

Britain Adopts A New Training System

A Report On Britain's New Training Act

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In 1964, the Industrial Training Act became law in Britain: it aims to provide adequate occupational training for all of Britain's 25 million working population. Today, this Act stands as the most ambitious attempt in any western country to provide a complete national system of industrial training, though the Common Market countries are also due to introduce a new comprehensive system in the near future.

Since the end of Hitler's war, Britain, in common with most other highly industrialised countries in Europe has suffered from a growing shortage of skilled workers, technicians and other highly-trained people in industry and commerce. This shortage of skill, manual and mental, craft and managerial, has been one of the great stumbling blocks in the way of Britain's economic recovery.

One result was a competition for workers of all sorts—competition brought about by the offer of higher wages to

attract workers from one firm to another. Some countries—Germany particularly—mounted huge programmes to import skilled workers from more backward places. But eventually, too late perhaps, the matter was recognised as a training problem: there simply were not enough being trained for the expanding labour force and for the increasing complexity of modern industry.

In Britain, from 1958 to 1962 a period of *phoney war* set in, in the training field: it can be called the "exhortation period." The problem was recognised

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but the solution fell short of positive or direct action. National leaders addressed conferences, articles appeared in the press and a wave of persuasive eloquence spread over the industrial training field to get employers to face up to their training responsibilities. All this exhortation failed. Fear of "poaching" workers was widespread and no employer was keen to train workers for rivals to enlist after training. Nobody wanted to know.

New Training Act

Out of the blue in December 1962 the Government announced plans for a national system of training and these plans became law early in 1964. It was a bold piece of legislation, especially since all the evidence pointed to the fact that Government intervention would be unpopular.

Paradoxically the Act does not compel employers to train their employees. The Act compels an employer to do only two fundamental things. First, an employer must produce certain types of information on request — information about the size of its labour force, its composition, the wages and salaries and so on. Previously an employer could ignore such a request because it did not have the authority of law behind it, but without such statistics no nation can plan or properly organise its labour force. Second, a corporation or works or any other employing unit must pay a training levy.

Industrial Training Boards

The Act works through a series of Industrial Training Boards of which, by

1968, when the full pattern will be complete, there will be about 30, covering the whole of British industry. Each board covers one branch of industry. The biggest board is—and would be in any industrialised country—the engineering board, covering, in Britain, about 3¾ million people. Next comes the Construction Industry (building and civil engineer) with about 1¾ million workers in it. Eighteen months after the introduction of the Act, there are four boards fully operative, these two plus boards for Wool and Iron and Steel. Later in 1965 Shipbuilding will become fully operative but no further boards will swing into activity in 1965. The extent to which the Government has pushed onwards with the reform is to be seen in the fact that with the full functioning of these five boards, six million workers, one-quarter of the total working population, will be brought within the ambit of the Act.

Already other boards are "forming"—gas, water, electricity, cotton, road haulage, furniture and timber, building materials and so on and when boards already in the pipe-line become fully operative—the first twelve—eight million people, one-third of the labour force, will be embraced by the new system.

The decision to organise the system industry by industry was the vital decision to be made. In many countries which have reformed occupational training the new system has been built around actual jobs or trades: there will be a board in such countries for plumbing, one for carpentry and so on. The concept of the Industrial Training Board serving a whole industry is essentially

new and very suitable for the modern industrial society. Trade boards have a dated look about them in this new context.

The Industrial Training Board for any industry covers all grades of worker, from the shopfloor to the boardroom. Thus the ITB can integrate activity between trades; it can, in theory, press forward with the training of multi-skilled craftsmen, for instance; it can provide an effective promotional ladder within an industry built around a training scheme in that industry designed partly for the promotional purpose. An ITB is big enough to support research into manpower development in its industry and, what is more, when the result of this research is known, it then has the authority to translate these findings into training programmes, which have a national currency and cannot be refuted or ignored. Thus, the ITB makes planned development possible in the training business and it brings in an entirely new concept: that training should serve some national purpose defined within a total economic purpose. And although the Act does not yet provide for it, there will, almost certainly, develop a system of integrating industrial and occupational training with the national system of education in school, college and university. All this is possible because the concept of the boards has been accurately worked out. One would expect great changes to be made to our original system as experience accumulates but it is sure that the concept of a board serving one whole industry will remain the sheet-anchor of any developed system.

How ITB's Operate

In serving its industry each board will provide for the training of operatives, supervisors, managers, technicians, technologists, clerical and commercial workers, maintenance fitters, salesmen—the lot. It will make some attempt to estimate demand in each category and will engage in selection, recruitment and testing procedures along with training.

What is a "board"? On its narrow interpretation a board consists of a group of men and women chosen by the Minister of Labour to run training in its industry. By Act of Parliament there must be an equal number of employers and representatives of employed persons (trade unions, for instance) plus certain people connected with education and training. There is no standard size laid down for a board, but the typical board might consist of eight employer representatives, eight trade union representatives and three educationists. The board members are not paid but their duties are not heavy: they meet once a month or so and their function is to decide the board items of policy for training in that industry. Each board has a Chairman and this post makes very variable demands. A Chairman is paid or can be paid. Some chairmen fulfill their duties by devoting two or three days a month to the job, others make it a full-time occupation. All of them are well-known industrialists—mostly Presidents of corporations: none is a training specialist. Perhaps the most interesting restriction laid on the board by the Act is that only employer representatives and the union representatives have the right to vote on items connected

with the levy: educational representatives may not.

The Board is the policy-making body: there is a separate secretariat which puts these decisions into operation and boards are, at this moment busily engaged in building up their organisations and recruiting top level staff. Each board has a very highly paid Director and Chief Training Officer, jobs which are the best-paid in the training business in Britain. It is forecast that when the Engineering ITB is fully operative it will have a staff of about 700 to 1,000.

System of Levy

The chief weapon in the hands of the boards is a system of levy and grant. In any industry every firm has to pay to its appropriate ITB a sum of money known as the training levy, annually. Each industry is free to determine the scale of the levy it proposes to impose for training purposes, but its decision must be ratified by the Minister of Labour before it becomes official. In every case the levy is charged on the total number of people employed by the company—and this ranges from the humblest floor-sweeper to the most exalted president. The payment made by an employer is a certain percentage of the total wages and salaries account of the company. Since each industry fixes its own levy, it is not surprising that they all differ: Engineering is to levy 2½% of total annual payroll account, Construction 1%, Wool, 0.75%. Iron and Steel, working on a slightly different principle, will be levying \$20 per person employed.

In Engineering alone this levy produces the vast total of \$200 million annually for the training operation.

System of Grant

Alongside the system of levy is the system of grants—the reverse side of the coin. Having amassed this huge annual sum of money the boards will disburse it in three ways: first, in administrative costs, second, in sponsoring entirely new training institutions, procedures, systems and enterprises and third, in paying out grants to employers whose training reaches an approved standard.

At present, assuming administration costs to be negligible in so large a sum, and having regard to the fact that it is probably too early to get new training enterprises moving, the attention is focused on grant procedure. Employers with excellent training schemes already operative will be able to claim generous grants from the board, so will employers who train more than their fair proportion and so it transpires that the very best firms will find themselves getting back in grant more than they pay out in levy. All will have some claim for grant provided they are engaging in training activity of some sort. But those not doing their fair share, or not doing it at an approved standard will lose on the levy/grant transaction. Hence the grant system is really a gigantic national device for spreading the cost of training evenly over all employers in proportion to the size of the labour force of each. This is being referred to as the *Redistribution of Cost* aspect, and, quite obviously, is aimed at poaching complex. True enough, the Act does not compel

an employer to train, but it is quite determined that, even if he does not train, he will help to bear the financial burden of those that do.

Concern for New Training

The Redistribution of Cost is an attempt to solve a training problem by an administrative solution: training officers are concerned that, by itself, this administrative procedure of spreading the cost, does not, in effect, produce one single atom of more training. Training Officers can be excused for being lukewarm over the Redistribution issue; what they want to see is more *new* training enterprises. If they appear a little impatient, it is because of an inner conviction that only *new training* will justify the new system: redistribution itself is not regarded in the profession as sufficient justification.

It is not strictly true to say that there has been no new attempts to influence the training situation. For instance, employers have not been keen to accept young graduate engineers in training or immediately at the end of college education into their plants for in-plant training. Iron and Steel, out of their levy collection, will try to improve this situation by paying to works a sum of about \$1000 in respect of every such budding engineer or technologist which they take into the factory or works for in-plant training—the \$1000 to cover a period of 12 months whether carried out in one continuous block or interrupted by periods of full-time college education. They will pay this sum to employers for their own employee-students or for visiting students from other plants, employers

or colleges. So, although the Act falls short of compulsion, it could be quite forceful. This example shows the way in which the boards will try to impose their policies—through the power of money, as it were, rather than any heavy-handed state compulsion, which would be sure to meet with resistance.

Boards are busy building up their own staffs. Each is to have a corps of adviser/inspectors. Inspection is essential because only those employers with good training will receive grant and someone has to judge the standard.

Industry Differences

It is a fascinating study to watch the differences emerge in each industry. Construction, for instance, has left out of its net, at least for the present, all small firms—those with a total annual payroll account of \$15,000 or less. This is because there are more small firms than big ones in this industry—this would be so in every country. To rope the small firms in at this early stage would drown the new baby in a sea of paper.

Engineering has a similar problem, although it defines the small firm differently—one with five employees or fewer. It also has excluded small firms. On the other hand, Iron and Steel, a capital-intensive industry, if ever there was one—you can't imagine a small firm running a rolling mill or operating a blast furnace in a back-yard—has no small firm problem worth talking about. Those boards which have exempted small firms have done so, not out of charity or an outbreak of beneficent humanity but from sheer self-protection.

Construction will be paying generous grants to employers who maintain craftsmen, technicians, engineers and others on formal college courses, part-time or full-time. But they have to be courses approved by the board. Curiously enough, in this industry there will be no grant for in-plant training. This was quite an unexpected provision and involves a rather nice academic discussion point. The part-time courses are a peculiarly British institution known as day-release—the trainee has one day off work, paid for by his employer, to attend college. There would normally be about 35 attendances annually on a day release course. For every young learner-craftsman the employer will be paid \$5 per day for attendance on day release, about \$8 for engineers at the professional level of training. Unexplained absences do not qualify for grant but when the unexplained absences total 5 or more in any one year the whole of the grant for that employee is automatically cancelled even though he faithfully attends the rest. The nice academic debating point is this: this employer might have the best training scheme in the world and he should be judged on what he provides, instead of which he is being judged on the willingness of his employees to take advantage of what he is offering.

Readers will now be in a position to appreciate how useful is this division of the total training problem into industry-by-industry categories. One thing that our limited experience in Britain has shown is that each industry has a training problem unique to itself and that no single solution will provide an answer for all industries at the same time.

Experiences To Date

Another thing that the experience of the Construction ITB has proved is that the operation is much more difficult than one would suppose. What it was trying to do with its day-release grants was to put pressure on employees to release trainees during the day-time to attend formal courses in college. This is one of the provisions that training officer organisations in Britain are agitating for—compulsory release from work during the day for college attendance. Thus the Construction ITB thought it was pioneering a progressive policy: instead it gets accused of penalising the pioneering, responsible firm. Very hard, but we shall only appreciate all the snags by remorselessly having a go and storing up experience. In a few year's time the boards will have much to learn from each other.

There is even a discernible difference in attitude of various boards to the member firms. Engineering would appear to have adopted the Pauline principle of beating people into goodness. They have imposed a very high levy of 2½% against the normal of one per cent or less. The intention is to "make it hurt." In keeping with this principle the board will train its visiting staff first as inspectors, then later as advisers. On the other hand, Wool, a highly experienced team because it is a conversion from a previously existing employer association inaugurated voluntarily many years ago to promote training in the industry, has shown its experience by adopting an almost benign attitude. It has pitched its levy very low, partly to establish that it will be working as economically as possible. It then has said, in effect, that

its grant policy will be so widely interpreted that every employer will be able to find some means of gaining a grant: indeed, it has stated that it will exert itself to provide so many excuses for disbursing grant that no-one need feel out in the cold. So, with every employer paying, and every one drawing in, the first two years will be a giant training exercise for employers, to teach then the working of the system. The staff is being trained, not as inspectors, but as helpers and advisers—inspection will come after two years when the system will then be used to influence policy—after the employers know how it works. How about that for positive thinking about training? There's no substitute for experience, is there?

Central Training Councils

The boards are the real cutting edge of the new system but two other parts of the system are worthy of note. One is the Central Training Council, an overall body with a purely advisory function, consisting of unpaid members who meet about eight times a year and advise the Minister on future policy and the development of a national system of training under the new Act. The CTC has no executive authority whatsoever, though its advisory function could be important.

Tribunals

The second remaining organisation is the Tribunal system. When the Appeals Tribunals were set up on July 5th the final piece of the jig-saw was put into place and this occasion marked the completion of the building of the new national apparatus for training, though

it will not be for another three years that all 25 million British workers are brought into the fold. The Tribunals will listen and judge appeals from employers who are aggrieved by their levy demands. There are several grounds of appeal: an employer may contend that he is not in the industry which imposed the levy on him; he may disagree with the actual arithmetic which computed the amount of his levy. But the Tribunal gives him the right of appeal.

Concerns for the Future

However, what the employer will be interested in will be the balance between levy and grant—that is the real cost of the new arrangements to him. Appeal against levy assessment is only half of the story. There is no appeal against the grant allocation and one would guess that there will be agitation to bring grant also into the field of questioning. Officials say that levy is an objectively assessable thing, but grant is discretionary and they use this argument to support the present arrangements.

The Act is sure to have very wide repercussions. One of the immediate problems is a shortage of training officers, from the instructor level to training directors. A great debate is developing on how to increase rapidly the number of people specialising in the training function. In Britain, as elsewhere, the training of the training officer has been sadly neglected. Before the current turmoil blew up in December 1962 Britain had not one single course for training the training specialist in industry. Colleges have not been slow to take advantage of the position

but even now provisions are meagre: one course of eight weeks duration and about a dozen colleges offering courses of four weeks. And *all* existing courses concentrate on the organisational and administrative aspects of training at the expense of technique. No college has anything to offer on instructional techniques appropriate to industrial training. Now there is talk of diploma courses lasting for a whole academic year. One suspects that universities may be thinking in terms of setting up departments of industrial training. There is a possibility of setting up a special centre devoted exclusively to the study of occupational training.

It is formally recognised by all in authority that the shortage of training specialists is the great bottleneck which could seriously hold back the speedy implementation of the Act. It is a lesson which other countries should take to heart, that this shortage could have been foreseen in December 1962 when the principle of Government responsibility was first proclaimed. Had suitable action been taken then the present impasse would have been avoided.

The need to expand the corps of specialists in the training function has produced a very healthy public discussion on what industrial training is really about, how it relates to other functions in a business and what should be the proper training of such specialists.

The problem of recruiting and training the staff of the boards is quite formidable. Engineering alone is currently trying to recruit between 150 and 200 potential inspectors and advisors and it is probable that this number is a serious underestimation of the need. The question arises of where they are

to come from, especially since the big corporations which employ the majority of Britain's experienced training personnel have made it known that they will look with extreme disfavour on industry being drained to staff the new boards.

Another repercussion will be a growing awareness of the need to integrate this elaborate system of training into the total national state apparatus of education but one can take it that this is a problem for the next decade rather than this. At the moment this is a problem waiting to be discovered by some educational sage, due to electrify some future conference with his dramatic finding. There are now so many unrelated, disconnected pieces of the national educational system that the problem of the future can already be discerned as one of co-ordination and one waits for some prophet to arise to preach the doctrine of integration.

There are imponderables, too. The 64,000 dollar question is what would happen to this shining new system of occupational training if Britain were to enter the Common Market, currently engaged on a parallel exercise. It is still not known what produced the change in Government policy in December 1962 but there is some suspicion that this was one of the steps that had to be taken to smooth Britain's entry. Whether this was the intention or not matters little now but it remains true that the arrangements brought in under the new Act will marry well with the new arrangements shortly to be unveiled in Europe. This is not surprising since the system which the Act introduces is a prime requirement for modernising the labour force of any industrial society.