

## **Recruitment at the intermediate qualification level – case studies from Germany, England and Switzerland**

Ute Hippach-Schneider (BIBB) & Tanja Weigel (BIBB)

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Abstract:

The project involves an investigation of company recruitment strategies for intermediate level employees in three countries: Germany, England and Switzerland. The reasons for recruitment decisions are investigated to shed light on which qualifications best cover the requirements companies have for certain activities. The objective is to identify the strengths and weaknesses of recruitment from vocational education and training (VET) compared to graduates for a certain activity profile as well as to facilitate discussion about equivalences between qualifications among the three countries.

### *1. Objectives or purposes*

The recruitment strategies and behaviours of companies are changing, and in future will more companies have greater faith in graduates than holders of VET qualifications or will they differentiate their approach by country or sector. The project takes an international comparison of the recruitment behaviour of companies as a vehicle for focusing on the interface between the educational and employment systems. Individual qualitative case studies form the basis for the international, cross-occupational and cross-sectoral reconstruction of company recruitment strategies and decisions in the context of changing VET pathways in Germany, England and Switzerland.

The aims of the comparative study are to examine aspects of the effectiveness of VET (as against graduate recruitment) in intermediate skills formation in the three countries and to facilitate a discussion on the strengths and weaknesses of different approaches and the extent to which different qualifications can be regarded as equivalent. The importance of research contributing a basis for evidence-informed political negotiation processes aimed at being able to demonstrate the quality and level of VET in comparative European terms is readily apparent, within the context of the European 5-level system from 1985, the revision of the ISCED-97 classification and the allocation processes of qualifications against the new European Qualifications Framework.

## 2. *Perspectives and theoretical framework*

### 2.1. *International comparisons of recruitment strategies/behaviours*

Only a very small number of studies comparing international company recruitment strategies are in existence, although some investigations touch on aspects of recruitment.

The general perception that companies adapt their work organisation, personnel recruitment strategies and training programmes to fit the respective output from educational systems is one which has long held sway within internationally comparative VET research. In a Franco-German comparative study, Maurice/Sellier/Silvestre (see also Müller/Shavit 1998) take the view that the way in which qualifications are “produced” and subsequently used by companies has led to complex and system-specific relationships between qualifications and activities/jobs. On the other hand, growing similarities between educational systems are being identified, arising from the convergence of social systems (Benavot et al. 1991) or which are viewed as having resulted from a rationalisation in production, international competition and an increasing number of companies operating on a multinational scale (Treimann 1970). Festing (2004) emphasises the culturally independent validity of certain behaviours, existing differences being ascribed to different organisational structures in some cases.

Within the scope of a project involving working groups at twenty universities in nineteen European countries, a strong degree of heterogeneity in respect of recruitment practice in Europe was identified (Brewster et al. 2004), although the focus of the study was on how recruitment took place rather than on the issue of the prior learning of the applicants.

Company training strategies form the object of investigation in a further joint German, English and French comparative study, which finds that it is scarcely possible to demonstrate any significant country effect in respect of the proportion of skilled workers within companies and available qualifications. The study concludes that although training pathways may be of differing length, companies operating under various institutional conditions develop their own routes to put the necessary skills potentials in place (Backes-Gellner 1999, 87). As far as the banking sector is concerned, the changes in corporate organisation which took place in Germany and England in the 1990's as a result of the intensification of global competition led to the identification of a trend towards recruitment of more highly qualified applicants (Quack et al. 1995, 13, 17-18).

A wide range of sector-specific German/British comparative studies focussing on the relationship between productivity and differences in educational programmes have been conducted (Prais et al. 1991 for the hotels sector; Campbell/Warner 1991 on the microelectronics industry; Steedman et al. 2006 on ICT skilled workers).

Mytzek/Schömann (2004) took four case studies relating to various sectors within trade and industry as the basis for a study into the significance of transparency within the recruitment

process with regard to cross-border mobility in Europe. The investigation encompassed companies from the financial sector, the automobile industry, the health sector and the information and technology branch in nine countries. Aspects highlighted included how recruitment took place and the opportunities for German job applicants on labour markets abroad.

### *2.2 Comparing German and English vocational qualifications*

As far as comparative investigations of German and English qualifications are concerned, one study (Fulst-Blei 2003) is particularly worth to be mentioned here: it is an exemplary approach to determining the positioning of a German VET qualification within the European 5-level framework of 1985. This study was based on a comparison of the effectiveness of an English and Welsh vocational qualification (GNVQ “Advanced Business”) and the German vocational qualification of “Industrial clerk” and found that both qualifications corresponded to the requirements of Level 3 of the framework (cf. also Fulst-Blei 2005). This contrasts with the alignment of the German qualifications in the framework of 1985, when German initial vocational education and training was by definition aligned to Level 2: “...including apprenticeship training”.

### *2.3 Acceptance/applicability of academic and vocational qualifications*

The employability of higher education graduates is currently a topic which is very much on the agenda in England (Little 2003). The past 15 years have seen a development towards “mass higher education”, and this has meant that the United Kingdom is now above the OECD average for the proportion of higher education graduates it produces (Moreau/Leathwood 2006). At the same time, a critical investigation has been undertaken of the development of NVQ’s and the degree of acceptance they enjoy amongst companies (Roe et al. 2006). A survey of 1523 employers resulted in an extremely mixed picture of the significance of NVQ’s and company acceptance.

The critical factor in the competition to secure the services of high-ability young people in Germany will be the attractiveness of the career perspectives offered by a vocational qualification and the nature of the positions Bachelor graduates will occupy on the labour market (Weiß 2006). The signals being sent out by trade and industry in respect of acceptance of Bachelor qualifications are contradictory.

A study conducted by the German Institute for Business Research (Werner et al. 2008) has found that most companies in Germany value such aspects as the generalist training provided within Bachelor courses of study and thus view the Bachelor degree as a fully fledged academic qualification. It seems that most companies don’t see a direct competition between graduates and people with VET qualifications in Germany. Companies rather accord Bachelor graduates the same career opportunities as other higher education

graduates (Bergs/Konegen-Grenier 2005). In general terms, the study finds out that the acceptance of Bachelor and Master diploma increases in line with the company size.

When asked how much they know about the new courses of study and about their recruitment behaviours towards Bachelor graduates, 11.5% of companies surveyed stated that they employed bachelor graduates (Konegen-Grenier 2004, 11-14). One third of companies interviewed put Bachelor graduates at the same level as those who had completed upgrading training, a further third accorded them equal status with higher education graduates and 7% saw them as at least having completed the equivalent of initial vocational education and training (ibid.). On the other hand, a “certain aloofness” is being identified on the part of the companies. Doubts are being expressed, for example, whether it is possible to impart competences which are comparable to the traditional German “Diploma” course of study within the six semester Bachelor course (Habermann/Lohaus 2006; Hisbus Kurzinformation No. 17). In a similar study on higher education recruitment, 50% of companies surveyed stated that they expected Bachelor graduates to have to undergo follow-up training (cf. Campus Career Network 2006, 13-16). In overall terms, the Bachelor degree does not yet appear to have secured a clearly allotted place within the employment system (Minks/Briedis 2005, Möhrle 2006).

#### *2.4 Competencies*

The theoretical framework consists of an interdisciplinary approach building on insights from labour market research and human capital theory (Schultz 1992, Thelen 2004), as well as vocational socialisation and competence development (Eraut 1994, 2003). To enable a holistic interpretation of the interviews with HRD staff by company, sector and country, a special focus was placed on the concept of competence, as a means by which the different views and judgements of the enterprises regarding the relative merits of recruits from VET and HE could be made. The model with a holistic approach to competence was formulated by the German Education Council in 1974, and largely adopted by the Standing Conference of the Ministers of Education and Cultural Affairs of the individual states (Länder) (KMK). From an anthropological perspective Roth (1971) describes the development process of an individual as being influenced by socialisation and upbringing and how mature, autonomous action competence constitutes the highest level of individual development, requiring a range of competences to be incrementally developed: professional competence (intellectual autonomy), social competence (social autonomy) and self-competence (self-determination and moral autonomy). ‘Competence’ in this context expresses the behaviour which enables a person to act and this holistic approach is increasingly influential in international debates (Winterton *et al*, 2005; Straka, 2004; Vonken, 2005; Mulder *et al.*, 2007).

### 3. *Methods, techniques, or modes of inquiry*

The project comprises two parts. The first maps the key features of the national labour market, employment, educational (including VET) and qualifications systems, while the second focuses on case studies of company intermediate level recruitment strategies. Two rounds of semi-structured guided in-company interviews were scheduled. The first phase (November 2008 - July 2009) involved questioning company heads of human resources responsible for recruitment decisions in a semi-structured relatively open way, which represented an explorative search for meaning. During the second phase (September 2009 – February 2010), managers from the relevant operational divisions of the same companies will be interviewed. The HRD managers confirmed that operational managers play a major role in recruitment decisions, so the perspectives of both parties are needed in order to gain a holistic picture of recruitment motives.

#### *Choice of countries, sectors and companies:*

The German Federal Institute for Vocational Training (BIBB), the research lead, wanted to compare the German VET system with national systems that were similar and different but operated within the European labour market. The wide range of training strategies and control mechanisms in place in England compared to Germany (an approach based on employability versus regulated occupations) made the former a prime candidate for study. England also has a traditionally developed three-level system within HE (Bachelor, Master, Doctorate), which is just being implemented in Germany (the so-called 'most different system' design, as defined by Georg 2005). Switzerland, on the other hand, is considered to be one of the countries in which vocational training plays a primary role within the educational system, meaning that the starting position is comparably similar to that in Germany ('most similar' design). The three sectors for investigation were chosen to represent different branches of industry, and also because major companies in each of the sectors operated in each country: they employed intermediate (technician) level staff in banking, chemicals and ICT/mechatronic fields. Companies selected for the case studies had to have large numbers of employees and had to operate on a worldwide level. We chose three companies for the study from the field of banking, one with headquarter in Germany, one in Switzerland and one in the UK. From the mechatronic sector we selected two companies, one with headquarter in Germany, one in Switzerland, the same goes for the companies in the chemical sector. All selected companies had to have a branch office in all the three countries and we interviewed the human resource manager of the main branch in each country to see if there are differences across countries within the same company. All selected companies needed to have some experience with applicants from the vocational education system and also with bachelor candidates.

### *Development of the Phase 2 recording instrument*

For the second round of interviews, a recording instrument has been developed outlining a range of competences, based on typical activities (work tasks) performed and professional and social competences required by intermediate level staff in the respective branches and occupational fields, which the operational managers will evaluate as a basis for facilitating cross-country comparison of qualifications from a company perspective. The relevant training regulations in Germany, research results and the interviews with the HRD managers formed the starting point for the description of the fields of activity contained within the questionnaires, with professional competence divided into knowledge and skills alongside personal and social competences. The specification of personal and social competences reflected debates in Germany, UK and elsewhere (notably Ireland) (see, for example, British Council 2006).

### *Analysis of the reasons/motives for recruitment decisions*

The evaluation of information from both interview phases on the reasons and motives for recruitment decisions will be facilitated by computer-aided content analysis of the transcribed interviews (Merten 1995).

#### *4. Data sources, evidence, objects or materials*

The main data sources are the company interviews with HRD and operational managers from 6 major companies in each sector in each country (with some companies belonging to the same group) making 36 interviews in total. Supplementary data will be obtained from existing literature.

#### *5. Results and/or substantiated conclusions or warrants for arguments/point of view*

The transcribed interviews from the first round of interviews with HR managers on a strategic company level are currently being evaluated. The evaluations will serve as a basis for comparing experiences of recruiting different types of employees against similar competence profiles and work activities, as an indication of companies' level of satisfaction with their respective education and training systems and as a base for discussions about the comparability of qualifications across countries.

Some first results from the evaluations regarding companies will be presented in the following. These results, however, hold only for companies from the technology sector as only interviews with those have been evaluated so far.

Expectations for recruitment towards applicants with Bachelor and VET qualifications in **English** technological companies basically depend on the job profile within the company. Furthermore, work experience and the individual potential of an applicant are of relevance regarding both Bachelor and VET alumni. This is illustrated by the following citation: “In terms of any standard required training, in other words, whether it would be a BA or NVQ type of qualifications, they become less of an issue in a lot of the sectors. In some, it would be a mandatory expectation, but in others we get to a level; there isn’t a simple answer, but experience would fit one gap and potential would fit another gap.” (citation from an interview in an English company)

In **Germany** applicants from VET and Bachelor graduates have to pass some assessments in the recruitment process. There are separate entrance programmes and career pathways for Bachelor and VET. A Bachelor qualification is as valuable for the companies as the German higher qualification “Diplom”. Very relevant for applicants from both qualifications Bachelor and VET is that they have some practical experience and that they fit into the team.

In **Switzerland** companies expect from a Bachelor candidate that they are able to think analytically and conceptually. They expect this ability to be more developed in a Bachelor candidate. The difference between Bachelor and VET in the recruitment process relates to the complexity of the work tasks they have to deal with but in a more general view all have to do a good job, have to integrate themselves into a team and have to show some level of personal responsibility and autonomy.

Although the general expectations for both applicants with Bachelor and VET degree are largely similar in all countries, the companies do not see a competition between these two qualifications. They are employed for different work tasks and different career pathways. In some cases an employee with a VET qualification can reach a similar position as a Bachelor but in that case it depends a lot on the personal motivation and the willingness to acquire some additional qualifications. In general the companies’ expectations regarding career pathways differ between Bachelor and VET.

The term “competence” plays an important role within the recruitment process. All companies use a competence model. The competence models have a behaviouristic approach towards competence and most of them were developed quite recently by consulting companies. They were developed for the headquarters of the companies but they are used without adaptations in all countries the companies are working in. Thus they form a general framework for the whole sector. The models should be used in the recruitment process but they also seem to be used in the internal competence development. The general structure of these models is that several core competencies are defined which are either divided in sub-categories or underlined with different scales. A closer look at the contents of the models shows that they are mostly about soft skills, but that professional knowledge plays a role in

the models as well. This, however is restricted to one category whereas the soft skills are defined more precisely. In all three countries the HR managers said that there is a balance between professional and social competence in the recruitment process, both are of relevance.

Furthermore, in England, Germany and Switzerland there is the quantitative problem of not having enough graduates, especially engineers. Besides this well known fact, English companies complain they do not have enough apprentices and they see a deficit in writing skills of graduates although the technical or professional competence does exist. In Germany they report about deficits at school, that students do not know foreign languages well enough, and that they do not know certain IT-software the companies are using. In Switzerland VET seems to have a very good reputation from the companies' point of view. Representatives of firms think that the professional knowledge of graduates is good, but there are deficits in communication and presentation skills.

#### 6. *Scientific or scholarly significance of the study or work*

The project will identify whether a competitive relationship exists between potential recruits from VET and HE from a company perspective in Germany, England and Switzerland. The results obtained could make a contribution to current political considerations on how the attractiveness of vocational training can be retained for high-ability young people and on the extent to which companies can be incentivised to continue their engagement in vocational training. Furthermore, as a result of the comparison of vocational training in Germany, England and Switzerland and the level of success achieved on the respective labour markets in these countries, the findings of the research project may serve as a basis for argument in the political debate surrounding the alignment and equivalence of qualifications within the EQF and national qualifications frameworks.

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