

Ph.D. Course

Vocational Education and Training Institutions: Theory and Evidence

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Course Programme for Doctoral Students in the Economics of Education

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Aims and objectives

The course provides an introduction to institutional aspects of vocational education and training, with particular attention to work-based training, including apprenticeship. Students will be familiarised with institutional attributes by country, sector and occupation, introduced to methods of institutional analysis, both microeconomic and other, to the contributions of both economics and other social sciences to an understanding of institutions, and to the role of historical and comparative methods in institutional research.

Course structure

The course comprises nine separate units: an introduction, followed by eight sessions of one half a day each. Each session contains a lecture, introducing the topic and issues, followed by a seminar, at which one or more members of the class present issues and start a wider discussion. All students are required to read the core readings for all sessions (marked by asterisks below).

Assessment

Students' learning and contributions to the course are assessed through (i) a 2,000 written word essay, to be submitted within two weeks of the end of the course, on a topic to be chosen from a set of questions to be distributed in the second half of the course (80% of marks), and (ii) a participation grade, in which marks are awarded primarily for the quality of contributions, both as individual presentations and to class discussions (20% of marks).

Topics and readings

The issues to be discussed in lectures and seminars and the relevant readings are listed below. The questions listed at the start of each topic are those around which the seminar will be organised. Required readings for each topic are marked with an asterisk (*). Students who sign up to introduce particular topics are expected to read most or all of the readings for that topic.

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1. Introduction (HG, PR)

Why is vocational education and training of interest for social science? What is meant by 'institutions', and what is institutional analysis? What is the contribution of comparative and historical analysis? What is path dependency? What is the role of 'methodological individualism'? How might theories of institutional content account for institutional change?

Grubb, W.N. and M. Lazerson, *The Education Gospel: the Economic Power of Schooling*, Introduction and ch.5. Cambridge MA: Harvard U. Press, 2003.

Ryan, P., 'Evaluating vocationalism,' *European Journal of Education*, June 2003, 38(2), 147-62.

Gospel, H., 'The survival of apprenticeship training: a British, American, Australian comparison', *British Journal of Industrial Relations*, December 1994, 32(4), 504-522.

Payne, J., *Options at 16 and Outcomes at 24: a Comparison of Academic and Vocational Education and Training Routes*, Youth Cohort Survey Report 35, Sheffield, Department for Education and Employment.

Sollogoub, M. and V. Ulrich, 'Les jeunes en apprentissage ou en lycee professionnel: une mesure quantitative et qualitative de leur insertion sur le marché du travail', *Économie et Statistique*, 1999, 323, 31-52.

Lazear, E., 'The future of personnel economics', *Economic Journal*, November 2000, 110, F611-39; especially F611-16.

Jacoby, S., 'The New Institutionalism: what can it learn from the old?', *Industrial Relations*, (Spring 1990), 29, 316-340. Reprinted in D. Mitchell and M. Zaidi (eds.), *The Economics of Human Resource Management*. Oxford: Basil Blackwell, 1990.

Hall, P. and D. Soskice, 'An introduction to varieties of capitalism', in Hall and Soskice (eds), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford, Oxford University Press, 2001.

Höpner, M., 'What connects industrial relations and corporate governance? Explaining institutional complementarity', *Socio-Economic Review*, May 2005, 3(2), 331-58.

Culpepper, P.D. and K. Thelen, 'Institutions and collective actors in the provision of training: historical and cross-national comparisons', chapter 2 of K.U. Mayer and H. Solga (eds), *Skill Formation: Interdisciplinary and Cross-National Perspectives*, Cambridge, CUP, 2008.

Thelen, K., 'Institutional change in advanced political economies', forthcoming, *British Journal of Industrial Relations*, 2009.

Thelen, K., *How Institutions Evolve. The Political Economic of Skills in Germany, Britain, the United States, and Japan*. Cambridge, CUP, 2004.

Kenworthy, L. and A. Hicks, 'Introduction', in *Method and Substance in Macromparative Analysis*, Palgrave Macmillan, 2008.

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2. Apprenticeship training and labour market structure (PR)

Who bears the cost of work-based training for skills when occupational labour markets are imperfectly competitive, and why? Does a deregulated market system generate an adequate supply of that kind of training?

- * Beicht, U., G. Walden and H. Herget, Costs and Benefits of In-Company Vocational Education and Training in Germany, *BWP Special Edition 2005*, pp. 38-40. Bonn, BIBB, 2005 (http://www.bibb.de/dokumente/pdf/a1_bwp_special-edition_beicht.pdf). This is a summary of Beicht, Walden and Herget, *Costs and Benefits of In-Company Vocational Education and Training in Germany*, BIBB, Bonn, 2004.
- Wolter, S.C. and J. Schweri, 'The cost and benefit of apprenticeship training: the Swiss case', *Applied Economics Quarterly (Konjunkturpolitik)*, 2002, 48(3-4), 347-67.
- Hasluck, C., T. Hogarth, B. Baldauf and G. Briscoe, *The Net Benefit to Employer Investment in Apprenticeship Training*, Institute for Employment Research, Warwick University, 2008.
- * Andrews, M.J., S. Bradley and D. Stott, 'Matching the demand for and supply of training in the school-to-work transition', *Economic Journal*, March 2002, 112 (478), C201-19; reprinted in F. Green (ed.), *Recent Developments in the Economics of Training*, Edward Elgar, Cheltenham, 2007.
- * Stevens, M., 'The economic analysis of apprenticeship', paper presented to Conference on Skills and Training, Cambridge University, 1994
- * Stevens, M., 'Transferable training and poaching externalities', pp. 19-40 of A. Booth and D. Snower (eds), *Acquiring Skills*, Cambridge, CUP, 1996.
- Stevens, M., 'Human capital theory and UK vocational training policy' *Oxford Review of Economic Policy*, 15, 1999, 16-32.
- Acemoglu, D. and J.-S. Pischke, 'Beyond Becker: training in imperfect labour markets', *Economic Journal*, February 1999; 109, F112-42.
- Dustmann, C. and U. Schönberg, 'Apprenticeship training and commitment to training provision', unpublished paper, Department of Economics, University College London, July 2007.
- * Ryan, P., 'The potential implications for training volume of assumptions about pay setting in economic models of apprenticeship training', unpublished, Department of Management, King's College London, 2009.

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3. Apprenticeship training: employer coordination (HG)

What are the benefits of and the scope for collective action by employers in relation to training and skill formation? What facilitates and what impedes such collective action? What are the implications for public policy towards work-based training?

* Streeck, W., 'Skills and the limits of neo-liberalism', *Work, Employment & Society*, 1989, 3: 90–104.

* Gospel, H. and J. Druker, 'The survival of national bargaining in the electrical contracting industry: A deviant case?', *British Journal of Industrial Relations*, June 1998, 36(2), 249-67.

Finegold, D., 'Market and government failure in skills investment' in A. Booth and D. Snower, *Acquiring Skills*, Cambridge University Press, Cambridge, 1996.

Gospel, H. and J. Foreman, 'Interfirm training coordination in Britain', (H. Gospel and J. Foreman), *British Journal of Industrial Relations*, 2006, 44(2), pp. 191-214.

Kleiner, M. and A. Krueger, 'The prevalence and effects of occupational licensing', NBER Discussion Paper 14308 2008 and IZA Discussion Paper 3675, 2008

Streeck, W. (2001), 'Explorations into the origins of nonliberal capitalism in Germany and Japan', ch 1 of W. Streeck and K. Yamamura (eds), *The Origins of Nonliberal Capitalism*. Ithaca NY: Cornell University Press.

Culpepper, P.D., *Creating Cooperation: How States Develop Human Capital in Europe*, Cornell University Press, Ithaca NY, 2003, chs 1, 3, 6.

4. Apprenticeship training: social partnership (PR)

What role is played by 'social partnership', 'corporatism', and public regulation in the success or otherwise of national apprenticeship systems?

* Ryan, P., 'The school-to-work transition: a cross-national perspective', *Journal of Economic Literature*, March 2001, 39(1), section 7, pp. 72-81.

* Ryan, P., 'The institutional requirements of apprenticeship: evidence from smaller EU countries', *International Journal of Training and Development*, January 2000; 4(1), 42-65.

* Culpepper, P.D., *Creating Cooperation: How States Develop Human Capital in Europe*, Cornell University Press, Ithaca NY, 2003, chs 1, 6.

Crouch, C., D. Finegold and M. Sako, *Are Skills the Answer? The Political Economy of Skill Creation in Advanced Industrial Countries*, Oxford, OUP, 1999, ch 5.

Teague, P. and J. Donaghey, 'Why has Irish social partnership survived?', *British Journal of Industrial Relations*, March 2009, 47(1), 55-78.

Jeong, J., 'The failure of recent state vocational training policies in Korea from a comparative perspective', *British Journal of Industrial Relations*, June 1995, 33(2), 237-52.

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5. Internal labour markets

What are internal labour markets (ILMs)? How and why do they develop? What role do they play in training? What are the advantages and disadvantages of ILM-oriented training? What facilitates and what weakens ILM-oriented training?

- * Doeringer, P. and M. Piore, *Internal Labour Markets and Manpower Analysis*, DC Heath, Cambridge, Mass, 1971, chs 1, 2.
 - * Jacoby, S., 'Are career jobs headed for extinction' *California Management Review*, 42 (Fall 1999), 123-145; * P. Capelli, 'Career jobs are dead' *California Management Review*, 42, 1, (Fall 1999), 147-167; * S. Jacoby 'Reply: premature reports of demise' *California Management Review*, 42 (Fall 1999), 168-179.
 - * Ryan, P., H. Gospel, and P. Lewis, 'Large employers and apprenticeship training in Britain', *British Journal of Industrial Relations*, 45, March 2007.
- Hashimoto, M. (1982), 'Employment-based training in Japanese firms in Japan and the United States: Experiences of Automobile Manufacture' in L. Lynch (ed.), *Training and the Private Sector*, Chicago, University of Chicago Press, 1994.
- Jacoby, S. M. (1984). "The development of internal labour markets in American manufacturing firms." In P. Osterman (ed.) *Internal Labor Markets*. Cambridge MA: MIT Press, 23-69.
- Wachter, M.L. and R. Wright, 'The economics of internal labour markets', in D. Mitchell and M. Zaidi (eds), *Economics of Human Resource Management* (1990), pp. 86-108.
- R. M. Gilley, C. R. Greer, and A. A. Rasheed, 'Human resource outsourcing and organisational performance in manufacturing firms', *Journal of Business Research*, 57, 2004, 232-240

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6. Trade unions, youth organisation, and pay structure (PR)

What are the goals and influence of trade unions in relation to the pay of apprentices and young workers? What role is played by labour market structure in the determination of youth pay and employment patterns? What do strikes by apprentices in British metalworking and by graduate students in American universities reveal about the influence on the pay of trainees of youth (apprentice, student) organisation, and trade unionism and collective bargaining? Why might Swiss apprentices not have followed the same path as their UK and US 'counterparts'?

* Oswald, A., 'The economic theory of trade unions: an introductory survey', *Scandinavian Journal of Economics*, 1985, 87(2), 160-93.

Booth, A. and M. Chatterji, 'Unions and efficient training', *Economic Journal*, March 1998, 108, 328-43; reprinted in F. Green (ed.), *Recent Developments in the Economics of Training*, Edward Elgar, Cheltenham, 2007.

Ryan, P., 'Training quality and trainee exploitation', in R.Layard, K.Mayhew and G.Owen (eds), *Britain's Training Deficit*, Aldershot, Avebury, 1994.

* Ryan, P., 'Trade unionism and the pay of young workers', in P. Junankar (ed), *From School to Unemployment? The Labour Market for Young People*, London, Macmillan, 1987.

Marsden, D. and P. Ryan, 'The structuring of youth pay and employment in six European economies', in P. Ryan, P. Garonna and R.C. Edwards, *The Problem of Youth: the Regulation of Youth Employment and Training in Advanced Economies*. London: Macmillan, 1991.

* Ryan, P., 'Apprentice strikes, pay structure, and training in twentieth century UK metalworking industry', forthcoming in C. Brown, B. Eichengreen, and M. Reich (eds), *The Great Unravelling: New Labour Market Institutions and Public Policy Response*. Oxford University Press, forthcoming.

* Julius, D.J. and P.J. Gumpert, 'Graduate student unionization: catalysts and consequences', *Review of Higher Education*, Winter 2003: 26(2), 187-216.

TAA, *The TAA Strike Manual*, Teaching Assistants' Association, University of Wisconsin-Madison, 2005, ch 1, Appendix A.

Ryan, P., Compilation of internet-provided press reports and magazine articles on graduate student strikes in the US, 2009.

BBT, *Vocational Education and Training in Switzerland*, national report to OECD Review of Learning for Jobs, Bundesamt für Berufsbildung und Technologie, Bern, 2008.

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7. Human resource management and training (HG)

What is human resource management (HRM)? How does it interact with training? How important is training within 'bundles' of HRM practices and how important are the complementarities between those practices? Do we know whether training, as a part of HRM, affects organisational performance?

How do 'varieties of capitalism' affect HRM practices? Do corporate finance, ownership, and governance and HR accounting practices affect HRM practices and outcomes, in particular through 'short-termism'?

* Lepak, D.P. and S.A. Snell, 'The Human Resource architecture: toward a theory of human capital allocation and development', *Academy of Management Review*, Jan 1999, 24(1), 31-48.

* Ichniowski, C., K. Shaw and G. Prennushi, 'The effects of human resource management practices on productivity: a study of steel finishing lines', *American Economic Review*, June 1997; 87(3), 291-313.

* Black, B., H. Gospel, and A. Pendleton 'Finance, governance, and the employment relationship', *Industrial Relations*, July 2007, 46(3), 643-50.

Ichniowski, C. and K. Shaw, 'The effects of human resource management systems on economic performance: an international comparison of US and Japanese plants', *Management Science*, May 1999, 49(5), 704-21.

Flamholz, E. G., *Human Resource Accounting*, 3rd ed, Kluwer, Boston, 1993, chapters 1-3, 14.

Gospel, H. and A. Pendleton, *Corporate Governance and Labour Management*, Oxford, Oxford University Press, 2004, chapter 1.

Jackson, G., M. Höpner, and A. Kurdelbusch 'Corporate Governance and Employees in Germany: Changing Linkages, Complementarities, and Tensions', in H. Gospel and A. Pendleton, *Corporate Governance and Labour Management*, Oxford, Oxford University Press, 2004.

Hall, P. and D. Soskice (eds) (2001), *Varieties of Capitalism*, Oxford, Oxford University Press, 2001, chs. 1, 10.

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8. Public training programmes, quasi-markets, evaluation (PR)

What economic gains and losses result from organising vocational education and training through quasi-markets? What might account for differences in the prominence of quasi-markets across advanced economies? How effectively can service quality be ensured under competitive contracting?

* Hart, O., A. Shleifer and R. Vishny, 'The proper scope of government: theory and an application to prisons', *Quarterly Journal of Economics*, November 1997, 112(4), 1127-61.

* Ryan, P., 'The training market', in B. McGaw, E. Baker and P.P. Petersen (eds), *International Encyclopedia of Education*, 3rd ed.. Oxford: Elsevier, forthcoming, 2010.

* Lewis, P. and P. Ryan, 'The role of external inspection in the public services: the case of the UK training market', *Public Administration*, forthcoming, 2009.

Ryan, P. and L. Unwin, 'Apprenticeship in the British "training market"', *National Institute Economic Review*, October 2001; 178, 70-85.

Burghardt, J., P. Schochet, S. McConnell, T. Johnson, R. Gritz, S. Glazerman, J. Homrighausen and R. Jackson (2001), *Does Job Corps Work? Summary of National Job Corps Study*. Summary report, 32 pp.; Mathematica Policy Research, Inc., Princeton NJ. (<http://wdr.doleta.gov/opr/fulltext/01-jcssummary.pdf>)

Lafer, G., *The Job Training Charade*. Ithaca, NY: Cornell University Press, 2002, chs 1, 6

Culpepper, *Creating Cooperation*, ch. 6