be paid (at a micro level) to the management of multi-million pound training schemes. Whilst policy makers at a macro level might wish for a more skilled workforce, the results from this research programme have highlighted the inefficiencies that can (and do) result from a lack of adequate evaluation.

Without doubt at a theoretical level, these results are more consistent with what Adnett (1989) calls an institutional or structural paradigm, as opposed to its neoclassical rival. Thus, in both British Gas and the public library service, managers were content to allow information gained *within* a given institutional setting to act as a guide to promotion, as opposed to searching more widely in an external labour market. Again, for their part, employees were more likely to search for other jobs within a given organisation. Thus, very few librarians (in either of the countries featured) made external job applications; the few job changes that did occur tended to be within the relevant library service (Monk, 2001c). In the case of British Gas, only nine employees had left the company; by contrast, 19/21 had gained internal promotion in the time that they were followed (Monk, 1998). This emphasis on internal labour markets is entirely consistent with Doeringer and Piore's work and that of other writers such as Blaug (1993), who have emphasised the importance of institutional settings, in the context of employment decisions.

By contrast, Becker's (1962) work implied that some attempt would be made by firms to analyse the costs and benefits of training projects in monetary terms. This

research has shown that managers or policy makers about to embark on important training initiatives invariably underestimated the difficulties that they would encounter on such schemes. In two cases, very little attempt at all was made to evaluate the results of multi-million pound training schemes. The football industry was something of an exception here, in that trainees were required to meet a member of the coaching staff every week and analyse what aspects of their game had improved, as a result of training. This industry was also exceptional in that a much closer tie existed between earnings and productivity.

The second point to be brought out by this programme of research concerns the issue of poaching. Given the importance of internal (rather than external) labour markets, it is not surprising that this research programme has demonstrated that poaching should not deter employees from providing training. The evidence presented here supports the work of Shackleton (1992) who argues that it is more of a potential rather than actual problem. In the case of British Gas and the library industry, employees made few external applications. In the case of the football industry, poaching was more of a problem. Young players could be persuaded to go to another club for higher wages and better prospects and clubs regarded this as a very real danger. Even here though, it was quite apparent that all 92 professional football clubs were continuing to take part in subsidised training schemes; they were not dissuaded from this activity by the threat of poaching.

The fact that the football industry was different from the other two industries with regard to both of these points is interesting and worth further comment. In chapter three the evidence presented suggested that football better approximates the neoclassical labour market model than the other two industries. The library industry for non-specialist services (in both Finland and the UK) is dominated by the public sector and the relevant industrial relations structures reflect this fact. Similarly, British Gas used to be a nationalised industry until 1986 and its internal labour market conditions continued to reflect its public sector background some years after that (Ferner and Colling, 1991). This contrasts with the market conditions that prevail in the football industry, where there are large numbers of private economic agents, acting as buyers or sellers in the relevant labour market. The English League has 92 professional clubs which act as buyers of trainees' services and thousands of young

men who wish to be considered as sellers of that same service. This research concurs with the work of Rutherford (2000) who also describes the football industry as having an atypical set of characteristics, in its labour market.

Thirdly, football clubs also proved to be an exception in terms of union (or quasi-union) involvement in the design of training courses. The PFA (as a quasi-union) was responsible for drawing up the Scholarship scheme and persuading 2/3rds of the English clubs to introduce that scheme in 1998 (the remaining clubs continued to run the Youth Training programme). This contrasts with the absence of involvement by the relevant white-collar union (UNISON) in the other two industries, in terms of designing training courses. Similarly, although union density was high amongst Finnish librarians, the unions involved there also conformed to the pattern evinced by the British cohort.

The fourth finding concerned the impact of exogenous factors; this research set out to assess the importance of such forces as a key driver in the provision of training. Evidence presented in this study found that exogenous factors *did* act as a key driver in all three of the industries featured and, inevitably, a change in funding arrangements (or revenue) was a central element here. Thus, for British Gas the imposition of the Littlechild formula from 1991 meant that profits were adversely affected and this in turn led to changes in its human resource policies, as Ferner and Colling (1991) have also reported. Although senior management officers (such as Whitley and Martin, 1995) were optimistic that new devolved training policies would be successful, this assertion was not found to be substantiated by the results presented in this thesis. In the case of the library service, the LIC (1997; 1998) had highlighted the importance of training with respect to developments in computer technology and thus £20 million was provided by the government to enable the country's 27,000 library staff to achieve computer literacy training at a level indicated by the ECDL. In the case of the football industry, the PFA had expressed a concern about the attrition rate of apprentice footballers and also about their poor prospects in the general labour market. They had, therefore, suggested changes to the recruitment and training of apprentices and this in turn meant that significant changes had occurred after 1998. For their part, the professional clubs involved were prepared to accept the changes

suggested, in order that they could then qualify for the training subsidy available from the PFA.

It is worth considering some directions for future research, especially using the methodology outlined in this research programme. Shah (1985) indicated how important disaggregated analysis was, in terms of screening at the pre-entry level of employment. Much the same could be said of post-entry screening; much of the empirical work that exists has been done in America and has concentrated on pre-entry screening. To explain this emphasis on pre-entry screening, Rutherford (2000) has argued that conventional labour market research is dominated by an examination of secondary, large data sets, collected in external (conventional) labour markets. As a result, issues relating to managers' behaviour concerning decisions about recruitment and training *within* an organisation have been under-researched. The paucity of data relating to the workings of an internal labour market help to explain why the results presented here are of such importance. It would be interesting to compare the results of similar research with the findings presented here. For example, several British firms in retailing (such as Boots) are currently using considerable resources to provide training for a wide variety of front line staff; it would be worthwhile examining the results of such training, from "inside" such organisations.

It would also be useful if the relevant research could be done on a comparative basis. Other authors (e.g. Williams, 1992; Shackleton and Walsh, 1995) have argued that comparative research is likely to be very important in the context of the economics of education/training. The British Council is currently spending millions of pounds providing "know-how" training for managers from central and eastern European countries. Again, one suspects that there could be a disparity between the micro and macro perceptions of such courses. Research from other countries might well provide some useful clues in terms of examining and overcoming the problem that managers (as economic agents) need to be trusted to follow the policies drawn up by government ministers or directors of a firm (acting as principals).

This research programme has demonstrated the importance of getting inside organisations and undertaking research of a longitudinal nature. Hanusheck (1992) has indicated that longitudinal research in the economics of education is problematic

but can yield interesting results. It certainly seems that to test for the existence of post-entry screening, longitudinal studies *within* an organisation are essential. Within the area subsumed by the economics of training, there is a paucity of empirical evidence; this disaggregated longitudinal study has made an important contribution. It has demonstrated without doubt that organisations need to monitor training programmes more cogently.

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How do graduates transmit desired signals in the workplace?

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There is a paucity of evidence to explain exactly why those who are highly-qualified are paid above average wages. Although both human capital and signalling/screening theories seek to explain this trend, conclusive empirical evidence has proved elusive. This longitudinal study looks at post-entry signalling made by a number of graduates embarking on a career within the internal labour market of a large (UK) petrochemical company. People who used their own time to study for membership of a professional body while simultaneously doing their full-time job, obtained significantly more promotion than their contemporaries. The UK Government's attempts to encourage workers to use the NVQ route to qualification were largely ignored as a signalling device. The results of the study were more consistent with screening theory than the human capital model, but more research needs to be done.

Introduction

The link between higher wages and higher qualifications is a commonly cited observation across a number of countries (*The Economist*, 1992; Netherlands Research Centre for Education and the Labour Market, 1995). Among many economists the real debate concerns the causal explanation for this link. Becker (1993) and the human capital/neoclassical school of thought would suggest that more training increases productivity and that is why employers are prepared to pay higher wages. Becker's model implies that the free market will always provide sufficient training. His distinction between general and firm-specific training is an important one; strictly speaking, general training will raise productivity equally across a number of employers, whereas firm-specific training will only raise productivity in the host firm. Employees will pay for general training since they are the beneficiaries who could, if they so wished, transfer to another firm. This payment is an imputed rather than direct one and means that generally trained workers would expect to receive a lower wage than would otherwise be the case. Becker gave US airforce pilots as an example of generally trained workers whose skills were of interest to other organisations (commercial airlines in this case) and whose pay was low, given the employees' abilities and qualifications. By contrast, employers and employees will both pay for firm-specific training. Any costs incurred by the employer in the provision of firm specific training will be subsequently reimbursed in the post-training period, when the employees' wages will be set at a rate below the value of the marginal product. From the employees' perspective, it will remain true that the wage in the post-training period will be higher than the wage associated with a job requiring no training.

Writing from a different perspective, Arrow (1974) and others (e.g. Blaug, 1993) would stress the institutional role of qualifications; they act as signalling devices in a world dominated by imperfect (and asymmetric) information. Those with more qualifications are, in effect, signalling that they possess certain desirable characteristics, such as a capacity

for learning, that employers may well want. While it is true that other quick sorting or sifting devices are available to the employer which would enable them to distinguish one candidate from another, several of these strategies such as screening on the basis of gender or race are illegal. However, to sift candidates on the basis of qualifications gained is widely practised and legally permissible. Rational job-seekers realise this and will use qualifications as a means of sending out positive signals in the workplace. Thus, those with the best qualifications get the best choice of jobs in the labour market and are generally, therefore, among the better paid.

One might hope that empirical evidence could settle this particular academic debate. However, in the UK especially, the evidence that we have to support or contradict either position is slender. Shah (1985) concluded that there was some "tentative" evidence for pre-entry screening (i.e. signalling) in some occupations in the UK. By contrast in the USA, Kroch and Sjoblom (1994) concluded that their evidence supported the human capital view rather than signalling but admitted that the regression equation that they obtained was far from perfectly consistent with all of the observations that they collected in various sectors of the American workforce. Many American authors (e.g. Jones and Jackson, 1990) seem to accept that there are huge methodological difficulties in testing the rival theories but would prefer to accept the human capital view.

Partly because of such methodological difficulties it remains true that there is a paucity of evidence in this debate. As Atkinson (1983) acknowledges, it is very difficult to "tease out" the factors that unambiguously account for higher wages. Moreover, the research described above tends to present a "snapshot" picture at one point in time (as Shah's (1985) did) or rely on big, aggregated data sets (as with much of the American research, including Kroch and Sjoblom (1994)). All of the evidence thus far described is concerned with pre-entry screening. One might equally well suggest that screening (or signalling) could apply on a post-entry basis, in which case there is virtually no evidence (available in the public domain) that is of a

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disaggregated, longitudinal nature. It is, of course, precisely the latter type of data set that would be needed to test the claims of post-entry screening. The study described here concerns the means by which graduates send out signals in ILMs (internal labour markets) and presents evidence of a disaggregated nature, which enables one to gain a picture of post-entry promotion.

Methodology

The study looked at the training and promotion of 30 graduates, employed by a petrochemical organisation based in the UK, over a three-year period (1994-1997). These graduates were recruited on to the company's GDP (Graduate Development Programme) in 1993. The GDP was of two years' duration and, in 1994, a graduate conference was held by the company that enabled one to gain access to these employees. Clearly, the graduates concerned could not be forced to take part in the survey; of the 60 graduates at the conference, 53 were kind enough to complete a questionnaire and 38 offered to take part in the longitudinal study. Of these 38, eight offers to take part were declined because they came from individuals who were working in remote locations. Of the 30 graduates surveyed 20 were men and five of them had PhDs, as well as a first degree. The graduates in the study represented all three of the major business streams of the enterprise and were employed in a variety of locations around the UK. Interviews were held in the autumn of each successive year; these were *in situ* in 1994 and 1995 and by telephone in 1996. These would typically last approximately 45 minutes for the first two years and 30 minutes in 1996.

The methodological difficulties presented by a study such as this are immense. Clearly, one has to "get inside" an organisation and be able to track employees who are likely to be ambitious and therefore change job titles and locations quite often. Moreover this particular organisation, like many other employers, was loathe to allow outsiders access to detailed information which was often not in the public domain. Given these difficulties, it was imperative that the graduates concerned (and their managers) realised that the information was to be aggregated and that it would be impossible to attribute the replies given to particular individuals. Indeed, one of the main reasons for doing the first two sets of interviews *in situ* was in order to gain the individuals' confidence. However, this did mean that the research was very costly in terms of the amount of time needed to travel to, and then interview, the graduates con-

cerned. The process of physically tracking the graduates was made easier by the fact that most of them were kind enough to volunteer their home telephone number. In addition, the company ran its own internal e-mail system that was, at least in principle, updated when individuals changed jobs or location. Nevertheless, tracking the individuals concerned was time-consuming and difficult.

The institutional background

This employer was one of the biggest in the UK, as a single entity. It now comprises two separate companies, each with their own share prices. However, when these graduates started their GDP, the company represented one single organisation, employing over 80,000 employees.

The company had all the hallmarks of being an internal labour market, as described by, *inter alios*, Dastmalchian and Blyton (1992). Salary increments were given as a matter of course until the maximum salary on a given grade was reached. Average length of service increased as one progressed upwards through the hierarchy of the organisation; for senior management, it was 22 years. Promotion was largely from within; in the six months from January until the end of June in 1992, for example, only 29 external appointments to senior management posts were made, out of a total workforce at that level of nearly 5,000 personnel and this compared to an internal recruitment of 151 people at this level (promoted from the ranks of middle management), over the same period.

The graduates were recruited from a variety of disciplines, but mainly scientific and engineering courses. Their starting salary was £14,500, which (in 1993) was some £1,000 above the national average (AUCL, 1994).

The graduates' training: some details

The company recruited 70 graduates in 1993 on to its GDP. This process was centrally controlled by headquarters, that also arranged the company-wide off-the-job courses that graduates were expected to attend, as part of the GDP. In general terms, training provision throughout the company was quite extensive; in 1995, for example, the company spent £35 million on the direct costs of training alone. Each year the graduates were entitled to 15-20 days of off-the-job training, as part of the GDP. Many of them were also able to negotiate extra paid leave to revise for professional examinations; others were able to go on specialist courses in

addition to their normal entitlement of off-the-job training.

The company produced a manual for its GDP, mainly intended as a guide for line managers. Graduates were to be encouraged to become members of appropriate professional bodies such as CIMA or the I.Mech.Eng. During the course of several interviews with senior management it became abundantly clear that the company was determined to move away from a culture in which training was purely equated with courses and so graduates were also encouraged to gather other skills via mentors, or on-the-job training done in a variety of locations and departments.

The initial (generous) salary was to be augmented by £1,000 every six months for the two years of the GDP, in principle, provided that graduates could demonstrate satisfactory progress, when they were given their staff appraisal interviews. In fact, there was some evidence of a principal-agent problem in that line managers were often unwilling to do these appraisal interviews and during the graduates' GDP a third of such appraisals were not conducted. By the end of their two-year training period, all of the graduates still with the company in 1995 were earning in the region of £19,000-20,000, given that they had also accumulated cost of living raises throughout this period.

Significant salary increases would only occur thereafter with promotion to other grades. In the event that graduates were not promoted, they could still expect to gain employment at a salary scale that had a maximum of £21,000.

Promotion and the link to membership of professional bodies

By the end of the study, it was quite clear that those who were willing to use their own time to study for membership of a professional body were the ones who were most likely to gain promotion. In 1995, for example, 28 graduates were still with the company and of those, ten gained promotion; these ten graduates were all "active joiners" (i.e. they were applying for membership of a professional body in their own time, as well as doing a full-time job). In the study, a distinction between active and other joiners was employed; the other joiners had membership by virtue of their PhD or previous qualification (such as an MSc) and there were six of these other joiners as well as six graduates who had not made any attempt to join a professional institution, at all. In other words, of 16 active joiners in 1995, the majority (10/16) had gained promotion at the end of their GDP scheme,

whereas none of the other 12 graduates with the company had managed to do so. It seemed clear that in order to gain promotion, the issue was not necessarily one of membership *per se*; otherwise one might have expected that at least some of those other joiners would have gained promotion.

Instead, these results seemed more consistent with screening theory. The very fact of using their own time to pursue professional status was used as an indicator (or proxy measure) of the graduates' ambition or dedication. This strategy, of sending out appropriate signals in an internal labour market, was the factor considered to be important, rather than any intrinsic knowledge gained as a result of gaining membership of a professional body. Consequently, the majority of these active joiners were promoted relatively early in their careers with the company (i.e. as soon as their GDP had finished they were promoted to middle management posts).

By the autumn of 1996, there were 21 of the original sample group of 30 graduates who were "tracked" and still with the company and, of these, two had failed to get any promotion. Both of these were not in the active joiners group, although one of them had professional status by virtue of a prior (MSc) qualification, that entitled them to automatic membership. Conversely, by 1996, it emerged that two graduates had received promotion in two successive years (i.e. 1995 and 1996). In both cases, they were studying for professional membership, while working for the company.

NVQs as an alternative signal

Only seven of the 53 graduates who initially completed the questionnaire expressed any intention of getting their training accredited via the NVQ route. In fact, none of these seven completed the accreditation process, even though the company had gained recognition to assess NVQ applications in-house, up to and including level four.

This finding is consistent with Shackleton and Walsh (1995) who estimate that only 2 per cent of the UK workforce have, or are working towards, an NVQ qualification of any sort. Moreover, this small take-up rate is skewed towards the lower end of the NVQ scheme, i.e. at levels one to three; take-up rates at levels four and five are especially low.

Clearly then, the NVQ system as an intended kitemark is suffering from such low take-up rates that their validity is being adversely affected. A potential method of ensuring that training gains a wider recognition is being hampered by this problem. The

graduates in this survey certainly did not seem to want to their expend time and effort gaining an NVQ award when professional bodies were offering a much more valued alternative. Indeed, the company's internal literature recommended that graduates gain professional status but there was no exhortation to get NVQ recognition for graduates.

Quits and recognition outside the company

Of the nine graduates who had left the company by 1996, seven had gone because they had obtained a better job and two had gone for personal reasons. Of the latter group, one graduate took voluntary redundancy in 1995 to travel around the world. The other individual quitting for personal reasons did so in order to get married, having first taken voluntary redundancy.

The majority of leavers (7/9) left the company in order to take what they considered to be a better job. All seven of these individuals had membership of a professional body and most of them (6/7) were active joiners; the seventh individual already had such status by virtue of his PhD qualification. By contrast, all of the six graduates who had expressed no interest in joining a professional body were still with the company at the end of the study. The clear inference is that, as one might expect, managers outside of this company were also interested in the sort of personal traits implied by the ability and willingness to simultaneously do a full-time job and study on a part-time basis for membership of a professional body. Those who were unwilling to join professional bodies were limiting themselves to career prospects offered by one ILM. Their colleagues were able to access other jobs in wider occupational labour markets (OLMs), where such qualifications were recognised.

The employer's desire for better value from the money spent on training

The company was genuinely committed to training. Having spent some £40 million/year on the direct costs of training alone in 1993 and 1994, it went on to spend £35 million in 1995 on such direct costs. In short, there was no evidence to suggest that the company's training programme had been radically curtailed in recent years, even though profit levels in the 1990s were consistently below those achieved in the 1980s. During the second half of the 1980s, for example, the company's profits were always above £1,000 mil-

lion/year and yet after 1991 it failed to achieve this level of profit, even in nominal terms.

However, during the 1990s the company did want to ensure that those resources that were devoted to training would be used to better effect (i.e. be used on a more cost-effective basis). It would explain, for example, why the company stopped supporting its employees doing MBAs on a block-release basis. Such general training was not thought to yield sufficient benefit to the organisation and would typically involve a direct expenditure of several thousands of pounds as well as a loss of "production" while the employee was away from work. In this context, the decision (taken in an internal 1991 report) to axe the company's scholarship system was interesting. Prior to 1991, the company had typically sponsored 20-30 A-level trainees per annum during their time at university. These undergraduates were expected to do some work for the company during vacation time and, in return, received a payment of £8,000 per annum. Indeed, 17 of the 53 graduates who were in this (1993) cohort and who replied to the questionnaire mentioned at the start of the article were themselves sponsored by the company. Although the company sponsored later cohorts of young people who went on to graduate in 1994 and 1995, none of these sponsored young people were offered jobs even though 50 other (non-sponsored) graduates were recruited in each of these years; it was felt that the skills of the sponsored graduates were not compatible with the requirements of the organisation. Moreover, no new sponsorships were offered after 1992.

The graduates tracked in this study contained the last group of A-level trainees to feel the joint benefits of sponsorship at university and the offer of employment on graduation. Whereas, in the past, the fact of being a company-sponsored graduate was sufficient to arm the young worker with a satisfactory signal to get a place on the graduate training scheme, from 1994 onwards this was no longer the case. Moreover, the 30 graduates tracked in this study were trained in a culture that increasingly stressed the benefits of studying for professional examinations in the employees' time, because from the company's perspective this was thought to be more cost-effective. Although the company was prepared to pay for study materials and distance learning packs, it was felt that a cost-effective use of training budgets would entail graduates using their own time to study for professional examinations.

Conclusions

One has to accept that there are severe methodological problems in a study such as this. Perhaps most obvious among these difficulties is the fact that the data set is so small. Clearly, if the data set were bigger, then one might be more confident about the findings. The fact that the company chose to recruit 70 graduates in 1993 and that only 38 of these subsequently agreed to be observed is something that has to be taken as a "given". It remains true that a longitudinal study such as this was conducted with the company's approval and provided some data to test against the rival predictions of the human capital and screening theories.

The data collected was much more consistent with screening/signalling theory than the neoclassical model; the graduates concerned were more likely to gain promotion if they demonstrated a willingness to combine a job with study for membership of a professional body. Significantly, it seemed to be the case that membership of a professional body did not, *per se*, ensure promotion. Human capital theory would suggest that other things being equal, those with such a qualification gained on a pre-entry basis might anticipate similar wages to those who gained the qualification on a post-entry basis, but this was not the case. On the other hand, the company was willing to pay the £1,000 increments even if (as in one-third of the cases) no appraisal interviews were conducted. Human capital theory would suggest that the extra payment would be conditional on some sort of attempt by the company to ensure that there was extra productivity. Finally, a key prediction of Becker's work is that generally trained employees would expect to receive low wages. In this study, not only were the employees concerned paid £1,000 above the average graduate salary on entry, but their training was undeniably of general interest. The majority of those asked (45/53) agreed with the statement that their training was of interest to other employers and, clearly, being professionally qualified is a means of making training appeal to other organisations.

From the graduates' perspective, it seemed as though the Government's NVQ scheme was largely ignored as a means of transmitting signals to indicate that they are ambitious and determined to succeed. Despite the fact NVQ level 4 is intended (by the Government) to be equivalent to a degree-level qualification and that level 5 is intended to be regarded as of postgraduate standard, this

route was ignored by the graduates in this study

Finally, it would seem that more research of a disaggregated nature is needed. As Shah (1985) has commented, one would clearly not expect to see much by way of screening in the self-employed sector of the workforce. Similarly, it would be quite conceivable that some workers (Shah gave scaffold-builders as an example) might earn large sums of money without being well qualified. Nevertheless, many graduates do go into large companies such as the one studied here and many of them want to find some way of signalling their ambition within the company's ILM on a post-entry basis. Alternatively they might want to find some way of signalling their ambition within a relevant occupational labour market. We need to know more about the manner in which such signals are sent out (and received).

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New Training Methods: A Giant Leap of Faith?

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1. INTRODUCTION

It is quite clear that there has been a dramatic interest in the use of flexible training methods in the past 10-15 years, in the UK. In particular, we might consider the following developments:

- the use of competencies;
- accreditation systems;
- an increased emphasis on “in-house” expertise, such as mentoring;
- the development of open/distance learning programs;
- a general desire that programs be delivered more flexibly. This has often meant that employers want “tailored” rather than “off-the-shelf” courses.

Sloman (1993) suggests that training is increasingly likely to play a strategic role in the future of many organizations. However, he goes on to say that such training is unlikely to be provided by the headquarters of such organizations. Rather, it will be provided via flexible means that will include the increasingly extensive use of open learning packages. Sloman and others (e.g. Littlefield, 1994) would stress the fact that during the 1990s, computer-based packages are going to become an increasingly important means of providing training. Employers want flexibility in terms of both provision and assessment. This means that a lot of training now has a more open-ended

timeframe than it used to have; employees no longer have to attend a particular course on a particular day of the week or attend a particular location in a specific month.

Two central questions are raised by this paper. Firstly, the issue of why employers have sought to introduce new training methods is considered; secondly, an attempt at evaluation is made. To examine the first question, a distinction is made between push and pull factors. Although much of the policy-led literature has emphasized positive (or pull) reasons for the adoption of new training methods, the argument put forward in section six of the paper is that there are several powerful push factors at work; certainly that would appear to be the case in this case study. In other words, employers are often under pressure to consider changes in training because they are encountering more difficult circumstances in their product markets; changes in labor market conditions have followed changes in product market conditions.

Attempts at evaluation are fraught with difficulties and some of these are discussed in sections 8 and 12 of the paper. However, it is the major contention of this paper that there has been something of a leap of faith, with respect to the adoption of new training methods. We do not really know if they are genuinely more efficient than traditional modes, even if senior management claim that they are, as they did in this particular case (Whitley & Martin, 1995).

2. A FALSE DICHOTOMY?

Obviously, it is possible to draw an overly stark distinction between "old" and "new" training methods. A distinction is made here for analytical purposes. One has to recognize that in practice, organizations have had, and will continue to have, a number of methods in use at any one time. Littlefield (1994) for example, rightly argues that it is difficult to be precise about the origins of open learning packages in the UK; one could suggest that they were the predecessors of correspondence courses that have been in existence for about a hundred years. However, it was the developments in computer technology in the 1980s and 1990s that really made open learning packages what they are today. Similarly, it is quite conceivable that a number of organizations had paternalistic figures who were in effect, unofficial mentors, in previous decades.

Whilst one recognizes such a danger, of drawing distinctions that are overly stark, it does seem as though there is a consensus in the UK that there has been a (desirable) shift away from lecture-based, traditional, standardized, taught courses towards a new mentality that has emphasized

flexibility and the responsibility that an autonomous learner has for his/her own development (Mumford, 1985; Saggers, 1994; Torrington & Hall, 1995).

3. HYPOTHESIS

There has been a shift towards new training methods in the past decade in the past decade (or so). These methods have emphasized the need for flexibility and autonomy. Whilst such methods may have some intrinsic merit, they have frequently been adopted because employers have been faced with increasingly hostile product market conditions. As yet, we do not know whether they genuinely represent a more efficient use of those resources which have been committed to training. So far in the UK, there has been a great deal of optimism about these methods, and at least some of that optimism seems to be misplaced.

4. TWO CAVEATS

Firstly, UK employers' training budgets were generally not cut in the 1990s, despite difficult economic conditions (CBI, 1993; Saggers, 1994). Instead, there was a shift in emphasis such that a bigger proportion of costs were shouldered by the employee (DFE, 1992).

Secondly, it is very difficult to gauge the effectiveness of training generally (Pickard, 1994) but that is especially so, given the open ended nature of the assessment procedures associated with new training methods. Many of the modularized programs on offer, and many distance learning packs, are considered attractive partly because there is a certain latitude allowed regarding the issue of student assessment. Students often can choose when they will sit an examination, or be tested for their competence in a particular area. The open ended time frames associated with modern training are, therefore, simultaneously an advantage to the trainee but an added source of methodological difficulties. It may be that a trainee has not undertaken any learning or assessment, for a long time in the context of a research project, but chooses to say that they will return to the program at a later date. However, traditional courses were often examined at a particular time and one could then see how many of a given cohort had passed or failed that test.

5. WHY THE SHIFT: SOME "PULL" REASONS

As with many socio-economic phenomena, we might categorize the reasons for the shift towards the new training methods under two headings, i.e. positive (or "pull") reasons and negative (or "push") reasons. One important positive factor to explain the advent of new training methods is concerned with the widespread adoption of competence-based training. As Torrington and Hall (1995) point out, the development of competencies has forced employers to think very clearly about exactly what knowledge or core skills are needed to do a job. Similarly, Armstrong (1995) and Fowler (1996) have suggested that job evaluation schemes are now increasingly likely to be amended by including competencies as a set of desirable characteristics that a person might bring to a job. In the past, it was thought that such evaluation schemes were simply designed to assess the worth of one job, compared to another; as such, they were not designed to assess the worth of one candidate with respect to another. Now the UK has a framework of competence-based learning (the NVQ scheme) that can be used to assist in a variety of management functions, such recruitment and job evaluation, that can also be used to identify existing skills and help to think about staff development. Baron (1995) has also suggested that management should identify competencies as a means of thinking about interview questions. Certainly in the organization studied here (British Gas), senior management were quite clear that internal promotion interviews in the mid-1990s would be competence-based. In other words, the development of competence-based training has helped to bring training and general business objectives together.

To explain the timing of the changes in training in the UK one could also point to the development of a national framework of accreditation (the NVQ system), that has only been in existence for about ten years (NCVQ, 1988). Prior to that, employees may well have been doing training that, potentially, might have been accredited but had to accept that such training was effectively firm specific, since it had not been graded according to the NVQ system. Clearly, such a lack of accreditation would effect an employees' motivation to do training especially in their own time. Government departments such as the DFE (Department For Employment) were quick to point out that accreditation schemes also make it more likely that employees will take responsibility for their own development, since they are now more likely to be able to take such training to other employers and have it recognized (DFE, 1992). Whilst there may be some truth in this suggestion, one has to add the caveat that such an assertion has yet to be tested empirically; like much of the discussion on new training methods, it has yet to be demonstrated in any rigorous way.

This theme, of taking responsibility for one's own development, is further taken up by two authors concerned with the training of nurses (Thorne, 1991; Howard, 1993). In particular, Howard suggests that new training methods emphasize the role of andragogy, rather than pedagogy. Andragogy suggests that the learner is an autonomous adult who is able to take charge of their own development; part of this process means that the learner is able to "take stock" of their existing knowledge and then see where they want to enhance their portfolio of skills, or competencies. This auditing process is a useful exercise in itself, as the learner has to gather together evidence of their skills, regardless of whether they were gained in a formal setting (such as a classroom) or an informal setting (for example, in having to learn about the demands of being a parent). Such a process, of emphasizing the learner's role in their development, has been hastened because universities (especially the so-called "new universities in the UK") have had to develop ways and means of assessing such portfolios of evidence. Whilst a lot of work-based training can be accredited via the NVQ system, other competencies can be assessed by admissions tutors, in the light of their course requirements.

Another characteristic of the new training methods is that they permit the learner to learn at their own speed. Just as one of the attractions of the Open University is that undergraduate courses are modularized and can be done over a period of time, so it said that open learning programs are similarly organized; people can learn at their own pace. Indeed, it is not only employers' organizations who advocate such usage (such as the CBI, 1993), but also the employees' representatives (such as the white-collar union UNISON, 1993). As UNISON rightly say, people have different commitments at different times and they also are able to absorb different skills at different rates, so once again, having open learning programs is deemed to be desirable but without any without any substantive evidence to back up this assertion.

The final pull factor concerns the development of computer technology. Littlefield (1994) suggests that it was only in the 1980s and 1990s that PCs became substantially cheaper and much more widely available than computer technology had been until these decades. Such a development in technology explains, he argues, the rapid development of the Open College in the UK, who run courses in a fashion similar to the Open University, but at a lower academic level. Their estimate is that open learning has expanded at a rate of 20% per annum, since 1987. Such orders of magnitude are consistent with the increased take-up of open learning that Whitley and Martin (1995) envisaged within British Gas, during the 1990s.

6. WHY THE SHIFT: SOME PUSH REASONS

However, one could also point to a number of push factors, to help to explain the development of these new training methods that put the matter in a different light. One critical factor to consider is the timing of such changes; surely one might expect that the sort of desirable (or pull) factors listed above would have been sought in previous decades. We therefore have to examine those factors which have been particularly relevant to the 1980s and 1990s. In other words, another way of looking at the adoption of new training methods is that UK employers were compelled to reappraise their training strategies, with a view to getting a more efficient use of the resources concerned.

If we consider the timing of these changes, it is striking that they are set against a backdrop of rapid globalization, with its attendant implications for increased competition in the product market place. Dunning (1996) points out that for the UK, stocks of outward foreign investment amounted to only 14.5% of GDP in 1967, but by 1993 this had escalated to 26.9%. He also suggests that this growth in globalization has been especially rapid since the mid 1980s; whereas world-wide FDI outflows only grew by 0.8% per annum between 1981-1985, they grew by 28.3 % per annum from 1986-1990 and by 5.6% per annum, from 1991-1993. Similarly, Storey (1992) suggests that many organizations began a serious and concerted move towards more flexible management strategies from the 1980s onwards because, *inter alia*, they faced an increased threat from global competitors . Prior to that date, world trade may well have been growing but in the 1960s and 1970s, it was not thought to be sufficiently important to instigate a swing towards HRM strategies. Storey argues that the development of HRM in Britain is uneven but that nevertheless, many employers are having to consider such a policy shift because they face more threatening conditions in their product market place. This has meant that employees now have to contend with more flexible job descriptions, more flexible (and increasingly individualized) contracts and it has meant that training strategies have had to change. More and more employers in the UK are having to accept that they become learning companies, in Storey's analysis; in his short article he does not explore this development in any depth but elsewhere (for example, Pedler et al, 1989), the supposition is that learning companies have to adapt themselves so that they are able to constantly learn new skills in order to compete. Such learning is often done on a flexible basis, because product market conditions demand such flexibility. A similar point was made by Charles Munn at the EDINEB conference held in Edinburgh last year (1997). The UK banking industry has had to adopt flexible (open) learning

programs because the industry is now much more competitive than it was in the 1970s and earlier decades.

From the employees' perspective, it makes sense to accept these changes because they are, in effect, "buying" an insurance policy. As employees they might well want to have training done in the employers' time at a set time each week, but they accept the decision to undertake flexible training even in their own time, because they face the threat of losing their jobs if they refuse an implicit contract whereby they do more than is spelt out in their formal job contract (Manning, 1990). Clearly, there may well be both push and pull factors at work at the same time, but it is striking that both the UK government's publications (for example, the DFE 1992) and the management/practitioner literature (such as the CBI, 1993) has been noticeably enthusiastic about the alleged benefits of flexible training without much supporting evidence. One could equally well explain such developments by looking at push factors, in which case one might conclude that management were compelled to change their training methods.

At least one reference in a management journal has accepted that product market conditions prompted a change in training policy (Whitley & Martin, 1995). These authors were both senior training officers with British Gas and they accepted that exogenous changes had prompted a revision of training methods. In particular, they suggested that there was a need for more devolution when it came to training provision, because senior management had to accept that changed product market conditions warranted a less centralized training policy. The following quotations give one a "feel" for the sort of warm reception that was accorded to open learning:

"Open learning is not cheap but it is certainly a cost-effective and flexible medium."

"Currently around 16 per cent of our training is delivered through open learning ... In three years time we expect that 80 per cent of our training will be done through some form of open or flexible learning." (Whitley & Martin, 1995).

Whitley and Martin suggested that a changed culture had necessitated a new training policy that was much more devolved than had previously been the case. This devolution had partly been bought about because the company had undergone a far reaching business process reengineering program (see section 7 below). The company had been reorganized along functional (rather than regional) lines and there were to be four major sections of the company's actives in the UK; the most important of these was concerned with the transmission of natural gas along a high pressure pipeline, Transco.

An internal communication within Transco had this to say about new training methods:

“New technology has made it possible for self-study material to be sent through Transco’s computer network ... The benefits to shippers and Transco staff are the provision of immediate, up-to-date training- no having to wait for classes large enough to justify running a course.” (British Gas, Transco, 1995)

What Whitley and Martin did not make explicit was the extent to which the company had its profits severely curtailed in the 1990s. Of course, there are a number of ways to measure profit, but in this case the different measures correlate reasonably well. The most common way to measure profit that was used within the company was after tax, and using a current estimate of the value of the gas used (rather than a historical) one. This procedure was slightly amended in 1997, when the accounts were drawn up on a historic-cost basis i.e. taking the value of the gas used at the time of purchase rather than the end of the financial year. It is also worth noting that 1997 was the first year that completely separate accounts had been drawn up for the two major wings of what was British Gas; from 1997 (see section 7 below) the transmission wing became a company called BG , whilst the trading arm became another organization called Centrica. In table 1, the estimate of profits for 1997 represents the amalgam of both of these new companies.

Table 1. British Gas’s profits at nominal prices (in millions £)

Year	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Profit	1067	1018	1065	1063	1469	846	-613	918	607	-237	1251

Source: Annual Report (British Gas, various years)

The way that British Gas calculated its profits was itself a source of controversy; the company had a vested interest in showing its monopoly rent to be as low as possible. Critics pointed out that relations between the organization and its regulator (OFGAS) were frequently strained (Weston, 1996) and the level of profits was an obvious source of tension. It was to the company’s advantage to show profits to be relatively low, as part of the battle over recommended pricing levels set by the regulator. The fact that a loss was recorded for 1993 was directly as a result of the company putting aside some £1.6 billion for the purposes of reorganization. It intended to spend that money over a three-year period (1994-1997) and if those costs were to be shown in the years concerned, then a surplus would have been recorded for 1993. Broadly speaking, however, one can accept that the profit levels indicated reflect the extent to which the company enjoyed a

producer's surplus. Given that this is the case, it is quite clear that immediately after privatization (in 1986) the company still enjoyed a degree of monopoly rent; profits were consistently above the £1000 level until 1991. Indeed, within the company there was a certain degree of complacency regarding the commercial implications of privatization. The CEO (Cedric Brown) referred in 1994, to "the privatization that never was", meaning that the way that the company was run was very similar to the way that it had been run prior to privatization, a point also made by Ferner and Colling (1991). The important point here is that whilst they were a nationalized industry (and shortly afterwards), British Gas enjoyed a degree of producer's surplus and this extended to its provision of training, i.e. the company could afford to offer general training to its employees in office hours. As product market conditions tightened, the company sought to use more cost effective training (i.e. adopt new training methods), as Whitley and Martin indicated. In adopting this policy though, management within the company seemed to have underestimated the pitfalls involved.

7. THE INSTITUTIONAL BACKGROUND

In order to understand events in this study, it is necessary to outline the connection between the product and labor markets and this in turn makes it necessary to briefly outline the institutional history of the organization. Broadly speaking the 1980s were characterized by a limited degree of change, whereas the 1990s were characterized by a need for a more radical response to rapid exogenous change.

The UK Labor government established a number of nationalized industries in the late 1940s; the Gas Board (the predecessor to British Gas) was established in 1948. For the next four decades it enjoyed a considerable degree of market power; not only did British Gas enjoy pure monopoly power in the UK domestic market, but it also enjoyed monopsony power in the factor market for natural gas, from the mid-1970s. Although the organization was privatized in 1986, this did little to alter their market power as the legislative provision for third party carriage was not realized in that decade.

In the early 1990s the concern felt at the ex-nationalized industries' market power resulted in the adoption of Professor Littlechild's RPI-x formula in a number of cases. The formula was imposed on British Gas from 1991 onwards and is largely felt to have accounted for the fact that profit figures in the 1990s have not matched those of the 1980s (see section 6 above). Currently the trading wing of what was British Gas have to accept a pricing policy that is geared to an x figure of 4%. In real terms, of course, the

cost of gas to the British householder has been falling for most of the 1990s. The equivalent figure for the transmission wing is 2%.

In 1993, the company was the subject of the biggest single reference to the MMC, (the Monopolies and Mergers Commission, the UK's anti-trust body). The Commission expressed renewed concern that British Gas was, simultaneously, an organization responsible for the transmission of gas around the UK, and one of a number of actual (and intended) shippers, responsible for selling gas direct to industrial and domestic consumers. By the early 1990s, the company's monopoly position had been breached in the industrial market but not in the domestic market for Britain's 18 million households. The company was to make arrangements to ensure that there would be competition in its core market, by publishing the prices that it would charge to consumers in advance and by splitting up the organization in order to prevent cross subsidy, in particular to prevent a situation whereby the transmission wing subsidized the trading wing. The company announced plans whereby it would shed a third of its workforce, some 25,000 employees, over a five year period.

In 1994, the company started the business process reengineering that was necessary as a prelude to the increased competition that it was likely to feel in its core (UK) market, the market for natural gas, sold to the nation's 18 million households. The organization abandoned its 12 regional centers, in favor of four functional units; of those, the most important were the transmission wing (Transco) and the trading wing. The monopoly power of Transco was confirmed by the Gas Act of 1995; only Transco was able to legitimately transmit gas along pipelines in the UK to customers. By the following year (1996), it was quite clear that a number of competitors were interested in entering the domestic trading market, as several independent shippers began to supply households in the south-west of the country in a pilot scheme that has since been extended to the whole of the UK.

Two major events occurred in 1997. Firstly, in February the transmission wing (now called BG) became a completely separate company with its own stock market listing, distinct from the trading wing (now called Centrica). Secondly, the hostility between the industry and its regulators continued with yet another reference to the MMC; this time, the problem centered on the pricing strategy that the transmission wing was to be allowed. The MMC confirmed OFGAS's (the industry watchdog's) suggestion that the prices charged by BG to the shippers should be pegged at RPI-2% for five years with a one-off fall of 21% that was imposed from October of that year.

The important point to be made in this section is that the exogenous changes faced by British Gas especially in the 1990s, brought about changes to their HRM policy. Arrangements for the provision of training within the company's internal labor market were critically affected by the

government's (increasingly intrusive) regulatory policy. The argument in this paper is that senior management may well have thought that their strategy represented a rational response to such exogenous change, but they seemed to have underestimated the difficulties of using modern training methods.

8. METHODOLOGY: BRITISH GAS AS A CASE STUDY

To test the hypothesis outlined in section 3 it was felt that a case study methodology would be appropriate. Of course, there are obvious problems with such an approach; one is never sure whether the results are genuinely applicable, or not. At the very least, one can be sure that as a single entity, British Gas was one of the UK's key industries and therefore an important institution in its own right. It has been the biggest of the UK's (well-publicized) privatization ventures. It also had some 90,000 employees in 1986 (at the time of privatization), which made it one of the top ten employers. Moreover, like a number of other companies in the UK, it felt that the UK market was becoming increasingly saturated by the late 1980s and thus sought to extend its activities abroad. Again, like many other companies it sought to delay its management structure in the 1990s; from having 14 different white collar grades in 1986, its successors (BG and Centrica) now have 10 such grades. Finally, like a number of companies (Saggers, 1994; King, 1993) British Gas did not reduce its training budgets in the 1990s; instead, it sought to alter the distribution of costs and put more emphasis on employees bearing the (indirect) costs of training, in terms of using their own time. In short, there are a number of reasons to suppose that British Gas represented an important case study that was illustrative of a number of trends in British industry in the 1990s.

British Gas was also chosen because it was so clearly in favor of the use of those modern training methods which have been outlined in the first section. Whitley and Martin, as two of the senior training officers within the organization had attested (in 1995) to the fact that the company were committed to the use of open learning centers. Moreover, the company were also committed to the concept of competence-based training and as such, made sure that they were able to independently assess the full range of NVQ competencies up to and including level four; the fifth (highest) level was the only one that required them to use external assessors. In common with the sort of developments described by Mumford (1985), British Gas had gone to some lengths to make sure that their graduate trainees were aware of the need to be responsible for their own development. The organization were

also keen to move away from a culture that equated training with courses and as such, they were in favor of using mentors and in-house appraisals (British Gas, 1994).

To test the sort of assertion outlined in section 3 it was felt necessary to track a cohort of graduates over a number of years. In this case, that meant interviewing 30 graduates who had started on the company's GDP (graduate development program) in 1993. Actually, the company had recruited 70 graduates in 1993, but by the time access was gained to the group (in 1994), there were 60 graduates who were still with the company; of those, 53 agreed to complete a questionnaire and 38 (of these 53) agreed to be tracked. Of the 38 people who agreed to be tracked, 8 replies were discarded for logistical reasons (for example, because they were working in very distant locations).

9. METHODOLOGY: THE NATURE OF THE COHORT

In view of the sort of hypothesis being tested, it is worth saying something about the employees concerned. After all, if training policies are not as effective as management might wish for, then presumably one might say that this could be attributed to the sort of recruit into the organization. In this case, the company had grounds for believing that the employees concerned had already demonstrated a successful capacity for absorbing new information. They all had an honours degree from a British university. Moreover, they were working for an organization that had gone on record to confirm their commitment to the strategy of having its graduates professionally qualified (British Gas, 1994). This meant for example, that the organization was prepared to pay the fees required to sit examinations and give time off, for study purposes. The graduates had an incentive to train successfully, in that they were to be appraised (by their line manager) every six months and if that appraisal was adjudged to be successful, then the graduates were to receive an increment of £1,000, plus, of course, the possibility of extra career advancement. The majority were resigned to the idea of using their own time for training purposes; in the questionnaire replies 37/53 agreed with the statement that the company expected them to use their time for training. In short, we might expect on a priori grounds, that this case study would provide both an employer and a set of employees who would make the most of the new training methods available to them.

10. RESULTS

In terms of attrition, the 30 graduates interviewed in the autumn 1994 were reduced to 28 by the following year and they were further reduced down to 21 by the autumn of 1996. Of these quits, only three took voluntary redundancy, despite the fact that it (voluntary redundancy) was the major means by which the company shed the third of its employees referred to in section 7. Predictably, most (7/9) of the graduates that left did so in order to take up another job offer; one graduate was able to take up another job offer and also collect his £9000 lump sum for voluntary redundancy (worth approximately half of his salary).

Despite the fact that the company actively encouraged the graduates to become professionally qualified, a surprising number did not do so; after all, by refusing to become so qualified they were considerably reducing their chance of gaining extra salary and promotion either within, or outside of, British Gas. Of the group of 30 graduates described earlier, who were tracked, only 18 became "active joiners." Six graduates said that they had no intention of being professionally qualified and a further six were "other joiners", i.e. people who were able to claim professional status by virtue of a previous qualification (in 4/6 such cases this was by virtue of a Ph.D. and in the other two because of an MSc.). This clearly calls into question the extent to which graduates felt compelled to take responsibility to ensure that they met a target set for them by the company. Those who already had professional status could have indicated their ability (and willingness) to learn new skills in their own time by studying for another relevant qualification, such as the Open University's Certificate in Management Studies; being seen as an "active joiner" would have considerably increased their chance of gaining early promotion.

In 1996 the graduates were asked to evaluate the GDP; they all said that it was too long and the consensus was that a year would have been long enough. Of those interviewed at the end of their training period in 1995, 10 graduates had been promoted and all these came from the active joiner group. However, the promotion interviews that were held in 1995 and 1996 were competence-based. Several graduates said that it was therefore even more imperative that the objectives of their GDP should have been spelt out in competence terms, which they were not.

From a policy perspective, these results were interesting in that none of the graduates concerned were aiming for the NVQ scheme outlined earlier. Of the 30 graduates who were tracked, 18 were aiming for membership of a professional body such as the I.Mech.Eng. (the Institute for Mechanical Engineering) or CIMA (the Chartered Institute for Management Accountants; such membership applications usually meant having do

demonstrate certain abilities by means of examination or by a range of practical tasks that were assessed. Such professional status was felt to be a more useful means of signaling aspiration or ambition, than the NVQ system.

A third of all of the appraisal interviews that should have been done were not done. Bearing in mind that these interviews should have been the basis on which increments of a £1,000 were given (or withheld), then this was a surprising result. In fact, none of the graduates had their increment withheld; the money was simply paid, regardless of performance.

11. WHY WERE THE NEW TRAINING METHODS UNSUCCESSFUL?

One obvious question to emerge from this research concerns the reasons for the lack of success associated with new training methods. Open and distance learning programs were only used by 17/30 of the graduates who were initially tracked and were only considered useful by 6/28 of those graduates who were still in the survey a year later; see appendix two. Despite assurances by senior management that over 80% of training would be carried out via open learning (Whitley & Martin, 1995), those who were charged with the task of running open learning centers estimated that usage rates were low and running at no more than 20% (of the available time) and this is almost certainly an optimistic estimate. Similarly, appraisal interviews were the mechanism by which competencies should have been assessed and yet over a third (11/30) of the interviews that should have been done at the end of the first year of the training program had not been carried out; see appendix three. The company's own guide to the graduate training program stated quite clearly that graduates were expected to use at least some of their own time to become professionally qualified (see British Gas, 1994; 1995). However a significant minority (12/30) made it clear that they had no intention of pursuing this strategy. In six cases graduates argued that they had already achieved such status by virtue of a previous qualification (usually a Ph.D.), and in six cases employees simply stated that they had no wish to join a professional body. By the end of the three-year tracking period, all of the graduates had abandoned attempts to keep in touch with their mentors.

Three plausible reasons to explain these developments come out of the literature on the economics of education/training. The first useful starting point would be the distinction between the consumption and investment benefits associated with education/training. A number of textbook authors (such as Atkinson, 1983), have distinguished between the immediate short

term gains to education (consumption benefit) and a longer term stream of benefits that would accrue to the person undertaking various courses (the investment benefit). Most of the graduates surveyed here were quite clear that they regarded training as a means of furthering their career; they were interested in the investment returns to training. Of the 53 questionnaire replies received, the vast majority (38) agreed that the major motivation for doing training was the extra earnings that could result in the future; see appendix four. Indeed, in many of the interviews, it emerged that these employees did not enjoy doing the courses that they were expected to do; there was little evidence of consumption benefit. The evidence suggests that these core employees were prepared to spend at least some of their own time in training; see appendix four, where it emerges that only two (out of 53) thought that they were expected to use an unreasonable amount of their own time in training. However, from the employees' perspective the rationale for using such time was as a means to an end, i.e. getting extra earnings in the long run. The perceived benefits of training were in investment, rather than consumption terms. Indeed, all five of the Ph.D. graduates claimed that they were very interested in the scientific nature of the work that they were employed to do. They claimed that they did not want to get promoted if such promotion would take them away from the specialist work that they were interested in. If graduates were not especially interested in promotion, then it may have been quite a rational policy not to use their own time to study for professional status.

Of the 30 graduates who were tracked in this study, twelve had no interest in using their own time to become professionally qualified. It is true that this meant that they were significantly less likely to get promoted (see appendix 5), but this trade-off may have been considered as a price worth paying, given that the training methods outlined above provided little or no consumption benefit and were predicated on the basis that they were sufficiently flexible that they could be used in the graduates' own time.

A second contribution from the economics of education literature comes in the form of the debate surrounding the screening (or credentialism) hypothesis. Arrow (1974) and others (Adnett, 1989), have suggested that employers and employees may well wish to use education/training qualifications as a means of sending (or receiving) signals. These signals may be used as proxy measures for what Blaug (1993) describes as desirable employment characteristics such as future "trainability", the ability to organize ones' efforts, or even more general traits such as politeness. The starting point for the hypothesis is that to accurately measure productivity or to gather reliable information about candidates is expensive and fraught with difficulties. Employers therefore wish to save on transactions costs and use qualifications as a readily available sifting device to weed out those

applications that they do wish to consider any further. The more relevant signals that employees have, the more likely it is that employers are prepared to offer them a desirable job. This signaling process applies both to applicants for an initial port of entry job, as well as internal applicants who wish for a promotion post. There has been little by way of empirical evidence to support (or refute), this signaling hypothesis. Shah (1985) provides some "tentative" evidence to support the hypothesis, using British data. However, Shah's work was concerned with pre-entry screening; the evidence here suggests that post-entry credentialism has occurred. Graduates regarded the pursuit of professional status as the best means of sending out signals in the internal labor market. They were less concerned with the government's NVQ scheme, or maintaining links with their mentors, because these strategies were not seen as efficient means of sending out relevant signals. Ironically, many graduates regarded their progress whilst doing these examinations with some apprehension. Of the 18 graduates aiming for professional membership in the second round of the study, 8 of them said that they thought that this application was going badly. However, 5/8 of these employees still managed to gain promotion that year. The process of getting professional status seemed to be used as a means of sending out signals that implied that these graduates were ambitious and well organized, and as such, were prime candidates for promotion within the internal labor market. In pursuing this strategy, graduates were not overly concerned with the use of the new training methods alluded to earlier. The important that they wished to establish, within the company, was that they had the sort of desirable characteristics mentioned earlier, that would be sought after by managers who were about to decide who should be given promotion. The ambitious graduates' determination to become active joiners (of professional bodies) was the key element of their strategy; how they achieved this end was of less significance to them. As a consequence, some of these graduates signed up for evening classes, which one might regard as a traditional mode of learning; others simply took out books from local libraries to help them to pass their examinations. Very few of the graduates in this study found that open learning programs were useful; in fact only 6/28 did so, in the second round of the study.

Thirdly, in economics the principal-agent has been recognized as having an important bearing on many different types of transaction, including the provision of education or training (Elliott, 1991). In this context, British Gas HQ may be thought of as the principal (the policy maker). It was this central body that considered the use of the new training methods as constituting an important part of future policy (See Martin & Whitley, 1995). The agents left to carry out the policy were the local managers, who had a number of other responsibilities apart from the development of those graduate trainees

that happened to be working for them. These local managers had different agendas from the principals. Many managers felt that they, as individuals, were gaining little benefit from giving staff appraisals that were designed to assess the competencies gained by their graduate trainees. This distinction (between local management and British Gas HQ), is echoed in other organizations and the principal-agent goes some way towards explaining why competencies were not adequately monitored. Moreover, this finding fits into a more general context that is described in appendix four; the majority (27/53) of the graduates surveyed agreed that British Gas was insufficiently willing to assess the benefits of the training that were given. Indeed, 80% of the senior managers of one region of the company agreed that although the company was willing to devote resources to training, it was insufficiently willing to evaluate the effectiveness of such policies (British Gas West Midlands, 1993). The graduates surveyed here may well have gained extra competencies but in many cases there was little enthusiasm on the part of local managers to accurately monitor such developments. Of those appraisal interviews that did take place, nearly a quarter were dealt with in a summary fashion. The decision to award, or potentially withhold, a £1000 increment was made in a period of under 30 minutes, in 7/30 cases.

Two further explanations seem plausible, which are not from the economics of education literature. Firstly, the organizational flux suffered by the company has been described in section 7. The key point here is that such flux meant that mentors were often difficult to track down; as a consequence, graduates became disillusioned with the mentoring system. Moreover, many of the mentors were senior managers who were quick to take advantage of the enhanced pension schemes, or voluntary redundancy being offered by the company, when it had to shed a third of its workforce in a five year period. Although, potentially, such mentors had skills and knowledge that could be passed on to their charges, in practice, the system fell into disuse quite quickly.

Finally, the relevant timeframe within which assessment could be carried out is an important consideration. Shackleton (1995) rightly argues that one of the very advantages of new training methods (i.e. open timeframes) is, simultaneously, a source of difficulty. With traditional off the job courses, a formal examination is frequently held (at a set time), to determine how well students have mastered the material. In the case of many new training schemes, such assessment does not occur in this fashion. Thus, those four graduates who took out open learning programs for modern languages (at the start of the training in 1993/4), all agreed (in 1996), that they were unlikely to finish them. Of course, the problem here is that it becomes very difficult to say exactly when the attrition occurred. The graduates concerned said that they thought that they might go back to their studies, at some (unspecified)

point in the future. The lack of a fixed timetable for assessment may well have accounted for some of the "slippage" experienced here.

12. CONCLUSION

One has to be especially circumspect when suggesting any conclusions at the end of a study such as this. It is, after all, only one case study that featured one organization in the UK, and involved using a relatively small sample of questionnaire replies (53) and meant tracking an even smaller set of (30) graduates over a three year period. Clearly, one would have had more confidence in the results if they had measured the replies of thousands of people, over a longer period of time. It is also true that questionnaire replies suffer from the obvious defect that respondents are not responsible for their replies and they might well not be replying in a truthful manner. More research needs to be done. However, it is striking that a number of claims have been made about the benefits of modern training methods, in the practitioner/policy literature alluded to earlier, without supporting evidence. If these (alleged) benefits are to be assessed, then some sort of longitudinal study, done within one (or more) institutions would seem to offer a suitable means of evaluation.

It seems clear that there may well be a number of advantages to modern training methods (as described in section 5). However, to account for their adoption in the UK we also have to examine the sort of "push" factors outlined in section 6; certainly in this case as Whitley and Martin admit, the link between the product and labor markets is an important one. Economic necessity drove employers to consider fresh ways of gaining what they perceived to be a more efficient use of training budgets. In adopting a strategy that seemed rational, they seemed to have underestimated the sorts of difficulties that were involved and that were described in the last section (10).

We need to treat allegations of the merit associated with modern training methods very circumspectly. In the study here British Gas chose their graduates with great care; each one cost some £9,000 transactions costs at the point of entry (British Gas, 1995). The point was made in section 9 that one might have imagined that the graduate employees in this study would succeed, given their previous track record and the fact that they had a number of (a priori) reasons for wanting to do well in their GDP. In fact the results of this study are distinctly mixed, from a management perspective. Given that British Gas was still spending some £35 million on the direct costs of training alone and given the attrition rates outlined earlier, then the case for swapping over to modern training methods is far from convincing.

Finally, one has to say that in this case the organization, whilst being committed to training, was even by its own admission, not sufficiently willing to evaluate the huge outlays involved. In a 1993 internal study, 80% of senior management thought that a former region (West Midlands Gas) did not sufficiently evaluate the money spent on training and that is certainly consistent with the evidence gleaned in this study. In that sense, it does seem as though the considerable sums that have been devoted to modern training methods represent a leap of faith.

APPENDIX 1 TRAINING WAS A KEY CONCERN OF THE GRADUATES AND WAS READILY AVAILABLE

Table 1a. My reason for staying with British Gas was

Reason for staying with B.G.	Frequency	Percentage	Cumulative
2	8	26.7%	26.7%
3	1	3.3%	30.0%
4	14	46.7%	76.7%
5	2	6.7%	83.3%
6	4	13.3%	96.7%
7	1	3.3%	100.0%
Total	30	100.0%	

Key:

Code	Reason
1	Seniority Rights
2	Nature of the work
3	Pay
4	Training
5	State of the Labor Market
6	Other
7	Pay back relocation expenses

NB This data was from the first round of the longitudinal study, i.e. collected in the autumn of 1994.

Table 1b. How easy/difficult, in the past year, has it been to make sure that you get the training that you want?

	VERY EASY	EASY	NEUTRAL	DIFFICULT	VERY DIFFICULT
	10	11	1	5	1

NB This data was from the second round of the longitudinal study, i.e. collected in the autumn of 1995.

Table 1c. How easy/difficult has it been to get any training you may have wanted, this past year?

	VERY EASY	EASY	NEUTRAL	DIFFICULT	VERY DIFFICULT
	5	9	1	2	4

NB This data was from the third round of the longitudinal study, i.e. collected in the autumn of 1996.

APPENDIX 2: OPEN/DISTANCE LEARNING PACKAGES WERE USED BUT WERE NOT CONSIDERED VERY USEFUL

Table 2a. Have you used any open learning packages

OPEN LEARNING PACKAGES	Frequency	Percentage	Cumulativ
+	17	56.7%	56.7%
-	13	43.3%	100.0%
Total	30	100.0%	

Key:
Code Open learning packages
+ Yes
- No

NB This data was from the first round of the longitudinal study, i.e. collected in the autumn of 1994.

Table 2b. How useful did you find any open/distance learning materials?

	VERY USEFULL	USEFULL	NEUTRAL	VERY LITTLE USE	COMPLETELY USELESS
	2	4	2	2	18

NB This data was from the second round of the longitudinal study, i.e. collected in the autumn of 1995.

Table 2c. How useful have you found open/distance learning materials ?

	VERY USEFULL	USEFULL	NEUTRAL	NOT USEFULL	NOT AT ALL USEFULL	N/A
	0	5	1	1	3	11

NB This data was from the third round of the longitudinal study, i.e. collected in the autumn of 1996.

APPENDIX 3: STAFF APPRAISALS

Table 3a. Have you had two staff appraisals?

STAFF APPRAISALS	Frequency	Percentage	Cumulativ
+	19	63.3%	63.3%
-	11	36.7%	100.0%
Total	30	100.0%	

Key:

Code Staff Appraisals

+ Yes

- No

Table 3b. How long did your staff appraisals last on average?

STAFF APPRAISAL LENGTH	Frequency	Percentage	Cumulativ
1	6	20.0%	20.0%
2	1	3.3%	23.3%
3	0	0%	0%
4	22	73.3%	96.7%
5	1	3.3%	100.0%
Total	30	100.0%	

Key:

Code Staff Appraisal length

1 0 Minutes

2 Under 30 Minutes

3 Between 30 Minutes to 1 Hour

4 Between 1 to 2 Hours

5 Over 2 Hours

NB This data was from the first round of the longitudinal study, i.e. collected in the autumn of 1994

APPENDIX 4: RESPONSES TO ATTITUDINAL SURVEY

Table 4.

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
C1	1	1	5	31	15
C2	12	33	3	5	0
C3	3	24	16	9	1
C4	3	28	15	6	1
C5	0	10	6	24	13
C6	6	32	6	7	2
C7	31	21	1	0	0
C8	10	35	5	2	1
C9	1	14	10	20	8
C10	3	14	10	20	8
C11	3	4	10	31	5
C12	1	7	6	33	6
C13	0	7	32	13	1
C14	5	18	14	15	1
C15	5	27	9	9	3

Section C Questions

- 1) The amount of my own time that I have to invest in training is unreasonable.
- 2) The training that I receive is sufficiently general as to be applicable in a range of organizations.
- 3) British Gas is sufficiently willing to assess the benefits of my training.
- 4) British Gas is sufficiently willing to assess the costs of my training.
- 5) The major motivation for training is the extra salary it is likely to generate in the short run (i.e. within the next two years).
- 6) The major motivation for training is the extra salary it is likely to generate in the longer run.
- 7) The major motivation for training is to enhance my long term career prospects.
- 8) British Gas is committed to training.
- 9) Far too much of my time at work is spent doing menial tasks that are not commensurate with my position in the company.
- 10) My long term career aim is to stay with British Gas and get a senior managerial post.
- 11) In order to achieve a full range of competences I am obliged to change locations more often than I would wish.
- 12) In order to achieve a full range of competences I am obliged to change jobs more often than I would wish.
- 13) The main company rationale for on-the-job training is the chance that it gives British Gas to disseminate company values.
- 14) The company expects me to use my own time to gain extra competences as part of my development.
- 15) I feel that I have been fairly treated by the staff appraisal system in the way that my training needs have been assessed.

NB This data was collected from the 53 questionnaire replies received in the autumn of 1994.

APPENDIX 5:CROSS TABULATION OF
MEMBERSHIP OF A PROFESSIONAL BODY
AND PROMOTION (CHI-SQUARED TEST)

	Promotion		Total
	Yes	No	
Membership of a Professional body			
1	0	1	1
2	5	2	7
4	2	3	5
5	3	2	5
n	0	10	10
Total	10	18	28

NB The data above is from the second round of the longitudinal study, i.e. collected in the autumn of 1995.

- Key:
- | Code | Application Status |
|------|---|
| 1 | Getting on very badly with application to join professional body. |
| 2 | Getting on badly with application to join professional body. |
| 4 | Getting on well with application to join professional body. |
| 5 | Getting on very well with application to join professional body. |
| n | Not currently applying to join professional body. |

The expected value in a number of cells is less than 5. Chi-squared test is not valid.
Chi-square =11.32, Degrees of freedom=4, p value = 0.02314980

In the absence of the problem discussed above, one would be inclined to hold the H1 hypothesis (i.e. accept that there was some relationship between the variables) and reject H0 (the null hypothesis). If one collapses some of the cells together so that rows 1/2/4/5 are combined and compared to row n, then the cell values do, of course, become higher. However, in this situation, there is one degree of freedom and there is still one cell with an expected value of less than 5; the problem is not resolved.

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Modern apprenticeships in football: success or failure?

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Keywords

Football, Training, Apprenticeship, Human capital theory

Abstract

Presents some interim results, by way of an attempt to evaluate the football industry's Modern Apprenticeship scheme, which was introduced in 1998. Theoretical context is provided by the debate between advocates of human capital theory as opposed to those favouring screening theory. Relevant policy considerations are provided by the PFA, who are concerned about the high attrition rates witnessed in the industry. Data are presented from two years' worth of research into the progress shown by some 22 trainees, spread across three clubs playing in various divisions of the Nationwide League. The trainees were interviewed *in situ*, in the autumn of 1998 and again in 1999. Despite an attempt to improve college provision (compared to the former YT scheme), the results suggest that these apprentices are unlikely to maximise the opportunities afforded them.

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Introduction

This paper represents an attempt to evaluate the football industry's new apprenticeship system, which was introduced in 1998, as a Government-subsidised package designed to improve existing provision. Two-thirds of all of the 92 professional clubs in England and Wales have now replaced their former two-year YT scheme with a three-year Modern Apprenticeship (dubbed the Scholarship scheme within the industry). At present, the University of Central Lancashire is involved with three professional clubs in the northwest of England, charting the progress of some 22 football apprentices, over a three-year period (1998-2001). The data presented here (after two years' research) are by way of an interim set of results. To begin with, the relevant theoretical background is explained; the methodology involved for collecting data is then set out; the results obtained thus far are then outlined and some tentative conclusions are presented in the last section.

The theoretical background

Many international reports have highlighted the link between economic growth and levels of education and training (*Economist*, 1992; Netherlands Research Centre for Education and the Labour Market, 1995). Generally speaking, the more that a society educates (or trains) its members, the more likely it is that they will enjoy a higher standard of living. Essentially, there are two types of explanation for the causal links involved in this statistical correlation, i.e. human capital theory (that comes out of the neoclassical paradigm) and screening theory (that comes out of an alternative institutional or structural paradigm).

Human capital theory

Human capital theory would liken an investment in education/training to investment in any other project (such as the purchase of a building). Employers are prepared to pay for the results of this good investment because it increases worker productivity. Thus the demand for more productive (better educated) workers is higher than that for their less productive colleagues; that is why better educated workers are paid more.

As Stevens (1994) points out, the neoclassical model supports the argument that the free market will always provide education and training. However, Becker (1962) went on to make a very important distinction between firm specific and general training. His argument was that employees would be prepared to pay for general training, since they would be the beneficiaries of such activity. This argument rested on the fact that employees are free to move between one employer and another after training. In this important regard, an investment in education/training is signally different from an investment in real terms (physical capital) or a financial (portfolio) investment. The economic unit receiving the investment (i.e. the individual) can decide for themselves where (or when) they might "take" their extra knowledge (i.e. the result of the investment) elsewhere. Faced with this problem (over property rights), employers will want to make sure that the costs of training are met by the employee.

A standard result of the neoclassical theory of distribution suggests that (in a competitive labour market), workers will be paid what they are worth in terms of productivity, i.e. workers' wages will match the value of their marginal product. Becker's (1962) important contribution was to make this analysis dynamic, rather than static by analysing wages in two time periods (t_1 during training and t_2 after training). Thus, the wage level W_2 would be set equal to the value of marginal productivity in the second time period (t_2). However, during training, the trainees' wage (W_1) is set below the value of VMP, because employers will want to deduct the cost of training from the workers' "worth" (the value of what they produce). Thus, Becker's (1962) major prediction was that general training would be associated with low wages, during the training period.

According to Becker (1962), a second extreme is represented by the case of firm specific trainees; he did, of course, concede that in practice training is very unlikely to be entirely firm specific or entirely general. Strictly speaking, general training will raise productivity equally across all employers in a given industry. In the case of firm specific training, the activity will only be of interest (will only raise productivity) in the employer that the trainee happens to be with. The firm will be prepared to pay for the costs of

training, if it could be sure that in the post-training period, it could drive a wedge between VMP_2 and W_2 . For their part, workers might still be prepared to accept this agreement, since they are rational and therefore know that their wages will have increased from W_1 to W_2 as a result of training (and they have not paid for the training package). This unwillingness to pay for training seems a reasonable argument, from the workers' perspective, given that they do not want to "put all their eggs in one basket", i.e. they do not want to pay for training that will only be of interest to one employer (since that employer may subsequently go out of business).

Screening theory

A second explanation for the link between higher wages and higher levels of education/training comes from an institutional paradigm; what Adnett (1989) calls a structuralist view. In this case, the role of transactions costs is important; we can think of transactions costs as the "costs of going to (or leaving) the market" (Jackson, 1992). Whenever employers want to hire/fire another worker, costs are involved. In the labour market, search costs form the bulk of such transactions costs, whenever firms decide to hire workers. Estimates of the costs of finding out about potential workers vary, but typically they amount to several thousand pounds. British Gas, for example, have estimated that the cost of recruiting graduate trainees is £9,000 (British Gas, 1995, p. 1). More generally, Shah (1985) has suggested that there is "tentative evidence" of pre-entry screening in the British labour market. In other words, employers might well be using educational qualifications as a quick proxy measure of productivity, in order to minimise transactions costs.

As long ago as 1937, Coase suggested that managers of an enterprise would want to minimise transactions costs wherever possible. In employment terms, this would explain why (as Doeringer and Piore, 1971, suggest) internal labour markets are often used to fill vacancies. Managers will often look to fill vacancies at higher levels of an organisation from within, since they already hold a lot of information about those candidates. At lower levels of seniority, managers may well recruit externally, but be very wary of doing so, since the costs of

making a wrong decision could be crucial (e.g. having to pay out redundancy moneys or facing the prospect of a fine for unfair dismissal).

As Blaug (1993) argues, there is a clear "fit" between internal labour market models and screening theory. In terms of initial (external) recruitment, firms may well be tempted to use qualifications as signals. Such qualifications may be used as a proxy measure to indicate that a person has qualities that a manager may want, such as an ability to organise their own time to study. The better the signal that employees have, the better the choice of jobs, and the more likely it is that they will be better paid. One could further speculate that within an organisation (on a post-entry basis), those workers who go on extra training courses will be the ones who are viewed as enthusiastic and well motivated; consequently, they are more likely to be better paid than contemporaries within the same organisation, because they are more likely to gain promotion within the internal labour market.

The methodology used in this study

In the empirical study featured here, we wished to analyse the costs and benefits of the Scholarship system, especially from the vantage point of the young trainee. It was felt that a longitudinal study (over three years) would yield a rich data set and provide the basis for a better understanding of events, than a simple "snapshot" of data, taken at one point in time. The questions asked of the trainees are presented in appendices 1 and 3. When answering the questions, the apprentices were guaranteed confidentiality. We aggregated the replies, as can be seen in appendices 2 and 4.

Of course, tracking individuals in a study such as this is difficult for a number of reasons. As Hanushek (1992) points out, longitudinal studies are often interesting, but difficult to carry out. One obvious point is that organisations such as football clubs may be wary of outsiders investigating them. Similarly, one has to accept the obvious caveat that the employees concerned are not responsible for the answers that they give. As one can see in appendix 4, trainees may occasionally feel that they do not wish to answer a specific question. Interviews were held in the late summer/early autumn of 1998

and 1999, at the respective grounds of the three clubs. A pilot study had been undertaken in the spring of 1998, with ex-trainees of various clubs, by way of checking the validity of the questions to be asked.

Results

Any assessment of results such as these needs to be set in an appropriate context. The contextual background in this case comes from two sources. The relevant theoretical framework has already been described and we wished to see how the results of this study compared with the predictions of the two competing paradigms. Secondly, we wanted to put our results in an appropriate policy context. In this case, it was instructive to consider the objectives of the scheme, as described by the PFA (the professional footballer's association); a representative was interviewed at their Manchester headquarters in July, 1998. According to the PFA, the off the job training of the Scholarship scheme is more important than the corresponding element of the former YT project. This reflects the fact that the qualifications of those entering the industry have improved in the past decade, so that 45 percent of those now entering the industry have 5 GCSE passes at grade C or better. Scholars must now do 12 hours per week at college and the intention is to emphasise the role of A levels or equivalent. The YT scheme tended to concentrate on vocational courses, often at the equivalent of NVQ level 2.

The pre-entry qualifications of this particular cohort are listed in appendix 2. Of the 22 apprentices, seven gained at least eight GCSE grades at level C or above. This would usually be taken as an indication that they could cope with a traditional academic diet of A levels. Instead, only two (out of this group of eight) opted for A level courses, taking two subjects in each case. Indeed, all eight apprentices at one club agreed that they would do a vocational course, at their local college; the better qualified simply opted for the advanced version of the course (a GNVQ in Leisure and Tourism).

Ironically, the PFA deliberately chose to call the football industry version of Modern Apprenticeships the Scholarship scheme, because it was thought that this would reflect the increased emphasis given to the academic

component of the programme. In practice, it does not appear as though the day to day reality of the college training has matched this objective. Instead, one has the impression that these trainees were simply focused on the possibility of becoming a professional footballer. They all, for example, thought that they had made the right choice of career, even if five of them were less convinced that they had chosen the right club. This is interesting, given that according to the PFA, only 25 percent of these apprentices will be earning their living as professional footballers, by the time that they are 21.

One way of resolving this apparent paradox is to suggest that each of these trainees knew that the majority of their colleagues would not "make it" as a professional player, but that they (as individuals) thought that they had enough ability to be one of the minority. As such, they would not have to maximise the chances offered to them at college. They did not seem interested in gaining accredited training off the job, that would act as good signals in the general labour market, outside of the football industry. In that sense then the results were not consistent with the institutional paradigm referred to earlier, where one would expect that workers (especially young workers) would be interested in sending out as many of the right signals as possible, in order to maximise their job potential.

Moreover, all of the 22 players had come through the youth system of a professional club; in the majority (16/22 cases), this meant coming through the various schoolboy levels of the club that they were currently attached to. These players were seen as the "pick of the crop", in that simply to be selected as a full-time trainee meant that they had been regarded as the best of a wider catchment group, who had started out at the club, three or four years earlier. One could view youth teams (such as under 11s or under 13s) as a proxy internal labour market. The clubs concerned have a wealth of information about the merits of young players attached to them on schoolboy forms. They can select the players that they want on their particular Scholarship scheme without resorting to the patchy evidence provided by trial matches. Richardson (1997), for example, estimates that a typical outfield player will touch the ball less than 2 percent of the playing time, in a trial match.

As explained above, a key implication of internal labour market theory is that organisations will look to make external appointments at lower levels of seniority. By analogy, football clubs often persuade very promising schoolboys to sign up to their youth teams, rather than one of their competitors. This is (in part) why clubs have scouting systems. However, the scouts that we spoke to from the three clubs pointed out that they were only paid if a schoolboy was accepted on the clubs' Modern Apprenticeship (or on schoolboy forms). This payment is typically only a few hundred pounds and a scout will only have one or two such "finds" per season. These scouts were paid no wages despite the fact that they spent up to five hours/week watching young players at local matches and a similar time dealing with telephone calls and administration. In effect, there is a producer subsidy involved, because these scouts are not costing their time to the clubs. The clubs' scouting networks varied in size from 12-30, depending on the division that they were playing in. This scouting system clearly suits the clubs involved but one could argue that as employers, they ought to change their recruitment methods to bring them into line with other employers, who use full-time professional staff to do this vital job.

The central prediction of Becker's (1962) theory is that general trainees will accept low wages. The training that football apprentices receive could be viewed as being of general interest to a range of employers (clubs) within the industry. In this case, the alternative wage on offer (as an untrained worker) is of the order of £120-150 per week (Bradley, 1997, p. 48). However, in the first year of the scheme, trainees were paid an allowance of £45/week plus £10 expenses. This evidence (of a shortfall in income of £65-95 per week) is consistent with Becker's theory (1962). It is true that in the second year the apprentices' allowance rose, to approximately £60/week (see below) and is set to become £90/week in the final year of the scheme. However, the total shortfall in income is still likely to be measured in terms of several thousand pounds.

Interestingly, a discrepancy between the apprentices' wages became very noticeable in the second year of the scheme. By this time, it was clear that 13 of the cohort of 21 (still on the scheme) were being paid a

standard second year apprenticeship rate of between £60-70 per week (i.e. £50/week plus expenses). Two of the interviewees refused to answer question ten in the second round of the study, which asked about wage levels. The salary of the remaining six trainees varied enormously from £175 (plus expenses) to £600 per week. As one might expect, there was some degree of correlation between the wage level and the number of first/reserve team appearances made. If a player had appeared for their club's first team, or had often started a game as a member of the reserve team, then they were likely to be paid more than their training colleagues, as one would expect. In human capital theory, they would be regarded as more productive.

Conclusions and policy implications

The PFA were, not surprisingly, anxious about the high attrition rate of 75 percent, amongst trainees in their industry. The Scholarship scheme could be partly viewed as an attempt to try and ensure that the majority of apprentice footballers who did not "make the grade" would have general skills (i.e. some signals) that they could use in the wider labour market, outside of the football industry. We do not have any results yet, of final examinations, but the answers to question 13 of the 1999 set of interviews are interesting. With five exceptions, the trainees accepted that they could work harder at their college studies and that a relatively modest payment (of a few hundred pounds per annum) would encourage them to work harder. One of the clubs concerned used to give its unsuccessful YTs an extra payment at the end of their training period, if they had passed their college examinations. The evidence presented here suggests that serious thought should be given to the possibility of an interim payment being made (at the end of the first year for example), conditional upon good reports from the relevant college.

To resolve contractual difficulties, economists talk about voice (i.e. influence), as opposed to exit (Jackson, 1992). In this context, it is interesting that only three (out of 21) trainees had an agent; another four thought that they would get an agent in the following season. This contrasts with the impression often given in the tabloid press,

regarding Premier League players. These Nationwide apprentices were facing an uncertain future, without an agent acting specifically on their behalf. It may well be that the PFA might usefully monitor this scheme and look to incorporate elements of the example set by Ajax football club (in Holland), where 80 percent of trainees become professional footballers (Moorhouse, 1998).

In this context, it is interesting to note that the PFA will only subsidise a maximum of 18 trainees per club over a three-year period. In the 1980s, the clubs featured here would recruit 12 or so trainees per year (*Rothmans*, various years), because they did not bear the wage and training costs implied by this strategy – the government did. Under the Scholarship scheme, clubs bear half of the costs of recruiting trainees; if they recruit more than a total of 18 trainees, then they must bear the full extent of the extra costs themselves. Given the fact that these clubs have typically recruited an average of six trainees per year, it will be interesting to see if this practice significantly improves the career chances for the apprentices concerned. Certainly such a consideration will provide a key test of the scheme, in the immediate years to come.

In general terms, it is too early to say whether the new apprenticeship is a success or failure; we will know more next year, when a complete cycle will have been covered. There are, however, several early indications that the aims of the scheme are not being realised. The apprentices are not making the most of their off the job training opportunities and many of them will probably not become professional footballers. The evidence on salaries in the second year implies that perhaps 8/21 might "make the grade". Meanwhile, the costs of the scheme are enormous; the direct costs amount to £18 million over five years, according to the PFA. Similarly, the sacrificed wages of the apprentices are (for the most part) of the order of £4,000 per annum; in other words, approximately £12,000 is being lost in foregone wages by most of the apprentices in this survey. These costs seem very high when one remembers that the chances of becoming a professional footballer are slim and that attrition rates are higher than one would expect to find in other industries.

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Further reading

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Appendix 1: Questions asked in the first year of the study

- (1) Which part of the UK are you from?
- (2) Are you on the YT or Modern Apprenticeship scheme?
- (3) What qualifications do you already possess?
- (4) What qualifications will you be studying for whilst you are with your present club?
- (5) Do you know what would happen to you if you did not go to college or perform adequately during your studies?
- (6) Do you know any of the details of your training programme
 - for this year?
 - for next year?
- (7) What do you intend to do if you do not become a professional footballer?
- (8) Were you registered with the club as a schoolboy?
- (9) Did you have trials with any other clubs?
- (10) Were you recommended by a scout (or someone else) to go for a trial with your present club?
- (11) What representative honours (if any) have you already gained?
- (12) Where would you like to be in footballing terms, by the time that you are 20?

Appendix 2. Football results first year (1998)

Table A1

Ref	Q1	Q2	Q3a	Q3b	Q4	Q5	Q6	Q7	Q8
1	Oldham	MA	8 GCSE (2<C)	2	GNVQ (In) Sp/Rec	nk	Which college?	n/k	Y (14)
2	Oldham	MA	8 GCSE (4<C)	4	BTEC (Sp.St)	nk	n	College	y (14)
3	Oldham	MA	8 GCSE (3<C)	3	BTEC (Sp.St.)	nk	n	n/k	y (13)
4	Oldham	MA	8 GCSE (3<C)	3	BTEC (Sp.St.)	nk	n	Builder/army	y (13)
5	Wakefield	MA	7 GCSE (1<C)	1	GNVQ (In) Sp/Rec	Warn/out	y (go to AdGnvq)	Coach (football)	n (Leeds)
6	Oldham	MA	8 GCSE (1<C)	1	GNVQ (In) Sp/Rec	Warn/out	y (go to AdGnvq)	Leisure mngt	y (U12)
7	Chorley	MA	9 GCSE (9<C)	9	A(Ma/Ch/Com)	y (warn/pay)	y (9-5; 5 days)	Architect	y (13)
8	Manchester	MA	7 GCSE (0<C)	0	BTEC (Eng/Com)	y (warn/pay)	y (9-5; 5 days)	Joinery	n (Man C)
9	Southport	MA	9 GCSE (9<C)	9	A (Ma/Bio)	y (warn/pay)	(9-5; 5 days)	Phsio	y (11)
10	Glasgow	MA	8 StG (0<C)	0	BTEC Sport/Leis	nk	nk	Coach	n(G.Clt)
11	Glasgow	M/A	8 StG (1<C)	1	BTEC Sport/Leis	n/k	n/k	wk with dad (haulage)	n (G.Clt)
12	Liverpool	M/A	9 GCSE (4<C)	4	BTEC Graph Des	Miss game	nk	Engineer	Y (14)
13	Ormskirk	M/A	9 GCSE (9<C)	9	BTEC (Sp.St)	Miss game	nk	Sports	Y (U12_)
14	Bridgend	M/A	10 GCSE (8<C)	8	GNVQ (Ad)Leis/T	Warn/fine/out	y	Builder/coach	y (u15)
15	Stockport	M/A	7 GCSE (3<C)	3	GNVQ (In) Leis/T	Warn/fine/out	y	Coach/phsio	y (u11)
16	Maccfld	M/A	9 GCSE (8<C)	8	GNVQ (Ad) Leis/T	Warn/fine/out	y	Coach	y (u11)
17	Derry(N/I)	M/A	7 GCSE (2<C)	2	GNVQ (In) Leis/T	Warn/fine/out	y	Coach	y (u15)
18	Warr'ton	M/A	10 GCSE (9<C)	9	GNVQ (Ad) Leis/T	Warn/fine/out	y	Coach/Phsio	y (u10)
19	Manchester	M/A	9 GCSE (4<C)	4	GNVQ (Ad) Leis/T	Warn/fine/out	y	nk	y (u13)
20	London	M/A	9 GCSE (0<C)	0	GNVQ (In) Leis/T	Warn/fine/out	y	nk	n(NottsF)
21	Canada	M/A	9 GCSE (9<C)	9	GNVQ (Ad) Leis/T	Warn/fine/out	y	Stock bkr/university	y(u14)

Ref	Q9	Q10	Q11	Q12
1	n	Rec. by coach	Oldham U15	Eng. Int
2	Manchester City	Rec. by coach	Oldham U15	Prof. footballer
3	Liverpool	Rec. by friend	Oldham U15	Prem. League
4	n	Rec. by coach	Oldham U15	Prem. League
5	Leeds/Reading	Rec by Leeds	Wakefield U13	1st team
6	Oldham	Rec by friend	Oldham U15	1st team
7	Bolton/Derby	Rec by scout	LancsSc/NWS	1st team
8	Oldham	Rec by Man C	ManSc	Push for 1 team
9	n	Scouted	EngU16	1st team
10	At St Johns (1yr "free"). Gl/Clt.A/V.Hearts.Motherwell	Contact via mngr	Scotland U14 B Capt	Gl.Celtic/Scot
11	Signpnt (4mnth).A/V.Hearts.Motherwell.St J	Contact via mngr	GIU15	Gl.Celtic
12	Everton	Scouted	Liverpool U15	Everton
13	No	Centre Exc	Lancs U16	Prof.Foot
14	Man U/Wolves/Wrexham/Cardiff	Scout	Wales U16	1st Team (prem club)
15	No	Scout	Grtr Manchester U16	1st team (anywhere)
16	No	Scout	Eng U16	Play-not bench plr
17	Celtic/Sheffield Wednesday	Scout	N. Ireland U16	1st team (anywhere)
18	No	Scout	None	1st team (anywhere)
19	No	Scout	Trafford U14	1st team-Prem
20	Notts Forest (for 3 yrs – but too small) let go	Rec by Nott F.	None	1st team-Man City
21	No	Came on tour stayed for trial	Macclesfield U15	1st team-Prem
	n=9	Two started at other clubs	2 Eng U16	6 = 1st team at club
	(but 5/8 at academy say no trials elsewhere)	(as apprentices)	1 Wales U16	All 21 want 1st team
	cf 4/13 at centres of ex. to say no to other trials)	Three at other clubs as sch. boys	1 N. Ire U16	
			1 none	

Appendix 3. Questions asked in the second round of the study

- (1) Have you made any appearances for the first team?
- (2) Have you made any appearances for the reserves?
- (3) How well do you think that you have settled into the club?
- 1 5
V. well V. badly
- (4) How well would you say that you got on with the senior players in the club?
- 1 5
V. well V. badly
- (5a) What footballing skills do you think have been especially developed in the past year?
- (5b) Have you found that any other skills have been improved? If so, which ones?
- (6) How have you found the training?
- 1 5
V. easy V. hard
- (7) To what extent would you say that your current playing ability is the product of your own (innate) ability, as opposed to the coaching that you have received?

- 1 5
All innate ability All due to coaching
- (8) Do you currently have an agent?
- (9) Do you think that you will get an agent (in the next year or so)?
- (10) What are you currently earning?
- (11a) How well are you getting on with your college studies?
- 1 5
V. well V. badly
- (11b) Which features of your college course have you
- (i) most enjoyed?
- (ii) least enjoyed?
- (12) Have you been awarded any certificates/diplomas (such as first aid) in the past year?
- (13) Would a financial inducement have made a significant difference to the effort that you put into your studies? If so, how big would that inducement have to be?
- (14) After a year do you think that you made the right choice:
- (a) of football club?
- (b) of career?

Appendix 4. Football results second year (1999)

le All

Q1	Q2	Q3	Q4	Q5a	Q5b	Q6	Q7	Q8	Q9
n	4 sub	1	5	Control	Coaching (UEFA C)	2	4	n	n
n	n	2	4	Agility/shotsaving/communication	Coaching (UEFA C)	5	4	n	n
n	3 sub	1	5	Passing/heading	UEFA C	3	3	n	n
n	2 start (2 sub)	2	5	Communication/tackling/heading	Coaching (UEFA C)	5	4	n	n
n	4 sub	1	5	Coaching	UEFA C	2	2	n	y
n	1 sub	1	5	Passing/heading	UEFA C	3.5	3	n	n
1 start (3 sub)	10 start (4 sub)	1	4	Decision making/strength	UEFA C	5	3	y	y
n	1 start (1 sub)	3	3	Agility/crosses/positioning	Being role model	3	3	n	n
n	5 start (5 sub)	2	3	Heading/communication	UEFA C	3	2	n	n
n	n	3	4	Heading/passing	UEFA C	3	2	n	n
Long	Term			Injury					
n	7 start (1 sub)	3	4	Tackling/communication/passing	n	3	3	n	n
n	7 start (4 sub)	2	4	Awareness	n	5	2	n	n
n	6 start	2	3	Passing	Fitter	3	3/4	n	n
n	n	2	4	Tactical skill/technical skill	Fitness	3	3	n	n
n	12	2	2.5	Confidence	Physical/mental hardness	4.5	2.5	n	n
n	often	2.5	2.5	First touch	Physical/mental fitness	4.5	3.5	n	y
n	2	1	4	Tactical awareness	Mental hardness	3	3	n	y
n	6 start	3	2	Movement off ball	Physical/mental hardness	3	3	n	n
2 start (sub)	often	1	4	Left foot	Concentration	3	3	y	n/a
n	often as sub	1	3	General skills	Fitness	3	2	y	n/a
n	1 sub	2	4	Awareness/ball control	Coaching (UEFA C)	2	3	n	y

(continued)

Ref	Q10	Q11a	Q11b (dislikes)	Q12	Q13	Q14a	Q
1	59.5	1	Coaching (early start at college)	n	200	y	
2	59.5	1	Coaching (notes)	n	200	y	
3	59.5	1	Coaching (notes)	3rd class ref	100	y	
4	59.5	1	Coaching (notes)	n	200	y	
5	59.5	1	Coaching (early start at college)	n	200	y	
6	59.5	1	Coaching (notes)	3rd class ref	100	y	
7	175 + expns	4	Bio A/L (Math A/L)	n	Not for money	y	
8	50 + expns	4	Practical GNVQ wood (theory)	n	750	y	
9	300	3	Bio A/L (exams)	n	Not for money	n/k	
10	50 + expns	3	IT (Sport administration)	n	500	n/k	
11							
12	50 + expns	2.5	Graphic design (assignments)	Cert of design	500	y	
13	50 + expns	3	IT (Sport administration)	n	100	y	
14	300	3	Blackpool trip (survey work)	n	n	y	
15	70	3	Group identity (coursework)	n	yes	y	
16	300	5	Break (boring classes)	First aid	50/week	Maybe	
17	70	3	Practical (boring coursework)	n	Yes	Maybe	
18	300	4	Group identity (attendance problems)	n	20/week	y	
19	600	3	Practical work (survey work)	n	n	y	
20	Won't disclose	1	Social life (early start at college)	n	Yes	y	
21	Won't disclose	5	Trip to Blackpool (too easy)	n	n	Maybe	
22	45	3	Practical (assignments)	n	200	y	

WHO QUILTS FLEXIBLE LEARNING PROGRAMMES?

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ABSTRACT

This paper argues that the UK literature on flexible learning has been overly optimistic. Data is presented from a longitudinal study of graduates pursuing a training scheme with British Gas. The main conclusion is that the company was losing the very employees that showed determination to complete the flexible learning programmes on offer.

INTRODUCTION

Much of the UK literature concerning flexible learning has stressed the positive aspects of this development (King, 1993; Littlefield, 1994). In the past decade various government departments have also consistently argued that the British workforce needs to become more skilled if we are to keep up with our economic rivals, and thus there is a need for lifelong learning delivered flexibly (DFE, 1992; DfEE, 1995). Employers' organisations (such as the Confederation of British Industry, 1993) and several trade unions (e.g. UNISON, 1993) have also recognised the part that flexible learning can play, in terms of the need for employees to update their skills, in order to generate more higher value-added work.

This paper can be viewed as an antidote to such optimism, which is largely unsubstantiated by empirical evidence. It seems reasonable to suppose that employers will want employees who are not only willing to undertake flexible learning programmes but furthermore can finish them and subsequently stay with the organisation long enough to use their new-found knowledge. In that sense, one can distinguish two different types of 'quit', i.e. those employees who do not finish a given programme, and those who actually leave the organisation in which they began such a programme. Both types of quit are considered here, in a case study featuring one of the UK's leading employers, namely British Gas. One should add that the data was collected when British Gas was one unified organisation; since 1997 it has become two separate companies, namely BG and Centrica. However, the data collected here features a longitudinal study tracking the graduates starting the company's GDP (Graduate Development Programme) in 1993. The evidence presented here is also at odds with the optimistic tone of the company's in-house literature (British Gas Transco, 1995).

The company appeared to be prepared to spend very large sums of money on the direct costs of training. In 1994, for example, they spent £40 million and in 1995, £35 million on such costs (information obtained from the then Graduate Recruitment Manager, in an interview held in London, February, 1996). Furthermore, the company had spent millions of pounds making sure that they had the necessary equipment installed in a number of flexible learning centres, especially in terms of computing hardware and software. However, even within the company there was some doubt as to whether the resources devoted to training had been adequately evaluated (British Gas West Midlands, 1993).

During the 1990s, in the words of one senior training officer (during an interview held at Solihull, in September 1995), British Gas policy makers wished to move away from a culture in which training was equated with courses. Indeed, two of the company's senior strategists were quite open in their admission that an increasingly hostile product market had meant that changes were necessary in the provision of training (Whitley and Martin, 1995). The argument presented in this paper is that these strategists had been overly optimistic about the efficiency of the new training methods. In short, they had underestimated the problem of quits from schemes that emphasised the use of flexible learning programmes.

One suspects that other industries in the UK might also be guilty of a similar lack of scepticism. In the banking industry, for example, Munn (1997) has also suggested that changes in the product market led to changes in the relevant labour market, including a move towards flexible learning. He suggested that increased competition in the high street banking business meant that traditional off-the-job training, held in employers' time, was no longer appropriate. However, he provided no hard data to demonstrate that the new strategy was necessarily more efficient, in terms of resources used, than the old one.

Similarly, it is significant that the movement towards the use of flexible learning occurred in the 1990s, when profits were being adversely affected by the Littlechild formula (RPI-x). The Littlechild formula was applied to a number of ex-nationalised industries like British Gas and was designed to act as a counter measure to their inherent monopoly power. One can see (from the company's reports) that profit margins (measured at current prices) were consistently above £1000 million in the years from 1986 (when the company was privatised) to 1991 (the implementation of the formula). From 1992 onwards, they never managed to make such healthy profits; indeed, they actually recorded a loss of £613 million in 1993 (British Gas, Annual Report, 1986 onwards).

In short, one can imagine the existence of both push and pull factors that account for the rise of flexible learning programmes in the past two decades. An increasingly hostile product market due to increased competition, or quasi-competitive measures, clearly represent a push factor. The pull factors, such as increased computing power or the desire for flexibility (in terms of space and time), have been well-rehearsed in the UK literature (CBI, 1993; DfEE, 1995; UNISON, 1993). However, there have been very few attempts to track a group of trainees using flexible learning methods over a period of time, at least that have subsequently been published in the public domain. This paper analyses data gleaned from a longitudinal study, done from within a particular organisation, over a period of years.

SOME RELEVANT THEORY

Much of the relevant theory in this paper comes from the literature on the economics of training. In particular, these results can be set in the context of the distinction made by Becker (1962) between general and firm-specific training. Becker's argument was that employees would pay for general training as they would be the beneficiaries; employers would not be able to guarantee that employees would stay with them in the post training period. Thus, according to Becker, general training would be accompanied by low wages. Employees receiving such training would pay an imputed cost in that they could earn higher wages elsewhere (as an employee who needed no such training).

The problem facing potential trainees is that firm-specific knowledge, by definition, is of little interest to other employers. Thus, if the host employer were to go out of business, then the employee would have wasted those resources that they might have devoted to training. Given that employees would, understandably, be reluctant to take such risks, then

one solution to this problem – posited by Becker – was that firms would pay for the costs incurred during firm-specific training and then subsequently recoup those costs in the post training period. They would do this by paying a wage that was less than the employees were worth in terms of the value of their marginal productivity. For their part, employees might be prepared to accept this arrangement, since their post training wage would still be greater than that paid to an untrained worker.

One of the key debates in labour market economics in recent decades has concerned the difference between the human capital and institutional paradigms (Adnett, 1989). Becker, together with many other mainstream neoclassical writers, would subscribe to a human capital view of training, that would liken such investment to other forms of investment, for example in buildings and machinery. A present sacrifice would have to be made, in order that a stream of future benefits (in the form of higher wages) could be generated. According to this view, higher wages will be the reward for higher levels of productivity, generated in turn by higher levels of training.

An alternative view is that associated with Arrow (1974) and others (e.g. Shah, 1984) who were interested in the institutional importance of education and training. The argument here is that education and training acts as a source of signalling devices, used by both employers and employees. Workers who are better paid are able to send out better signals in the workplace. Employers, for their part, are anxious to minimise transactions costs (the costs of going to, or leaving, a market). Thus, such employers use information about education and training as a proxy measure for a host of variables, including the potential to learn new skills and knowledge (Blaug, 1993). The important point here is that more education or training qualifications may not actually guarantee higher levels of productivity at the time that a worker is hired. Moreover, in this second paradigm, it is clearly the relative level (or quality) of qualification that is important, if the worker is to maximise their chances of higher wages (Jones and Jackson, 1990).

The third branch of the economics of education and training literature that impacts on this study concerns the difference between ILMs (internal labour markets) and OLMs (occupational labour markets). Broadly speaking, internal labour markets are characterised by access to seniority rights (i.e. higher levels of service are rewarded by incremental gains to pensions, holidays and sick pay); promotion is generally from within; average lengths of service will tend to increase as one progresses

through the ranks of the organisation; and external recruitment tends to be limited to the lower ranks of the organisation. By contrast, occupational labour markets comprise a number of employers united by a common product or process; a good example might be the market for independent accounting services in the UK. In OLMs, employees may transfer between different firms because there is a (usually implicit) agreement to recognise the service done, or qualifications gained, in a rival firm. In this context, it is important to note that during the 1990s the UK market for gas was opened up, by statute. The monopoly that British Gas had enjoyed since the late 1940s (when it was created as a nationalised industry), was thus placed under threat. Given that the product market had significantly changed, the interesting possibility was that an OLM might have opened up. Throughout the nineteenth and most of the twentieth centuries, the UK relied on ILMs as a source of training. As Chapman (1993) has pointed out, there are signs that we are moving towards a system based on OLMs; for example, our traditional apprenticeship system based around a rigid curriculum, over a three or four period (with one employer) has largely been done away with. Certainly Marsden and Ryan (1991) are in no doubt that we ought to continue to move towards a system based on OLMs, with the emphasis on high-quality and low-wage training. The traditional ILM model, they argue, may have suited a relatively small number of core (or insider) employees, as it involved a relatively high wage coupled with high-quality training, but it meant that a large number of potential trainees were excluded, as employers were only prepared to hire a limited number of trainees under these conditions. In effect, ILMs were able to bestow a combination of high wages and high-quality training because they exercised some degree of economic rent. The late twentieth century has witnessed increased competition as globalisation has become more important in the last two decades (Dunning, 1996), and the UK cannot afford to risk excluding large numbers of young, people from accessing appropriate training.

METHODOLOGY

There were two data sources for this investigation. The first came from a questionnaire survey held in 1994. The graduates with this company were, by this time, half way through a two year training programme and had been invited to an in-house two day conference held in Solihull. This meant that access was possible to nearly all of the 70 graduates who had been recruited on to the company's Graduate Development Programme (GDP) in 1993. By the following year (autumn 1994), ten of these graduates had left the company but the remaining 60 came to Solihull and 53 of them filled in

questionnaires. The high response rate was partly due to the fact that British Gas had quite explicitly approved of the research in an accompanying letter that was attached to the questionnaire.

At the end of the questionnaire, graduates were asked if they would be prepared and willing to take part in a longitudinal study, starting in 1994. It was felt it would be useful to have such a longitudinal view of this cohort's training, as well as a "snapshot" picture provided by the questionnaire response. Clearly, though, it was neither possible, nor desirable, to coerce these employees to take part in such a study. Thirty eight (of the 53 respondents) indicated that they would be prepared to be tracked over the period 1994-1996 (inclusive). The structured interviews carried out over that period provided the second source of data. In the first two years of the longitudinal study, interviews were held *in situ*; they were held by telephone in the last year. Eight of the group of 38 volunteers were not used because they worked in remote locations and it was felt to be uneconomic to interview them.

Of course, there are several problems with this sort of methodology. To begin with, one has to accept that the respondents are not responsible for their answers, either to questionnaire items or questions in an interview. They might, quite simply, not be telling the truth either because they were trying to second-guess what they thought the interviewer might want to hear, or create a favourable impression in some other way; yet one has little option but to take their answers at face value. However, the results seemed to be robust in the sense that trends identified at the start of the data collection (in 1994) were subsequently verified in later years.

At a more basic level, it was often quite difficult to keep a track of the graduates concerned. As Hanushek (1992) suggests, longitudinal studies can be interesting but they are also difficult to carry out, and this helps to explain the paucity of such studies. Perhaps one should not be surprised that a group of relatively young, single employees would move around the country (and indeed to other countries) in their quest for promotion or experience. However, it did mean that tracking them even over a three year period was problematic. In this context, the fact that British Gas had its own internal e-mail system was extremely useful as employees were expected to update these records in terms of job title, location and division. Also, a number of the graduates were kind enough to give their home telephone numbers.

THE NATURE OF THE COHORT

British Gas prided itself on choosing its graduates very carefully; the transactions costs associated with the recruitment of this cohort were huge, averaging £9,000 per head (British Gas, 1995), which is far higher than the average figure (of £4,500) for such recruitment (Carvel, 1996). The employees in this study were all graduates of the UK higher education system and all of them had a 2ii (or better) for their first degree. Moreover, in the longitudinal study, 5 of the trainees had PhDs. This study started with 30 graduates (in the autumn of 1994); they were all from scientific or mathematical backgrounds. Twenty five of the tracked group were male. At the start of the second round of interviews (autumn, 1995) there were 28 graduates still with the company and in the last round (autumn, 1996), 21.

One key distinction needs to be made here between scholars and non-scholars. British Gas realised that it would be difficult to attract sufficient graduate applicants (of a high calibre) and so they sponsored a number of trainees aged 18, with A levels, during their time at university; this group comprised the scholars (British Gas, 1995). These scholars were expected, in return, to work at British Gas offices during their vacations. They received an extra grant of £8000 from the company for each year of their studies. Eleven of the group in the tracked cohort were scholars.

It is also important to make it clear that these graduates had, by virtue of their degree, all demonstrated their ability to absorb new information, and in doing so, were able to able to organise their own time and effort to achieve a reasonable grade in their final examinations. In short, the company's aim of expecting these graduates to achieve full membership of a professional body was quite reasonable (British Gas, 1994). Furthermore, it seems to be common practice (Spurling, 1993), in that many big UK companies recruit large numbers of graduates and expect them to study for professional qualifications, frequently on a part-time basis.

The graduates generally agreed that the company was committed to training; only 3 out of 53 respondents to the questionnaire disagreed with this statement. In this context, it is important to say that these graduates were responsible for the way in which they became professionally qualified. They were not told, for example, which body to apply to. Similarly, they were not told which materials they should use, by way of aids to study; and they had to decide which, if any, open or distance learning materials they might use. Finally, they were expected to keep a log book, charting their progress

and development, in terms of competencies gained. The company expected that these graduates would move around the company (at least every 6 months), in a bid to gain extra relevant experience (British Gas, 1994). However, the graduates had considerable autonomy in terms of deciding when and where they did these secondments. In the second series of interviews, approximately half of the respondents (12/28) said that they had spent more than two weeks away from their normal location, as part of their quest for extra competencies. It was up to each graduate, in their six monthly appraisals, to say which competencies they felt they needed to develop and how this could be achieved with appropriate on-the-job training.

RESULTS

Firstly, it was significant that these graduates regarded their training as being general, rather than firm specific. In the questionnaire survey, the vast majority (45/53) either agreed or strongly agreed with this statement. Interestingly, the company provided its non-accredited, firm-specific training (mostly of an induction nature) on a face-to-face basis. Thus, the one-week outdoor pursuits course and the GDP conference were provided in the employer's time, and largely involved lectures or instruction at a set time and place (i.e. of a traditional nature). However, the flexible learning on offer enabled graduates to achieve qualifications of a general nature.

The graduates were expected to take responsibility for the organisation of flexible learning programmes and to follow them in their own time. For example, four of these graduates were doing examinations for accounting qualifications such as CIMA (the Certificate in Management Accounting); as such, it was up to each individual to decide whether they would enrol for a correspondence course, and whether such flexible learning should be backed up by a specialist block release type of revision course. In the second round of interviews, all of these accounting trainees complained that it was difficult to get the necessary time off for these block release courses.

At first, these results would seem to contradict Becker's theory, in that the graduates not only regarded their training as general, but also accepted that their starting wage was relatively high. Only 9 out of 30 graduates in the first round of interviews disagreed with the statement that they were relatively well paid, compared to other graduates. Indeed, the average UK graduate starting salary in 1993 was £13,500 (AUCL, 1994), and yet these graduates were paid £14,500 at the start of their GDP. The contrast with Becker can perhaps be explained by the way that flexible learning

programmes were used, as an enhancement to the induction-related aspects of the trainees' programme. Given that such flexible learning occurred in the graduates' own time, then the company was able to offer both high wages and general training. In other words, whilst the company was prepared to pay generous sums for the direct costs of learning materials, they were less willing to incur the imputed costs of "lost" production, associated with the prospect of their trainees doing traditional face to face courses, especially of a general nature. Membership of professional bodies does, of course, represent a qualification of a general nature, but graduates had to use a large amount of their own time to achieve such status. The log books referred to were used as a means of recording appropriate competencies gained for membership of the type engineering institutions referred to earlier. However, graduates were expected to fill in such log books in their own time. They were also expected to go to other locations to "collect" the necessary competencies. Again, British Gas was prepared to pay the direct costs involved (such as travel expenses or hotel bills) but such a regime clearly meant additional costs to the individuals concerned in terms of a disruption to their domestic circumstances. Interestingly, only 7 out of 53 respondents felt that they were expected to change locations more often than they wished to, in order to gain extra competencies.

Another interesting result concerns the quit rate from the company. Of 30 graduates interviewed at the start of the survey, in 1994, only 9 had left by the autumn of 1996. Generally, the rate of external applications was low; in each of the three years of the study, less than half of those still with the company had claimed to make such applications. One might argue that this is not surprising, given the combination of high wages and general training referred to earlier. Following an adverse report by the Monopolies and Mergers Commission (1993), the company announced plans later that year to reduce its workforce by a third. Some 25,000 jobs were to go over a five year period, and according to the then CEO (Cedric Brown), the intention was that the majority of these job-cuts would be brought about by voluntary redundancy (Brown, 1994). What is surprising is that only three graduates (from the tracked cohort) did take advantage of the voluntary redundancy scheme. This is surprising in that, given their backgrounds (with degrees in scientific and mathematical subjects), they could have obtained other jobs quite easily. Moreover, the chance to forego a lump sum under the voluntary redundancy scheme meant an opportunity cost to these graduates of approximately £10,000 (i.e. roughly half of their salary in 1996). One has to conclude that £10,000 would represent some sort of implicit

evaluation of the benefits of staying with the company.

A very distinct difference emerged between active joiners and the rest of the cohort. Active joiners were those who simultaneously were working for British Gas and applying for professional status; this group contrasted with both the non-joiners and those who were simply designated as joiners, who did not pursue this dual role. In fact, although the company encouraged this dual role (British Gas, 1994), there were only 18/30 such active joiners at the start of the survey. Six graduates (the non-joiners) expressed no interest whatsoever in joining professional bodies and another six (joiners) were able to gain such status by virtue of their post-graduate qualifications (i.e. 4 PhD holders were able to do this together with two MSc graduates). By the autumn of 1996, it was clear that only one of the group of non-active joiners had left the company compared to 8/18 of the active joiners who had done so. Even the one non-active joiner who left had professional status, by virtue of his PhD. One explanation for such a divergence (between active joiners and the rest) is that the active joiners were sending out signals in both external and internal labour markets. The combination of working for the company during the day and using their own time to study for professional qualification seemed to suggest a certain level of determination and purposefulness. It seems reasonable to suppose that managers in external organisations were looking for evidence of this nature. None of the leavers joined the independent shippers who rivalled British Gas in the product market for natural gas; rather they joined other big multinational corporations who offered the possibility of promotion and the prospect of big projects, involving the use of complex analytical skills. In short, there was no evidence to suggest the emergence of a relevant OLM in the gas industry, for these graduates. This argument might also explain why it was only the active joiners who were likely to get promotion within the company immediately at the end of their training period (1995). Of the 28 graduates still with the company in 1995, ten had received promotion and all of these were active joiners.

Another important distinction emerged in terms of the quit rate of scholars, compared to non-scholars. Of the 9 leavers from the company, only two were scholars (out of an original group of 11 scholars who were tracked from 1994 onwards). By comparison, over a third (7/19) of the non-scholars left the company over the same period. This raises the question of whether a company like British Gas might attempt to "buy" loyalty from those that benefit from its training programme. The view within the company was that the Scholarship

scheme was becoming too expensive in the climate of the 1990s, compared to the benefits that were generated (British Gas, 1991). Indeed, in the following years' graduate recruitment, none of the scholars who had been funded through university were offered a position.

There was a general disillusionment with open and distance learning materials, on the part of these graduates. One issue here was that the very nature of such materials is that timeframes are flexible, which is often cited as an advantage of flexible learning (UNISON, 1993). By the same token, such a comparative advantage makes evaluation difficult, in that it is often impossible to be precise in saying when (or whether) an employee has given up his or her efforts to pursue that programme (Shackleton and Walsh, 1995). At least with traditional programmes, there is often a test or examination held at a set time to provide some sort of feedback. All four of those who had embarked on a flexible learning programme for a foreign language in 1994 admitted that such a course of study had been unsuccessful by 1996. In 1994, the majority of graduates (17/30) said that they had used some form of open or distance learning, but in the second round of the study only 6/28 of the remaining graduates felt that such packages had been useful.

Throughout the two years duration of the graduates' training, they were supposed to be interviewed by their managers every six months. If they were deemed to have made satisfactory progress and improved their general level of competence, then they were entitled to be given an extra increment of £1,000, after each appraisal (British Gas, 1994). The company's system for assessing competencies was flawed in a number of ways. Firstly, in the second round of the study it emerged that a third of the appraisal interviews that should have taken place did not. This would seem to suggest a principal-agent problem. Although British Gas HQ (as the principal) might have put forward such an appraisal system, the problem they faced was that they required local site managers (as agents) to carry out the policy. This latter group of people may well have their own agenda that is different from that of the principal. In this case, there were no instances of the increment being withheld for lack of progress; in many cases graduates were paid the extra increment before they had had an appraisal. In a real sense, therefore, one can talk of the trainees' managers effectively quitting from their part of the development programme.

Another problem with the competence-based aspect of the flexible learning programme was that several graduates felt that insufficient detail had been

provided at the start of the GDP, in terms of detailing exactly which competencies should be developed. Indeed, the relevant in-house guide to the scheme (British Gas, 1994) did not make explicit those competencies that the company deemed to be important. This problem was compounded by the fact that promotion interviews held in 1995, following a significant business process reorganisation, were competence-based (Baron, 1995).

CONCLUSION

Obviously, one has to be wary of drawing conclusions from such a small data set. However, it was clear that this company was committed to the development of flexible learning. Moreover, the trainees featured here were carefully-chosen, intelligent, core employees with a proven track record of assimilating new skills and knowledge. *A priori*, one might have imagined that the flexible learning programme would have been successful, especially from a management perspective. However, one has to say that these results provide somewhat mixed evidence.

Ironically, those trainees who left the company (and quit the programme) were the ones that one would imagine the company did not wish to lose. After all, these active joiners had demonstrated a willingness and a capacity to organise their own time to become professionally qualified. Such a powerful signal was well received both within the company's ILM and outside the company.

One interesting issue concerns the fate of those who did not wish to become active joiners, especially all of the 5 PhD-holders, who did not embark on such a course of action. On close questioning, it emerged that these graduates were content to undertake specialist tasks that their post-graduate study had enabled them to do. As a result of not pursuing flexible learning programmes leading to further professional status, these PhD students were overlooked for promotion at the immediate end of their training period (1995) and furthermore, with one exception, were not able to secure promotion outside of the company.

One policy that is suggested by these results concerns careful monitoring of flexible learning programmes. As well as simply exhorting their trainees to pursue flexible learning (and their managers to monitor it), policy makers would be well advised to make sure that desirable outcomes are clearly spelt out, within a given timeframe and that those concerned do adhere to training strategies.

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The Delivery of IT Skills: A Tale of Two Countries

Des Monk

ABSTRACT

Many reports have confirmed that the UK is in danger of falling behind other industrialised countries in terms of economic growth. Finegold (1993) for example, talks of the low skill-low wage equilibrium facing the British workforce. More specifically, given important developments in technology in the last two decades (Storey, 1992), it is clearly of paramount importance to ensure that a workforce has the necessary IT skills to enable workers to do their job efficiently and benefit in terms of a higher standard of living.

However, as long ago as 1962 the American economist Becker pointed out that there is a key issue here in terms of who pays for extra units of training. General skills will, said Becker, be paid for by the employee; meanwhile, the firm and the employee will pay for firm specific skills.

Given this background, this paper examines the role of IT training given to library staff in two countries (UK and Finland). The data presented here is by way of an interim report, representing the first batch of results in a three year comparative study. In both cases, the role associated with the relevant trade unions is examined.

INTRODUCTION

An important part of the background to this study concerns the many reports that have confirmed the vital role attached to education and training as a source of economic growth (*Economist*, 1992; Netherlands Research Centre for Education and the Labour Market, 1995). Many of these reports have also confirmed that the UK is in danger of falling behind other industrialised countries. Finegold (1993) for example, talks of the low skill-low wage equilibrium facing the British workforce. More specifically, given important developments in technology in the last two decades (Storey, 1992), it is clearly of paramount importance to ensure that a workforce has the necessary IT (information technology)

skills to enable workers to do their job efficiently.

In addition, there has been a lot of discussion in the past two decades or so, in a number of countries, describing the advantages that computers can bring to the business of searching for information and the learning process (Hommes et al., 1999). Some authors (e.g. Fourie and Bischoff, 1999) would even argue that a complete revolution is about to occur, in terms of the way that people learn. Institutionally this has been reflected in the merger of previously disparate departments; in our own university, for example, we now have a combined library and computer services department. Many local governments (including the one in this study) have merged their education and library departments. Similarly, in Finland, it appears that the courses in Departments of Information Studies have been merged very closely with IT provision (Tikkanen, 1999). In particular, the UK government has stressed how flexible learning can be, thanks to the development of computer technology (Department for Employment, 1992). Much of the British management literature as well as that coming from trade unions has echoed the optimistic tone of the government literature (Confederation of British Industry, 1993; Unison, 1992).

At the same time, the UK government has realised that a major training initiative is needed if relevant staff in libraries are to take advantage of IT developments in the 1990s and help their readers to take advantage of facilities such as the Internet (see *Building the New Library Network*, Library and Information Commission, 1998). This initiative is surprising in that the amounts of central government funding are huge (in the order of £400 per member of staff per year) and at odds with much of the discussion of UK policy in the past two decades, which has stressed the role of private funding with respect to education and training (see, for example, Walker and Lincoln, 1992). Moreover, as

Greenhalgh and Mavrota (1994) suggest, there has been a general swing away from policies suggesting that employers should pay for training in the 1960s, towards an alternative strategy that has emphasised the role that individuals should take in terms of paying for their own development in the 1990s. In effect, the government (in this country) seem to be suggesting that the case for IT training in libraries is so important that it is to be treated as a special case and as such, has commanded considerable support (and funding) from various departments, ranging from the Department for Trade and Industry's IT for All programme, to the National Grid for Learning and the University for Industry (Batt, 1999).

The policy context for this paper comes from the tension described above; we wished to see how well programmes to inform (and update) library staff were progressing, given this backdrop. A more general context for the paper comes from the economics literature on labour markets. There has been a well-established consensus that the UK has been one of the most deregulated of the European labour markets in the past two decades (Rhodes, 1992; Finegold, 1993). Furthermore, within the UK there is a growing concern regarding the risk of social exclusion, by the least qualified members of the workforce (Department for Education and Employment, 1999). Meanwhile, the irony is that in the private sector, training seems to be regarded with renewed importance. Even in the recession of the early 1990s, firms did not cut back spending on this activity, which is often said (in textbooks such as Torrington and Hall's, 1995) to be one of the first casualties of such a climate (Saggers, 1994; King, 1993). However, the voluntarist stance of UK employers in the past two decades has meant that there has not been a mandate to train staff, comparable with the levy system that operates in France, or the German workers' right to access vocational training. Even employers' representatives (such as the CBI, 1994) accept that this may well mean that temporary and part time staff are denied access to training. Although other European workforces had witnessed an increase in the number of atypical employees (i.e. those not permanent and full-time) in the 1980s, as Rodgers (1989) *inter alia* has pointed out, the trend seems to be particularly pronounced in the UK. The danger is that employers will only invest training

resources in core employees and that a growing band of peripheral employees are given little, if any, training and that what training they do receive is firm specific, rather than general (Atkinson, 1984).

In other words, even if the government did recognise the need for training in the case of library workers, there was a possibility that institutional factors might prevent a wide cross section of staff from benefiting as much as they might do, from a special initiative. Such factors may have meant that relatively few of the potential benefits of improved technology because large numbers of staff did not receive adequate training. We wished to see if there were differences between typical and atypical workers, in the context of IT training for library workers.

Another strand of the relevant literature comes from Becker's (1962) distinction between firm specific and general training. Strictly speaking, general training raises productivity equally across a number of employers, whilst firm specific training is only of interest to the host employer (in that it only raises productivity in that organisation). In practice, of course, Becker recognised that much training was likely to be partly general and partly firm specific. Nevertheless, the distinction is a useful one and has important implications, in terms of who pays for the training. Becker's argument was that generally trained employees would pay an imputed cost for that training because they would receive a lower wage than would otherwise be the case. By contrast, he was slightly more ambivalent about the way that firm specific training would be paid for, as Chapman (1993) points out. Becker suggested that both employer and employee would pay for firm specific training; the proportion borne by each would depend on the state of the labour market (i.e. the extent of labour turnover). An extreme case would assume that the labour market was hostile to the employer (i.e. that labour turnover rates were high); in this situation, firms would pay for all of the costs of firm specific training during the training period. However, in the post-training period, firms would pay employees a wage that was less than their VMP (the value of their marginal product). For their part, employees would tolerate this situation because they would know that their wage (post training) would be higher than if they had received

no training at all. In this way, both employers and employees would share the cost of firm specific training. We wished to see how general the IT training was, that librarians received and who paid for it (either directly or indirectly).

Finally we wished to see what role, if any trade unions had in the provision of training. A number of authors (Mahnkopf, 1992; Wright and Spaven, 1996) have argued that British trade unions are not, generally, involved in the provision of training and we wished to examine the case here.

METHODOLOGY

It is increasingly true that research (including research into education/training provision) is being done on an international basis and such comparisons can often yield interesting results (Shackleton et al, 1995). Equally, there are several obvious problems with such research, not the least of which is related to basic difficulties resulting from the use of different languages. As Williams (1992) points out, the differences between education/training systems are deep-rooted and make comparisons difficult. Even comparing something such as a university degree across countries can be difficult, given that the time span taken to do such a qualification varies enormously. Bearing such difficulties in mind, we wished to compare our results with those of another country and Finland was chosen for a number of reasons. Firstly, we at the University of Central Lancashire have well-established institutional links in place with Finnish universities and polytechnics. Secondly, we felt that Finland would provide an interesting comparator, given that the standard comparisons between the UK and Germany or Japan, have already been well rehearsed in the literature (see Deissinger, 1997, and Needle, 1994).

Finland is an interesting comparator in that there are some significant similarities between the countries; for example, both are in the EC and have approximately the same landmass. (Finland's is 338,144 square kilometres, compared to the UK's which is 241,752 square kilometres.) There are, of course, significant differences between the two countries. In this context the fact that Finland has 5.099 million inhabitants, compared to the UK's 59.395 million is important (Readers' Digest, 1997). This spatial difference per capita, coupled with a significant

difference in the standard of living might have led one to the conclusion, that Finland would be significantly ahead of the UK in terms of the take-up and development of flexible learning. (The average income per capita in Finland was \$22,851 in 1997, compared to \$21,683 in the UK, according to the Confederation of Finnish Industry and Employers, 1997). Moreover, Finland provides an example of an economy whose government has not adopted the same attitude towards deregulating its labour market during the past two decades, as was the case in Britain (Julkunen and Malmberg-Heimonen, 1998). Again, we wished to see what difference and similarities there were, comparing the two cohorts (both from a library background), faced with a similar set of problems. The fact is that in both cases, here have been significant improvements in the development of computer technology in the last decade and these improvements have impacted on the library service offered to "consumers" (borrowers). The common problem that both countries have is in terms of making sure that all of the relevant staff have access to adequate training.

To investigate these issues, it was felt useful to track 20 employees from each country, over a period of three years; we wished to "get inside" the libraries of each country and track specific employees working in town/polytechnic libraries. Logistically, this was felt to be possible (albeit difficult) and likely to yield interesting results. This paper is by way of an interim set of results, after the first round of interviews with each cohort (held in the winter of 1999/2000). We will follow these employees during a longitudinal study over the next two years, to gain some impression of the way that IT training impacts on the chances of getting work in another organisation, or alter employees' prospects of gaining promotion, with the same employer.

The UK was represented by a county library service, featuring the main HQ branch, as well as several smaller branches, scattered over an urban area in the north-west of England. The Finnish group, who were from the eastern side of the country, comprised a mixture of librarians; most (15/20) were from a local town library and the rest were from a polytechnic library. The replies to questions were aggregated and confidentiality guaranteed. Each member of staff was interviewed *in situ* for 20-30 minutes.

THE BRITISH RESULTS

In the UK group, everyone had done some form of IT training in the year preceding the interview. This reflected the concern that the government has felt, with respect to training library staff (Batt, 1999; LIC, 1998); special funds had been available for this training. However, one could draw a clear distinction between the general (accredited) training on offer and other training that was somewhat narrower (firm specific, in Becker's 1962 terminology). Of 10 full time staff interviewed, 6 had done generally accredited courses, as well as the narrower vocational courses on offer. By contrast, only a minority (3) of the 10 part time staff had done general courses. In particular, these staff (both full and part time) had all done (or were about to do) a two-day course (in employer's time) on TALLIS, which is a computer cataloguing system. The only exceptions to this rule were the two full time HQ staff, who were purely concerned with administration. The intention was that the whole county system would go online with its cataloguing in the next few months and hence the need for training of this sort.

It is worth saying something about the general courses that were followed. Only one member of the part time staff had enrolled for the ECDL (European Computing Driving Licence); another two had enrolled for a course run under the auspices of the Royal Society for Arts, called CLAIT (Computer Literacy and Information Technology). One of these two part time members of staff had also started an integrated business course, which was also certificated by the RSA. Broadly speaking, one could regard the CLAIT course as being fairly introductory; the integrated business courses was more difficult/comprehensive and the ECDL course was even more demanding (and complex). Whereas the employer was prepared to pay for the direct costs of such training (e.g. buying software), they were not prepared to allow time off to do these more general courses. This proved to be significant, in that the ECDL was estimated to have taken 150 hours to complete, the integrated business course was estimated to take 120 hours and the CLAIT course typically took about 40 hours to complete. (A nominal amount of 3 hours per month was allowed, by the employer, for studying the ECDL.) Of the full time staff, 4 had studied

the CLAIT course but had gone no further; another one had started to study the ECDL, having graduated from the CLAIT course and another employee had started ECDL, without doing CLAIT. Perhaps these results can be explained as Adnett (1989) suggests in that attachment by some workers to the labour market (such as part time staff) is lower than that experienced by other groups (such as full time workers). It could be that full time staff felt that it was worthwhile using their own time to study, because the potential rewards (of a monetary or non-monetary nature) were higher, than those facing part time workers.

If one looks at the 9 people doing generally accredited courses, then another interesting result emerges. Only 3/9 of these staff felt that the prime benefit of such training took the form of improved job prospects, either with their existing employer or elsewhere. Moreover, one has to remember that more employees had done non-accredited training (11/20) than had done general courses (9/20). To sum up, only a minority of staff had received general training and only three of these felt that such training had affected their job prospects. In that sense, these results are consistent with Shackleton (1992) who argues that poaching (of trained employees) is more of a potential than actual threat and does not, in reality, dissuade British employers from providing training.

One way to judge the efficiency of education/training provision is to look at attrition rates (Hanuschek, 1992). None of the 11 employees doing firm specific courses were aware of any dropouts from these short courses (they typically lasted two days). More surprisingly, drop out rates from accredited (such as the CLAIT mentioned above) were also low. These employees had to do such courses either by distance education (in 6 cases) or by evening class (in another three cases). So far, there were no known instances of attrition from the distance education courses, which is surprising given that they were done in employees' own time. The drop out that did occur was from evening class courses. There were two cohorts for the CLAIT evening class and drop out rates amounted to one per cohort (i.e. 1/12 and 1/15). Similarly, the drop out rate from the integrated business course (held in the evening) was 3/12, over the course of a year. What remains to be seen is

whether the drop out rates for the three people doing the ECDL (by distance education) will remain low.

Mahnkopf (1992) draws a clear distinction between trade union involvement in training in the UK, compared to Germany. The traditional approach in Britain has been for unions not to get involved in the provision of training; indeed, Spaven and Wright (1996) argue that managers can be openly hostile to such a possibility. Our research was consistent with these authors in that although all except one of the employees was in the relevant trade union (Unison, which is the biggest UK white-collar union), this union did not involve itself in the design of IT courses for this cohort. However, it did enable the three employees mentioned earlier to do the CLAIT course via evening class, in that the union paid for the tuition fees concerned. A management problem here was that their training budget was constrained, relative to the demand for courses such as CLAIT; in effect, a queue had developed. The union involvement meant that a greater number of employees were able to access this training, within a given time period, than would otherwise have been the case. These results are also consistent with Arumpalam and Booth (1998) who estimate that being in a trade union increases the chance of getting training by between 7% (for men) and 10% (for women).

A fifth result concerns ownership of a computer. The possibility of doing distance learning courses has already been mentioned. One (part time) member of staff commented that doing such courses without ones' own computer was difficult; the process became far easier once she had her own computer at home. In fact a significant minority (7/20) of the British staff did not have their own computer and perhaps not surprisingly, none of them did a course via distance learning. Conversely, all 6 of those doing any form of distance training courses did have their own computer. This finding is also consistent with the Dearing Report (1997) into higher education that recommended that all students at university in the UK should have their own computer.

THE FINNISH RESULTS

All except one of the 20 staff interviewed had also received some form of IT training in the year

prior to the interview. The exception was a temporary employee who had recently graduated (October 1998) in Library and Information Systems; arguably, her degree had equipped her with a high level of computer literacy anyway. Like the British government in the 1990s, the Finnish government has been prepared to set aside specific funds for IT in libraries and related training (such as the House of Knowledge project, funded by the Ministry of Education). Mostly, people received purely non-accredited training (in 14/20 cases). Of the 6 people receiving accredited training, the majority (4/6) had received some form of distance education as part of the course. By contrast, the non-accredited training was purely delivered on a face to face basis. The employers were prepared (in all 6 cases) to help with the direct costs of accredited training, in that they were prepared to pay for tuition costs.

Where staff had done accredited training, it was accredited by an academic institution. For two of these 6 people there was also an overlap with the Personal Development (PD) programme for professional librarians. (To put the following into some perspective, it is worth knowing that in Finland, a degree is generally 140 credits.) Two of those interviewed had done 20 credit courses accredited by Oulu University. Another employee had done a 40 credit course accredited by Tampere University; this employee had also done this (major) course under the auspices of the National Centre for Professional Development in Education. A fourth person had done two accredited courses; one was a 35 credit unit accredited by Oulu University and she had also done a separate 40 credit programme under the Personal Development programme. A fifth employee had done a 5 credit course certified by Oulu University. The sixth person to do accredited training had done a vocational course run by Kajaani Institute (akin to the British system of the Workers' Education Association). There was no evidence of the myriad of autonomous bodies willing and able to accredit vocational training found in Britain (Bennett et al, 1992).

Attrition rates were generally low. Just as in Britain, none of the people doing non-accredited training were aware of any attrition from short courses, lasting one or two days, that covered topics like the Internet, or a basic introduction to Word for Windows. As might be expected, the attrition that did occur was from the longer

accredited courses. Even here, drop out rates were low; in 3/6 cases respondents said that drop out rates were zero. Of the other 3 people doing accredited courses, one said that on her course, there was a drop out of 1/20 participants. A second employee said that attrition amounted to 6/17 participants on her course; a third person said that attrition rates were 5/15 on her course. These drop out rates (of a third or less) are impressively low when one realises the amount of the employees' own time involved. In the first case cited above, the employees were devoting every other weekend (for one year) to the course; in the second instance, it was one evening a week for 18 months and in the third case, one day per week, over a period of two and a half years.

These levels of commitment are interesting and were often higher than those demonstrated by the British staff prepared to do accredited training in their time. In Britain, the most common accredited course (CLAIT) took approximately 40 hours to complete and only 3 staff had so far started the ECDL (estimated to take 150 hours). On the other hand, the willingness to do accredited training in the employees' own time was more widespread (9/20 employees) compared to the Finnish case (6/20). In terms of our National Vocational Qualification (NVQ) programme, 5/6 of the Finnish people doing accredited courses were doing them at level four equivalence (i.e. degree level) and the sixth was doing a level 3 course (equivalent to our A level, matriculation examinations). All of the accredited training in the UK was at NVQ level 2.

Like their British counterparts, the Finnish librarians were very unlikely to be poached, as a result of their training. Only 3/19 receiving training said that a major benefit would be improved prospects of promotion; in all of these cases, employees were doing generally accredited training. In most cases (14/19) the biggest benefit of training (whether accredited or not) was perceived to be the increased confidence that people felt, at their workplace.

One important distinction did emerge between the Finnish and British cases, in that all of the library employees in Finland were women who worked full-time. This contrasts with the British situation in that 3/20 of the staff interviewed were men and 10/20 were part-time (and all of the latter were women). This reflects a pattern identified by Rodgers (1989) who says that the move

towards the use of atypical employees is common throughout Europe but is most pronounced in Britain. Almost all (90%) of part-time work in Britain is done by women and part-timers account for a quarter of the workforce in that country.

Union density was high; 19/20 of the staff interviewed were in a trade union. This finding can be partly explained by the fact that in Finland, unemployment benefit increases by approximately 40% if workers are in a trade union. The one exception was something of an anomaly in that this employee was not a fully paid-up member; she did not, for example, have access to the full range of union benefits (such as training provided or legal help). However, she was able to claim the extra unemployment benefit (should that need arise). There were three unions involved; KTV (9/20); AKAVA (7/20) and KVL (3/20). Both KTV and KVL serve local government blue and white collar workers, whilst AKAVA membership derives from university-educated professional staff working in educational institutions. None of the unions had been involved in negotiating the provision of IT training at work (in terms of quantity or quality) and none of the staff had received financial help (from their union) to go on IT courses.

Finally, in terms of home ownership, an interesting result occurred in that 9/20 of the staff interviewed did not have their own computer, which seems surprisingly high. Like the British case, though, it emerged that the majority (3/4) of those that had done any form of distance learning had their own computer. Also, even though 9 people did not have their own computers, there was no sign that the Finnish staff concerned needed to go on the sort of very basic (introductory) course that were often taken (in 7/20 cases) by the British staff (the so-called IT for the Terrified course).

CONCLUSIONS AND POLICY IMPLICATIONS

One clearly has to be very wary of drawing policy conclusions from such a small data set and one that suffers from the obvious defect that respondents are not responsible for the answers given. Also, of course, one has to recognise the importance of cultural variables; what policies work in one country may not be as efficient in

another (Hofstede, 1991). A final caveat is that arguably, the differences between the two countries are as important as their similarities, with respect to the way in which IT training has been delivered to librarians. Nevertheless, the provision of relevant IT training is clearly an important issue and five policy implications are tentatively offered at this stage. The first point is that employers concerned with IT training do not have to concern themselves with the risk of poaching in the vocational fields discussed here; such a risk should not inhibit the provision of training. In particular, short (i.e. 2/3 day) firm specific courses are unlikely to open up the possibility that employees will be poached within an occupational labour market in that they do not envisage that their training will encourage them to broaden their range of job applications. Of course, we will be monitoring the employment histories of the relevant staff, but at this stage it does not appear as though either set of librarians were doing either accredited or non-accredited training as a means of sending out signals in the appropriate labour markets (to the effect that they were more employable elsewhere).

Secondly, if policy makers are serious in their intention to provide distance education for librarians, then it may well be provident to spend some funds on mobile (laptop) computers, in order to ensure that such employees have access to a computer at home. Employees could borrow such computers when (and as) they needed them to work on, at home. Certainly, it is the case that both governments are already spending huge sums of money to ensure that relevant funds are available for the express purpose of training library staff in IT. As long ago as 1992, the *Economist* pointed out that governments around the world are engaged in a global race, in that they want to make sure that their workforces are adequately trained to perform high value-added work; it is too dangerous to assume that employers and employees will always provide adequate training (without central government intervention), as implied by Becker's work (1962).

Librarianship is an occupation that attracts a large number of female workers in both of the countries featured in this study. All of the Finnish librarians were women. Similarly, all except three of the 20 British employees were women but 10/17 of these female workers were part time. In order to keep up with developments in technology,

it is vital that such part time workers are given sufficient training. Even the CBI (1994) admits that in general terms, atypical workers do not gain adequate access to training. In this particular vocational field, it is reassuring to see that part time workers do receive training. It will be interesting to see if public funding (i.e. from central government funds) continues to support IT training for library staff in both countries. In particular, it will be interesting to monitor the situation in the UK, given that the LIC's intention is that every member of the library staff should do the ECDL (LIC, 1999).

Fourthly, our results suggest that trade union involvement does not inhibit training; quite the opposite. Indeed, as Mahnkopf (1992) suggests, it may well be that countries such as the UK would do well to look at the possibility that training becomes contestable terrain, i.e. area over which employers and trade unions negotiate, in order to improve the skills of their members. A similar point could be made in Finland, where it appears that the trade unions concerned do not negotiate over training.

Finally, the emphasis given to lifelong learning is clearly critical in this context. One criticism of the UK is that we do not have a culture that promotes andragogy, whereby employees take responsibility for the constant updating of their skills (Finegold, 1993). It will be interesting to see if various policies designed to promote lifelong learning in the UK do come to fruition (LIC, 1998; Dearing, 1997) and help to spread the development of IT training. In this context, the role of the NVQ system (as a means of accrediting and furthering lifelong learning) is interesting. As Shackleton and Walsh (1995) argue, other countries such as New Zealand and Australia have expressed an interest in a scheme that is designed to accredit training wherever it occurs; the problem is that, as yet, take-up rates have remained low. In this study, none of the British employees were aiming directly for an NVQ qualification. By contrast, in Finland where accreditation was dominated by academic institutions, there was some evidence that the Personal Development programme for librarians had provided an alternative framework, within which a persons' skills could be updated, in an accredited fashion. It could be that governments need to devise alternative accreditation schemes as part of a plan to enhance IT skill-acquisition.

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Chapter 4 The economics of training. To what extent should football be treated as a special case?

by Des Monk

Introduction: football as an industry

There is no doubt that football is big business and one that is growing. In one year alone, according to the management consultants Deloitte and Touche (1999), the collective income of all of the English professional clubs rose by 23 per cent to £829.3 million for the 1997/8 season. Similarly, transfer fees between English clubs were worth £160 million (again, for the 1997/8 season), compared to £140.7 million for the previous season. The money spent on importing foreign players is now an important part of the current account of the balance of payments (Atkinson and Milner, 1998). In the late 1990s, English football clubs have often spent over £100 million on foreign players; in the 1997/8 season, they spent £68 million in this way. In relative terms, the Premier League is still the biggest in the world. The Premier League alone generated a turnover of £569 million in 1997/8, compared to £400 million for the Italian Serie A, £345 million for the Spanish Primera Liga and £185 million for the French Division One.

This chapter represents an attempt to evaluate the training that is given to apprentices in the football industry. Football is widely regarded as the UK's leading team sport and also one that is, according to Deloitte and Touche (1997), an industry that is increasingly seeing the emergence of public limited companies with multi-million pound turnovers. Many writers (such as Hamil, 1999) have argued that there is a tension between the view of football as a sports and leisure activity pursued by thousands of fans and amateur players on the one hand and, on the other, the suggestion that this is an industry that is dominated by public limited companies making substantial profits. Meanwhile, in the past decade, economists such as Johnathan Michie (1999) have used analytical tools from the discipline of economics to make sense of the behaviour of firms (professional football clubs) operating in this industry, especially in terms of any monopoly powers that they may choose to exert.

The current controversy surrounding transfer fees can also be analysed in the context of the economic dimensions of the Treaty of Rome that originally established the European Union. One of the key provisions of the Treaty was that

workers should be free to move across member countries whilst seeking work. It was this provision that enabled the Belgian player Bosman to alter existing rules about transfer fees. Under the Bosman ruling, players must be allowed a free transfer once they are out of contract; to do otherwise would unduly hinder footballers wishing to transfer from one employer to another (Morris, 1996). There is even some discussion now (Thorpe and Black, 2000) about the possibility that transfer fees might be abandoned altogether, as they have led to a number of (largely unintended) outcomes on the financial health of professional football clubs.

Increasingly, an argument has been put forward (amongst others by the Prime Minister, Tony Blair) to the effect that football is a special case. What applies to other industries may not necessarily apply to this industry, given its special place in the UK's society. Thus, for example, although other industries do not normally have transfer fees, they are needed in this industry to protect the smaller professional clubs. Those in favour of a transfer fee would argue that without the revenue gained from such a source, smaller clubs would be unwilling (or unable) to devote the resources required to invest in training programmes for apprentices (*Guardian*, 1998). One should add that since the Bosman ruling, football clubs are able to charge a transfer fee for their young players until they are aged 24; at that point, the clubs must either offer the player a new contract or let him go 'on a free' (transfer).

In short, one could persuasively argue that football is a special case; recruitment and training strategies that are deemed viable in mainstream industries may not be applicable or worthwhile in this particular case. However, the intention in this chapter is to suggest that analytical ideas from the discipline of Economics can just as usefully be applied to the training that is given to apprentice footballers as they can be applied elsewhere and that is why football's version of a Modern Apprenticeship (the Scholarship scheme) can be evaluated in such terms. The suggestion here is that although the industry has become modernised in some respects (such as the provision of new stadia), the training that is on offer is largely a product of tradition, rather than modernity. Thus, although the funding arrangements for apprentices are new (and introduced into most professional clubs in the 1998/9 season), the training provided has a very high attrition rate compared to other industries.

This chapter comes as a result of some empirical research done into the training provided at three professional football clubs in the North West of England. All three clubs introduced the Scholarship scheme in the 1998/9 season, replacing the former YT scheme. The intention was to track a total of 22 apprentices throughout their training period and, to that end, the apprentices were interviewed in the late summer/early autumn of each season, starting in 1998. Interviews have been done at all of the clubs for the first two seasons of the project and have nearly been finished for the third (and last season, i.e. 2000/01). To begin with, some relevant theory is explored, in a bid to explain why higher wages are associated with more education/training. There then follows a brief summary of the pertinent institutional detail, in order to set these results within an appropriate context. The methodology used to evaluate the training on offer in three clubs is then described, followed by some of the main results that emerged. Finally, some tentative conclusions (and policy implications) are offered at the end.

The relevant theory

The link between higher wages and higher qualifications is a commonly cited observation across a number of countries (*Economist*, 1992; Netherlands Research Centre for Education and the Labour Market, 1995). Amongst many economists the real debate concerns the causal explanation for this link. Becker (1962) and the human capital/neoclassical school of thought would suggest that more training increases productivity and that is why employers are prepared to pay higher wages. Becker's model implies that the free market will always provide sufficient training. His distinction between general and firm-specific training is an important one; strictly speaking, general training will raise productivity equally across a number of employers, whereas firm-specific training will only raise productivity in the host firm. A good example of firm-specific training is provided by the induction courses run by many organisations to enable new recruits to learn basic information about the procedures adopted by their employer. Employees will pay for general training since they are the beneficiaries who could, if they so wished, transfer to another firm. This payment is an imputed rather than direct one and means that generally trained workers would expect to receive a lower wage than would otherwise be the case. Becker gave US air-force pilots as an example of generally trained workers whose skills were of interest to other organisations (commercial airlines in this case) and whose pay was low, given the employees' abilities and qualifications. By contrast, employers and employees will both pay for firm-specific training. Any costs incurred by the employer in the provision of firm specific training will be subsequently reimbursed in the post-training period, when the employees' wages will set at a rate below the value of the marginal product. From the employees' perspective, it will remain true that the wage in the post-training period will be higher than the wage associated with a job requiring no training.

Writing from a different perspective, Arrow (1974) and others (e.g. Blaug, 1993) would stress the institutional role of qualifications; they act as signalling devices in a world dominated by imperfect (and asymmetric) information. Those with more qualifications are, in effect, signalling that they possess certain desirable characteristics, such as a capacity for learning that employers may well want. Whilst it is true that other quick sorting or sifting devices are available to the employer, which would enable them to distinguish one candidate from another, several of these strategies, such as screening on the basis of gender or race, are illegal. However, to sift candidates on the basis of qualifications gained is widely practised and legally permissible. Rational job seekers realise this and will use qualifications as a means of sending out positive signals in the workplace. Thus, those with the best qualifications get the best choice of jobs in the labour market and are generally, therefore, amongst the better paid.

One might hope that empirical evidence could settle this particular academic debate. However, in the UK especially, the evidence that we have to support or contradict either position is slender. Shah (1985) concluded that there was some 'tentative' evidence for pre-entry screening (i.e. signalling) in some occupations in the UK. By contrast in the USA, Kroch and Sjoblom (1994) concluded that their evidence supported the human capital view rather than signalling, but admitted that the regression equation that they obtained was far from perfectly consistent with all of the observations that they collected in various sectors of the American workforce. Many American authors (e.g. Jones and Jackson, 1991) seem to accept that there are huge methodological difficulties in testing the rival theories, but would prefer to accept the human capital view.

Partly because of such methodological difficulties it remains true that there is a

paucity of evidence in this debate. As Atkinson (1983) acknowledges, it is very difficult to 'tease out' the factors that unambiguously account for higher wages. Moreover, the research described above tends to present a 'snapshot' picture at one point in time (as Shah's did) or rely on big, aggregated data sets (as with much of the American research, including Kroch and Sjoblom). All of the evidence thus far described is concerned with pre-entry screening. One might equally well suggest that screening (or signalling) could apply on a post-entry basis, in which case there is virtually no evidence (available in the public domain) that is of a disaggregated, longitudinal nature. In other words, we need to consider evidence on a case-by-case (disaggregated) basis, that follows employees over a number of years (is longitudinal in nature). It is, of course, precisely the latter type of data set that would be needed to test the claims of post-entry screening.

Some institutional background

In the last two decades UK football has, arguably, become a much more modern industry. Since the Taylor Report (1990) a number of clubs have made significant investments in their grounds and facilities. However, there remains something of a tension between the traditional and the modern aspects of football, as an industry. The focus in this research is on training and its central contention is that the football industry is characterised by several interesting (and unique) features in terms of the way that it deals with young workers. In many respects, these characteristics are a function of the game's history; although there have been increasingly modern and sophisticated methods of managing off the field activities, the training and recruitment of young players is only just beginning to mirror such developments.

The predecessor to the current Modern Apprenticeship was the Youth Training Scheme (YTS) introduced by the former Conservative government in general in 1983 and into the football industry in 1984. Denounced by many critics (such as Finn, 1991) as a cosmetic programme designed only to massage employment statistics, the scheme which initially met the full cost of training (including the wage costs of the trainees) was recognised as potentially invaluable by a cash-starved football industry. In 1978 the PFA (i.e. the Professional Footballers Association) established the FFE&VTS (i.e. the Footballers Further Education and Vocational Training Scheme); it was this body that was responsible for co-ordinating the YTS programme. At the beginning of the 1984-5 season, the three clubs surveyed here had only six trainees between them, with one club apparently not recruiting a single young player. By 1989-90, although the government was no longer meeting the full costs of the training programme, the combined figure had risen to 38 with the numbers per club ranging from 9 to 16 (*Rothmans Yearbook*, 1985 to 1990).

Importantly, the YTS programme also insisted on day release at college to allow for the study of courses in leisure and tourism, supplemented by some limited training in other aspects of the football industry such as groundsmanship. From May 1990, when Youth Training (YT) succeeded YTS, an increased emphasis was placed on the educational element. By the later 1990s, trainees were expected to take, according to their GCSE grades, either the GNVQ Intermediate or Advanced Level in Leisure, Tourism and Sport, courses ratified by external awarding bodies, but especially designed by the FFE&VTS (Bradley, 1997). The Society has also helped fund an increasing number of released trainees (120 out of the 325 released in June 1996) through university (Bradley, 1997.).

YTS/YT undoubtedly served a crucial purpose both in arresting the decline in football training and in integrating education into it. However, many areas of

provision were open to criticism. Wastage rates continued to run at a high rate and, in terms of total numbers recruited, the government subsidies available may well have encouraged clubs to be far from selective in their recruitment of players. In an age marked by an extremely competitive youth job market, rejected players have perhaps been at an even greater disadvantage than at most times in the past. While educational provision and its monitoring has improved considerably in the late 1990s, the programme on offer had little intrinsic interest for many players and was treated in some clubs with disdain. As late as the early 1990s, the youth coach at one club in this study signed the players' work logs in advance and simply asked them to fill in the details of their activities as appropriate.

The role of the Modern Apprenticeship: the PFA view

The chance to improve upon this situation was provided by the government's decision in the mid-1990s to switch emphasis away from YT schemes towards the Modern Apprenticeship. In essence, although this scheme did not provide a wage subsidy, it placed a greater emphasis on training and made its provision (up to NVQ level 3) cheaper for employers by means of subsidies available through the TECs (Training and Enterprise Councils). Through the FFE&VTS, the PFA took the opportunity provided and became instrumental in designing the industry's Modern Apprenticeship system. As part of that design process, the title 'Football Scholarship' was adopted because it was believed to reflect the new emphasis on academic attainment. The scheme was finalised by December 1997 and presentations were made to all League clubs in February 1998. The essence of the programme, which began at 66 clubs in July 1998 and will eventually have to be adopted by all clubs, is as follows. (This information was provided by the FFE&VTS during an interview held in July 1998.)

1. The training programme will last three years rather than two.
2. Total funding for the first 5 years will be £18.375 million provided by the Training and Enterprise Councils (£9 million), the FFE & VTS (£7.5 million) and Adidas (£1.875 million).
3. The scheme will fund a maximum of 18 trainees at any one club (additional players must be fully funded by the club). The intention is that faced with an annual intake of only 6 funded players, clubs will have to make informed choices and thus reduce the chances of 'wastage'.
4. The educational programme followed by trainees will consist of 12 hours a week over three years and will be flexible and tailored to individual needs. If the trainees so desire, clubs must continue to fund their education for the full three years, even if they do not register them as full-time professionals after two years. Three broad educational groupings have been conceived.
 - (i) Trainees with 8 GCSEs at grade C and above will take 3 'A' Levels.
 - (ii) Those with 5 such grades will take a mixture of GNVQ (Advanced), 'A' Levels and B/TEC National Certificate courses.
 - (iii) The remainder will take GNVQ (Intermediate) and NVQ courses and will be provided with special needs tuition if necessary.

70 per cent of all trainees would be expected to fall into groups 1 and 2 by 2000.

5. The football training undertaken by players would accord with the guidelines laid down by the FA's 'Charter for Quality' (1997).
6. Players should no longer undertake menial work.
7. Vocational training in essential life skills (24 core areas ranging from dealing with alcohol and drugs to media training and driving technique have been identified) will be provided.

This scheme, in conception at least, clearly represents a genuine attempt to learn from past failings and to provide young footballers with forms of training that both equips them for the demands of professional football both on and off the pitch, and leaves them as well-prepared as possible should they fail to become full-time professionals at 18.

The methodology used in this study

In the empirical study featured here, an attempt was made to analyse the costs and benefits of this Scholarship system, especially from the vantage point of the young trainee. It was felt that a longitudinal study (over three years) would yield a rich data set and provide the basis for a better understanding of events, compared to a simple 'snapshot' of data, taken at one point in time. The questions asked of the trainees are presented in appendices one and three. When answering the questions, the apprentices were guaranteed confidentiality. The replies, were aggregated, as can be seen in appendices two and four.

Of course, tracking individuals in a study such as this is difficult for a number of reasons. As Hanushek (1993) points out, longitudinal studies are often interesting, but difficult to carry out. One obvious point is that organisations such as football clubs may be wary of outsiders investigating them; that is one reason why the data set is so small. Similarly, one has to accept the obvious caveat that the employees concerned are not responsible for the answers that they give. As one can see in appendix four, trainees may occasionally feel that they do not wish to answer a specific question. Interviews were held in the late summer/early autumn of 1998 and 1999, at the respective grounds of the three clubs. A pilot study had been undertaken in the spring of 1998, with ex-trainees of various clubs, by way of checking the validity of the questions to be asked.

To begin with (in 1998), 21 apprentices were interviewed across three clubs in the North West of England. These (structured) interviews were conducted at the relevant grounds, but after those initial interviews were done one of the clubs recruited another trainee halfway through the season and that is why 22 replies were recorded for the subsequent round. Meanwhile, however, one of the apprentices received a very severe injury during the summer of 1999; one can see (in appendix 4) that his replies to the second round of interviews have been recorded as such and he took no further part in the study. The process of interviewing apprentices has now almost been completed (as at autumn 2000); we have only to do some of the final round of interviews for the 2000/01 season.

Results: some general observations

Any assessment of results such as these needs to be set in an appropriate context. The contextual background in this case comes from two sources. The relevant theoretical framework has already been described and we wished to see how the results of this study compared with the predictions of the two competing

paradigms. Second, we wanted to put our results in an appropriate policy context; that is why, of course, the PFA view of the Scholarship scheme is described above.

The pre-entry qualifications of this particular cohort are listed in appendix two. Of the 22 apprentices, 7 gained at least 8 GCSE grades at level C or above. This would usually be taken as an indication that they could cope with a traditional academic diet of A levels. Instead, only two (out of this group of 7) opted for A level courses, taking two subjects in each case. Indeed, all eight apprentices at one club agreed that they would do a vocational course at their local college; the better qualified simply opted for the advanced version of the course (a GNVQ in Leisure and Tourism).

Ironically, the PFA deliberately chose to call the football industry version of Modern Apprenticeships the Scholarship scheme, because it was thought that this would reflect the increased emphasis given to the academic component of the programme. In practice, it does not appear as though the day-to-day reality of the college training has matched this objective. Instead, one has the impression that these trainees were simply focused on the possibility of becoming a professional footballer. They all, for example, thought that they had made the right choice of career, even if 5 of them were less convinced that they had chosen the right club. This is interesting, given that according to the PFA, only 25 per cent of these apprentices will be earning their living as professional footballers by the time that they are 21.

One way of resolving this apparent paradox is to suggest that each of these trainees knew that the majority of their colleagues would not 'make it' as a professional player, but that they (as individuals) thought that they had enough ability to be one of the minority. As such, they would not have to maximise the chances offered to them at college. They did not seem interested in gaining accredited training off the job, which would act as good signals in the general labour market, outside of the football industry. In that sense then the results were not consistent with the institutional paradigm referred to earlier, where one would expect that workers (especially young workers) would be interested in sending out as many of the right signals as possible in order to maximise their job potential.

Moreover, all of the 22 players had come through the youth system of a professional club; in the majority (16/22 cases), this meant coming through the various schoolboy levels of the club that they were currently attached to. These players were seen as the 'pick of the crop', in that simply to be selected as a full-time trainee meant that they had been regarded as the best of a wider catchment group, who had started out at the club three or four years earlier. One could view youth teams (such as under 11s or under 13s) as a proxy internal labour market. The clubs concerned have a wealth of information about the merits of young players attached to them on schoolboy forms. They can select the players that they want on their particular Scholarship scheme without resorting to the patchy evidence provided by trial matches. Richardson (1997) for example, estimates that a typical outfield player will touch the ball less than 2 per cent of the playing time in a trial match.

A key implication of internal labour market theory is that organisations will look to make external appointments at lower levels of seniority. By analogy, football clubs often persuade very promising schoolboys to sign up to their youth teams, rather than one of their competitors' teams; the clubs obviously hope that promising schoolboys at their Academies or Centres of Excellence will continue to develop and become first team players. This is (in part) why clubs have scouting systems. However, the scouts that we spoke to from the three clubs pointed out that they were only paid if a schoolboy was accepted on the clubs' Modern

Apprenticeship (or on schoolboy forms). This payment is typically only a few hundred pounds and a scout will only make one or two such 'finds' per season. These scouts were paid no wages despite the fact that they spent up to 5 hours/week watching young players at local matches and a similar time dealing with telephone calls and administration. In effect, there is a producer subsidy involved, because these scouts are not costing their time to the clubs. The clubs' scouting networks varied in size from 12-30, depending on the division that they were playing in. This scouting system clearly suits the clubs involved, but one could argue that, as employers, they ought to change their recruitment methods to bring them into line with other employers who use full-time professional staff to do this vital job. Typical estimates for the transactions costs associated with finding suitable future employees vary enormously; transactions costs are the costs of going to (or leaving) a given market. Carvel (1996) suggests that a graduate trainee will cost a company £4,500 by way of advertising costs and other administrative costs associated with the search for the 'pick of the crop'; the British Gas estimate (for the same type of employee) is even higher, at £9,000 (British Gas, 1995).

The central prediction of Becker's theory is that general trainees will accept low wages. The training that football apprentices receive could be viewed as being of general interest to a range of employers (clubs) within the industry. In this case, the alternative wage on offer (as an untrained worker) is of the order of £120-150 per week (Bradley, 1997). However, in the first year of the scheme, trainees were paid an allowance of £45/week plus £10 expenses. This evidence (of a shortfall in income of £65-95 per week) is consistent with Becker's theory. It is true that in the second year the apprentices' allowance rose, to approximately £60/week (see below) and is set to become £90/week in the final year of the scheme. However, the total shortfall in income is still likely to be measured in terms of several thousand pounds.

Interestingly, a discrepancy between the apprentices' wages became very noticeable in the second year of the scheme. By this time, it was clear that 13 of the cohort of 21 (still on the scheme) were being paid a standard second year apprenticeship rate of between £60-70 per week (i.e. £50/week plus expenses). Two of the interviewees refused to answer question 10 in the second round of the study, which asked about wage levels. The salary of the remaining six trainees varied enormously from £175 (plus expenses) to £600 per week. As one might expect, there was some degree of correlation between the wage level and the number of first/reserve team appearances made. If players had appeared for their clubs' first team, or had often started a game as a member of the reserve team, then they were likely to be paid more than their training colleagues, as one would expect. In human capital theory, they would be regarded as more productive.

Accreditation: making the most of qualifications gained?

In general terms, it seems reasonable to suppose that individuals will want any training that they receive to be as widely recognised as possible. It is striking that the government's NVQ scheme in particular, and APL (Accredited Prior Learning) in general, have been developed in the 1990s precisely to ensure that any educational training programmes will be given as much currency as possible. Given the extremely high attrition rates amongst football trainees, one might have imagined that the apprentices concerned would have been anxious to have taken out a form of insurance policy, in terms of a portfolio of qualifications that could have been used outside the football industry.

However, this is a far from universal inclination. The impression of a narrowly focused ambition was reinforced by the answers given to one particular question. The apprentices were asked what they might consider doing if they did not become professional footballers. Predictably, the answers were generally vague; most replied that they still would want to be involved in sport as a physiotherapist or coach. Four of the trainees claimed that they had no contingency plan at all; they had not considered any other career, even in the most general of terms. Of course, one could counter this by arguing that many 16 year old school-leavers do not know what they want to do by way of a career. In this case, the problem is that the apprentices knew what they wanted to do and also knew that the chances of realising their ambitions were slim, in general terms. However, as individuals they were convinced that they would 'make the grade' and had little by way of contingency plans, despite the prompting of the PFA and the clubs concerned.

Put another way, these trainees realised that their best chance of becoming a professional footballer was via a professional club's youth scheme. In the 1995/6 season, of 2,289 professional players in English league clubs, 1,559 had graduated from a youth training scheme operated by the clubs concerned (*Rothmans Yearbook*, 1996/7). It was the chance of becoming a footballer that focused these apprentices' efforts. They realised that the chances were slim but, nevertheless, the odds of becoming a professional footballer via this route were better than any other strategy. They were far less interested in gaining accreditation for a career outside football.

To a degree, this is not surprising given the pressures imposed by players, by their clubs and by their own aspirations and self-perception. As one of the managers suggested (in an interview in October 1998), the attitude of the clubs themselves (as employers), would seem to be ambivalent on this point. Whilst they had provided a new training scheme with an enhanced college component, they were also concerned (as coaches) to foster a feeling of self-belief amongst the apprentices. Given that most (16/21) of the players interviewed in the first round had come through the youth system of the club that they were currently attached to, one could also see why they all thought that they could go on to become first team players, either with their present club or elsewhere. To have attained their current status as paid employees of a club these players represented the pick of young hopefuls who had started out at the same club, three or four years earlier (with youth teams at various levels, such as under-11s or under-13s). It is thus not surprising that they were confident that they would be in the minority who would be successful at the next hurdle and be offered a contract as a professional footballer at the end of their apprenticeship. All of the other five players (who were not previously registered with their present club at youth team level), were registered with another club as a schoolboy. In one sense, these five had already experienced some disappointment, in that other clubs had indicated that they were no longer interested in them. However, they had salvaged some hope of fulfilling their ambitions, in that they had been subsequently taken on by another club. It is against this background of high expectation and a rather bleaker reality, that the educational training of young players will have to be policed to a far greater extent than has generally hitherto been the case if the new scheme is to be successful.

Conclusions and policy implications

The PFA was, not surprisingly, anxious about the high attrition rate of 75 per cent, amongst trainees in its industry. The Scholarship scheme could be partly viewed as an attempt to try and ensure that the majority of apprentice footballers who did not 'make the grade' would have general skills (i.e. some signals) that they could use in the wider labour market, outside of the football industry. We do not have the full set of results concerning final examinations, but the answers to question 13 of the 1999 set of interviews were interesting. With 5 exceptions, the trainees accepted that they could work *harder* at their college studies and that a relatively modest payment (of a few hundred pounds per annum) would encourage them to work harder. One of the clubs concerned used to give its unsuccessful YTs an extra payment at the end of their training period if they had passed their college examinations. The evidence presented here suggests that serious thought should be given to the possibility of an interim payment being made (at the end of the first year for example), conditional upon good reports from the relevant college.

To resolve contractual difficulties, economists talk about voice (i.e. influence), as opposed to exit (Jackson, 1992). Only three trainees (out of 21 interviewed in the second round) had an agent; another four thought that they would get one in the following season. This contrasts with the impression often given in the tabloid press regarding Premier League players. These Nationwide apprentices were facing an uncertain future, without an agent acting specifically on their behalf. It may well be that the PFA might usefully monitor this scheme and look to incorporate elements of the example set by Ajax football club (in Holland), where 80 per cent of trainees become professional footballers (Moorhouse, 1998).

In this context, it is interesting to note that the PFA will only subsidise a maximum of 18 trainees per club over a three year period because this in turn reflects the constraints that it faced from the government (i.e. only £9 million of the total cost of £18.375 million came from the government-controlled Training and Enterprise Councils). In the 1980s, the clubs featured here would recruit 12 or so trainees per year (*Rothmans Yearbook*, various years), because they did not bear the wage and training costs implied by this strategy - the government did. Under the Scholarship scheme, clubs bear half of the costs of recruiting trainees; if they recruit more than a total of 18 trainees, then they must bear the full extent of the extra costs themselves. Given the fact that these clubs have typically recruited an average of 6 trainees per year, it will be interesting to see if this practice significantly improves the career chances for the apprentices concerned. Certainly such a consideration will provide a key test of the scheme in the immediate years to come.

In general terms, it is too early to say whether the new apprenticeship is a success or failure; we will know more next year, when a complete cycle will have been covered. There are, however, several early indications that the aims of the scheme are not being realised. The apprentices are not making the most of their off the job training opportunities and many of them will probably not become professional footballers. The evidence on salaries in the second year implies that perhaps 8 players might 'make the grade'.

In Atkinson's (1984) terminology, managers might be viewed as core employees (in the sense that they are clearly very important to the clubs concerned) and yet, typically, they have very little security of tenure. Their contracts are often short term, lasting a few years. Again, this represents a marked contrast with other industries and has clear implications for training. It would seem as though the training of employees is subject to exogenous forces of a variable nature. The

Modern Apprenticeship scheme is not in a position to combat such uncertainty and, again, one is left with the impression that the training and development of footballers is unique in this respect.

Clearly then, football could be regarded as a special case, in that features of the relevant labour market are highly unusual (witness transfer fees) and often occur as a result of custom and practice (such as subsidising producer costs in the case of the scouting system). However, this does not mean that the industry (or society) could or should necessarily condone current recruitment and training policies. The Modern Apprenticeship scheme was introduced in a bid to correct the flaws of the YT scheme and its aims have already been outlined. Not only would it seem that the scheme has fallen short of its stated aims in practice, but economists would be tempted to suggest that there is evidence of productive and allocative inefficiency. The evidence collected here (which has yet to complete its last round) suggests that only a minority of apprentices recruited in 1998 will be offered terms as a professional footballer. According to LAWTEC (i.e. the Lancashire West Training and Enterprise Council) in an interview in July, 1998, Modern Apprenticeships normally enjoy a 75 per cent chance of a successful outcome. Given this, then attrition rates in the football industry are still high and point to productive inefficiency (a poor rate of outputs to inputs). In this case, we might regard the relevant inputs as comprising both direct costs (such as the £18.5 million alluded to earlier) or indirect costs (such as £12,000 foregone earnings/person referred to above). An output, in this context, would mean an apprentice being offered a contract as a professional player.

Intuitively, the concept of productive efficiency is reasonably clear; however, economists also refer to the notion of allocative efficiency. This refers to the level of resources devoted to one activity rather than another. In the context of a perfectly competitive market for a consumer good, for example, allocative efficiency occurs when the price of the item is equivalent to the marginal cost of producing the last item ($P=MC$). In this context, it might be the case that all of the apprentices taken on by clubs were offered contracts and that training was done at a low level of average costs (i.e. there was productive efficiency). However, this still begs the question of whether or not a given amount of resources should have been devoted to this activity in the first place. The impression gained here is that there is allocative inefficiency in that too many apprentices have been offered a training place in this industry. A telling estimate provided by one of the clubs is that there are currently (i.e. as at July, 2000) 800 players who are out of contract, but would take up work as a professional footballer if the opportunity arose; this suggests an over supply of footballers coming out of the apprenticeship system in this country. The importance of foreign players has already been alluded to; a practice that might please the paying public (and represents a welfare gain to this group) also hinders the opportunities available to apprentices (i.e. represents a welfare loss to another group of people).

One problem here concerns the role of uncertainty. It is virtually impossible to predict (with certainty) who will be the next sought-after player from a group of teenaged apprentices (Murdin, 1998). However, it would seem that the costs of mistaken decisions are often borne by the apprentices themselves (in terms of foregone wages and the experience of having their life-chances in other industries adversely affected). Professional football clubs are able to pursue present recruitment strategies largely because thousands of young amateur players want to become apprentices. Moreover, the clubs benefit from the producer subsidy alluded to earlier; again, the point here is that many adults want to take part in the industry by performing that scouting role. One implication from this work is that clubs might usefully recruit fewer apprentices and might have to bear more of the costs of recruitment and training if inefficiencies are to be

avoided. Given the attrition rates referred to earlier, it is clear that government subsidies could be better spent elsewhere given that the government pays roughly half of the costs of the scheme. Moreover, as Moorhouse (1998) points out, the policy suggested by Wilkinson (1997) whereby footballing academies are established by Premier League clubs and Centres of Excellence are adopted by other clubs may well suit employers in that industry but may result in inefficiencies that hinder the overall, long-run development of trainees.

In short, football should be considered as a special case in some ways. Equally, however, this does not mean that we cannot appraise the industry with the economic tools of analysis at our disposal. The impression gained from the survey of these three clubs is that their reliance on traditional recruitment and training methods might well need to change even more than it recently has done if a more efficient use of resources is to come about.

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Appendix 1

Questions asked in the first year of the study

1. Which part of the UK are you from?
2. Are you on the YT or Modern Apprenticeship scheme?
- 3a. What qualifications do you already possess?
- 3b. How many GCSEs do you possess above Grade C?
4. What qualifications will you be studying for whilst you are with your present club?
5. Do you know what would happen to you if you did not go to college or perform adequately during your studies?
6. Do you know any of the details of your training programme
 - for this year
 - for next year?
7. What do you intend to do if you do not become a professional footballer?
8. Were you registered with the club as a schoolboy?
9. Did you have trials with any other clubs?
10. Were you recommended by a scout (or someone else) to go for a trial with your present club?
11. What representative honours (if any) have you already gained?
12. Where would you like to be, in footballing terms, by the time that you are 20?

Appendix 2 Football results 1st year (1998)

Ref	Q1	Q2	Q3a	Q3b	Q4	Q5	Q6	Q7	Q8
1	Oldham	MA	8GCSE	2	GNVQ (In)Sp/Rec	nk	Which college?	nk	y (14)
2	Oldham	MA	8GCSE	4	BTEC (Sp.St)	nk	n	College	y (14)
3	Oldham	MA	8GCSE	3	BTEC (Sp.St)	nk	n	nk	y (13)
4	Oldham	MA	8GCSE	3	BTEC (Sp.St)	nk	n	Builder/army	y (13)
5	Wakefild	MA	7GCSE	1	GNVQ (In)Sp/Rec	warn/out	y (go to AdGnvq)	Coach (football)	n (Leeds)
6	Oldham	MA	8GCSE	1	GNVQ (In)Sp/Rec	warn/out	y (go to AdGnvq)	Leisure.mngt	y (ul2)
7	Chorley	MA	9GCSE	9	A(Ma/Ch/Com)	Y (warn/pay)	y (9-5:5days)	Architect	y (13)
8	Manchtr	MA	7GCSE	0	BTEC (Eng/Com)	y (warn/pay)	y (9-5:5days)	Joinery	n (Man.C)
9	Southport	MA	9GCSE	9	A (Ma/Bio)	y (warn/pay)	(9-5: 5days)	Physio	y (11)
10	Glasgow	MA	8SiG	0	BTEC Sport/Leis	nk	nk	Coach	n(G.Clt)
11	Glasgow	MA	8SiG	1	BTEC Sport/Leis	nk	nk	wkwithdad(haulage)	n(G.Clt)
12	Liverpool	MA	9GCSE	4	BTEC GraphDes	Miss game	nk	Engineer	y (14)
13	Ormskirk	MA	9GCSE	9	BTEC(Sp.St)	Miss game	nk	Sports	y(U12)
14	Bridgend	MA	10GCSE	8	GNVQ(Ad)Leis/T	warn/fine/out	y	Builder/coach	y (ul5)
15	Stockport	MA	7GCSE	3	GNVQ(In)Leis/T	warn/fine/out	y	Coach/physio	y (ul1)
16	Maccfld	MA	9GCSE	8	GNVQ(Ad)Leis/T	warn/fine/out	y	Coach	y (ul1)
17	Derry(N/I)	MA	7GCSE	2	GNVQ(In)Leis/T	warn/fine/out	y	Coach	y (ul5)
18	Warrington	MA	10GCSE	9	GNVQ(Ad)Leis/T	warn/fine/out	y	Coach/physio	y (ul0)
19	Manchtr	MA	9GCSE	4	GNVQ(Ad)Leis/T	warn/fine/out	y	nk	y (ul3)
20	London	MA	9GCSE	0	GNVQ(In)Leis/T	warn/fine/out	y	nk	n(NottsF)
21	Canada	MA	9GCSE	9	GNVQ(Ad)Leis/T	warn/fine/out	y	Stockbkr/university	y (ul4)

Appendix 2 Football results 1st year (1998) continued

Ref	Q9	Q10	Q11	Q12
1	No	Rec by coach	OldhamU15	Eng Int
2	Man City	Rec by coach	OldhamU15	Prof.Footballer
3	L'pool	Rec by friend	OldhamU15	Prem.League
4	No	Rec by coach	OldhamU15	Prem.League
5	Leeds/Reading	Rec by Leeds	WakefieldU13	1st team
6	Oldham	Rec by friend	OldhamU15	1st team
7	Bolton/Derby	Rec by scout	LancsSc/NWS	1st team
8	Oldham	Rec by ManC	ManSc	Push for 1st team
9	No	Scouted	EngU16	1st team
10	AtStJohnst(1yr.'Free').Cl/Clt.A/V/Hearts.Motherwell	Contact via mngr	ScotlandU14BCapt	Cl.Celtic/Scot
11	Signpnt(4mnth).A/V/Hearts.Motherwell.StJohnst	Contact via mngr	GIU15.	Cl.Celtic
12	Everton	Scouted	L'poolU15	Everton
13	No	Centre Exc	LancsU16	Prof.Footballer
14	ManU/Wolves/Wrexham/Cardiff	Scout	WalesU16	1st team (Premr club)
15	No	Scout	Grrr Manc'rU16	1st team (anywhere)
16	No	Scout	EngU16	Play-not bench plr
17	Celtic/Sheff Wed	Scout	N.IrelandU16	1st team (anywhere)
18	No	Scout	None	1st team (anywhere)
19	No	Scout	TraffordU14	1st team-Prem
20	Notts Forrest(for 3 yrs-but too small)Let go	Rec by Nott.F	None	1st team-ManCity
21	No	Came on tour. Stayed for trial	MacclesfieldU15	1st team-Prem
n=9				
		2 started at other clubs	2 EngU16	6=1st team at club
(but 5/8 at academy say no trials elsewhere)		(as apprentices)	1 Wales U16	All 21 want 1st tm
(cf 4/13 at Centres of Ex. to say no to other trials)		3 at other clubs as sch.boys	1 N Ire U16	
			2 none	

Appendix 3

Questions asked in the second round of the study

1. Have you made any appearances for the first team?
2. Have you made any appearances for the reserves?
3. How well do you think that you have settled into the club?
1 5
V.well V.badly
4. How well would you say that you got on with the senior players in the club?
1 5
V.badly V.well
- 5a. What footballing skills do you think have been especially developed in the past year?
- 5b. Have you found that any other skills have been improved? If so, which ones?
6. How have you found the training?
1 5
V.easy V.hard
7. To what extent would you say that your current playing ability is the product of your own (innate) ability, as opposed to the coaching that you have received?
1 5
All innate ability All due to coaching
8. Do you currently have an agent?
9. Do you think that you will get an agent (in the next year or so)?
10. What are you currently earning?
- 11a. How well are you getting on with your college studies?
1 5
V.well V.badly
- 11b. Which features of your college course have you: (i) most enjoyed;
(ii) least enjoyed?
12. Have you been awarded any certificates/diplomas (such as first aid) in the past year?
13. Would a financial inducement have made a significant difference to the effort that you put into your studies? If so, how big would that inducement have to be?
14. After a year do you think that you made the right choice:
(a) of football club? (b) of career?

Appendix 4 Football results 2nd year (1999)

Ref	Q1	Q2	Q3	Q4	Q5a	Q5b	Q6	Q7	Q8	Q9
1	N	4 sub	1	5	Control	Coaching(UEFA C)	2	4	n	n
2	N	n	2	4	Agility/Shotsaving/Communication	Coaching(UEFA C)	5	4	n	n
3	N	3 sub	1	5	Passing/Heading	UEFA C	3	3	n	n
4	N	2 start (2 sub)	2	5	Communication/Tackling/Heading	Coaching(UEFA C)	5	4	n	n
5	N	4 sub	1	5	Coaching	UEFA C	2	2	n	y
6	N	1 sub	1	5	Passing/Heading	UEFA C	3.5	3	n	n
7	1 start (3 sub)	10 start (4 sub)	1	4	Decision making/Strength	UEFA C	5	3	y	y
8	N	1 start (1 sub)	3	3	Agility/Crosses/Positioning	Being role model	3	3	n	n
9	N	5 start (5 sub)	2	3	Heading/Communication	UEFA C	3	2	n	n
10	N	n	3	4	Heading/Passing	UEFA C	3	2	n	n
11	Long	Term	Injury							
12	N	7 start (1 sub)	3	4	Tackling/Communication/Passing	n	3	3	n	n
13	N	7 start (4 sub)	2	4	Awareness	n	5	2	n	n
14	N	6 start	2	3	Passing	Fitter	3	3/4	n	n
15	N	n	2	4	Tactical skill/Technical skill	Fitness	3	3	n	n
16	N	12	2	2.5	Confidence	Physical/mental hardness	4.5	2.5	n	n
17	N	often	2.5	2.5	First touch	Physical/mental fitness	4.5	3.5	n	y
18	N	2	1	4	Tactical awareness	Mental hardness	3	3	n	y
19	N	6 start	3	2	Movement off ball	Physical/mental hardness	3	3	n	n
20	2 start (2 sub)	often	1	4	Left foot	Concentration	3	3	y	n/a
21	N	often as sub	1	3	General skills	Fitness	3	2	y	n/a
22	N	1 sub	2	4	Awareness/Ball control	Coaching (UEFA C)	2	3	n	y

Appendix 4 Football results 2nd year (1999) continued

Ref	Q10	Q11a	Q11b (dislikes)	Q12	Q13	Q14a	Q14b
1	59.5	1	Coaching (early start at college)	n	200	y	y
2	59.5	1	Coaching (notes)	n	200	y	y
3	59.5	1	Coaching (notes)	3rd class ref	100	y	y
4	59.5	1	Coaching (notes)	n	200	y	y
5	59.5	1	Coaching (early start at college)	n	200	y	y
6	59.5	1	Coaching (notes)	3rd class ref	100	y	y
7	175 + expns	4	Bio A/L (Math A/L)	n	not for money	y	y
8	50 + expns	4	Practical GNVQ wood ((theory)	n	750	y	y
9	300	3	Bio A/L (exams)	n	not for money	nk	y
10	50 + expns	3	IT (sport administration)	n	500	nk	y
11	Long	Term	Injury				
12	50 + expns	2.5	Graphic design (assignments)	Cert.of design	500	y	y
13	50 + expns	3	IT (sport administration)	n	100	y	y
14	300	3	Blackpool trip (survey work)	n	no	y	y
15	70	3	Group identity (coursework)	n	yes	y	y
16	300	5	Break (boring classes)	First Aid	50/week	maybe	y
17	70	3	Practical (boring coursework)	n	yes	maybe	y
18	300	4	Group identity (attendance problems)	n	20/week	y	y
19	600	3	Practical work (survey work)	n	no	y	y
20	won't disclose	1	Social life (early start at college)	n	yes	y	y
21	won't disclose	5	Trip to Blackpool (too easy)	n	no	maybe	y
22	45	3	Practical (assignments)	n	200	y	y

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Lifelong Learning: Are The Wrong Questions Being Asked?

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Introduction: Some common international concerns about vocational education and training

In the past decade, one striking feature of the issues facing governmental policy advisers (around the world) regarding education and training policies is the sheer scale of the commonality involved, as the Economist pointed out some years ago (1992). For example, as the Economist suggested, most governments want to expand higher education but are concerned about the effects that such a policy would have on the size of the PSBR (Public Sector Borrowing Requirement) or its equivalent. A number of more recent strategy documents, again from a variety of countries, have been at pains to stress how the difficulties that they have experienced in this area of policy are similar to those found elsewhere. This is especially true of the phenomenon often called the digital divide (i.e. the gap between the "information haves" and the "information have-nots"). A Finnish author Saarti (2000), for example, cites a European Union document of 1998 to illustrate a concern surrounding this issue, felt by all of the 15 member countries involved. Elsewhere, the Australian Department for Education, Training and Youth Affairs (1999) has suggested that a number of diverse countries (such as Norway, Korea as well as Australia itself) had expressed concerns about the nature of graduate training programmes, in their respective labour markets. Here in the UK, the LIC (Library and Information Commission, 1997) collected evidence from 14 countries to suggest that lifelong learning was thought to be desirable but would need significant injections of cash from the public purse, to "kickstart" any programme that would promote lifelong learning across all sectors of society.

Indeed, if one looks at recent literature on the policy of lifelong learning, it is quite evident that a lot of it has an optimistic tone, in the UK, Australia and other countries (see, for example, DfEE, 2000; Candy, 2000). A number of policy makers and advisers, in a number of different countries, are suggesting that with the current pace of technological change and the need to establish some sort of edge in a global marketplace, then adults need to constantly update their skills.

This paper does not seek to refute such an argument; of course it is desirable that adults continue to feel empowered to audit their own skills and "plug any gaps" that may appear over the course of their lifetime. The intention, rather, is to raise the possibility that other (important) questions are not being given sufficient attention. Given the nature of the argument presented above, then perhaps not unnaturally,

authors such as Candy then seek to explain *how* lifelong learning can be undertaken and in particular, ask what the role of higher education might be, in this context. In the UK, the Dearing report was also partly concerned with similar themes, tackled in a similar way (NCIHE, 1997).

Some Relevant Theory

The concern at this stage must be that there is a danger that a significant proportion of the workplace may simply (and rationally) ignore the possibility of lifelong learning. At a policy level, this issue is often described as one of social exclusion. In the discipline of economics, a number of American and British authors have highlighted the distinct possibility that within a given society, dual labour markets exist, and therefore a sizeable minority of workers may be consigned to an unenviable choice between unemployment on the one hand and temporary and/or part-time work on the other. Such workers are unlikely to be motivated to undertake lifelong learning; indeed, it may not even pay them to do so. Different strands of the economics literature have labelled these workers in different ways but the problem (of a low-paid, untrained minority) remains the same. Lindbeck and Snower (1988) for example, talk of the distinction between outsiders and insiders; it is only the latter group who have access to employer-funded training and are in full-time, permanent employment. Atkinson (1984) talks of core, as opposed to peripheral, workers. Again, it is the former group who will gain some sort of job security, due in no small measure to the fact that employers are willing to invest in their (general) skill-levels. These employers would want, one assumes, to see some sort of return to their investment and as such, would be less willing to make a core worker redundant, than their peripheral worker colleagues. By contrast, argues Atkinson, peripheral workers will either be in routine jobs and receive limited (firm-specific) training or else be on temporary contracts with even fewer prospects of being trained. The problem is compounded by the fact that those in insider/core jobs are themselves likely to enter the labour force with a relatively good set of qualifications to begin with and then go on to command a disproportionately high level of an institutions' training budget (Seyd, 1992).

Of course, one could argue that the responsibility for lifelong learning rests with the learners themselves, rather than some other group (such as employers). However, the consensus in the literature mentioned above (on dual labour markets) is that once someone is consigned to the secondary (i.e. less desirable) sector of the workplace, to use Piore and Doeringers' (1971) terminology, then it is very difficult for that person to "climb" into a primary/core/insider job. Due to structural features of the labour market which are beyond their control, secondary/peripheral/outsider workers will not be able to compete on even terms, with their more fortunate colleagues for desirable jobs. Put another way, given the difficulties that they face in the labour market, these workers may well feel resigned to the fact that they are faced with the unenviable choice mentioned above and that any investment on their part in training/lifelong learning will not be likely to yield worthwhile returns. Employers will still not regard

their job applications as an adequate substitute for those applying from the primary/core/insider sector, when desirable job vacancies do occur.

This structural problem also concerns the wage structure that exists certainly in the UK and, one suspects, elsewhere. A (1992) report by Bennett and his colleagues at the London School of Economics suggested that much lower-level vocational education would yield results that would compare unfavourably with the returns to be gained by simply leaving money tied up in a financial asset. It is true that formal academic qualifications (such as a degree) would often yield adequate (private) returns but vocational qualifications up to the equivalent of our National Vocational Qualification level 3, would not. Bennett, like others (such as Prais, 1993) have suggested that there are deep-seated problems with the wage structure in the UK; it is this particular form of wage-rigidity that makes certain individuals' investment yield disappointing returns. This result is especially for those who are poorly qualified to begin with, and who might have otherwise felt that some investment in a period of lifelong learning (to do a lower level of trade qualification for example), might have "paid-off".

Government Policy: "The Bang for the Buck"

Again, one might argue that lifelong learning is not purely concerned with monetary gain; there are consumption benefits as well as investment returns to be had. This is true, of course, but what is striking about much of the literature is that is couched in terms of the benefits that could accrue in the labour market, both from a private and social point of view. As Candy (2000) and others (such as the Economist, 1992) have pointed out, education is a major policy preoccupation of governments around the world. Given the large sums of money involved, it is hardly surprising that these governments are anxious to make sure that resources are used efficiently. Governments around the world want their "bang for the buck"; they do not, for example, want to see graduates with an expensive (subsidised) education remain unemployed. This concern, coupled with a natural desire to try to ensure that their countries stay competitive in a global marketplace, goes some way to explaining why governments such as the one in the UK have attempted to encourage a culture of lifelong learning, as the DfEE themselves admit (DfEE, 2000).

Even when there is an explicit recognition that distance learning is unlikely to be accessed by all, then there is little discussion about ways of resolving the problem. At a major conference recently organised by the University of Central Queensland, about distance learning, Loo was one of a minority who raised this problem (Loo, 2000). As he rightly remarks, in the UK there is a close correlation between socio-economic class and the chance of someone being well-educated and continuing to undertake lifelong learning. However, there was no discussion about the policies required to overcome this problem.

Similarly, the UK government recently published the third report of the National Skills Task Force (DfEE, 2000) and recommendation 3 reads as follows:

“The promotion and encouragement of lifelong learning should be greatly increased, building on programmes like the Campaign for Learning, UfL and the Union Learning Fund, particularly targeted at individuals who could most benefit from learning but are reluctant to get involved.”

(DfEE, 2000, p.51)

Again, though, there was very little detailed discussion about the practical arrangements that would be put into place, to ensure that these (laudable) objectives actually came into being. Admittedly, it is difficult to see quite how this problem of exclusion can be overcome. However, the fact that this is a difficult issue to tackle, does not, of course, mean that it should not be raised. Similarly, a document published by the American Department of Commerce (1999) about the development of electronic learning possibilities complained about the divisiveness that characterised such technology but said very little about the strategies that might be used to overcome these difficulties. Indeed, one of the major recommendations here was that market forces, if left to themselves, would reduce the cost of computing hardware over time, and thus make such technology more accessible. This may be true, but in the meantime, of course the digital divide still exists and such a policy of *laissez faire* would not seem to be a necessary and sufficient condition to close the gap quickly.

Computer Literacy

Another reason to be cautious about the practical realities underlying lifelong learning concerns the issue of computer-literacy. As the American author Breivik (2000), *inter alia*, has recently pointed out, lifelong learning is increasingly predicated on the basis that individuals have some level of computer literacy. One can see why this might be the case, given the past decade has witnessed something of an explosion in terms of communication via email and the access of information via the world wide web. Moreover, it is commonplace to talk of the way in which computers have become more powerful and cheaper (in real terms).

Again, this paper does not seek to refute the essence of the argument above but merely seeks to advise caution and to raise the possibility that important questions are being overlooked. Here at the University of Central Lancashire, a study has been recently started to look at levels of IT (Information Technology) training given to librarians who are dealing with the day-to-day task of running branch libraries. Given institutional links that already existed, we decided to compare a cohort of 20 librarians in the north-west of England with a comparable group in Kajaani (which is in the east of Finland). The study is some way from being completed but already, one or two interesting results have already emerged. The encouraging news was that everyone in the study, with one exception, had received some form of IT training in the past year (i.e. in the year up until the winter of 1999/2000). The one exception was a temporary Finnish employee who had recently graduated (1998) with a degree in Library and Information Systems. In both countries then, employers seemed to take the issue of updating workers' skills seriously and had devoted resources accordingly. Moreover, there was considerable evidence to suggest that a number employees were

willing to invest their own time in generally accredited courses; they had, in short, been prepared to take responsibility for their own lifelong learning. Thus, 9/20 of the British employees had undergone general IT training, that was done in their own time, as had 6/20 of the Finnish librarians. These employees were doing these courses, as well as the shorter (firm -specific) courses provided by their employer.

What was more surprising was that a large proportion of these employees did not own their own computer. Nearly half of those in Finland (9/20) and a third of those in the UK (7/20) did not own their own computer and this result has a number of implications. It means, of course, that these employees, will not be able to do distance learning in their own homes. Similarly, they will not be able to access information available on the world wide web, except (possibly) from their place of work. Now, if ever a group of workers would be aware of the importance of information, then *a priori*, one would assume that it was this group. Moreover, one cannot explain the finding in terms of correlating ownership of a computer with work patterns. All of the Finnish cohort (of 20) were full-time employees and the majority of those working part-time in the UK (6/10) also had their own computer. Admittedly, this is a very small-scale study and is subject to a number of methodological criticisms, not the least of which is that with a small data set one has to be very careful of drawing overly confident conclusions. Also, of course, the proportion of any given population that owns a computer will vary enormously from its competitors in the global marketplace; in the UK, popular estimates are that perhaps 50% of the population own their own computer (Travis, 2001). The important point in this context, is that although one accepts that the numbers of people owning their own computer will increase in the near future, it seems certain that many million of people in a variety of countries do not, at present, have access to a computer in their own home.

Once again, one is left with the impression that an important question has been overlooked. That question surrounds the issue of making sure that *as many people as possible* are encouraged to pursue lifelong learning, rather than concentrating attention purely on the question of *how* those who are computer literate (and have their own computer) or those who are already relatively well educated might undertake lifelong learning.

Some Tentative Conclusions

The empirical evidence in this case study is drawn from the British and Finnish experience, but one suspects that the results may well be replicated in other countries, at least in broad terms. As a caveat, one has to remember that it is often difficult to compare like with like in the context of education and training qualifications and programmes, as Williams has pointed out (1992). Moreover, as Rhodes (1992) has argued, it is difficult, given these important institutional differences, to be prescriptive about policy measure in this area. Although the nature of the problems may well have an underlying similarity, it is often the case that what seems like a feasible policy in one country may well not work elsewhere. One might add that Rhodes was talking in the context of a social and economic divide across Europe; his warning seems even

more apposite if one considers a mix of countries that would cut across different economic blocs. The fact still remains though, that lifelong learning is thought to be important in a number of different countries and yet in a number of countries such as the UK; Finland and the USA, there is a digital divide (Saarti, 2000). The following points are made in the hope that a case study from the UK might act as an example to give others "food for thought" in this area.

The intention of this paper was to raise the possibility that a key question regarding lifelong learning was being overlooked. In a short piece such as this, one can only offer very tentative suggestions about lines of future discussion; the point is that there surely needs to be more discussion. However, a useful starting place might be a widely-cited paper written by Finegold and Soskice (1988), which admittedly centred on the UK's lack of skills in general, rather than lifelong learning, *per se*. In this paper, the authors argued that there are three interlinking sets of economic actors holding back Britain's ability to get out of a low skill-low wage equilibrium. These three agents are the government, British employers and individual workers themselves. As Finegold and Soskice suggest it would be appropriate to consider what the role of each might be, in terms of maximising the possibility that as many people as possible benefit from further education/training.

The UK's Library and Information Commission has recently argued that in a bid to make access to the world wide web more widespread, the government might consider putting more computers available in places such as libraries, available for free (or highly subsidised) usage (LIC, 1998). The American Department of Commerce (1999) has made a very similar suggestion but uses different terminology, as one might expect; it talks of Community Access Centres fulfilling this role and goes on to suggest that CACs would include "schools, libraries and other public access areas" (Part III, p.2). Similarly, governments might offer more targeted subsidies to those who are in need of training/retraining, to try to overcome computer illiteracy. Another possibility might be to offer tax breaks for accredited achievement in certain spheres of lifelong learning. Almost certainly, governments could do more to emphasise the benefits of lifelong learning; there is, in that sense, something of an information gap.

Similarly, if one looks at the role of employers, it is clear that they might do more to encourage autonomous (continuous) learning, on the part of their employees. One example has been provided by the car company Ford, who make a certain sum of money available to their employees for training. It is then up to the individual to decide how they spend that money. This strategy at least goes some way to overcoming a deep-seated problem that was encountered at British Gas (Monk, 1997). Senior training officers in that organisation admitted that it was very difficult to move away from a culture in which training was equated with (employer-provided) courses, and to get employees to take a greater responsibility for their own development. As Bennett and his colleagues (1992) have argued, the fact that wage structures are relatively "flat" in the UK, is also a problem. It may well not pay certain groups of (poorly qualified) workers to invest much of their own time and effort in lifelong

learning. As he suggests, wage structures need to change as part of the drive to encourage learning.

Finegold and Soskice take Britain to task for not having a culture in which employees take responsibility for their own learning. However, as number of authors such as Hofstede (1991), have pointed out, it is difficult to change a nations' culture. In this case, what is required is a major change, whereby those in *all* sectors of society are encouraged to make arrangements for their own lifelong learning. The risk is that this difficult question is ignored and that would result in an even greater social division than currently exists.

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Lifelong Learning: Who Trains the Trainers?

Abstract

This paper suggests that in the general literature on lifelong learning, there is a danger that important issues may be in danger of being overlooked. It is striking, for instance, that a number of papers have assumed the existence of important given factors such as a basic level of computer literacy. In short, these papers have taken an optimistic view concerned with the issue of *how* individuals pursue lifelong learning. This study serves as counterpoint to such optimism. It is concerned with the training that has been given to public librarians (in the UK and Finland) to help them to aid the general public access the information highway and pursue their own lifelong learning. The results presented here suggest that there are many constraints involved in the necessary endeavour to help as many people as possible to become autonomous (lifelong) learners. Not the least of these problems relates to the provision of the necessary training that should be given to library staff.

Lifelong Learning: Who Trains the Trainers?

Introduction

The issue of lifelong learning is clearly an important area of policy in a number of countries around the world. Both of the countries featured in this study (Finland and the UK) have governments that have already committed substantial resources to the development of lifelong learning strategies (LIC, 1997). However, this paper suggests that in this context, there is a danger that important issues may be in danger of being overlooked. In particular, it is striking that a number of papers on lifelong learning (for example, Candy, 2000) have assumed the existence of important given factors such as a basic level of literacy or the equally basic requirement to own (or have access to) a PC (personal computer). In short, these papers have taken an optimistic view concerned with the issue of *how* individuals pursue lifelong learning. This comparative, longitudinal study serves as counterpoint to such optimism.

A Policy Context: The UK's Library and Information Commission and the Finnish Ministry for Education

It is commonplace to talk of the rapid onset of globalisation (Dunning, 1996) and technological change (Storey, 1992); these changes, it is argued, have become especially pronounced in the last two decades. Workers can no longer assume that their initial education or training will remain valid for a working lifetime. The following is from the Finnish Ministry of Education's (1997) statement on lifelong learning:

"Economic globalisation, the increase in other forms of international interaction and developments in technology have led to a situation where spasmodic and unexpected change has become the norm in society. Change is often experienced as a threat, but it also provides a great deal of opportunities. People accordingly find themselves constantly confronted by a new situation demanding new learning and a renewal of competence."

Finnish Ministry of Education (1997, p 1)

The Ministry went on to advocate “state-supported vocational adult education” (p2). Explicit mention was made of the need to ensure that those workers with the lowest levels of skills should be encouraged to update their skills; the issue of social exclusion (and a concern for secondary/peripheral workers) was part of this policy statement, but there was little discussion about how these (laudable) aims should be achieved. Just as the UK’s Library and Information Commission (LIC) envisaged that employees should be prepared to use their own time to develop their own skills, so the Finnish Ministry also envisaged that autonomous, independent learning might well involve employees being prepared to be trained outside “office hours”.

The UK’s Library and Information Commission (1997) looked at reports from 14 countries (including Finland) in this context, and was struck by the uniformity of policy aims. All 14 countries had government publications in the past decade that confirmed that they were anxious to ensure that their workforce did not fall behind in the global race to update workers’ skills, something that the Economist had also identified in the early part of the decade (1992). What has emerged in recent years has been a remarkably consistent desire by governments around the world, to have the same sort of policy that would encourage people to pursue lifelong learning and to create a framework of conditions within which such a policy would be more likely to be sustained.

Indeed, last year, one Australian University (Central Queensland) had an international conference devoted entirely to this theme, of lifelong learning. The American academic Brevik (as a keynote speaker) did, briefly, discuss the fact that in the USA, as elsewhere, there is a growing digital divide, i.e. a growing gap between those who are enable to conduct lifelong learning, because they are computer-literate, and those who are not. Again, there was no discussion about the means by which such a gap might be closed. By contrast with such optimism, in the UK at least, one might be circumspect about the extent to which even professional (core) staff such as teachers have genuinely become more confident about their computing skills, despite a significant state-funded

programme to achieve that aim. According to Doughty (2001), almost half (47%) of teachers felt no more confident of their computer literacy in the year 2000 than they had a year earlier, despite a massive training package that involved £230 million of public money, set aside to train librarians and teachers.

The UK and Finnish governments have both felt that this issue (of lifelong learning) was important enough to use state funds to try to overcome some of the barriers that prevent people updating their knowledge. That is why the British government has embarked on this programme to try to raise computer literacy amongst its teachers; public librarians have also been targeted as part of the same package. The policy is clearly aimed at trying to help those who are responsible for educating and informing others, to first become competent in the use of computers.

Of the £230 million training monies mentioned earlier, £20 million has been especially devoted to the training of librarians. As the Library and Information Commission (1997) point out, 58% of the British population belongs to a public library. (According to the Information Manager of Kajaani Library, Finland, this proportion is approximately 50% in Finland; this information was obtained in an interview held at that library in November, 2000.) The intention of the UK's New Library project is to try to make sure that members of the general public have access to computers and to online (as well as digitally stored) information. Indeed, the LIC explicitly recognized the problem of social exclusion in its documentation on the new project (1997, 1998). The LIC envisage that the general public can be introduced to the process of looking for information held electronically, precisely because so many of them are members of the public library system. This goes some way towards explaining the presence of extra funding for the scheme (and its intended timescale). It is intended that the New Library project will involve some £270 million altogether and that £20 million will be required as the IT training budget, to get staff up to ECDL (European Computer Driving Licence) standard (at least) by the year 2003 (Lancashire County Library, 2000, p22). The teaching profession (in both primary and secondary schools) has been set the same timescale and a similar level of attainment as its objective. The UK government is quite clearly

determined that those responsible for teaching or informing people (especially young people), should themselves be made sufficiently computer literate, in a relatively short timescale.

What is significant though, is the fact that much IT (Information Technology) training for UK librarians is intended to be done in employees' own time. The LIC estimate that employees should be prepared to give up the equivalent of 5 days per year for such a purpose (LIC, 1997, p41). It is also noticeable that the LIC envisaged that training would be for both professional and front-line staff (i.e. broadly speaking, library assistants). The former group could be classed as core workers and would have, as a requirement of the job, a university level education, which the latter (peripheral) group would not have; the peripheral (or secondary) group would also be quite likely to be on part-time (or temporary) contracts of employment. It is striking that the LIC explicitly suggests that Saturday only staff should receive IT training (LIC, 1998, p61). Finally, the LIC were adamant that IT training should be accredited.

Methodology

It is increasingly true that research (including research into education/training provision) is being done on an international basis and such comparisons can often yield interesting results (Shackleton et al, 1995). Equally, there are several obvious problems with such research, not the least of which is related to basic difficulties resulting from the use of different languages. Bearing such difficulties in mind, we wished to compare our results with those of another country and Finland was chosen for a number of reasons. We felt that Finland would provide an interesting comparator, given that the standard comparisons between the UK and Germany or Japan, have already been well rehearsed in the literature (see Deissinger, 1997, and Needle, 1994). Similarly, in the case of Finland, standard comparisons are with other Scandinavian countries (see Julkunen and Malmberg-Heimonen, 1998).

To investigate the issues raised by this paper, it was felt useful to track 20 employees from each country, over a period of five years; we wished to “get inside” the libraries of each country and track specific employees working in town/polytechnic libraries. The replies to questions were aggregated and confidentiality guaranteed. Each member of staff was interviewed *in situ* for 20-30 minutes for each year. This paper is by way of an interim set of results, after the second round of interviews with each cohort (held in the winter of 1999/2000 and 2000/2001).

Results

One general observation

As in the first year of the study, it would be true to say that the similarities between the countries were far more significant than the differences. There was, for example, very little labour turnover, in either country.

Some specific points

The picture that emerged regarding the ownership of a PC was interesting. In the second year of the study year, it emerged that two (out of the cohort of 18) Finnish employees had bought a computer for home use, which meant that the proportion of those without a PC at home was now 8/20 (compared to the UK figure of 3/20). This compares with an estimate by Travis (2001) that half of the British population has access to a PC at home.

In the first year of the study, every employee in both countries had received some form of training in the previous year (except one Finnish employee). In the following year, when asked about the utility of such training, only 2/18 Finnish respondents disagreed with the statement that IT training was useful; in the UK the figure was also 2. Nine of the Finnish cohort had been on short courses in the second year of the study year (compared to 7 in the UK). Typically, in both countries, these short courses would include a one-day Word course or database courses or a 1 day Internet course. Again, as in the UK, where people

had started general courses, they felt that they had progressed with them well. Currently, 3 people were doing more generally accredited courses in Finland and two of those were doing Personal Development courses. The third person was doing a 20-credit course based at Oulu University in Library and Information Technology. Similarly, in the UK, 3 people were continuing with general courses; this comprised one person doing the ECDL, another doing an Integrated Business Technology (level 3) course and a third doing an ITB (level 2) course.

As with the UK, there was a marked (and understandable reluctance) for employees to use their own money to get training; where such a contribution was made, it was paid by those doing general (rather than short) courses. Two Finnish employees said that they had contributed to such training in terms of direct money costs (at a value of between £38-40 for a year). This compares to the (similar) British result that 3 people had contributed towards such costs (and subsequently paid out sums ranging from between £17.50 to £74).

Interestingly, if we look at the people doing general courses, then they *were* prepared to use their own time. In the case of the 3 British people doing such courses, this typically meant being prepared to devote 3 hours per week. This contrasts with the picture in Finland, where people would be prepared to give up between 5-8 hours per week in two cases and every other weekend in a third. To an economist this is of interest in that the opportunity cost of such time could be considerable. Let us imagine that a person was being paid the equivalent of the British minimum wage of £3.70 per hour. In that case, the British people were giving up the equivalent of an opportunity cost of £11.10 (i.e. $3 \times £3.7$) "lost" wages per week, or £444 per year ($40 \times £11.10$). In the case of Finland, let us be conservative and suppose that the time spent is 5 hours per week; then the lost wages would be worth £18.5 (5×3.7) per week. To put this further into perspective, if the opportunity cost of lost wages was of the order of £18.5 per week, then this would amount to some £740 (7400 Finnish markka) over a typical academic year (i.e. $40 \times £18.5$).

There was very little evidence of job application either inside or outside existing employers. In the UK, only 4 people had made internal job applications (with the same employer) and only one person had made an external application. Almost exactly the same results emerged in Finland. Only one person had made an external job application and no one had made internal applications. It would seem that poaching is not going to be a problem in this context; poaching refers to the practice of tempting a trained employee away from one employer to another by offering them better pay and/or conditions of service.

The LIC (1997, p34) pointed out that of the equivalent of 27,000 full-time employees in the British public library services, 74% are "front-line" staff (i.e. broadly speaking, clerical workers or library assistants) and the other 26% are professional librarians. However, they wanted to make sure that both groups received training. The first round of this study indicated that although half of the British cohort comprised part-time employees, they still received some form of IT training. By contrast, in Finland, all staff in the survey were on full-time contracts and all had received some form of training in the first round of the study; it is perhaps less surprising that they were all given some form of training. In the second round, the majority of employees across both countries continued to receive IT training (i.e. 12/18 in Finland and 10/20 in the UK).

The intention of the British library service featured here was to provide IT training up to the standard of the European Computer Driving Licence by the year 2003 for all of its staff (Lancashire County Library Service, 2000). (In this particular region of the UK there are some 700 library staff.) However, it is interesting that, to date, those 4 staff that have done (or are) doing the ECDL were (with one exception) professional staff doing it on a pilot basis, largely in their own time; it is true that they were given a nominal ½ day a month off to pursue this course. There has been no evidence, as yet, that the bulk of the staff in this region have done the ECDL; certainly only a minority of the cohort in this study have done the course.

Conclusions and Policy Implications

One clearly has to be very wary of drawing policy conclusions from such a small data set and one that suffers from the obvious defect that respondents are not responsible for the answers given. Also, of course, one has to recognise the importance of cultural variables; what policies work in one country may not be as efficient in another (Hofstede, 1991). The following points are made tentatively.

The first point to make is that there is clearly a need for lifelong learning and that IT literacy is clearly an important component of such a policy. More specifically, as Finegold (1993) has pointed out, the UK is in a low skill/low wage equilibrium compared to other countries in the EU. The challenge facing the British economy is to make sure that our workforce is able to produce a higher value added output, by increasing skill levels; lifelong learning has an obvious part to play in such a strategy. The New Library project is one example of a policy that demonstrates that the British government is now making a determined effort to update skill levels, especially those concerned with information retrieval. This project is explicitly designed to affect a wide range of people in society and encourage them to pursue lifelong learning. In terms of equity and efficiency, one can see great merit in the LIC's avowed attempt to deal with the issue of social exclusion in this context.

There are a number of positive signs emerging from the interim results of this small study. The evidence regarding job applications, for example, is interesting; with very few exceptions, neither the Finnish nor the British staff made external job applications, which suggests that poaching is not a problem. The evidence here supports the argument of Shackleton (1992), that poaching is more of a potential, rather than actual problem. It would seem that the Finnish and UK government (through the LIC) are right to provide generally accredited training, such as the ECDL, as well as more limited (short duration) training, that is often in effect, firm specific.

Moreover, the evidence about staff willingness to pay for training is also interesting. In neither country were staff generally willing to pay the direct costs associated with training (such as tuition fees). However, some staff were prepared to subsidise training, in that they were prepared to use their own time for such an activity. Generally though, it was the professional staff (in both countries) that were prepared to make such a sacrifice. Although employers in both countries would be prepared to pay the direct costs of such general courses, they were not prepared to pay the implicit costs associated with the use of their employees' time in this context.

However, there are signs that one must be wary of some of aspirational nature of some of the policy statements referred to earlier. The rates of ownership (of a personal computer) provide interesting data. It is clear, for example, from the second round of results that a sizeable minority of staff (i.e. 11/38) across the two countries would find it impossible to do open or distance learning courses themselves, given that they are often predicated on the basis of owning a PC. This issue is an important one, especially in terms of acting as a barrier to lifelong learning for those concerned with providing an information service to others in their community.

There is another reason to be somewhat skeptical about the optimistic tone set by Candy (2000) or Brevick (2000), regarding lifelong learning. These writers (as well as the UK's Department for Education and Employment, 2000), fail to adequately discuss how the problem of social exclusion will be dealt with, i.e. how the gap between the "information haves" and "have-nots", will be closed. Public libraries have the potential to have a tremendous influence on lifelong learning. Equally obvious however, is the fact that half (or nearly half) of the populations of the countries studied here do not belong to a public library. It is tempting to suggest that many of these people do not possess a PC at home and thus difficult to see how public libraries can help them to pursue IT and lifelong learning strategies.

It is difficult to escape the view that the LIC have underestimated the difficulties of making sure that librarians are adequately trained to support lifelong learning within the

timescale proposed. The UK library service is now approximately half-way through its intended timescale of getting all staff up to ECDL standard of computer literacy; the evidence from this survey suggests that only a minority of its staff have achieved this standard to date.

The interim results featured in this study suggest that there are many constraints involved in the necessary endeavour to help as many people as possible to become autonomous (lifelong) learners. Not the least of these problems relates to the provision of the necessary training that should be given to library staff.

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Des Monk*

Elinikäinen oppiminen: kuka kouluttaa kouluttajat?

Des Monk: Elinikäinen oppiminen: kuka kouluttaa kouluttajat? [Lifelong learning: who trains the trainers?] Informaatiotutkimus 2 (20), 34-38.

This paper suggests that in the general literature on lifelong learning, there is a danger that important issues may be in danger of being overlooked. It is striking, for instance, that a number of papers have assumed the existence of important given factors such as a basic level of computer literacy. In short, these papers have taken an optimistic view concerned with the issue of how individuals pursue lifelong learning. This study serves as counterpoint to such optimism. It is concerned with the training that has been given to public librarians (in the UK and Finland) to help them to aid the general public access the information highway and pursue their own lifelong learning. The results presented here suggest that there are many constraints involved in the necessary endeavour to help as many people as possible to become autonomous (lifelong) learners. Not the least of these problems relates to the provision of the necessary training that should be given to library staff.

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Johdanto

Elinikäinen oppiminen on eräs keskeinen poliittinen kysymys lukuisissa maissa eri puolilla maailmaa. Molempien tässä tutkimuksessa mukana olevien maiden (Suomi ja Iso-Britannia) hallitukset ovat jo myöntäneet merkittäviä resursseja elinikäisen oppimisen strategioiden kehittämiseen (LIC 1997). Tämä tutkimus haluaa kuitenkin nostaa esille tärkeitä näkökohtia, jotka voivat olla vaarassa jäädä huomiotta. Erityisen merkille pantavaa on, että lukuisissa tutkimuksissa elinikäisestä oppimisesta (esimerkiksi Candy 2000) on oletettu, että tietyt tärkeät tekijät, kuten perustaidot tai perusvälineet, eli oma tietokone tai tietokoneen käyttömahdollisuus, ovat olemassa. Yleensä tällaiset tutkimukset suhtautuvat optimistisesti yksilöiden haluun elinikäiseen oppimiseen. Tämä vertaileva, pitkän aikavälin tutkimus esittää kriittisen näkökulman tälle optimismille.

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Poliittinen konteksti: Iso-Britannian Library and Information Commission ja Suomen opetusministeriö

Kasvavasta kansainvälistymisestä (Dunning 1996) ja nopeasta teknologian kehittymisestä (Storey 1992) puhutaan yleisesti. Lisäksi on esitetty, että parin viime vuosikymmenen aikana muutos on ollut erityisen selvästi nähtävissä. Niinpä työntekijät eivät voi enää olettaa, että heidän alkuperäinen koulutuksensa riittää koko työiän ajan. Suomen opetusministeriön kannanotossa elinikäisestä oppimisesta todetaan:

"Economic globalisation, the increase in other forms of international interaction and developments in technology have led to a situation where spasmodic and unexpected change has become the norm in society. Change is often experienced as a threat, but it also provides a great deal of opportunities. People accordingly find themselves constantly confronted by a new situation demanding new learning and a renewal of competence." (Finnish Ministry of Education 1997, 1).

Ministeriö onkin esittänyt ratkaisuksi valtion tukemaa ammatillista aikuiskoulutusta (ibid. 2). Lisäksi raportissa esitettiin selkeästi tarve varmistaa, että heikko-taitoisimpia työntekijöitä rohkaistaan saattamaan taitonsa ajan tasalle. Huoli sosiaalisesta kahtiajaosta - ja epäpätevistä työntekijöistä - on osa strategiaa, mutta sitä kuinka nämä arvokkaat tavoitteet saavutetaan, käsiteltiin vähän. Iso-Britannian Library and Information Commission (LIC) mukaan työntekijöiden tulisi olla valmiita käyttämään omaa aikaansa kehittääkseen taitojaan. Myös Suomen opetusministeriö pitää mahdollisena, että työntekijät osallistuvat koulutukseen työajan ulkopuolella.

Iso-Britannian Library and Information Commission (1997) tutustui laatiessaan omaa strategiaansa raportteihin 14 maasta (Suomi mukaan luettuna) ja yllättyi tavoitteiden yhdenmukaisuudesta. Kaikista 14 maasta löytyi viimeisen kymmenen vuoden ajalta hallituksen julkaisuja, jotka vahvistivat halukkuuden varmistaa oman työvoiman maailmanlaajuinen kilpailukykyisyys. Asia, jonka ekonomistit ovat tuoneet esille jo vuosikymmenen alkupuolella (1992). Viime vuosina on noussut esiin eri maiden hallitusten huomattavan johdonmukainen pyrkimys samankaltaiseen käytäntöön rohkaista ihmisiä harrastamaan elinikäistä oppimista luomalla sellaiset olosuhteet, joissa tämä on parhaiten mahdollista.

Vuosi sitten australialainen yliopisto (Central Queensland) järjesti kansainvälisen konferenssin, joka oli kokonaisuudessaan omistettu elinikäisen oppimisen käsittelyyn. Amerikkalaisen luennoitsijan Breivikin (2000) mukaan USA:ssa, kuten muuallakin, on kasvava kiilu niiden välillä, joilla on mahdollisuus elinikäiseen oppimiseen, koska he osaavat käyttää tietokonetta ja omaavat tarvittavat medialukutaidot ja niiden, jotka eivät siihen kykene. Tässäkään siitä, kuinka tämä kiilu saataisiin kurottua umpeen, ei käyty keskustelua. Vastakohtana tällaiselle optimismille ainakin Iso-Britanniassa voi olla varovainen sen suhteen, missä määrin edes ammattitaitoisen henkilökunnan, kuten opettajien, tietokoneen käyttötaidot ovat aidosti parantuneet, huolimatta huomattavasta valtion rahoittamasta ohjelmasta tavoitteen saavuttamiseksi. Doughtyn mukaan (2001) lähes puolet (47%) opettajista ei ollut yhtään varmempi tietokoneen käyttötaidoistaan vuonna 2000 kuin he olivat olleet vuotta aikaisemmin. Tämä huolimatta mittavasta koulutuspaketista, jota varten varattiin 230 miljoonaa puntaa julkisia varoja kirjastonhoitajien ja opettajien koulutukseen.

Sekä Iso-Britannian että Suomen hallitukset pitävät elinikäistä oppimista niin merkittävänä, että siihen tulee käyttää valtion varoja. Tässä tavoitteena on poistaa osa esteistä, jotka estävät ihmisiä päivittämästä

osaamistaan. Siksi Iso-Britannian hallitus on aloittanut ohjelman, jonka tarkoituksena on kasvattaa tietokone-lukutaitoa maan opettajien joukossa. Julkisten kirjastojen kirjastonhoitajat kuuluvat myös saman paketin kohderyhmään. Tarkoituksena on selkeästi auttaa toisten kouluttamisesta ja neuvomisesta vastuussa olevat ensin itse saavuttamaan pätevyys tietokoneen käytössä.

Aikaisemmin mainitusta 230:stä miljoonasta punnasta 20 miljoonaa puntaa on tarkoitettu kirjastonhoitajien kouluttamiseen. Kuten Library and Information Commission (1997) osoittaa, 58% brittiläisestä väestöstä on käyttäjinä yleisessä kirjastossa. (Kajaanin kaupunginkirjastossa työskentelevän informaattikon mukaan vastaava osuus on Suomessa noin 50%. Tämä tieto on saatu haastattelusta, joka järjestettiin kyseisessä kirjastossa marraskuussa 2000.) Iso-Britannian New Library projektin tarkoitus on varmistaa, että kansalaisilla on mahdollisuus tietokoneen käyttöön ja tietoverkon välityksellä jaeltavan (kuten myös digitoidun) informaation hyödyntämiseen. LIC nosti esille selkeästi sosiaalisen syrjäytymisen ongelman uutta projektia koskevissa asiakirjoissaan (1997, 1998). LIC uskoo, että suuri yleisö voidaan perehdyttää elektronisen tiedon etsimiseen, koska suurin osa heistä kuuluu yleisen kirjaston käyttäjiin. Tämä selittää osin suunnitelman lisärahoituksen (ja sen aiotun aikataulun). New Library projektiin on tarkoitus käyttää kaikkiaan 270 miljoonaa puntaa. Tietotekniikkakoulutusbudjetti, jolla on tarkoitus kouluttaa henkilökunta ECDL (European Computer Driving Licence) standardin tasolle viimeistään vuoteen 2003 mennessä (Lancashire County Library 2000, 22), on 20 miljoonaa puntaa. Sekä perus- että nuorisoasteen kouluttajille on tavoitteeksi asetettu sama aikataulu ja sama koulutuksen taso. Iso-Britannian hallitus on selkeästi esittänyt, että niistä, jotka ovat vastuussa toisten ihmisten, erityisesti nuorten koulutuksesta, tulisi kouluttaa riittävän tietokone-lukutaitoisia suhteellisen lyhyessä ajassa.

Merkittävää on kuitenkin se, että suuri osa Iso-Britannian kirjastonhoitajien tietotekniikkakoulutuksesta on tarkoitus suorittaa työntekijöiden omalla ajalla. LIC arvioi, että työntekijöiden pitäisi olla valmiita käyttämään vuodessa viittä päivää vastaava aikamäärä tähän tarkoitukseen (LIC 1997, 41). On myös huomattava, että LICin mielestä koulutukseen tulee osallistua kaikki kirjastoammatillinen henkilökunta: sekä kirjastonhoitajat että kirjastovirkailijat. Ensin mainittu ryhmä voidaan luokitella ydintyöntekijöiksi, joilla vaatimuksena on yliopistotason koulutus, jota jälkimmäisellä (toissijaisella) ryhmällä ei ole. Lisäksi toissijaisen ryhmään kuuluvat työsopimukseltaan osa- tai väliaikaiset

työntekijät. Huomiota herättävää on, että LIC selkeästi ehdottaa, että vain lauantaisin työskentelevän henkilökunnan tulisi myös saada osallistua tietotekniikkakoulutukseen (LIC 1998, 61). LIC oli vakaasti sitä mieltä, että tietotekniikkakoulutuksen tulisi olla virallisen aseman omaavan oppilaitoksen antamaa ja tähdätä jonkinlaiseen tutkintoon.

Metodologia

Tutkimusta tehdään yhä enemmän kansainvälisesti ja näin syntyvistä vertailuista saadaan usein mielenkiintoisia tuloksia (Shackleton et al 1995). Vastaavasti tällaiseen tutkimukseen liittyy monia ongelmia, joista useat liittyvät perusongelmiin, jotka syntyvät eri kielten käytöstä. Nämä ongelmat mielessä, halusimme verrata tutkimustuloksiamme toisen maan tutkimustulosten kanssa ja Suomen valintaan vertailumaaksi oli lukuisia syitä. Koimme, että Suomi on mielenkiintoinen uusi vertailukohde, koska kirjallisuudessa on tyypillisesti esitetty vertailuja Iso-Britannian, Saksan ja Japanin välillä (katso Deissinger 1997 ja Needle 1994). Vastaavasti Suomen tapauksessa vertailu on yleensä tapahtunut muiden pohjoismaiden kanssa (katso Julkunen ja Malmberg-Heimonen 1998).

Selvittääksemme tämän tutkimuksen esiin nostamia kysymyksiä seuraamme 20 työntekijää kummastakin maasta viiden vuoden ajan. Halusimme päästä sisään kunkin maan kirjastoihin ja seurata valittuja työntekijöitä, jotka työskentelevät kaupungin/ammattikorkeakoulun kirjastoissa. Haastattelujen vastauksista tehtiin yhteenveto, jossa vastausten käsittelyssä taattiin saatujen tietojen luottamuksellinen raportointi. Kutakin valittua työntekijää haastateltiin paikanpäällä 20-30 minuuttia vuosittain. Tämä artikkeli on tehty tutkimusjakson keskivaiheen tulosten pohjalta toisen haastattelukierroksen jälkeen (järjestetty talvella 1999/2000 ja 2000/2001).

Tulokset

Yleishuomio

Kuten tutkimuksen ensimmäisenä vuonna jo ilmeni, olivat maiden väliset yhtäläisyydet paljon eroavaisuuksia merkittävämpiä. Esimerkiksi molemmissa maissa työvoiman vaihtuvuus oli hyvin vähäistä.

Erityishuomioita

Tietokoneen omistusta koskevat tutkimustulokset olivat mielenkiintoisia. Tutkimuksen toisena vuonna kävi ilmi, että kaksi (kahdeksantoista hengen joukosta) suomalaista työntekijää oli ostanut tietokoneen kotikäyttöön, mikä merkitsi sitä, että tietokonetta omistamattomien osuus oli nyt 8/20 (Iso-Britannian vastaava lukema oli 3/20). Tämä on verrattavissa Travisin (2001) arvioon, että puolella Iso-Britannian väestöstä on kotona käytettävissään tietokone.

Tutkimuksen ensimmäisenä vuonna molempien maiden kaikki työntekijät olivat osallistuneet jonkinlaiseen koulutukseen edeltävän vuoden aikana (lukuun ottamatta yhtä suomalaista työntekijää). Seuraavana vuonna tiedusteltaessa tällaisen koulutuksen hyödyllisyyttä vain 2 suomalaista vastaajaa 18:sta oli eri mieltä väitteen: "tietotekniikkakoulutus oli hyödyllistä" kohdalla. Vastaava lukema oli sama myös Iso-Britanniassa. Toisen vuoden aikana yhdeksän suomalaista oli osallistunut lyhytkestoisille kursseille (vastaava luku oli 7 Iso-Britanniassa). Tyypillisesti nämä kurssit sisälsivät molemmissa maissa yhden päivän Word-kurssin, yhden päivän Internet-kurssin tai tietokantakursseja. Taas, kuten Iso-Britanniassakin, missä ihmiset olivat aloittaneet yleiskursseja, osallistujat kokivat edistyneensä niissä hyvin. Kolmella henkilöllä oli käynnissä pitkäkestoisempi koulutus (Suomi) ja kaksi heistä suoritti PD-kursseja. Kolmas henkilö suoritti 20 opintoviikon Tietotekniikkaa kirjasto- ja tietopalvelualalle-kurssia Oulun seudun ammattikorkeakoulussa. Vastaavasti Iso-Britanniassa kolme ihmistä jatkoi yleiskursseja. Heistä yksi suoritti ECDL:n, toinen suoritti Integrated Business Technology (level 3) kurssia ja kolmas ITB (level 2) kurssia.

Työntekijät olivat selvästi niin Iso-Britanniassa kuin Suomessakin - ja hyvin ymmärrettävästä syystä - haluttomia maksamaan itse koulutuksesta. Kurssimaksuja maksoivat pääsääntöisesti osallistujat itse tapauksissa joissa he osallistuivat laajoille yleisille, arvosanaan tai tutkintoon tähtääville kursseille. Kaksi suomalaista työntekijää kertoi osallistuneensa koulutuksen rahallisiin kustannuksiin (38-40 punnan edestä vuodessa). Tämä on verrattavissa samankaltaiseen Britanniassa saatuun tulokseen, jonka mukaan kolme ihmistä oli osallistunut tällaisiin maksuihin (ja myöhemmin maksaneet kuluja 17.50-74 punnan väliltä).

On mielenkiintoista, että laajoja kursseja suorittavat ihmiset olivat valmiita käyttämään tähän myös omaa

sa. Kolmen tällaisia kursseja suorittavan britin
 ssa tämä tarkoitti yleensä sitä, että he olivat
 käyttämään opiskeluun kolme tuntia viikossa.
 verrata tilanteeseen Suomessa, missä ihmiset
 valmiita luopumaan 5-8 tunnista viikossa
 ssa tapauksessa ja joka toisesta viikonlopusta
 nnessa. Ekonomistille tämä on kiinnostavaa siksi,
 mää ajassa menetetty hyöty voi olla merkittävä.
 aan, että henkilölle maksetaan brittiläistä
 palkkaa vastaava 3.70 puntaa tunnissa. Siinä
 ksessa brittiläiset luopuivat 11.10 punnan
 tetystä" palkasta viikossa tai 444 punnasta
 ssa. Suomen tapauksessa menetetty palkka on
 untua viikossa olettaen varovaisesti että kulutettu
 on 5 tuntia viikossa. Asiaa selventääksemme
 ne todeta, että jos menetettyjen palkkojen
 tetty hyöty on 18.5 puntaa viikossa se tekisi noin
 untua (7400 Suomen markkaa) tyypillisessä
 emisessä (40 viikkoa) lukuvuodessa.
 onhausta saman tai eri työnantajan palvelukseen
 vin vähän todisteita. Iso-Britanniassa vain neljä
 ä oli hakenut työtä laitoksen sisäisesti ja vain yksi
 lö oli hakenut työtä sen ulkopuolelta. Suomesta
 n lähes samat tulokset. Vain yksi oli hakenut töitä
 sen ulkopuolelta eikä kukaan ollut hakenut
 sesti. Vaikuttaisi siltä, että tässä yhteydessä ei ole
 a siitä, että koulutettu henkilökunta houkuteltaisiin
 onantajan palveluksiin paremman palkan tai
 en etuisuuksien avulla.

C (1997, 34) totesi että 27 000:stä kokoaikaisesta
 läisistä yleisten kirjastojen työntekijöistä
 toivirkailijoiden ja kirjastoapulaisten osuus on 74
 kirjastonhoitajien osuus on 26 %. Kuitenkin
 allisesti haluttiin varmistaa, että molemmat ryhmät
 vat koulutusta. Tämän tutkimuksen ensimmäinen
 osoitti, että vaikka puolet brittiläisestä otannasta
 tui osa-aikaisista työntekijöistä, he osallistuivat
 jonkinlaiseen IT-koulutukseen. Sitä vastoin
 messa kaikki tutkimukseen osallistuneet olivat
 ä kokopäiväsopimuksella ja kaikki olivat saaneet
 inlaista koulutusta tutkimuksen ensimmäisen
 een aikana. Niinpä heidän kohdallaan on ehkä
 emmän yllättävää, että heille kaikille järjestettiin
 inlaista täydennyskoulutusta. Tutkimuksen toisessa
 eessa suurin osa työntekijöistä molemmissa maissa
 listui edelleen IT-koulutukseen (toisin sanoen 12
 kilöä 18:stä Suomessa ja 10 20:stä Iso-
 anniassa).

Johtopäätökset ja seuraukset poliittisille ohjelmille

Seuraaviin johtopäätöksiin tulee suhtautua
 kriittisesti. Ensinnäkin siksi, että tutkimuksen otos on
 varsin pieni. Lisäksi se, että haastatellut eivät ole
 vastuussa vastaustensa oikeellisuudesta voi vaikuttaa
 tulosten pätevyyteen. Myös eri kulttuuriset aspektit
 vaikuttavat ohjeiden antamiseen: se, mikä toimii
 yhdessä kulttuurissa ei välttämättä ole hyvä ratkaisu
 toisessa (Hofstede 1991).

Ensinnäkin voi todeta, että tarve elinikäiseen
 oppimiseen on olemassa ja että tietokonelukutaidot
 ovat osa elinikäisen oppimisen ohjelmia. Lisäksi, kuten
 Finegold (1993) on esittänyt, Iso-Britannian ongelmana
 verrattuna muuhun EU:hun on, että huonosti koulutettu
 työvoima myös tuottaa huonosti. Brittiläisen talouden
 haaste on nostaa työvoiman osaamista ja samalla
 tuottavuutta elinikäisen oppimisen avulla. New Library
 projekti on eräs osoitus siitä, että Ison-Britannian hallitus
 haluaa päättäväisesti nostaa väestön tiedonhallinta-
 taitojen osaamisen tasoa. Hanke pyrkii kohdistumaan
 laajasti eri sosiaalisiin ryhmiin ja edistämään elinikäistä
 oppimista niissä kaikissa. Tasa-arvon ja tehokkuuden
 kannalta LIC:n tavoite vastustaa sosiaalista eriarvoi-
 suutta onkin merkittävä.

Tämän tutkimuksen perusteella voi sanoa, että tässä
 perusvalmiuksien luomistyössä on nähtävissä joitakin
 hyviä tuloksia. Täydennyskoulutusta saaneiden
 työpaikan vaihtaminen ei näyttäisi olevan ongelma:
 vain muutamat henkilöt Iso-Britanniassa ja Suomessa
 olivat tehneet hakemuksia oman työnantajansa
 ulkopuolelle. Tämä havainto tukee Shackletonin (1992)
 väitettä, että työpaikan vaihto on pikemminkin
 mahdollinen kuin reaalin ongelma. Niinpä molempien
 maiden ratkaisu tarjota työntekijöille sekä jonkinlaiseen
 tutkintoon johtavaa (esim. ECDL) että lyhytkestoista
 koulutusta on oikea.

Lisäksi on mielenkiintoista havaita, että työntekijät
 ovat valmiita maksamaan itse tähän liittyvästä
 koulutuksesta. Kummassakaan maassa ei ollut suurta
 halukkuutta maksaa itse koulutuksen kuluja (esim.
 osallistumismaksuja). Sen sijaan osa henkilöstöstä oli
 valmis käyttämään siihen omaa aikaansa ja täten
 osallistumaan osaltaan kuluihin. Kuitenkin tähän oli
 suurin valmius kirjastonhoitajilla. Työnantajat olivat
 puolestaan molemmissa maissa valmiita maksamaan
 pitempien kurssien opetuksesta, jos koulutus tapahtuisi
 työntekijöiden omalla ajalla.

Tutkimuksen tulosten pohjalta myös korkealentoisiin poliittisiin strategioihin tulee suhtautua kriittisesti. Tietokoneen omistajuus on eräs tällainen seikka. Tämän toisen jakson tulosten perusteella varsin suuri vähemmistö (11 henkilöä 38:sta) koko otannasta ei pystynyt suorittamaan elinikäistä oppimista kotoa käsin, koska heillä ei ollut omaa tietokonetta ja tarvittavia tietoliikenneyhteyksiä. Tämä on merkittävä seikka, koska se voi aiheuttaa sen, että osa henkilökunnasta ei opi vaadittavia taitoja, jotka tarvitaan toimittaessa omassa yhteisössä muiden opettajana.

Lisäksi skeptisismiä Candy (2000) ja Breivikin (2000) kaltaista optimismia elinikäistä oppimista kohtaan lisää se, että he – kuten myöskään Iso-Britannian Department of Education and Employment (2000) – eivät selvästi pysty esittämään, millä faktisilla keinoilla sosiaalinen eristyminen informaatiota hallitsevien ja sitä hallitsemattomien kansalaisten välillä voidaan estää. Yleisillä kirjastoilla on mahdollisuus vaikuttaa suuresti elinikäiseen oppimiseen. Yhtä selvää on kuitenkin, että molemmissa maissa noin puolet väestöstä ei käytä yleisiä kirjastoja. On todennäköistä, että juuri he, jotka eivät käytä kirjastojen palveluita eivät myöskään omista kotitietokonetta. Siten on vaikeaa nähdä, kuinka yleiset kirjastot voisivat auttaa juuri tätä väestönosaa hankkimaan tietotekniikan käytössä ja elinikäisessä oppimisessa tarvittavia taitoja.

Onkin vaikeaa välttää havaitsemasta sitä tosiasiaa, että LIC on aliarvioinut ne hankaluudet, jotka ovat sen varmistamisessa, että kirjastonhoitajat saavuttavat tarvittavat valmiudet strategiapapereissa esitetyssä ajassa. Iso-Britannian kirjastot ovat kuluttaneet puolet siitä ajasta, jossa kaikkien kirjastossa työskentelevien tulisi hankkia tietokoneen ajokortti (ECDL). Tämän tutkimuksen perusteella voi väittää, että vasta vähemmistö henkilöstöstä on hankkinut nämä taidot.

Tässä esitetyt väliaikatulokset osoittavat, että tavoite tukea mahdollisimman monia kansalaisia oppimaan itsenäisesti (elinikäiseksi) oppijoiksi on vielä monen ratkaisemattoman ongelman takana. Niistä vähin ei ole se, että kaikki tarvittavat kirjastoammattilaiset saavat tässä työssä tarvittavan koulutuksen.

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Open/distance learning in the United Kingdom. Why do people do it here (and elsewhere)?

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Abstract

This article looks at the reasons why institutions and individuals would be interested in the development of open/distance learning over the past two decades. To begin with, a definition of each is given and this is followed by a policy context. The suggestion here is that employers (in the United Kingdom and elsewhere) have been increasingly interested in the flexible use of their labour force; open/distance learning is yet another example of the way that employers expect their employees to acquire skills on a flexible basis. Moreover, the reasons that are usually given to explain this trend have concentrated on "pull" factors (such as the development of technology); but one could also consider the existence of "push" factors such as the fact that firms now face increased competition from global competitors. It is against this background that they wish to gain some added value from their employees and flexible learning methods are seen as a cost-effective strategy to help them to gain such an advantage.

However, it is interesting that individual students/employees (and their trade unions) have also responded favourably to the development of open/distance learning and some analysis of these trends is offered. Two other types of institutions are considered here. The British government have also responded very favourably to developments in this field, as have universities in the United Kingdom and elsewhere. Some comparisons with developments in South Africa are set out in towards the end of this article. Finally, at the end of the article, a cautionary note is sounded.

Introduction: a policy context

To begin with, it is worth considering what if any, are the differences between open and distance learning, given that the two terms are often used on an interchangeable basis. Indeed, for much of this article, little distinction is made between the two forms of learning,

but sometimes it is instructive to remember that they are not quite the same thing. In 1991, the UK's Employment Department offered these definitions:

Distance learning is where tutor and student are separate, in space and in most cases in time. In order to achieve this, the content of the courses needs to be packaged in some form. How this is done will depend on a number of factors. In most cases, the package is text based, but it can include video, audiotapes and computer assisted learning (CAL). When there is no time difference, simply a physical distance, then IT (Information Technology) systems are the most appropriate.

Open learning is a much more general term. It is very similar to flexible learning and can apply to a whole range of systems that allow the student choice as to the pace, place and time of learning. It can encompass anything from drop-in centres to stand alone multimedia systems to independent study. However, most of them require a package in order to provide the flexibility. Whatever the system, though, it normally offers some support for the student which is extra to the package (London Employment Department, 1991, 1).

In short, the differences between open and distance learning are less significant than the common features that they share. Moreover, since the Employment Department published those definitions, there has been an important change in terms of Internet usage, in the past decade. More generally, we can say that there has been a dramatic interest in the use of flexible education and training methods in the past 10-15 years, in the United Kingdom. Apart from the development of open/distance learning, we might consider the increased use of the following:

- the use of competencies
- accreditation systems
- an increased emphasis on 'in-house' expertise, such as mentoring
- a general desire that programmes be delivered more flexibly. This has often meant that employers want 'tailored' rather than 'off-the-shelf' courses.

Sloman (1993) suggests that training is increasingly likely to play a strategic role in the future of many business organisations. However, he goes on to say that such training is unlikely to be provided by the headquarters of such organisations. Rather, it will be provided via flexible means that will include the increasingly extensive use of open learning packages. Sloman and others (e.g. Littlefield, 1994) have emphasised the fact that during the 1990s, computer-based packages were an increasingly important means of providing training. Employers want flexibility in terms of both provision and assessment. This means that a lot of training now has a more open-ended timeframe than it used to have; employees no longer have to attend particular courses on a particular day of the week or attend a particular location in a specific month. In short, one can readily see the attraction for employers, of open/distance learning. It is hardly surprising that there has been an increase in the interest shown in such learning programmes, both at an academic and policy level, in the past two decades.

This paper is organised into three sections. The first section comprises the bulk of the paper and here an attempt is made to examine why employers/employees/trade unions/governments and universities have all become more interested in open/distance learning. In the second section of the paper some comparisons with South Africa are set out. The third section appears at the end of the paper and a note of caution is sounded regarding the attrition rates associated with open/distance learning. To examine why this style of learning has become more popular with employers, a distinction is made between push and pull factors. Although much of the policy-led literature has emphasised positive (or pull) reasons for the adoption of new training methods, the argument put forward below is that there are several powerful push factors at work. In other words, employers are often under pressure to consider changes in training because they are encountering more difficult circumstances in their product markets; changes in labour market conditions have followed changes in product market conditions. Employees, for their part, may also feel coerced by an implicit contract, so that they accept that they will have to do some of their training in their own time. Similarly, the strategies of other bodies (such as trade unions or the government) are also examined. The view put forward here is that we do not, as yet have sufficient data to confidently say that open/distance learning is necessarily more efficient than traditional means of delivery but nevertheless, the signs are that it will continue to become more popular.

Why would employers be interested in open/distance learning? Some pull reasons

As with many socio-economic phenomena, we might categorise the reasons for the shift towards the new training methods under two headings, i.e. positive (or 'pull') reasons and negative (or 'push') reasons. To explain why there has been a dramatic shift in the use of flexible training methods in the UK in the past two decades one could point to the development of a national framework of accreditation (the National Vocational Qualification, or NVQ system), that has only been in existence for about ten years (NCVQ, 1988). Prior to that, employees may well have been doing training that, potentially, might have been accredited but had to accept that such training was effectively firm specific, since it had not been graded according to the NVQ system. We might reasonably assume that such a lack of accreditation would effect an employees' motivation to do training especially in their own time. From the late 1980s, employers such as the Britannia Building Society have been able to entice employees to do courses such as supervisory management programmes (partly in their own time), by offering precisely this sort of inducement (Pope, 1991). Government departments such as the DFE (Department For Employment) were quick to point out that accreditation schemes also make it more likely that employees will take responsibility for their own development, since they are now more likely to be able to take such training to other employers and have it recognised on the 1-5 scale suggested by the NVQ system (DFE, 1992). Whilst there may be some truth in this suggestion, one has to add the caveat that such an assertion has yet to be tested systemically; the evidence that

we do have is largely anecdotal.

Another pull factor concerns the development of computer technology. Littlefield (1994) suggests that it was only in the 1980s and 1990s that PCs became substantially cheaper and much more widely available than computer technology had been until these decades. Such a development in technology explains, he argues, the rapid development of the Open College in the UK, who run courses in a fashion similar to the Open University, but at a lower academic level. Their estimate is that open learning has expanded at a rate of 20% per annum, since 1987. Such orders of magnitude are consistent with the increased take-up of open learning that Whitley and Martin (1995) envisaged within British Gas, during the 1990s. British Gas were one of a number of employers that encouraged employees to take greater responsibility for their own training and realised that developments in computer technology could help, in terms of pursuing such a strategy (British Gas, 1995).

Why would employers be interested in open/distance learning? Some push reasons

However, one could also point to a number of push factors, to help to explain the development of these new training methods that put the matter in a different light. One critical factor to consider is the timing of such changes; surely one might expect that the sort of desirable (or pull) factors listed above would have been sought in previous decades. We therefore have to examine those factors that have been particularly relevant to the 1980s and 1990s. In other words, another way of looking at the adoption of new training methods is that UK employers were compelled to reappraise their training strategies, with a view to getting a more efficient use of the resources concerned.

If we consider the timing of these changes, it is striking that they are set against a backdrop of rapid globalisation, with its attendant implications for increased competition in the product market place. Dunning (1996) points out that for the UK, stocks of outward foreign investment amounted to only 14.5% of GDP in 1967, but by 1993 this had escalated to 26.9%. He also suggests that this growth in globalisation has been especially rapid since the mid 1980s; whereas world-wide FDI outflows only grew by 0.8% per annum between 1981-1985, they grew by 28.3 % per annum from 1986-1990 and by 5.6% per annum, from 1991-1993. Similarly, Storey (1992) suggests that many organisations began a serious and concerted move towards more flexible management strategies from the 1980s onwards because, inter alia, they faced an increased threat from global competitors. Prior to that date, world trade may well have been growing but in the 1960s and 1970s, it was not thought to be sufficiently important to instigate a swing towards HRM (Human Resource Management) strategies. Storey argues that the development of HRM in Britain is uneven but that nevertheless, many employers are having to consider such a policy shift because they face more threatening conditions in their product market place. This has meant that employees now have to contend with more flexible job descriptions, more flexible (and increasingly individualised) contracts and it has meant that training strategies have had to change. More and more employers in the UK are having to accept that they become

learning companies, in Storey's analysis; in his short article he does not explore this development in any depth but elsewhere (Pedler *et al.*, 1989; Nellis and Regan, 2000), the supposition is that learning companies have to adapt themselves so that they are able to constantly learn new skills in order to compete. Such learning is often done on a flexible basis, because product market conditions demand such flexibility. A similar point was made by Charles Munn at an Educational Initiatives in Economics and Business (EDINEB) conference held in Edinburgh (1997). The UK banking industry has had to adopt flexible (open) learning programmes because the industry is now much more competitive than it was in the 1970s and earlier decades.

At least one reference in a management journal has accepted that product market conditions prompted a change in training policy (Whitley and Martin, 1995). These authors were both senior training officers with British Gas and they accepted that exogenous changes had prompted a revision of training methods. In particular, they suggested that there was a need for more devolution when it came to training provision, because senior management had to accept that changed product market conditions warranted a less centralised training policy. The following quotations give one a "feel" for the sort of warm reception that was accorded to open learning:

Open learning is not cheap but it is certainly a cost-effective and flexible medium (Whitley and Martin, 1995, 27).

Currently around 16 per cent of our training is delivered through open learning...In three years time we expect that 80 per cent of our training will be done through some form of open or flexible learning (Whitley and Martin, 1995, 28).

Whitley and Martin suggested that a changed culture had necessitated a new training policy that was much more devolved than had previously been the case. This devolution had partly been brought about because the company had undergone a far-reaching business process-reengineering programme in the 1990s. After then, the company was reorganised along functional (rather than regional) lines and there were to be four major sections of the company's activities in the UK; the most important of these was concerned with the transmission of natural gas along a high pressure pipeline, Transco. An internal communication within Transco had this to say about new training methods:

New technology has made it possible for self-study material to be sent through Transco's computer network ... The benefits to shippers and Transco staff are the provision of immediate, up-to-date training – no having to wait for classes large enough to justify running a course (British Gas, Transco, 1995, 1).

What Whitley and Martin did not make explicit was the extent to which the company had its profits severely curtailed in the 1990s. Of course, there are a number of ways to measure profit, but in this case the different measures correlate reasonably well. It is worth noting that 1997 was the first year that completely separate accounts had been drawn up for the two major wings of what was British Gas; from 1997 the transmission wing became a

company called BG, whilst the trading arm became another organisation called Centrica. In Table 1 below, the estimate of profits for 1997 represents the amalgam of both of these new companies.

Table 1. British Gas's profits at nominal prices (in millions £)

Year	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Profit	1067	1018	1065	1063	1469	846	-613	918	607	-237	1251

Source: *Annual Report* (British Gas, various years)

Broadly speaking, one can accept that the profit levels indicated reflect the extent to which the company enjoyed a producer's surplus. Given that this is the case, it was evident that immediately after privatisation (in 1986) the company still enjoyed a degree of monopoly rent; profits were consistently above the £1 000 level until 1991. Indeed, within the company there was a certain degree of complacency regarding the commercial implications of privatisation. In 1994, the then Chief Executive Officer (Cedric Brown) referred to "... the privatisation that never was", meaning that the way that the company was run was very similar to the way that it had been run prior to privatisation, a point also made by Ferner and Colling (1991). The important point here is that whilst they were a nationalised industry (and shortly afterwards), British Gas enjoyed a degree of producer's surplus and this extended to its provision of training, i.e. the company could afford to offer general training to its employees in office hours. As product market conditions tightened, the company sought to use more cost effective training (i.e. adopt new training methods), as Whitley and Martin indicated. In adopting this policy though, management within the company seemed to have underestimated the pitfalls involved.

Why would individual students or employees be interested in open/distance learning?

Two explanations are offered here. The first concerns individuals as workers and has its origins in implicit contract theory (McNabb and Ryan, 1990; Blaug, 1993). This theory starts from the premise that it is impossible to be explicit about every contingency that might face an employee at work, in their written contract of employment. Furthermore we can distinguish between core employees (those on full-time permanent contracts, who have some influence or 'voice' and are likely to receive general training) and peripheral employees (who are likely to be offered less secure jobs, frequently on a part-time basis, and are likely to have little or no voice and receive a little, firm specific training). From the core employees' perspective, it makes sense to accept the conditions involved in their implicit contract because they are, in effect, 'buying' an insurance policy. As employees they might well want to have training done in the employers' time at a set time each week, but they accept the decision to undertake flexible training even in their own time, because they face the threat of losing their jobs if they refuse an implicit contract whereby they do more than is spelt out in their formal job contract (Manning, 1990). Another 'gloss' could be put on this view of events by suggesting that in effect, employees are taking more

responsibility for their development. They are prepared to investigate what training they need and are prepared to do it in their own time, because they realise the benefits that will accrue to such an action.

This theme, of taking responsibility for one's own development, is further taken up by two authors concerned with the education and training of nurses (Thorne, 1991; Howard, 1993). In particular, Howard suggests that new training methods emphasise the role of andragogy, rather than pedagogy. Andragogy suggests that the learner is an autonomous adult who is able to take charge of their own development; part of this process means that the learner is able to "take stock" of their existing knowledge and then see where they want to enhance their portfolio of skills, or competencies. This auditing process is a useful exercise in itself, as learners have to gather evidence of their skills, regardless of whether they were gained in a formal setting (such as a classroom) or an informal setting (for example, having to learn about the demands of being a parent). It is then up to the individual who will decide what open/distance learning package that they need and at what level to pursue any given course. They then, of course, have to have the discipline that is required by andragogic learning, in order to complete a given course of study, without the framework of some institutionalised setting (a certain class to be attended at a certain time each week). Equally, from the individuals' perspective, one could argue that open/distance learning courses allow the freedom to decide at what pace they pursue a course and when they will do a given piece of work.

Why would trade unions be interested in open/distance learning?

One important, and well-established, characteristic of open/distance learning courses is that they permit the learner to learn at their own speed. Indeed, it is not only employers' organisations (such as the CBI, 1993), who advocate such usage but also the employees' representatives (such as the white-collar union UNISON, 1993). As UNISON (1993) rightly say in their booklet simply entitled *Open and Distance Learning*, people have different commitments at different times and they also are able to absorb different skills at different rates.

More generally, the Trade Union Congress (the TUC), which is the central organising body of British trade unions, according to Claydon and Green (1994) radically altered their policies concerning training in the 1990s. Their new strategy was outlined in a 1991 document entitled *Collective Bargaining for the 1990s*, and the TUC wanted to emphasise the role that training could have in terms of making their members have safer, more satisfying jobs. Afterall, if employees receive more training (i.e. investment in human capital), then one could argue that employers would be less likely to sack them, because they (as employers) would want to see a return on their investment. Similarly, the TUC have more recently (1998) stressed that lifelong learning, delivered flexibly, is an important part of economic policy with the potential to benefit their members, given that the more skilled a worker is, the more likely they are to earn higher wages (a finding reached, inter

alia, by the Netherlands Research Centre for Education and the Labour Market, 1995). However, the suspicion remains that British trade unions are not doing enough to foster the take-up of open/distance learning and do not regard training as an area of contestable terrain as often as they might do (Mahnkopf, 1992; Wright and Spaven, 1996). Similarly, in this context, it is interesting that in a recent study into the training given to librarians in Finland and the UK, trade unions were not involved in negotiations concerning the quantity or design of IT (information technology) training (Monk, 2000).

Why would governments be interested in open/distance learning?

As long ago as 1992, the *Economist* journal pointed out that there was something of a race developing amongst a variety of countries, in various parts of the world. They cited examples from the USA, Japan and the UK, to illustrate just how consistent these common problems and policy solutions were; more recently, Candy (2000) has said much the same for the Australian experience. Basically, these countries are trying to maintain a competitive advantage in terms of their workforce being more skilled than their competitors; if they fall behind in this race, then the danger is that their workers will be left with low value-added work with a consequent effect on standards of living. As the *Economist* (and also Finegold, 1993) pointed out, governments are wary of funding the training gap, entirely out of the public purse; this is partly because governments are now wary of expanding the PSBR (public sector borrowing requirement) rapidly, as they fear the onset of inflation.

According to the Department for Employment (DFE, 1992), one way of resolving the policy problems alluded to above would be for individuals to bear more of the costs of training themselves. For example, if individuals were to study in their own time, then there would clearly be less by way of 'lost' output. Open/distance learning is seen as a way of promoting lifelong learning on a flexible, cost-efficient basis and thus is seen as an important part of a strategy designed to make sure that the UK has a trained workforce that can compete in the race alluded to above (see the Fryer Report, 1997). Critics of the British government policy (such as Finegold, 1993) would suggest that the government has not done enough to train its workers; Jackson (1992) has suggested that the UK is in a training crisis. Interestingly, the UK's Library and Information Commission (1997) has also looked at reports from 14 countries in this context and was also struck by the uniformity of policy response. One of the countries they looked at was Finland; the Finnish Ministry of Education (1997) has also advocated the use of open/distance learning for the same reasons as the British government.

Why would universities be interested in the provision of open/distance learning courses?

To illustrate this section of the paper, the policies of the University of Central Lancashire will be used to exemplify trends emerging from the British university sector in general. The starting point here is that the UK is set to witness a further growth in student numbers

in further and higher education by some 500,000 places, in a period from 1998 to 2002 (University of Central Lancashire, 1998). However, this is unlikely to mean a comparable increase in full-time students attending universities, whilst pursuing courses in a traditional (face-to-face) manner. What it will mean is that students will be offered courses in a flexible mode of delivery; they will not necessarily, for example, be expected to attend lectures or seminars at a set time and place very week on the campus. The University has therefore determined that it will take full advantage of technological gains and offer courses via the improved computer infrastructure that is available. The University's teaching and learning strategy will have to be amended and the University's internal documentation (University of Central Lancashire, 1998) makes it clear that staff will have to be retrained (for example in knowing how to make best use of web-based facilities or video-conferencing). In return, the University wants to be able to charge individual consumers for these services.

The following examples, from a variety of institutions, are given in order to illustrate orders of magnitude in this context. (Much of the following information was passed to the author via email, as a result of personal contact made to representatives of the relevant institutions and as such, some degree of discretion was required; hence the nomenclature that follows. In the case of the University of Central Lancashire and the Australian example cited below, the information is available in printed leaflets from the institutions themselves.) To begin with, let us consider several British universities. The University of Central Lancashire charges some £3 500 for an open learning package that is aimed at personnel managers who want to become chartered members of the Institute of Personnel and Development, that would normally take an experienced manager about 18 months to complete. University A (in Wales) charges £1 200/annum for a distance learning course leading to an MSc qualification in Library and Information Management; the course normally takes 3 years to complete. University B (in Scotland) charges £3 000/year for its MBA distance learning programme, which normally takes two years to complete. It is fair to say that post-graduate materials have been somewhat more developed than undergraduate programmes, as these examples testify; it seems probable that universities identified a clear, buoyant market relatively early, in these cases. However, the University of Central Lancashire is actively developing materials that are designed for use at undergraduate level. To further put these examples into context, it is also worth remembering that British universities now charge a standard fee of £1 000/annum for its undergraduate full-time courses, which typically take three years to complete.

Finally, it is worthwhile considering examples from other countries further afield. The Australian system of higher education has had to cope with the fact that the 18 million inhabitants of that country are spread over a huge landmass that is several times as big as the UK (with a population of 59 million); not surprisingly, academics there have been very interested in the development of open/distance learning for some time at both undergraduate and post graduate level. Indeed, the University of Central Queensland organised a conference solely to consider the implications of lifelong learning last year; open and distance learning programmes were quite extensively discussed, as one can imagine, in such a setting (Appleton, *et al.*, 2000). Typically, an undergraduate programme comprises 8

courses (academic units) per year and this particular University charges the equivalent of £6 000/year for a full package of 8 distance learning courses in a year. This is almost exactly equivalent to the charge levied per year for a full-time undergraduate programme (per year). University C is one of the leading universities in the USA; they charge £25 000/annum for their distance learning MBA, which again would typically take two years.

Some comparisons with South Africa

Perhaps not surprisingly, a lot of the arguments described here, from the UK perspective, chime rather well with what seems to be happening (or about to happen) in South Africa. So for example, like the UK and elsewhere, South Africa is set to increase its graduate output, (National Plan on Higher Education, cited in University of Pretoria, 2001, 1). However, it is envisaged that open/distance learning will have an important part to play in this development; the increase in student numbers will not necessarily be entirely taught in a traditional classroom-based manner. In this sense, the South African experience seems to mirror developments described above, at the University of Central Lancashire. So, as at the University of Central Lancashire, there seems to be an awareness that developments in flexible learning will have to be predicated on the training of academic staff (University of Pretoria, 2001, 2).

South Africa would also seem to have several common concerns over the development of self-directed study, when compared to the UK and other countries. Candy (2000), for example, has argued that the Australian government needs to spend more attention on graduate training programmes. His argument is that it is no longer adequate to assume that knowledge or skills acquired by students during their time at university will last the duration of their working lifetime. What is needed instead is an emphasis on self-directed study that will enable individuals to take charge of their own lifelong learning. To perpetuate a lifelong desire to update skills and knowledge, individuals need to have the necessary skills and outlook to take charge of their own development. The University of Pretoria (2001, 5) has explicitly suggested that high quality materials (both of the paper and electronic variety) will help to facilitate such developments.

In the UK, much of the discussion surrounding the development of open/distance learning has been set in the context of graduate (as opposed to undergraduate) education, as was suggested in section 7 above. This is also consistent with the University of Pretoria's intention to "... ensure the development of high-quality e-education, especially at post-graduate level" (University of Pretoria, 2001, 5). However, there is an explicit intention to extend the range of undergraduate programmes delivered on a flexible basis as has happened elsewhere, notably Australia, (Arcodia, 2000).

South Africa's National Plan on Higher Education is also explicitly concerned with social exclusion in education and the part that open/distance learning might play in dealing with that issue, by increasing participation from certain groups that have been under-represented in higher education. In this context, it is interesting that a number of other countries have been at pains to stress their concern over the way that educational innovation in this area

may actually (though unintentionally) *exacerbate* social division and exclusion. Open and distance learning is often predicated on the basis of a certain level of computer literacy and the American writer Breivik (2000) *inter alia*, has expressed concern about the digital divide. Similar concerns have been expressed in the UK by the Library and Information Commission (1997; 1998) and in Finland by the Ministry of Education (1997). What both the British and Finnish governments fear is that lifelong learning (itself based to a large extent on open and distance learning) will be pursued by those who are already well educated. The risk is that the digital divide will make social exclusion worse, i.e. by the distinction between the 'information haves' and the 'information have-nots'. Those without the necessary levels of computer literacy will not be able to follow open/distance learning programmes and their skills will become obsolete in a world dominated by ever-quicker technological advancement. In one recent poll, for example, it was estimated that only half of the British population have access to the Internet, either at home or work (Travis, 2001). Not having Internet access is clearly an impediment to those who might wish to pursue open/distance learning courses, given that web-based materials are becoming an increasingly important part of such programmes.

Conclusion and a note of caution

As the above makes clear, there has been an increase in the level of interest in a variety of countries in open and distance learning. The development of computer technology has clearly had an important part to play in this context and there are many valid reasons why this interest is likely to continue to develop; a number of stakeholders stand to gain, in a variety of ways. What seems less clear, in terms of empirical evidence, is whether open/distance learning is necessarily superior to traditional teaching methods, in terms of cognitive gain. The 'pull' factors to explain the development of open/distance learning have been well rehearsed in the literature and clearly the fact that students can learn at their own pace is of paramount importance in this context.

However, there has been very little attempt to collect evidence, published in the public domain that has demonstrated how well (or otherwise) students of open/distance learning courses have done. Indeed, as Shackleton (1995) makes clear, one of the very advantages of such courses is that they have open-ended (or at least flexible) timeframes and so it becomes difficult to say at what point students have given up, or dropped out of a course, for practical purposes. The fact that they have not done an assessment or piece of work for some time might not necessarily indicate that they have abandoned the course altogether. The experiences of a group of graduate trainees with British Gas makes for sober reading, in this context (Monk, 1997). Thirty such graduates were tracked for a period of three years during the 1990s and they were trained using a mixture of traditional and flexible learning methods. At the start of the study, it emerged that a majority (i.e. 17/30) had used open/distance learning materials but only a handful (6) had found these materials useful. In one telling example, all four graduates studying foreign languages on open learning courses admitted that they had made no progress in the three years that they were tracked. What is especially surprising is that these were core employees who had already demonstrated a capacity to absorb new knowledge and skills, by virtue of having a degree. Equally, one

could argue that this case is perhaps not representative of the full range of open/distance learning courses on offer; better and more suitable packages exist elsewhere for a range of students and trainees. Nevertheless, we need to find out more about the attrition rates associated with open and distance learning methods.

Certainly, it seems likely that open/distance learning will continue to flourish across the world as a variety of stakeholders are likely to experience welfare gains from this development. One estimate (Littlefield, 1994) is that open learning has expanded at a rate of 20% per annum in the UK, since the late 1980s; given the evidence presented here, one could readily imagine that open and distance learning will continue to expand, despite the note of caution sounded at the end of this paper.

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Training Apprentices: Tradition versus Modernity in the Football Industry

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This article is rooted in the contention that the football industry is characterized by the often unique manner in which it deals with its young workers. After a short overview of the history of the football apprentice, the bulk of the article explores the recently established 'Football Scholarship' scheme, using data drawn from interviews with 21 apprentices in three English Football League clubs. It asks whether the new scheme will, as contended by its originators, actually succeed in reducing the high attrition rates amongst the game's new entrants and provide genuine educational opportunities for those who do not make the grade as professionals. It concludes by offering policy implications for the professional game and sets a possible agenda for future research.

In the last two decades UK football has, arguably, become a much more modern industry. Since the Taylor Report of 1990 a number of clubs have made significant investments in their grounds and facilities. A typical club in the Premier League now has a multi-million pound annual turnover. Similarly, clubs throughout the League are spending increased sums of money on foreign players; so much so that they represent an important part of the country's balance of payment statistics.¹ In common with other industries football has increasingly become multinational in terms of its workforce. The *Busman* ruling has affected wage negotiations and transfer deals enormously. During the present decade, modern technology has made it possible to charge television customers on a pay-per-view basis. Moreover, there has been a surge of interest by authors, particularly after the success of Nick Hornby's *Fever Pitch*, published in 1992, while academics are also applying their analytical tools from disciplines as diverse as sports psychology, sociology, economics and accounting.

However, there remains tension between the traditional and the modern aspects of football, as an industry. This article concentrates on training and its central contention is that the football industry is characterized by several interesting (and unique) features in terms of the way that it deals with young workers. In many respects these characteristics are a function of the game's history; although methods of managing off-the-field activities have become more modern and sophisticated, the training and recruitment of young players are only just beginning to mirror such developments. This study has two main aims. The largest section represents an attempt to begin the process of evaluating the industry's Modern Apprenticeship, also known as the 'Football Scholarship' scheme, that had its first intake in summer 1998. The particular concern here is to evaluate the scheme from the apprentice's perspective. The second part looks

at recent developments in training rather more from the employer's viewpoint, as well as offering comparisons with the training offered within other industries.

What follows is the first of a series of reports that will be produced over a three-year period to 2001. It provides some interim results and identifies the key themes and issues to be traced in subsequent publications. The data are drawn largely from a study of three Nationwide Football League clubs, all located in the north of England. A total of 21 first-year apprentices at the clubs concerned were asked a series of 12 questions (see Appendix 1), with complete anonymity guaranteed. The results were then aggregated and analysed. In all cases the interviews were undertaken at the respective grounds and typically took just 20–30 minutes. A follow-up study was conducted in autumn 1999 and the final series of interviews are to be undertaken in 2000; these will be written up in a later paper. This material has also been supplemented with relatively informal interviews with ex-trainees from various north-western clubs, with coaching staff at the chosen clubs and with staff at the Professional Footballers' Association (PFA).

The History of Football's Apprentices

Professional sport in general, and association football in particular, has always been extremely cruel on those seeking to enter its ranks. A study of career lengths in English League football in the 1890s notes that only 42.5 per cent of the players newly registered by First Division clubs in 1893/94 were still in League football at any level after one year and only 13 per cent after three years.² We lack hard evidence for much of the intervening period but recent data tells a sadly similar story: in the early 1990s, 50 per cent of trainees taken on by League clubs at 16 were released at the end of their two-year training and only 25 per cent remained in the professional game three years later.³ The evidence from one of the clubs surveyed here is consistent with that picture with only four of 20 first team places having been filled by graduates of the clubs' own youth development policy in the 1997/98 season. While many rejected players doubtless went on to find alternative careers – often married to success in non-league football – and enjoyed the 'psychic capital' of at least being good enough to be considered for such an élite occupation, these bald statistics disguise numerous personal stories of disappointment, wasted time and blighted career prospects. The Modern Apprenticeship/Football Scholarship scheme introduced in 1998 represents football's latest and arguably most determined attempt to resolve a century-old problem.

Before investigating this new scheme, it is helpful to examine both the historical and contemporary contexts that underpin and inform it. Our knowledge of the recruitment and training of footballers before the 1960s is patchy but it appears to have been typified by a lack of any coherent structures or formal schemes across the sport. Until 1960 it was illegal for clubs to take on boys under 17 as full-time professionals and thus various subterfuges were adopted whereby they were recruited as 'groundstaff' or 'office boys' at 15.⁴ Tommy

Smith's oft-quoted memories of his Liverpool groundstaff days in the 1950s which included spells painting manager Bill Shankly's house and when, supposedly, 'the only time I got to see a football was on Friday mornings when we'd play against the bin-men in the car park', may or may not reflect the reality at all clubs.⁵ However, it is undeniable that many clubs saw their young charges as a source of cheap labour for the servicing of senior players' equipment, the stadium and other club property. Moreover, no consideration was given to their educational needs which were only met formally by individual initiative and informally through the acquisition of any practical skills that accrued from the time spent on groundstaff or office duty.

In 1960 the Football Association (FA) introduced the new category of the 'apprentice player' who could join the club at 15 as a trainee footballer and thus end the fiction that had previously prevailed. Clubs were allowed to take up to 15 such players and the FA, while making no formal educational provision, stated that clubs should allow players to be freed to take up educational activity during their apprenticeships. However, although the Professional Footballers' Association (PFA) took an increasing interest in the education of current and former players, culminating in the establishment of the Footballers' Further Education and Vocational Training Scheme (FFEVTS) under the crusading Bob Kerry in 1978, the typical apprenticeship still appears to have involved a varying degree of football training, a considerable amount of enforced manual labour and little formal education.⁶

Equally worrying was the decline in the number of apprenticeships actually being recruited by the late 1970s and early 1980s. This period was a particularly difficult one for an industry facing a 28 per cent fall in attendances between 1976 and 1983 against a (related) background of a deepening general economic recession from 1979 and spiralling wage costs. Particularly in the lower divisions, apprenticeships came to be seen as luxuries easily disposed of and by 1983 the 24 Fourth Division sides had only 33 apprentices between them.⁷ It was the Conservative government's Youth Training Scheme (YTS) introduced in 1983 and adopted within football with effect from 1984, that transformed the situation and provided the essential framework that the game had lacked for so long. Denounced by many critics as a cosmetic programme designed only to massage employment statistics, the scheme which initially met the full cost of training, was recognized as potentially invaluable by a cash-starved football industry.⁸ With the FFEVTS co-ordinating the programme (it received Approved Training Organisation status in 1987), youth training was reinvigorated. At the beginning of the 1984-5 season, the three clubs surveyed here had only six trainees between them, with one club apparently not recruiting a single young player. By 1989-90, although the government was no longer meeting the full costs, the combined figure had risen to 38 with the numbers per club ranging from 9 to 16.⁹

Importantly, the YTS programme also insisted on day release at college to allow for the study of courses in leisure and tourism, supplemented by some

limited training in other aspects of the football industry such as groundsmanship. From May 1990, when Youth Training (YT) succeeded YTS, an increased emphasis was placed on the educational element. By the later 1990s trainees were expected to take, according to their General Certificate of Secondary Education (GCSE) grades, either the General National Vocational Qualification (GNVQ) Intermediate or Advanced Level in Leisure, Tourism and Sport, courses ratified by external awarding bodies, but especially designed by the FFEVTS. The Society has also helped fund an increasing number of released trainees (for example, 120 out of the 325 released in June 1996) through university.¹⁰

The Role of the Modern Apprenticeship: The PFA View

YTS/YT undoubtedly served a crucial purpose both in arresting the decline in football training and in integrating education into it. However, many areas of provision are open to criticism. As already noted, wastage has continued to run at a high level and, in terms of total numbers recruited, the financial arrangements available, particularly but not exclusively in the 1980s, may well have encouraged clubs to be far from selective in their recruitment of players. In an age marked by an extremely competitive youth job market, rejected players have perhaps been at an even greater disadvantage than at most times in the past. Although our interviewing of ex-trainees has been unsystematic and largely informal, there could be no denying the anger and sense of wasted opportunity felt by some. While educational provision and its monitoring have improved considerably in the late 1990s, the programme on offer had little intrinsic interest for many players and was treated in some clubs with disdain. As late as the early 1990s the youth coach at one club signed the players' work logs *in advance* and simply asked them to fill in the details of their activities as appropriate. Anecdotal evidence also suggests that football's occupational culture has militated against trainees with a more academic bent: according to ex-YT players interviewed in this study, the desire to do well at college or to supplement the prescribed educational diet with other activities has sometimes led to accusations from both peers and even coaches of 'lack of commitment' and of assuming failure to make the grade at 18.

The chance to improve upon this situation was provided by the government's decision in the mid-1990s to switch emphasis away from YT schemes towards the 'Modern Apprenticeship'. In essence, although this scheme did not provide a wage subsidy, it placed a greater emphasis on training and made its provision (up to NVQ level 3) cheaper for employers. Through the FFEVTS, the PFA took the opportunity provided and became instrumental in designing the industry's Modern Apprenticeship system. As part of that design process, the title 'Football Scholarship' was adopted because it was believed to reflect the new emphasis on academic attainment. The scheme was finalized by December 1997 and presentations made to all League clubs in February 1998. The essence of the programme, which began at 66 clubs in July 1998 and will eventually have to be

adopted by all clubs, is as follows. (This information was provided by the FFEVTS during an interview held in July 1998.)

1. The training programme will last three years rather than two.
2. Total funding for the first five years will be £18.3 million provided by the Training and Enterprise Councils (£9 million), the FFEVTS (£7.5 million) and Adidas (£1.875 million).
3. The scheme will fund a maximum of 18 trainees at any one club (additional players must be fully funded by the club). The intention is that faced with an annual intake of only six funded players, clubs will have to make informed choices and thus reduce the chances of 'wastage'.
4. The educational programme followed by trainees will consist of 12 hours a week over three years and will be flexible and tailored to individual needs. If the trainee so desires, clubs must continue to fund their education for the full three years, even if they do not register them as a full-time professional after two years. Three broad educational groupings have been conceived.
 - (i) Trainees with eight GCSEs at grade C and above will take three 'A' Levels.
 - (ii) Those with five such grades will take a mixture of GNVQ (Advanced), 'A' Levels and B/TEC National Certificate courses.
 - (iii) The remainder will take GNVQ (Intermediate) and NVQ courses and will be provided with special needs tuition if necessary.
 Seventy per cent of all trainees would be expected to fall into groups one and two by 2000.
5. The football training undertaken by players would accord with the guidelines laid down by the FA's 'Charter for Quality' (1997).
6. Players should no longer undertake menial work.
7. Vocational training in essential life skills (24 core areas ranging from dealing with alcohol and drugs to media training and driving technique have been identified) will be provided.

This scheme, in conception at least, clearly represents a genuine attempt to learn from past failings and to provide young footballers with forms of training which both equips them for the demands of professional football on and off the pitch, and leaves them as well prepared as possible should they fail to become full-time professionals at 18. The next section outlines our initial impressions of some aspects of the scheme's effectiveness and its reception by the trainees.

Pre- and Post-Entry Qualifications: Evidence from the First Cohort of the Scholarship Scheme

The 21 apprentices who were interviewed were asked about their pre-entry qualifications. It is striking that a third of these apprentices (7/21) achieved results that would suggest that they might cope with the traditional academic diet

of 'A' levels, in that they possessed eight GCSE passes at grade C or above. This result is reasonably consistent with the wider national picture in which 45 per cent of footballing apprentices have five such pass grades at GCSE level (or better); again, this latter piece of information was provided by a representative of the PFA during the interview held in July 1998. The point here is that only two of the apprentices surveyed registered for 'A' levels at their local college. Indeed, all eight apprentices at one club agreed that they would do a GNVQ in Leisure and Tourism. The better qualified apprentices simply opted for the advanced rather than intermediate version of the course.

Our evidence, then, suggests that the chance to gain the more demanding 'A' levels was largely ignored by the apprentices who generally opted for less academic courses. The PFA representative confirmed that apprentices may have been constrained to do less academic courses under the old (i.e. pre-1998) YT scheme; the impression gained here is that although the new Modern Apprenticeship scheme catered for such a more academic route, it was not taken up by many of the apprentices concerned. It is true that a GNVQ at advanced level will be taken as a matriculation at many courses run at the newer universities. However, as the PFA representative also pointed out, a qualification at 'A' level is still regarded as something of a gold standard by universities and employers, and arguably gives young people a wider range of options than the more vocationally orientated GNVQ system. Indeed, one of the features of the football industry's swing away from a two-year YT scheme to a three-year Modern Apprenticeship was a desire to make the college-based part of the training more rigorous. The PFA insistence that the new system be called the Scholarship scheme was intended to reflect this desire to make the apprenticeship more academically orientated. Despite the best efforts of the PFA, these results suggest that the academic aspirations of apprentice footballers have generally remained fairly low.

Accreditation: Making the Most of Qualifications Gained?

In general terms, it seems reasonable to suppose that individuals will want any training that they receive, to be as widely recognized as possible. It is striking that the government's NVQ scheme in particular, and APL (Accredited Prior Learning) in general, have been developed in the 1990s precisely to ensure that any educational training programmes will be given as much currency as possible. Given the extremely high attrition rates amongst football trainees, one might have imagined that the apprentices concerned would have been anxious to have taken out a form of insurance policy, in terms of a portfolio of qualifications that could have been used outside the football industry.

However, this is a far from universal inclination. The impression of a narrowly focused ambition was reinforced by the answers given to one particular question. The apprentices were asked what they might consider doing if they did not

become professional footballers. Predictably, the answers were generally vague; most replied that they still would want to be involved in sport as a physiotherapist or coach. Four of the trainees claimed that they had no contingency plan at all; they had not considered any other career, even in the most general of terms. Of course, one could counter this by arguing that many 16-year-old school-leavers do not know what they want to do by way of a career. In this case, the problem is that the apprentices knew what they wanted to do and also knew that the chances of realizing their ambitions were slim, in general terms. However, as individuals they were convinced that they would 'make the grade' and had little by way of contingency plans, despite the prompting of the PFA and the clubs concerned.

Put another way, these trainees realized that their best chance of becoming a professional footballer was via a professional club's youth scheme. In the 1995/96 season, of 2,289 professional players in English league clubs 1,559 had graduated from a youth training scheme operated by the clubs concerned.¹¹ It was the chance of becoming a footballer that focused these apprentices' efforts. They realized that the chances were slim but nevertheless, the odds of becoming a professional footballer via this route were better than any other strategy. They were far less interested in gaining accreditation for a career outside football.

To a degree, this is not surprising given the pressures imposed on players by their clubs and by their own aspirations and self-perception. As one of the managers suggested (in an interview in October 1998), the attitude of the clubs themselves (as employers), would seem to be ambivalent on this point. Whilst they had provided a new training scheme with an enhanced college component, they were also concerned (as coaches) to foster a feeling of self-belief amongst the apprentices. Given that most (16/21) of the players had come through the youth system of the club that they were currently attached to, one could also see why they all thought that they could go on to become first team players, either with their present club or elsewhere. To have attained their current status as paid employees of a club these players represented the pick of young hopefuls who had started out at the same club, three or four years earlier (with youth teams at various levels, such as under-11s or under-13s). It is thus not surprising that they were confident that they would be in the minority who would be successful at the next hurdle and be offered a contract as a professional footballer at the end of their apprenticeship. All of the other five players (who were not previously registered with their present club at youth team level), were registered with another club as a schoolboy. In one sense, these five had already experienced some disappointment, in that other clubs had indicated that they were no longer interested in them. However, they had salvaged some hope of fulfilling their ambitions in having been subsequently taken on by another club. It is against this background of high expectation and a rather bleaker reality that the educational training of young players will have to be policed to a far greater extent than has generally hitherto been the case if the new scheme is to be successful.

The Costs and Benefits of the New Scheme from the Apprentices' Perspective

One of the unique features of the football industry is that trained employees can be sold and this will, obviously, affect the willingness of football clubs to undertake training, even though attrition rates are so high. In G. Becker's terminology, the training given is not just firm specific; it is general and therefore of interest to other employers in the same industry.¹² That may explain why football clubs are willing to undertake so much training at considerable costs to themselves; they are gambling on the possibility that they will make a considerable profit if they are able to sell just one or two players at a very high price.

However, from the players' perspective, such attrition rates present a different picture. The employees are having to accept an implicit cost in the form of reduced wages. As apprentices doing the scholarship scheme, these trainees were typically paid a weekly wage of just £45 plus an allowance of £10 per week; the amounts varied slightly from club to club. It is true that if they are offered a continuation of their training into the third year of the scheme, then these apprentices could expect a minimum wage of £90 per week. It is also the case that some players will receive quite substantial signing-on fees when they begin their training and a small number will be earning exceptionally high wages and winning advertising endorsements and other lucrative perks well before they complete their training.¹³ However, these rewards are obviously at their highest in the Premiership and in the upper echelons of the Nationwide League and the majority of trainees do not work in this environment. For the rank and file player there is likely to be a substantial opportunity cost, in the form of foregone wages. The wage levels noted above, for example, compare to an alternative weekly wage of £105 as a builder's labourer or £122 as a factory operative.¹⁴ Clearly, these are wages for unskilled posts and do not have the potential to rise at an exponential rate, in the way that a very successful footballer's would. However, as G. Atkinson has remarked, many people prefer to enjoy present consumption possibilities, rather than have to wait for them; their time preferences are skewed to the present rather than the future.¹⁵ This would seem to be plausible in the case of young footballing apprentices. Other things being equal, one would imagine that they would be tempted by the immediate prospect of earning some £50-70 extra per week. Even if one considered an increase in the apprentices' allowance (to £90 per week), there would still seem to be a shortfall in possible earnings.

One might say that this shortfall was a rational price to pay, if there was some guarantee of a successful outcome, in either general educational terms or footballing prowess. In other words, the trainee might trade off minimal gains in the short term (a low wage), for maximum chance of a successful outcome. However, the chances of a successful outcome (as judged by the apprentices themselves) are slender. According to the Department for Education and

Employment (DfEE), the attrition rate for Modern Apprenticeship schemes generally was 20 per cent for the year 1997/98. In nearly 80 per cent of cases then, apprentices in other industries would expect a 'positive outcome', to use the DfEE's terminology. This would mean that a qualification at NVQ level 3 was obtained, together with a job, or a chance of further education or training. It remains to be seen whether the Scholarship scheme will significantly increase the possibility of gaining such a positive outcome, in the case of the football industry.

Subsidized Search Costs: Part of Football's Tradition

In general terms, when employers enter the market for new workers, they typically incur transaction costs, that can often amount to thousands of pounds. Transaction costs represent the cost of going to (or leaving) a market and in this context we might say that the expense of searching for suitable trainees (search costs) makes up the bulk of these sums. British Gas, for example, has estimated that such costs amount to £9,000 per graduate recruited.¹⁶ P. Doeringer and M. Piore argue that such costs could be reduced if managers were able to fill most of their vacancies 'from within'.¹⁷ Thus internal labour markets are often used as a means of filling vacancies, especially those above the lowest 'rung' of any grading system or career ladder. Clearly, managers already know a lot of relevant information about internal applicants from existing records.

By analogy, football clubs often fill vacancies at apprenticeship level by looking at their youth teams operating either in Centres of Excellence or Academies.¹⁸ All 21 of the apprentices in this survey had registered with a youth scheme of a professional football club. This is consistent with Wilkinson's Blueprint, that suggests that the development of young players should be a matter for professional clubs rather than well-meaning amateurs at schools or local (non-league) clubs.¹⁹ One can readily see why football clubs might turn to Centres of Excellence or Academies as a feedstock source of younger players. Such a system means that the apprentices' coaches already have a good deal of information readily available to them about these players. This seems like a reasonable strategy given that to choose a player at 16 who has not progressed through a club's own youth teams is a risky proposition. To judge a player on the basis of one (or even a handful) of trial matches is hazardous. D. Richardson estimates that a typical outfield player will touch the ball less than two per cent of the playing time.²⁰

In the football industry an important aspect of search costs concerns the scouting system. All of the three clubs had scouts who were watching matches to see if good players, especially young players, might wish to join the club. In one case a former Premier League club employed over 30 scouts on a nation-wide basis; the other clubs had between 12 and 20 scouts, who were part-time. In economic terms these scouts represented a form of producer subsidy, in that the vast majority of their effort yielded little or no wage. Scouts were paid a bonus (of, typically, a few hundred pounds), only if someone they recommended was

subsequently 'signed on'. Two scouts at one club disclosed that they might make only one or two 'finds' per season. In other words, these scouts were reimbursed for travel expenses but received little by way of wages. The fact that so many scouts are prepared to spend their time in this way is interesting; they estimated that in a typical week they might see three matches (or five hours of football). A similar length of time would be taken up with travel and administration (such as answering telephone calls and completing forms). The costs to the individual scouts are therefore considerable in terms of the time spent and yet the revenue gained was of a small magnitude and uncertain, with the exception of travel expenses. In most industries, of course, recruitment is done by managers who are paid a salary. Recruitment in the football industry is radically different largely for historical reasons. Interestingly, the club running an Academy system recruited its apprentices from a very wide geographical area, including (in this survey) boys from Canada, Northern Ireland and Wales. The lowest-placed club recruited all of its players from within a county boundary, with one exception who was from an adjacent county. The third club recruited five of its apprentices from the North-West of England; the other two players were from Scotland and had informal contacts with the manager's family.

The Academy club then (like other footballing Academies) felt able to recruit from a wide geographical area. This finding correlated with a question asked about the apprentices' aspirations to join other clubs. The majority (5/8) of apprentices at the Academy club had not applied to join other clubs. Conversely, of 13 apprentices at the other clubs (running Centres of Excellence schemes) nine players said that they had had trials elsewhere. It is significant that most clubs in the FA run Centres of Excellence rather than Academies, and employers' search costs (for trainees) are thus kept to a minimum. There is little evidence (so far) that the Modern Apprenticeship scheme has affected apprentice recruitment patterns outside the Premier League. This is somewhat surprising and the impression one has is that, with the exception of the Academies, the industry continues to use established procedures rather than adapt them to the new Scholarship scheme.

Poaching and the *Bosman* Ruling

One of the reasons given for not training employees is connected to the idea of a 'free rider'.²¹ The danger a firm faces is that a rival producer will tempt trained employees away in the post-training period; one strategy a firm may adopt is to let others bear the cost of training and then wait to see if market conditions are sufficiently buoyant to warrant hiring a trained worker. The problem of dealing with such free riders had been recognized explicitly in some industries, such as banking and finance.²² In the case of the football industry, Brighton recently complained that Aston Villa had tempted away a promising young player whose potential had been developed at Brighton.²³ One can clearly see why the young

player concerned would want to go to another club, given the possibility of higher wages and more *kudos*. The interesting point here is that big clubs (such as Aston Villa) may consider any imposed compensation payment as simply an operating cost to be offset against the search and training costs that would otherwise have to be met to recruit and train a player of a given standard. In this particular case, the Football League decided that Brighton should be awarded an immediate payment of £150,000, rising to a maximum of £1.025 million, depending on the number of the player's first team appearances.

Another aspect of poaching young players is connected with the European Court's so-called *Bosman* ruling of 1996.³⁴ Jean-Marc Bosman was a Belgian national who played with Belgian club RC Liège. In July 1990, prior to the expiry of his contract, the club offered him new terms which included a substantial reduction in wages. Unhappy with the terms, he was then subject to a transfer bid by French club Dunkerque which in turn failed because of doubts as to the French club's ability to pay the transfer fee demanded. Only able to find employment in the Belgian Third Division, Bosman brought a legal case challenging the right of clubs to charge transfer fees for out-of-contract players. Under the eventual ruling, players at the end of their contract are not to be penalized by having a transfer fee attached to them. Interestingly, Bosman cited the 1957 Treaty of Rome as central to his argument; member countries of the European Community should not inhibit trade, or the transfer of resources between such countries. By having a transfer fee attached to him, Bosman's ability to ply his trade was being inhibited. Soon after this ruling it became clear that players who wished to continue playing within one country would also have the right to expect any transfer fee not to apply at the end of their contract. Furthermore young players who had been trained by one club could expect a transfer fee to apply up until the age of 24, if another club wished to sign them. In some ways, one can see that there is an economic argument to justify the protection of employers, who may wish to ensure that they are properly rewarded for training they have provided; however, such protection (in the form of a transfer fee), does not characterize other industries. Indeed, H. Moorhouse has suggested that this ruling may well be challenged; a similar opinion was expressed by two of the managerial staff interviewed in autumn 1998.³⁵ Young players may feel shackled by the current interpretation of the *Bosman* ruling. A particularly gifted player may even go so far as to suggest that it was his innate ability, rather than any coaching, that accounted for his success on the pitch. If this challenge (on the age limit of 24) is made successfully, it will be interesting to see how clubs will manage their youth development programmes.

Avenues for Future Research

It would be premature to predict the trends which will emerge from the data to be collected. Moreover, with only three clubs in the survey, one has to be

especially wary of suggesting such trends. However, there are indications from this interim study that certain lines of enquiry might prove fruitful.

Given that only two (out of 21) trainees are studying for 'A' levels, it would seem as though the PFA's insistence on a more academically orientated programme is at odds with what is happening 'at ground level'. It will also be interesting to see how these young players actually perform in their examinations in the next year or so.

This impression is reinforced when one looks at the range of alternative career options considered by the apprentices. Most of them had no clear idea about an alternative to football; indeed, 4/21 admitted that they did not have even a vague alternative strategy. It will be interesting to see what alternatives are considered in the third year of their training, when it is likely to be clear whether or not their current clubs consider that the trainees have the potential to become professional footballers.

The question of poaching is also intriguing. Wilkinson's 1997 'blueprint' suggests that smaller clubs may benefit from the sale of their more able trainees; the problem is, deciding on an equitable price. The costs of investing in training could potentially be recouped by the sale of just one or two very able players. Indeed, one of the clubs surveyed sold a 17-year-old player to a Premier League club and that revenue was the equivalent to the gate receipts of many home games. In another of the three clubs, an internal paper estimated that the sale of one able midfield player was enough to fund the club's entire youth policy for a period of seven years. The difficulty is that the uncertainties associated with recruitment in conventional industries are magnified in the case of football clubs. Many young players (and their employers) would hope to emulate the next Michael Owen but it is rarely possible to spot that talent and to predict its worth in even a few years.³⁶ Clearly, physical development plays an important part in the training of footballers and it is virtually impossible to say who, at the age of 16, will be the quickest or strongest player, even in the short run. We shall be tracking the prowess of these young players, to see how many go on to make first team appearances, or alternatively, drop out of the scheme.

It is of note that a club's scout is forbidden from spotting young talent at another club. The only time when a representative of one club can legally assess the potential value of young players at another is when the two clubs meet in competitions or friendly matches. As one coach remarked, there are even methods used to circumvent this ruling. Clubs which hear of an emerging talent will ask an unknown scout (from another region) to travel to watch the player in training and then report back. Of course, in other industries if an employee wishes to leave, they are free to do so. That is not the case in football. Will the young players realize when they are being watched, or will they seek extra 'voice' (in the form of an agent or the PFA) in a bid to increase their commercial value as footballers?

One critical possibility raised by the scheme is that it has the capacity to change substantially the occupational culture of professional football. Indeed, at

least some supporters of the Football Scholarship are attracted to it by its potential to raise the image of the professional player: if the scheme meets its target in terms of educational attainments, lazy media stereotyping of footballers' intellectual ability will soon become untenable. A youth training culture which has often been typified by 'authoritarian attitudes and domination' would then have to adjust to an influx of young players with the enhanced critical faculties and self-confidence that good education instils.²⁷ The implications for those training trainers might prove to be considerable. Although analysis of the cultural aspects of the scheme are not central to this particular study, it would certainly make a fruitful topic for other scholars.

Much research, in a variety of disciplines, is increasingly of a comparative nature. It would be interesting to see how well the Modern Apprenticeship in English football compares with the training offered to trainees in other industries. Such a comparison would fit neatly into the debate concerning the alleged skills shortage in this country.²⁸ It should prove possible to compare the sample of players with a group of a similar age in Europe (either in the same industry, or the wider labour market). Clearly, however, the methodological difficulties would become even more complicated.

Conclusions and Policy Implications

Despite very real attempts by the PFA and the clubs themselves to provide more accredited courses, the evidence suggests that in this sense present practice is not dramatically different from the previous YT scheme. The early signs from this research are that the apprentices themselves are often not willing to register for the more challenging 'A' level courses, even where their previous qualifications suggest that they would be able to cope with these academic demands. The trainee's attention is narrowly focused on becoming a professional footballer, even though most of those taken on under the Modern Apprenticeship scheme are unlikely to earn their living as footballers by the time that they are 21.

In terms of costs (to the employer), one of the clubs in this survey explicitly stated (in an internal report), that the Academy route to training (as suggested in the Wilkinson report), was too expensive and thus preferred a Centre of Excellence. Meanwhile, in terms of benefits, the Academy club featured here was rewarded in that it attracted a higher proportion of international under-16 players (3/8). The other two clubs ran Centres of Excellence and had just one international player between them (out of 13 players in total). Similarly, the Academy club engendered greater loyalty in that most (5/8) of its apprentices did not have trials elsewhere. Conversely, most of the apprentices (9/13) at the Centre of Excellence clubs did have trials at other clubs. One vital question is whether the extra costs of running an Academy are matched by extra benefits such as these. From the clubs' perspective, a key performance indicator is, of course, the rate at which apprentices progress sufficiently well to play for the first team; we

shall be monitoring this at all three clubs.

Another important issue concerns the recruitment of apprentices. The football industry took up the YT scheme in 1983. According to the PFA source cited earlier, 'clubs used to take on too many boys [under the YT scheme] ... and were not selective enough'. The new programme is not as generously funded, from the clubs' perspective, since they now have to pay half of the wage costs involved. The PFA has indicated that it is prepared to fund half of the costs of the new scheme but only with a maximum of 18 apprentices in total per club, across the three years of the scheme. In other words, given that the clubs, as employers, now pay half of the wages of apprentices, they are more wary of the number of trainees they recruit than they were in the 1980s. An important test of the new scheme will be the extent to which an apprentices stands a better chance of becoming a professional footballer.

It is often suggested that British industry has been forced to learn lessons from other countries, such as Germany or Japan.²⁹ It remains to be seen whether British clubs can achieve the success rates of clubs like Ajax, where 90 per cent of trainees go on to become professional footballers.³⁰ However, foreign managers such as Arsène Wenger (Arsenal) or Gérard Houllier (Liverpool) would seem to be the exception rather than the rule, especially outside the Premier League. Moorhouse has suggested that management practice in other (more successful) countries should be more carefully scrutinized. Certainly, a number of those interviewed (such as the scouts at one club in October 1998) felt that the volatility of management at British clubs accounted for a number of trends. In the case of training, it meant that players who fitted into the plans of one manager often found themselves out of favour with an incoming manager; this impression was also confirmed by the experiences of a former YT player from one of the clubs, interviewed in July 1998.

In Atkinson's terminology, managers might be viewed as core employees (in the sense that they are clearly very important to the clubs concerned) and yet, typically, they have very little security of tenure.³¹ Their contracts are often short term, lasting a few years. Again, this represents a marked contrast with other industries and has clear implications for training. It might account for the finding mentioned above and, once again, it would seem as though the training of employees is subject to exogenous forces of a variable nature. The Modern Apprenticeship scheme is ill-equipped to combat such uncertainty, and the training and development of footballers are unique in this respect.

NOTES

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3. L. Bradley, 'Youth Training Initiatives in English Professional Football' (unpublished M.A, Sport and Recreation, dissertation, De Montfort University, 1997).
4. *Ibid.*, 11-13.
5. A. Parker, 'Great Expectations: Grimness or Glamour? The Football Apprentice in the 1990s', *The Sports Historian*, 15 (May 1995).
6. J. Harding, *For the Good of the Game* (London, 1991), pp.310-12.
7. *Ibid.*, p.349.
8. For a critique, see D. Finn, 'The Great Debate on Education, Youth Employment and the MSC', in G. Esland (ed.), *Education, Training and Employment* (Wokingham, 1991).
9. *Rothmans Football Year Book* (London, 1985 and 1990).
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11. *Rothmans Football Year Book*, 1996-7, pp.402-58.
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13. Parker, 'Great Expectations', 123.
14. Bradley, 'Youth Training', 48.
15. G.B.J. Atkinson, *The Economics of Education* (London, 1983).
16. British Gas, 'Graduate Development and Recruitment' (paper presented to Executive Committee, 1995).
17. P.B. Doeringer, and M.J. Piore, *Internal Labour Markets and Manpower Adjustments* (Lexington, MA, 1971).
18. 'Centres of Excellence' bring young players under-16 to the club in evenings and in school holiday periods. Large numbers of players can be involved in this way and costs to the club are relatively limited. The 'Academy' scheme is being adopted by all Premiership sides and some more affluent members of the Nationwide League. A limited number of boys join the club on an effectively full-time basis at 14, living in club accommodation and receiving not only their football training but their full-time education under the auspices of the club. Some clubs provide schooling at the ground, others send players to local schools.
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22. A. Rajan, and J. Fryatt, *Create or Abdicate: The City's Human Resources Choice for the 1990s* (London, 1988).
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24. P.E. Morris, S. Morrow and P.M. Spink, 'EC Law and Professional Football: Bosman and its Implications', *Modern Law Review*, 59 (1996), 893-902.
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26. 'There's only one goal the boy Owen missed', *Daily Telegraph*, 9 July 1998, 36.
27. Parker, 'Great Expectations', 123.
28. See, for example, D. Finegold, 'Breaking Out of the Low-Skill Equilibrium', *Education Economics*, 1, 1 (1993), 193-6.
29. R. Welford, and P. Prescott, *European Business: An Issue-Based Approach* (London, 2nd ed., 1994).
30. Figure quoted by Moorhouse, 'Some Problems in Youth Training'.
31. J. Atkinson, 'Manpower Strategies for Flexible Organisations', *Personnel Management* (Aug. 1984), 28-31.

APPENDIX 1
QUESTIONS ASKED IN THE FIRST YEAR OF THE STUDY

- 1 Which part of the UK are you from?
- 2 Are you on the YT or Modern Apprenticeship scheme?
- 3 What qualifications do you already possess?
- 4 What qualifications will you be studying for whilst you are with your present club?
- 5 Do you know what would happen to you if you did not go to college or perform adequately during your studies?
- 6 Do you know any of the details of your training programme
 - for this year
 - for next year?
- 7 What do you intend to do if you do not become a professional footballer?
- 8 Were you registered with the club as a schoolboy?
- 9 Did you have trials with any other clubs?
- 10 Were you recommended by a scout (or someone else) to go for a trial with your present club?
- 11 What representative honours (if any) have you already gained?
- 12 Where would you like to be in footballing terms, by the time that you are 20?

APPENDIX 2
FOOTBALL RESULTS 1ST YEAR 1998

Ref	Q1	Q2	Q3a	Q3b	Q4	Q5	Q6	Q7	Q8
1	Oldham	MA	8GCSE (2<C)	2	GNVQ (in)Sp/Rec	nk	Which college?	n/k	Y (14)
2	Oldham	MA	8GCSE (4<C)	4	BTEC (Sp Si)	nk	n	College	Y (14)
3	Oldham	MA	8GCSE (3<C)	3	BTEC (Sp Si)	nk	n	n/k	Y (13)
4	Oldham	MA	8GCSE (3<C)	3	BTEC (Sp Si)	nk	n	builder/army	Y (13)
5	Wakefield	MA	7GCSE (1<C)	1	GNVQ (in)Sp/Rec	warn/out	Y (go to AdGnvq)	coach (football)	n (Leeds)
6	Oldham	MA	8GCSE (1<C)	1	GNVW (in)Sp/Rec	warn/out	Y (go to AdGnvq)	leisure.mngt	Y (U12)
7	Chorley	MA	9GCSE (9<C)	9	A (Ma/Ch/Com)	Y (warn/pay)	Y (9-5; 5 days)	Architect	Y (13)
8	Manchester	MA	7GCSE (0<C)	0	BTEC (Eng/Com)	Y (warn/pay)	Y (9-5; 5 days)	Joinery	n (Man.C)
9	Southport	MA	9GCSE (9<C)	9	A (Ma/Bio)	Y (warn/pay)	(9-5; 5d)	Phsio	Y (11)
10	Glasgow	MA	8STG (0<C)	0	BTEC Sport/Leis	nk	nk	coach	n (G Cit)
11	Glasgow	M/A	8SIG (1<C)	1	BTEC Sport/Leis	n/k	n/k	wkwithdad(haulage)	n (G.Cit)
12	Liverpool	M/A	9GCSE (4<C)	4	BTEC GraphDes	Miss Game	nk	Engineer	Y (14)
13	Ormskirk	M/A	9GCSE (9<C)	9	BTEC (Sp Si)	Miss Game	nk	Sports	Y (U12_)
14	Bridgend	M/A	10GCSE (8<C)	8	GNVQ(Ad)Leis/T	warn/fine/out	Y	builder/coach	Y (u15)
15	Stockport	M/A	7GCSE (3<C)	3	GNVQ(In)Leis/T	warn/fine/out	Y	coach/phsio	Y (u11)
16	Macclesfield	M/A	9GCSE (8<C)	8	GNVQ(Ad)Leis/T	warn/fine/out	Y	coach	Y (u11)
17	Derry(N/I)	M/A	7GCSE (2<C)	2	GNVW(In)Leis/T	warn/fine-out	Y	coach	Y (u15)
18	Warrington	M/A	10GCSE (9<C)	9	GNVQ(Ad)Leis/T	warn/fine/out	Y	coach/phsio	Y (u10)
19	Manchester	M/A	9GCSE (4<C)	4	GNVQ(Ad)Leis/T	warn/fine/out	Y	nk	Y (u13)
20	London	M/A	9GCSE (0<C)	0	GNVQ(In)Leis/T	warn/fine/out	Y	nk	n (NottsF)
21	Canada	M/A	9GCSE (9<C)	9	GNVQ(Ad)Leis/T	warn/fine/out	Y	stockbkr/university	Y (u14)

APPENDIX 2 (continued)

Ref	Q9	Q10	Q11	Q12
1	n	Rec.by coach	Oldham U15	Eng.Int.
2	Man. City	Rec. by coach	Oldham U15	Prof. Footballer
3	Liverpool	Rec. by friend	Oldham U15	Prem. League
4	n	Rec. by coach	Oldham U15	Prem. League
5	Leeds/Reading	Rec. by Leeds	Wakefield U13	1st team
6	Oldham	Rec. by friend	Oldham U15	1st team
7	Bolton/Derby	Rec. by Scout	Lancs Sc/NWS	1st team
8	Oldham	Rec. by Man. City	Man. Sc.	Push for 1st team
9	n	Scouted	Eng U16	1st team
10	AtStJohnst(1yr."Free").GI/Clt.A/V.Hearts.Motherwell	Contact via mngr	ScotlandU14BCapt	GI.Celtic/Scot
11	Signpnt(4mnth).A/V.Hearts.Motherwell.StJ	Contact via mngr	GI U15	GI. Celtic
12	Everton	Scouted	Liverpool U15	Everton
13	No	Centre Exc	Lancs U16	Prof. Foot
13	ManU/Wolves/Wrexham/Cardiff	Scout	Wales U16	1st team (Premrclub)
14	no	Scout	Gtr Manc'r U16	1st team (anywhere)
16	no	Scout	Eng U16	Play-not bench plr
17	Celtic/Sheff Wed	Scout	N.Ireland U16	1st team (anywhere)
18	no	Scout	None	1st team (anywhere)
19	no	Scout	Trafford U14	1st team-Prem
20	Notts Forrest (for 3 yrs-but too small) Let go	Rec. by Nott. F	None	1st team-Man. City
21	no	Cameon tour Stayed for trial	Macclesfield U15	1st team-Prem
n=9				
(but 5/8 at academy say no trials elsewhere)		2 started at other clubs	2 Eng U16	6=1st team at club
cf 4/13 at Centres of Ex. to say no to other trials)		(as apprentices)	1 Wales U16	All 21 want 1st tm
		3 at other clubs as sch.boys	1 N.Ire U16	
			1 none	