THE IMPORTANCE OF FORMAL EMPLOYEE EDUCATION IN THE WORLD OF GROWING UNCERTAINTY

İSMAIL BAKAN
Assist. Prof. Dr., Kahramanmaraş Sütçü İmam University
Faculty of Economics and Administrative Sciences
Department of Management
Kahramanmaraş/Turkey
Tel.: 00 90 344 223 76 66 (396)
Fax: 00 90 344 221 14 29
e-mail: ibakan63@hotmail.com

Key Words:
Employee Education, Training, Training Courses, Management Development

Abstract

The world is changing very fast with new technologies resulting in the replacement of traditional work methods by new types of job and new forms of working which require a different combination of skills. In this world of growing uncertainty many managers have become aware of the need for their businesses to search for new answers to problems of productivity and quality. Learning has emerged as response to these and other concerns because the world labour market has recently seen a shift from the traditional job-for-life, based on a paternalistic culture, to a more flexible employer-employee relationship, based on a performance culture. In conjunction with this change, individuals are now being forced to take charge of their own continuous learning to have a different combination of skills required.

The skills of employees are fundamental to the success of a business. Business and employees have a shared interest in increasing skill levels. For the business, it helps with their aim to increase performance, and for the employee, now being forced to manage their own futures by taking charge of their own learning, it assists with maintaining and increasing their employability, professional competence and earning potential thereby helping future job prospects.

A recent study concluded that most managers have understood that business or management qualifications will become more crucial because of a need for more broadly based business knowledge, because of the growth in managers’ responsibilities and because there is more competition for jobs. Continuous formal education and development are important so that an individual has the knowledge and skills required to meet changing business needs.

1. INTRODUCTION

In this world of growing uncertainty both the employer and employee have a responsibility for improving skill levels. One of the features of working life today is that whatever education and training is acquired at the start, it will almost certainly become
redundant or obsolete during the same working lifetime (Boella, 1992). The need to train, to obtain new knowledge, new skills and new attitudes has become an everyday aspect of each individual’s working life. In some cases this will require a complete change from one occupation to another, but in others it may merely be an updating process.

In some developed countries, such as France and Germany, there is a great legislative support and frequent partnership between education providers and employers (Pinnington and Edwards, 2000). However, in other developed countries, such as UK, training is more and ad hoc. In such countries it is difficult to plan and invest in employee education because there are strong pressures on management to decrease costs wherever possible and to deliver short-term financial returns. It is also more difficult for companies to invest in human assets, particularly whenever the return on investment is either long-term or difficult to quantify, as financial institutions usually prefer to lend money on a short-term basis. Because of the reason mentioned above and some other reasons employers in some countries, such as UK, have not sought to compete by long-term investment in employee development, preferring when possible to use lower skilled and lower cost labour or to recruit trained people directly from the external labour market (Pinegold, 1991).

However, in recent years many organizations have realized that in order to survive in a world which is changing very fast with new technologies employee education is essential for new types of job and new forms of working which require a different combination of skills. Employee education is not only crucial for the organizations but also important for macro-economic performance of a nation. Collin and Holden state that “an educated and skilled workforce is essential for the effective functioning of an economy, the competitiveness and wealth of a nation, as well as for the overall well-being of society” (cited in Beardwell and Holden, 1997, p. 346). Other studies argue that the future will see a world of work based more on skills than organizations. It is mentioned that “to ensure that a nation achieves the level of skills it needs, its government, therefore, puts in place the vocational education and training (VET) policies and systems that will facilitate their development” (Beardwell and Holden, 1997, p. 346). As new technology has advanced old procedures new skills are required and there is an increasing need for a skilled and highly trained workforce able to meet these changing situations in the workplace.

2. DEFINITIONS AND THE IMPORTANCE OF EMPLOYEE EDUCATION AND TRAINING

Training is the systematic modification of behaviour through learning which occurs as a result of instruction, education, development and planned experience (Armstrong, 1991). Bass and Vaughan (1966) defined learning as “a relatively permanent change in behaviour that occurs as a result of practice or experience”. Learning is also defined by the Department of Employment (DOE), which is now part of the Department for Education and Employment (DfEE) as “the process whereby individuals acquire knowledge, skills and attitudes through experience, reflection, study or instruction” (cited in Pinnington and Edwards, 2000, p. 185).

Training is defined by the Manpower Services Commission as:

“a planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. Its purpose in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organisations” (cited in Reid and Barrington, 1994, p. 7).
The DOE’s glossary defined training as:

“a planned and systematic effort to modify or develop knowledge/skill/attitude through ‘learning’ experience, to achieve effective performance in an activity or range of activities” (cited in Pinnington and Edwards, 2000, p. 185).

The Manpower Services Commission defined education as:

“activities which aim at developing the knowledge, skills, moral values and understanding required in all aspects of life rather than a knowledge and skill relating to only a limited field of activity. The purpose of education is to provide the conditions essential to young people and adults to develop an understanding of the traditions and ideas influencing the society in which they live and to enable them to make a contribution to it. It involves the study of their own cultures and of the laws of nature as well as the acquisition of linguistic and other skills which are basis to learning, personal development, creativity and communication” (Cited in Armstrong, 1991, pp. 414-415).

The DOE defined education as:

“A process and a series of activities which aim at enabling an individual to assimilate and develop knowledge, skills, values and understanding that are not simply related to a narrow field of activity but allow a broad range of problems to be defined, analysed and solved” (cited in Pinnington and Edwards, 2000, p. 185).

So, training is concerned with the obtaining of a body of knowledge and skills which can be applied directly to work of a particular type. Changing technology and patterns of work mean that employee training must be a continuous process throughout a working life. Knowledge, skills, and values acquired for one job may have to be transferred, modified and supplemented for other jobs. If core skills common to a group of jobs can be identified, flexibility can be increased.

Education has more broad definition than training. Education is the process of obtaining background knowledge or skills. According to Hackett (1994) “it is person-, rather than job- or company-oriented” (p. 114). Education and training, according to Pinnington and Edwards (2000), “have in common is that they are related in an individualist conceptualization of the world. That is to say, they concentrate on the individual to the exclusion of more collectivist concepts of learning, such as learning in teams, organizations, and the community” (p. 185).

3. EDUCATION AND TRAINING PROGRAMS

3.1. Training Programs

The need to train new or recently promoted employees is obvious. Such employees have to learn new skills and values, as their motivation is likely to be high, then can be acquainted relatively easily with the behaviour and skills expected in their new position. It is not easy to determine the training needs of such employees.

According to Stoner and Freeman (1992) managers can use four procedures to decide the training needs of individuals in their organisation or sub-unit:

1. Performance appraisal. Each employee’s work is measured and evaluated against the performance standards or objectives established for his or her job.
2. **Analysis of job requirement.** The skills or knowledge stated in the appropriate job description are analyzed, and those employees without necessary skills or knowledge become candidates for a training program.

3. **Organizational analysis.** The effectiveness of the organization and its success in achieving its goals are examined to determine where differences exist. For instance, members of a department with a high turnover rate or a low performance record might require additional training.

4. **Survey of human resources.** Managers as well as non-managers are asked to describe what problems they are coming across in their work and what actions they believe are necessary to solve them.

Once the organization’s training needs have been identified, the personal department must initiate the suitable training effort. There is a wide variety of training techniques that can be used by managers (Armstrong, 1991). The most common of these are **on-the-job-training** techniques which are practised by the manager and the individual employee on a day-to-day basis or as part of a specially tailored training programme. This type of training includes **apprenticeship**, in which the employee is trained under the supervision and guidance of a highly skilled co-worker; **internship** also known as **assistanship**, in which job training is combined with relative classroom instruction; and **job rotation**, in which the employee, over a period of time, works on a series of different jobs. For practical reasons **on-the-job-training** is a common approach to job training, with trainees working directly in the production or operating environment (Torrington and Chapman, 1983). Special space and equipment are not necessary, controls and reinforcements are operational and real, and the trainee is considered to earn as he/she learns. The practice is totally realistic and, since it is under trueworking conditions, little or no ‘transfer of training’ problems are expected. Since the primary emphasis is upon production and not upon training, the impacts on learning may be disadvantages (Torrington and Chapman, 1983). Thus the general approach has advantages in relation to experience and practice, with disadvantages for efficient learning.

**Off-the-job training** techniques take place away from the place of work but attempts to stimulate actual working conditions. Most training programmes include a significant element of ‘off the job’ training in classroom situation. In some cases this contains training prior to placement in the working environment, and ‘on the job’ training is usually supplemented by ‘off the job’ instruction. Many organizations provide courses to suit general or specific training needs, with a variety available which is beyond the scope of any company. Similarly companies may organize individual courses incorporating contributions from external specialists and internal staff. Such courses may vary from a short course on a particular technique to an extended executive development programme, but the common feature is an emphasis on training and specifically designed learning situations. The advantages are may, notably the opportunity to introduce trainees to information, ideas and experience beyond the confines of the working environment. When separated from the pressures of work activities, trainees can allocate their full attention to learning, may experiment with new ideas and generally undertake the self-analysis which is necessary for permanent behaviour change. However, it is often difficult to provide relevant practice with work-related activities in a classroom situation. But such problems should “receive careful attention in the overall training design by provision of practice and experience, the opportunity to apply new ideas, and an awareness that organizational climate or human resistance may discourage the practice of new ideas in the working environment” (Torrington and Chapman, 1983, p. 128).
Off-the-job training includes vestibule training, in which employees train on the actual equipment and in a realistic job setting but in a company training school, a specific training department, or an annexe are within a production department. The equipment, materials and environment are close simulations of the production situation, but with the main emphasis on training rather than production. A programme may last for a few days or some months, depending on the complexity of the tasks or job involved, and training is conducted by a specialist instructor or skilled coach. In order to avoid the on-the-job pressures that might interfere with the learning process, the training takes place in a room different from the one in which employees will be working. The obvious advantage is providing realistic job experience with minimum ‘training transfer’ difficulties, whilst eliminating the disadvantages of ‘on the job’ training. In behaviourally experienced training, some of the method used in assessment centers – problem centered cases, in basket simulation, business games, and so on – are employed so that the trainee can learn the behaviour suitable for the job through role playing (Stoner and Freeman, 1992). Off-the-job training may focus on the classroom, with lecturers, seminars, and films, or it may involve ‘computer-assisted instruction’ (CAI), which can both reduce the time needed for training and provide more help for individual trainees (Dosset and Hulvershorn, 1983; Schwade, 1985; Heck, 1985).

3.2. Types of Training Required

Most large organizations employ professional training officers to conduct training programmes for employees. Even in small companies several types of training will still be necessary. According to Fardon et al., (1993) in all companies there are several types of training required:

- **Initial training for new employees**: This is to ensure that the job is done safely and completely. Immediately after the induction procedures have been carried out all new employees must be given training.

- **Updating training**: Increasingly employees are required to obtain new skills in place of skills that are becoming redundant. There is now a ‘culture’ of training in which employees are increasingly expected to update skills and knowledge on a regular basis.

- **Multi skilling training**: Multi skilling means that employees are trained to do several different jobs rather than just one.

- **Government training schemes**: because of high unemployment in many countries throughout the world many government schemes were set up to encourage employers to train more young people. In some countries organizations receive financial subsidies to recruit young people for a pre-determined time, one or two years, during which they would provide a proper training programme which would increase the young persons chance of finding permanent work.

3.3. Training Courses

The main types of training courses that organizations may run will now be examined briefly.

- **In house’ training courses**: This is where employers provide courses inside their own organization. Courses might be held in a room in the company or in a smart training center owned by the organization.
**External courses**: Sometimes it becomes necessary to send staff to do courses elsewhere. This may be with another employer or at a specialist training center or at the factory of an equipment supplier. As external courses are generally quite expensive employers have to think very seriously about the value of such courses to the organization and they have to carefully identify which staff would get the most personal benefit.

**Vocational and professional courses**: Internal and external courses often have to be reinforced by courses run by local colleges and universities. These courses give the essential knowledge to support what is learnt in the workplace and an internal courses. College courses include professional courses and vocational courses. Vocational courses provide training in job-related skills. In the UK, for example, the National Council for Vocational Qualifications (NCVQ), established by the government, sets standards for workplace competences which can be evaluated both in the workplace and at College by examining bodies such as BTEC, RSA and City and Guilds. Regarding professional courses, all the professions run professional training schemes which enable people to obtain qualifications for their career development. Colleges are given permission to operate these courses and the students sit exams which are usually set by the professional bodies.

3.4. Management Development: Management and Supervisory Education and Training

Pinnington and Edwards (2000) argues that “HRM [Human Resource Management] places more importance on management development than did traditional personnel management” (p. 203). Management development is designed to increase the overall effectiveness of managers in their present positions and to prepare them for greater responsibility when they are promoted (Stoner and Freeman, 1992). Management development programs have become more popular in recent years because of the increasingly complex demand being made on managers and because training managers through experience alone is a time-consuming and unreliable process. Morgan’s (1988) research study reported that emerging managerial competences were: reading the environment, proactive management, leadership and vision, HRM, promoting creativity, learning and innovation, skills of remote management, using information technology as a transformative force, managing complexity, and developing contextual competences.

During the 1980s management development became more connected than it previously had been with managing organizational change, the reduction of middle management and their replacement by work teams that are tightly performance-managed (Sparrow and Marchington, 1998). These management development programmes have had common objectives, such as making managers more innovative, risk taking, and ‘business-like’ (Storey and Sisson, 1993). In order to obtain the required skills, knowledge, and new values:

“Managers have had to attend change conferences and formal skills training in new values, work methods, and systems. Informally, it is known that those who are most likely to survive in the organization are those able to enact the new values with commitment and responsibility.

While there are some opportunities for promotion in organizations, there has been a general de-layering of the management hierarchy and downsizing, meaning that development is a required part of the job and not something done only to managers who either lock necessary skills or who are being developed for promotion” (Pinnington and Edwards, 2000, p. 204).
Early management development activities were program-centered; that is, a program would be designed and administered to managers without taking into account their individual differences. However, it is now generally realized that managers differ in ability, experience, and personality. Therefore, management development programs today are more manager-centered - shaped to fit the unique developmental requirements of the managers attending. Before a program is selected, a ‘need analysis’ is made to identify the special needs and problems of the manager or group of managers. Then the suitable training activities are recommended.

As with training programmes, there are a number of on-the-job and off-the-job approaches to management development (Summers, 1984; Asplind, Behrendtz, and Jernberg, 1983). According to Pinnington and Edwards (2000) many of the methods and techniques used in management development apply equally to other employees. The authors argue that indeed, if organizations develop their managers, they must similarly improve the attitudes and skills of subordinate employees; otherwise problems of communication and skill shortages will result further down the line. On-the-job and off-the-job approaches to management development will now be evaluated briefly.

**On-The-Job Methods:** In management development programmes on-the-job methods are usually preferred. The training is far more likely than off-the-job training to be adjusted to the individual, to be job-related, and to be conveniently located.

According to Stoner and Freeman (1992) there are four major formal on-the-job management development methods.

1. **Coaching:** Coaching is by far the most effective management development technique. A subordinate is trained by his or her immediate superior. Unfortunately. Many managers are either unwilling or unable to coach their subordinates. Managers too often feel compelled to tell their subordinates exactly what to do, thereby negating the effectiveness of coaching. In addition, some managers feel threatened when asked to coach their subordinates, fearing they are creating rivals. Actually, the manager has much to gain from coaching subordinates, since a manager frequently will not be promoted if there is not a successor available to take his or her place. Conscientious managers often keep a ‘development file’ for each subordinate, showing what training the subordinate is receiving, what skills the subordinate is obtaining, and how well the subordinate is performing. Some managers may also keep a record of critical incidents – situations in which a subordinate displayed desirable or undesirable behaviour. In discussing these incidents with the subordinate, managers can reinforce desirable behaviour, gently show undesirable behaviour, and identify areas in which the subordinate needs further development.

2. **Job rotation** involves moving managers from one position to another so they can broaden their experience and familiarize themselves with various aspects of the company’s operations. Hackett (1994) stated that “if it is to be fully effective, coaching should be an integral part of the process” (p. 139).

3. **Training positions** are a third method of management development. Trainees are given staff posts immediately under a manager, often with the title of “assistant to”. Such assignments provide trainees a chance to work with and model themselves after outstanding managers who might otherwise have little contact with them.

4. **Planned work activities** involve providing trainees important work assignments to develop their experience and abilities. Trainees may be asked to administer a task force or participate in an important committee meeting. Such experiences help them gain insight into how organizations function and also improve their human relations skills.
Off-The-Job Methods: Off-the-job development methods transfer individuals from the stresses and ongoing demands of the workplace, enabling them to focus fully on the learning experience. In addition, they create opportunities for meeting people from other departments or organizations. Thus, employees are presented with useful new ideas and experiences while they make potentially useful contacts. The most common off-the-job management development methods are in-house classroom instruction and management development programs sponsored by universities and organizations.

Almost every management development program includes some form of classroom instruction in which specialists from inside or outside the company teach trainees a particular subject. To counteract possible passivity and boredom, classroom instruction is often supplemented with role playing, case studies, and business games or simulations.

Some companies send selected employees to university-sponsored management development programs. Education and training courses will now be mentioned briefly.

3.5 Education and Training Courses

Torrington and Chapman (1983) defined three major courses, namely the pre-experience, the post-experience and consultancy.

Consultancy courses: Varying from a half-day to several weeks in length, the courses are run by consultants or professional bodies for all comers. The main advantage of the courses is that they bring together people from varying occupational backgrounds and are not therefore as introspective as in house courses and are popular for topical issues.

The pre-experience courses: Full-time education leading to academic qualifications with a management sciences or business studies label and undertaken by young people as an introductory to a career. They are often defined as ‘vocational’ and aimed to be a practical preparation for a management-type occupation on completion. They can never, however, be vocational in the same sense as degrees in areas such as architecture or medicine because there is relatively little practical element in the course. The sandwich courses that incorporate periods of work in the ‘real’ world may help to bring the feet of young students nearer to the ground, but they can not provide any meaningful experience, and practice at, managerial work. The courses give an education, normally based on a study of the academic disciplines of economics, psychology, sociology and mathematics and incorporating some work in the more specialised disciplines like industrial relations and organizational behaviour, as well as an introduction to the practical areas like accounting, marketing, personnel/human resource management and production. The student should emerge with a balanced understanding of the workings of an industrial society and an industrial economy, and he or she will have some useful blocks of information which may well be at the frontiers of knowledge in management thought. He or she should also have developed the more traditional qualities of maturity and the ability to evaluate and debate that university education purports to nurture: he/she will not be trained to be a manager.

The post-experience courses: Full-time education usually leading to a diploma or master’s degree, such as MBA, with a management or business label and undertaken during a career. The main differences is not only that students are older, but that they study on the basis of experience they have had and with the knowledge of the work to which they will go back. Typically the member of a course at a business school will be seconded by his/her employer at a time when he/she has already held a management post. Although the material of the course may not be very different from that of the pre-experience course, the student’s perception will be very different and his application of any new insights or skills will be more immediate.
Some companies send selected employees to university-sponsored management development programs. Many major universities have such programs, which range in length from about a week to three-four months or more. Some universities, such as MIT and Stanford, also have one-year full-time study programs for middle-level managers. Usually, these managers have been slated for promotion in the organizations; their organizations send them to university programs to develop their perspectives and make them ready for movement into general (as opposed to functional) management (Stoner and Freeman, 1992). Management education is regarded as one basic form of training in which potential and current bosses are trained to be better managers (human technical skills) or better at certain functions (Hunt, 1992). University programs often combine classroom instruction with simulation, role playing and case studies.

Increasingly, large organizations are assuming many of the functions of universities with regard to advanced off-the-job training of employees. In 1990s US business spent an estimated $60 billion each year in-house education, a figure comparable to that spent by the nation’s colleges and universities (Stoner and Freeman, 1992). Arthur Anderson, Xerox, RCA, and Holiday Inns have each obtained educational facilities that closely resemble university campuses. Westinghouse, IBM, and Digital Equipment Company have established the National Technological University, a “satellite university” where high-level continuing education is transmitted via satellite to classrooms throughout the country and abroad (Fiske, 1985).

4. EMPLOYMENT BASED TRAINING

Historically British employers have often failed to realise the importance of training and to invest it sufficiently. Studies which highlight the differences in attitudes to training have showed that many UK managers believe that the tasks undertaken by workers require only minimal skills and therefore little need for training. This contrasts with German managers who accept a three year period of structured training as an essential foundation for the vast majority of workers (Keep and Mayhew, 1988). Additionally, as studies have found, as many UK managers are poorly educated and trained, they may perceive improvements in the education and training of their workforce as a threat to their position (Keep and Mayhew, 1988).

Finegold and Soskice (1988) found from studies that the reason for the lack of industry based training is due to firms concentrating on the manufacture of goods with the lowest skill requirements i.e. traditional, mass production rather than manufacturing techniques using advanced technology. They also concluded that training, in the UK, has also been affected by the long term move away from manufacturing to low skill, low quality services. This is proved by the decrease in manufacturing’s share of the labour market and the growth in part time service, sector employment where jobs typically require and offer little or no training.

Studies indicate that successful employment-based training systems such as those which operate in Germany, tend to depend on high levels of regulation which is not seen in the UK. Unlike France and Germany, the UK does not have legislation requiring employers to undertake employment based training and arrangements in the UK are similar to the voluntary system seen in the USA. Hutton (1995) also concludes that in the UK there has been little political pressure to invest in vocational training because the middle classes have their own pathway through private and university education. The German employment-based training systems do have a number of important differences from the UK. There is extensive collaboration between the economic, social and political systems with a partnership between labour and capital embodied in mitbestimmung (co-decision making) at both board and works
council level to ‘manage’ the labour market thereby providing wage-linked incentives to train, compulsory membership of Chambers of Commerce which monitor training standards, low youth wages, and in-firm training expertise through, the *Meister* system. These factors make contribution to the provision of high-quality employer-based training (Green and Steedman, 1993).

In France most initial training is given by a school based vocational education and training system therefore employers have a fairly limited role. However, in contract to the UK, USA and Germany there is a compulsory levy on French companies to finance training (*Faxe d'apprentissage*), requiring employers to spend 1.2% of total gross salaries on training employees.

The training culture in the USA is voluntarist and anti-federalist in nature with wide variations. As in the UK, the US training system has been characterised by a laissez-faire approach with a large part of post-school on the job training provided by the private sector. Training is often uncoordinated with emphasis on individual payment and individual effort. Another characteristics the USA also shares with the UK are the reliance on voluntary employer effort and lack of a tradition of work-based training. Studies have indicated that by the age of 25, nearly 60 per cent of young Americans had not received post-school on the job training (Green and Steedman, 1993).

In many ways the USA and UK are similar. Both have financial systems which are highly market based with few restrictions on the ability of companies to hire and fire workers freely to produce the higher short term returns shareholders demand.

Currently skill levels in the middle and upper parts of the US labour force are high but US society is crippled by increasing numbers of barely literate and numerate workers who move directly into the labour market (Hutton, 1995). Studies have found that job insecurity is spreading and wages for the bottom 10 percent of the labour force are around 25 percent lower than they are for the same group in the UK (Hutton, 1995). According to the results of the research the UK closely follows the USA, if education and training are not improved, the UK could also be faced with growing job insecurity and falling wages for low achievers as manufacturing jobs are replaced by part time, service sector employment where jobs typically require and offer little or no training and pay far less than full-time workers.

5. THE CHANGING NEED AND FUTURE REQUIREMENT FOR EMPLOYEE EDUCATION AND TRAINING

Traditionally, young people left school and found a job which provided them with adequate initial training to enable them to continue to do same job indefinitely. This was true whether the job was unskilled/semi skilled, requiring only very basic training, or skilled where an “apprenticeship” of several years was needed. It was not unusual to be given an apprenticeship in, for instance, a shipyard, a coalmine or a newspaper printing works which would provide a steady, secure and well-paid job from the day of joining the company until the day of retirement around fifty years later. The training provided in that apprenticeship would be anticipated to be sufficiently thorough to ensure that very little extra training would ever be required.

Starting in the 1990s this picture looks very strange. There are now very few traditional apprenticeships, and very few people can now believe that any job will be a “job for life”. Even people who do continue to do the same job for a long time are required to update their skills regularly, or face redundancy because their old skills are rapidly made useless by the advance of new technology.
As can be understood from the explanations above there is a future requirement for higher skill levels from the world workforce. As an example, future requirement for higher skill levels from the UK workforce will now be analyzed.

The Policy Studies Institute Report Britain in 2010 reports that:

“to provide the skills needed for effective competition in the rapidly changing and increasingly competitive international economy, it will be necessary to contemplate something in the order of a doubling of the proportion staying on in full time education and training” (Northcott and the PSI Research Team, 1991, p. 152).

They conclude that manual and low-skilled employment in manufacturing and agriculture, will continue to decrease, with movement into parts of the service sector.

“The importance of higher skill levels, which must be raised to levels more competitive with those achieved in competitor countries, for higher employment levels will be accentuated by up-market shifts in consumer tastes, stronger competition in the Single European and International markets, and the growing importance of IT and new technologies” (Northcott and the PSI Research Team, 1991, p. 156).

This idea is supported by the Confederation of British Industry (CBI) who report that the long term shift away from the unskilled to the highly skilled looks set to continue. The proportion of the workforce in full-time, permanent jobs is decreasing and may be nearly half the total in 2000. More people are moving to and between temporary and part-time jobs. The CBI regards “learning” as the key for success. “Only by continues learning can individuals maintain their employability, and organizations their competitive advantage” (Confederation of British Industry, 1995, p. 12).

The CBI argues that the UK faces a global economic challenge where: “its future prosperity depends on the skills and abilities of its people” (Confederation of British Industry, 1995, p. 11).

They mention that:

“Technological advances, deregulated markets and the information revolution are transforming the workplace. The accelerating pace of change within the business is unprecedented. ... Only business with a skilled and flexible workforce can flourish in these circumstances” (Confederation of British Industry, 1995, p. 11).

These views regarding higher skill levels is supported by the Centre for Research in Employment and Technology in Europe (CREATE) who argue that over time, the average skill content of work will continue to rise in the economy. They report that there has already been a significant increase in the number who can be classified as ‘knowledge workers’, defined as having three attributes:

- Higher education and training
- Intellectual and conceptual skills essential for problem solving and decision making in delayed structures
- The ability to shoulder varied work responsibilities (Rajan, Van Eupen, and Jaspers, 1997).

According to the National Association of Manufacturers’ annual Labour Day report, employers in the US are facing a widening skill gap that is leaving thousands of high-technology post unfilled every year (People Management, 1999). In order to stop this
widening skill gap Americans regard employee training as the key for success. The American Management Association’s 13th annual survey of the US workforce concludes that the value of employee training is increasing as the growth of the nation’s workforce slows (Lifelong Learning Market Report, 1999).

Because of the increasing importance of employee education and training throughout the world although Human Resource Development (HRD) has not been part of China’s tradition and is not a course of study within the Chinese educational system, progress has been made on several factors in developing the training profession. The number of North American and European universities now offering executive education and full MBAs in China has increased rapidly in just a few years, and these courses include study in HRD and Human Resource Management (HRM). Some Chinese universities, encouraged by several American companies, have begun to incorporate HRD courses into their MBA programs (McCain, 1999).

As a result of the crucial requirement for a highly skilled and well-qualified workforce many companies make it a priority to provide employee education and training. In the next section of the paper some examples will be given to indicate what companies are doing in the practice to increase their employees’ skill levels.

6. WHAT IS HAPPENING IN PRACTICE? COMPANIES’ EXPERIENCE REGARDING EMPLOYEE EDUCATION

Some companies have started linking theory and practice in employee education by using their own sources or by creating their own way. Usually when global companies find themselves in business problems, they hire a slew of high-priced consultants. But instead of tapping the brainpower outside of headquarters, some companies’ executives, such as Siemens’, started thumbing through their own worldwide employee directory. As an example, Siemens established as they called “Siemens University”. This is Siemens’ in-house training program, in which Siemens analysts and engineers act like MBA students and use Siemens’ business problems as the case studies to be solved. Siemens may be one of the only companies in the world whose management education program not only pays for itself but also saves the company money. Matthias Bellmann, one of the program’s architects, who also heads up human resource for Siemens’ Information and Communication Products unit asks “why should management learning be a cost center?” “why shouldn’t it be a profit center?” Siemens CEO Heinrich von Pierer argues the program is an important part of getting executives to be just a networked with one other as are the company’s phones. “The interest we get [in the program] from all over the place is a good indicator that we are on the right track” says von Pierer. In Siemens’ program managers are thrown into teams with the “students”, peers from other business units, often from abroad. That can make for a lot of diversity in problem-solving, since Siemens has 444,000 employees spread across 190 countries. According to James H. Vander Weide, a professor at Duke University’s Fuqua School of Business, who teaches finance in the Siemens management learning program “to compete globally, they have to be able to share resources and share ideas”.

_Siemens School Rules:_ How the German giant uses its university to improve the bottom line:

- Six managers from different divisions are given a “case study”, a real-life business problem from a Siemens business unit different from their own.
- The team wins over the units’ managers by showing them how much money they can save by accomplishing the team’s plan.
The student skill have to do their regular jobs. They receive no extra pay and not a dime to play with to help solve the problems.

What’s in it for the students? MBA-style experience and the cachet of being in the program: University students are seen as up-and-comers (Ewing, 1999).

7. CONCLUSIONS

A huge demand for highly skilled employees, tight labour markets and a new appreciation of the value of intellectual capital caused by technological advances have initiated a revolution in the human resource management. The world of Human Resource (HR) has changed radically within the last few years. Even the academic skill sets necessary to move to the top of the HR ladder have changed. Russo (1999)says “Years ago many HR professionals were getting their Master’s degrees in organizational psychology. Today, an impressive number are MBAs, who have a clear understanding of the intricate details of their organizations” (p. 6).

Employers are now expecting a higher level of skills from their employees. Studies have concluded that the long term shift away from unskilled to highly skilled jobs will continue in many countries throughout the world. However, despite this increasing requirement for higher skilled employees, there is evidence that the skills gap in many countries is widening with a growing deficit in key or core skills, which does not bode well for the future.

The development of employee capacity through education and training is becoming more important due to a range of changes affecting organizations: increasing organizational complexity, technological advances, legislation, employment levels, need for higher productivity and the application of behavioural science knowledge, together with changing social values and employee expectations.

Training and education programmes are best developed when employees see the benefit of such programmes to himself, as well as to the organization. Rana (1999) reports that Project 2001, an employee training and development project in the voluntary sector of Great Britain have shown increased staff motivation and improved customer service. Of the first organizations to receive help from Project 2001, run by the RSA arts and research body, 80 Per cent had reported improved teamwork among staff and half said they were able to reach more clients since they had better-trained teams.

In a changing external environment, it may well be that the most efficient means of equipping staff with the necessary skill is to send them on the courses which are offered at universities and local colleges of further education. Many of the courses, such as MBA, provide a grounding in basic business skills which will be useful in the working environment.

Unfortunately, however, many countries in the world have no legislation which makes this obligatory; staff who wish to follow a course of study must, therefore, rely on the goodwill and the foresight of employers, some of whom are happy to support staff by granting day release, paying fees, etc.

There is little doubt that, in the long term, human resources planning is simplified somewhat when an employer adopts an enlightened attitude to employee training and education. However, in the absence of any legislation which would make this mandatory, developing and preserving the organization’s human resources is dependent on management’s willingness to realize its importance voluntarily. Thus, the support of both top management and the employees’ supervisors is important in making a training and education programme effective.
8. REFERENCES


