

Second-chance vocational qualification for two million young adults without vocational certificates – How much willingness is there in enterprises?

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In Germany over 2 million young adults still do not have any vocational certificates. In view of the impact of demographic change on the training place and labour markets and the expected shortage of skilled workers this is unacceptable, not least from the point of view of justice, and should be reason enough to focus more attention on the possibilities of social and vocational integration of these young people.¹

The Federal Ministry of Labour and Social Affairs and the Federal Employment Agency have therefore started the "AusBILDUNG wird was – Spätstarter gesucht" (Training works! – Looking for late starters) campaign. In the next three years 100,000 young adults between 25 and 35 years are to be admitted to initial company training courses (BMAS/BA 2013). Various initiatives were already launched some years ago by the Federal Ministry of Education and Research, one example being "certificate-oriented modular second-chance qualification". Concepts tailored to the demand are to be provided through the cross-linkage of regional support opportunities that can be used by enterprises for second-chance qualification (BMBF 2010; DLR 2010).

However, since in Germany the responsibility for the execution and financing of the company part of vocational education and training lies with business and administrative enterprises, they alone decide whether and which persons may take up training. This applies to the second-chance qualification of young adults as well. This article will deal with the initial conditions for the execution of such programmes.

In the following section we shall examine in greater detail which enterprises present the greatest chances of taking the second-chance training of unskilled adults into consideration as an option for meeting their future skilled manpower and qualifications requirements. In the BIBB Training Panel (see box) enterprises were asked whether they could imagine providing young people between 20 and 30 years of age with second-chance training if their enterprises encountered problems recruiting personnel in the next few years. Additionally the enterprises could state their position on the further training of their older employees as an alternative or supplementary strategy in the case of recruitment problems.

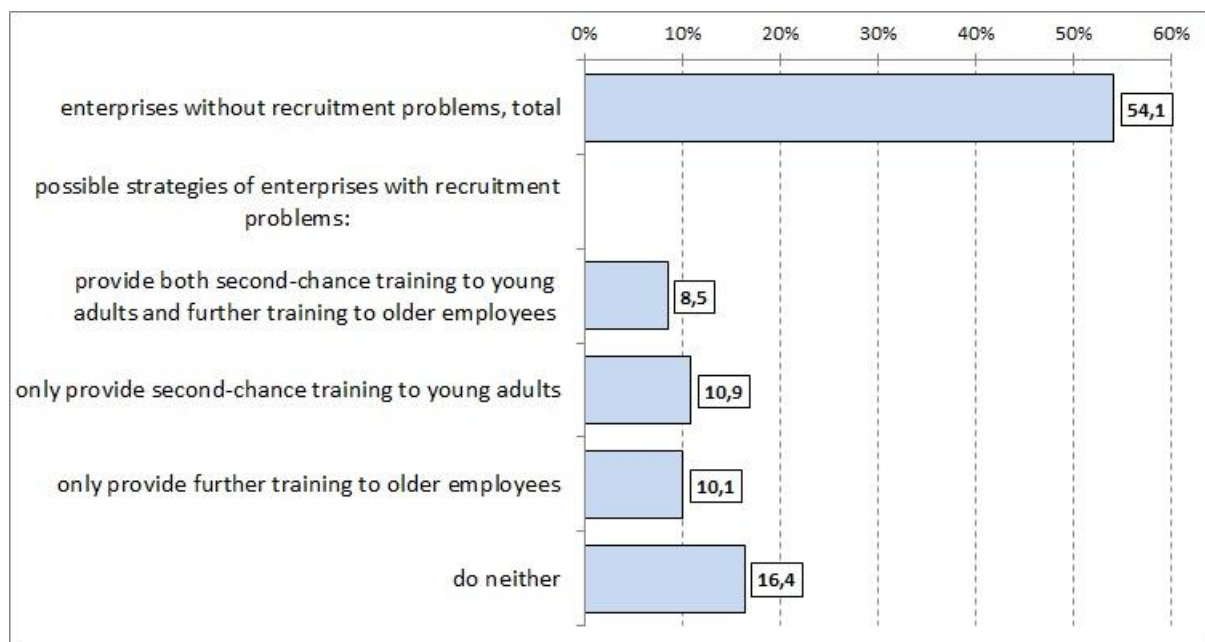
¹ According to calculations of the Federal Institute for Vocational Education and Training the cohort of unskilled young adults at the advanced age of between 20 and 34 has remained unchanged since the mid-1990s at an average of 14% to 15% of the corresponding resident population (Braun/Schandock 2012, p. 278).

BIBB Establishment Panel on Qualification and Competence Development (BIBB Training Panel)
 The BIBB Training Panel is a repeated annual survey of 2,000 enterprises in which representative longitudinal and cross-sectional data are gathered on the training provided in enterprises and agencies in Germany. The BIBB Enterprise Panel is financed by the Federal Ministry of Education and Research and carried out by the Federal Institute for Vocational Education and Training (BIBB) in co-operation with TNS Infratest Sozialforschung (for further information see Gerhards et al. 2013 or visit <http://www.bibb.de/qp>).

Enterprises and agencies potentially willing to provide training

The majority of the enterprises interviewed, 54.1%, do not foresee any problems in meeting their future skilled manpower requirements (Figure 1). These enterprises are therefore giving no further thought to future strategies as to which groups of persons could be given initial or further training as replacements for missing external workers. For 45.9% of the enterprises, on the other hand, it is relatively certain that in their case problems with the recruitment of skilled personnel will arise in the future.

Figure 1: Readiness of enterprises to provide second-chance training to young adults and/or further training to older employees of the enterprise (in %)



Source: BIBB Training Panel 2012

Now what is the situation as regards the readiness to provide young people with second-chance training and/or older employees with further training? Here 8.5% or just under every tenth enterprise would decide both to make second-chance vocational qualification available for young adults and to prepare older employees of their own enterprise for changing skills requirements by means of further training measures. Just under 11% of the enterprises interviewed could imagine giving young people only a second chance to acquire a vocational certificate or other vocational qualifications. Thus the proportion of enterprises potentially employing this strategy amounts to nearly 20%. Extrapolated to all enterprises, more than 300,000 enterprises would basically be willing

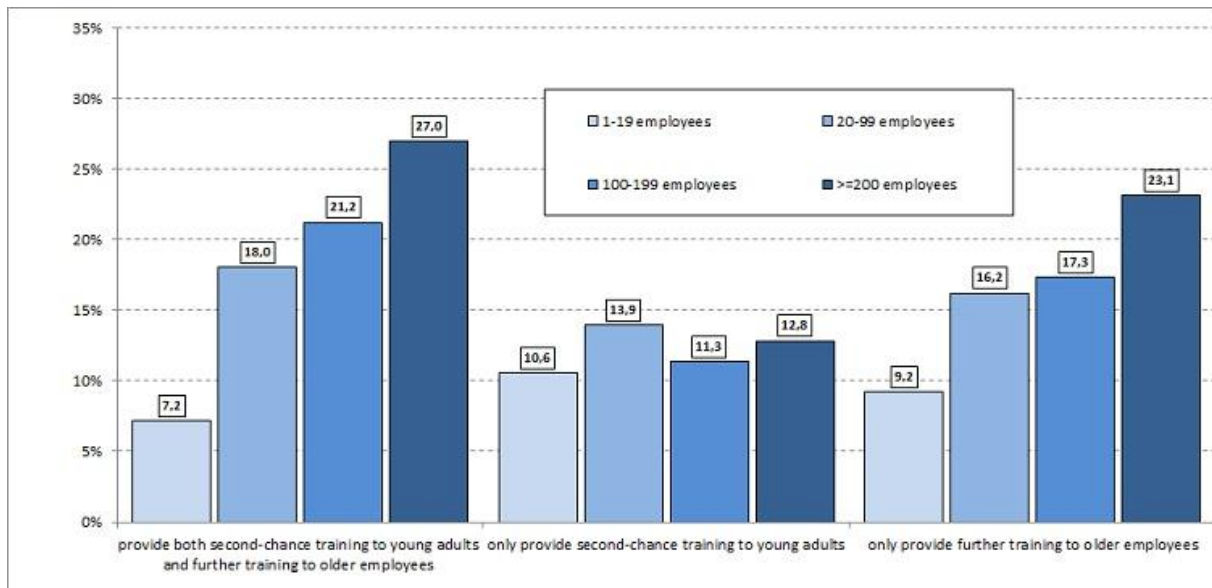
to take in young adults between 20 and 30 years old without completed vocational training if the corresponding recruitment problems should arise.

The data from enterprises that would rely solely on the further training of older employees of their enterprises is of a comparable magnitude (10.1%). Choosing a completely different option in order to deal with possible recruitment problems is conceivable for 16.4% of all enterprises.

Enterprise size classes and sectors of the economy as structural characteristics of enterprises prepared to accept young people without vocational certificates

The potential candidates for accepting young adults without vocational training are mostly companies with 200 or more employees (Figure 2). Almost one in three of these enterprises could imagine giving the unskilled a second chance at training in combination with the further training of its older employees. As the size of the enterprise decreases, the willingness to apply this dual strategy in the event of future recruitment problems decreases as well. The enterprise size classes do not seem to make much difference when it comes to exclusive reliance on second-chance training for young people. Here, the rate of consent lies between 11% and 14%. Differences arise again, however, when it comes to further training schemes for older employees. Here the willingness clearly increases again as the size of the enterprise increases.

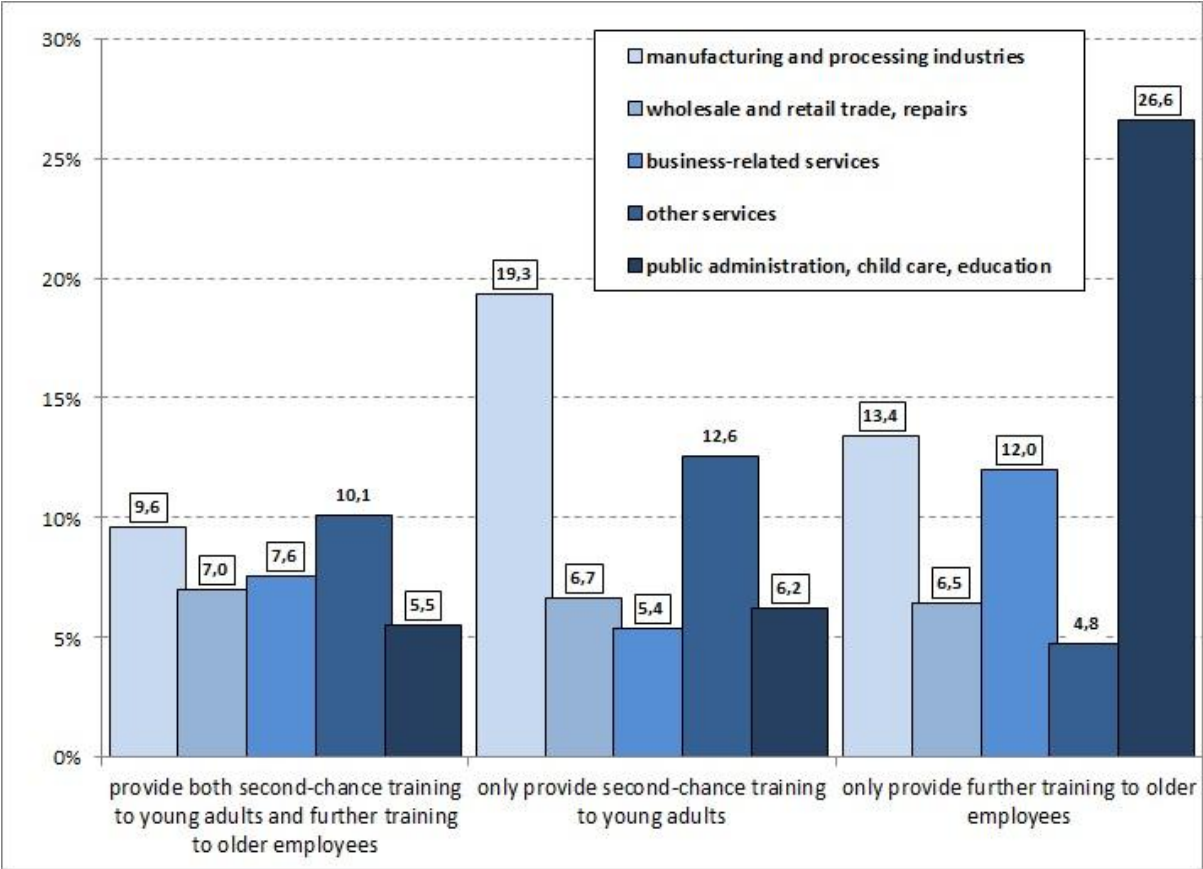
Figure 2: Preferences for skills development strategies by enterprise size class (in %)



Source: BIBB Training Panel 2012

The second-chance training of unskilled young adults as the sole strategy to deal with recruitment problems is an option primarily for the manufacturing and processing sector where the rate is 19.3% (Figure 3), both of which are sectors of the economy that are among the more training intensive areas in the dual system of vocational education and training. The so-called other services also belong to this group.² All other industries have lower levels. No clear trend can be identified for companies with a dual strategy. Differences occur only with regard to the setting of priorities in terms of the further training of older groups of employees within the company. Here the manufacturing and processing industries together with the business-related services and public administration companies and agencies form a group that relies solely on internal further training. Public administration, the health and social services, as well as the education and child care system in particular have made this a focus.

Figure 3: Preferences for skills development strategies by economic sector (in %)



Source: BIBB Training Panel 2012

² That includes specifically the accommodation and catering industry, the information and communications industry, transport and storage, and personal services such as hairdressing, laundry etc.

Vacant training places and job positions in enterprises with future recruitment problems

The following evaluations show that the choice of one of the proposed alternatives depends on what problems the enterprises have in filling their training places and job positions. The interest of companies in second-chance vocational education and training for older unskilled young people is also related to their current experience in recruiting skilled workers and training place applicants (Table 1).³

On the whole, of the companies that currently have found no suitable applicants for their training and job vacancies, almost 76% and 81% respectively expect to be faced with similar problems in the future. Accordingly, for over 40% of such companies second-chance training for older young people would definitely be worth considering, possibly in combination with the further training of their current employees. One in four would opt for neither of these strategies.

Table 1: Skills development strategies of enterprises with or without recruitment processes (in %)

	vacant training places		vacant job positions	
	Yes	No	Yes	No
enterprises without recruitment problems	24,4%	38,7%	18,7%	45,1%
possible strategies of enterprises with recruitment problems:				
provide both second-chance training to young adults and further training to older employees	18,7%	17,6%	15,3%	10,8%
only provide second-chance training to young adults	24,4%	14,9%	22,2%	12,6%
only provide further training to older employees	8,3%	15,9%	20,7%	13,7%
do neither	24,2%	13,0%	23,1%	17,7%
total	75,6%	61,4%	81,3%	54,9%

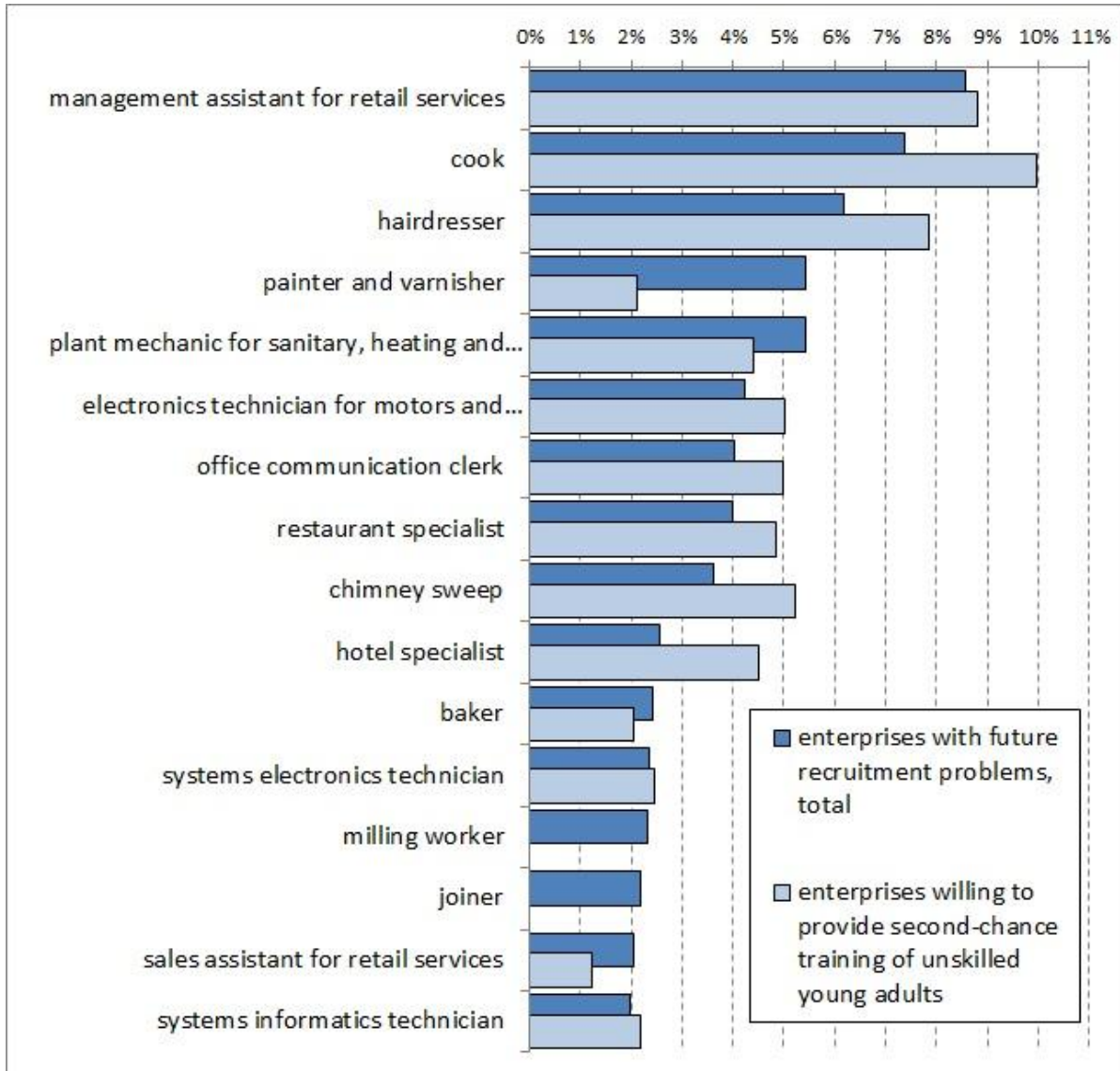
Source: BIBB Training Panel 2012

Possible training occupations for second-chance qualification of young people without vocational training certificates

A particularly promising strategy would be if young adults without vocational education and training were trained precisely in those training occupations in which the companies have found either no candidates or only unsuitable candidates for their training positions. Another important aspect for assessing opportunities for older young people without vocational training certificates would be the training occupations in which enterprises have a need that they cannot meet for the 2012/2013 training year. As is not difficult to recognize, the occupations in the foreground are those in which a surplus of vacancies is recorded in the official statistics of the Federal Employment Agency as well (Figure 4).

³ The share of enterprises with training vacancies in the total number of enterprises offering apprenticeships amounted to 34.8% for the 2010/2011 training year and 37.4% for the 2011/2012 training year (cf. Troltsch et al. 2012, 2013).

Figure 4: Share of vacant training places by training occupation in enterprises with future recruitment problems (in %)



Source: BIBB Training Panel 2012

Current participation in initial and further vocational education and training by enterprises with future recruitment problems

It is primarily enterprises providing training that are interested in providing second-chance training for unskilled adults between 20 and 30 years of age. All in all, every third company providing training could imagine providing young adults with vocational qualification, either exclusively (16.8%) or in combination with the training of its older employees (15%) (Table 2). The in-company conditions are thus good and owing to the existing human resources and technological infrastructure in these enterprises and their fundamental readiness to participate in the training of young people, corresponding offers for the unskilled could actually be forthcoming.⁴

Table 2: Skills development strategies of enterprises with and without recruitment problems (in %)

	enterprise providing initial training		enterprise providing further training	
	Yes	No	Yes	No
enterprises without recruitment problems	39,1%	58,3%	50,7%	64,1%
possible strategies of enterprises with recruitment problems:				
provide both second-chance training to young adults and further training to older employees	15,0%	6,7%	9,6%	5,8%
only provide second-chance training to young adults	16,8%	9,3%	10,7%	10,2%
only provide further training to older employees	13,3%	9,2%	11,8%	5,8%
do neither	15,8%	16,5%	17,3%	14,2%
total	60,9%	41,7%	49,3%	35,9%

Source: BIBB Training Panel 2012

The interest is significantly lower at just 16% among non-training companies. This implies that non-training companies underestimate future problems with recruitment. The low proportion of training enterprises that do not expect to have problems recruiting qualified personnel is also worth mentioning. Only 39.1% of these look to the future with optimism in this regard, while 58% of the non-training enterprises expect to have no such difficulties.

The situation is different if we examine whether the participation of an enterprise in the further training of its own employees influences the choice of appropriate strategies when recruitment problems arise. It turns out that, not least owing to their own experience in participation in further training, they are more likely to resort to proven measures to adapt their own employees to the new qualification requirements.

⁴ For possible obstacles to qualification of the semi-skilled and unskilled from the point of view of the enterprises see Dauser et al. (2012), pp. 25 f.

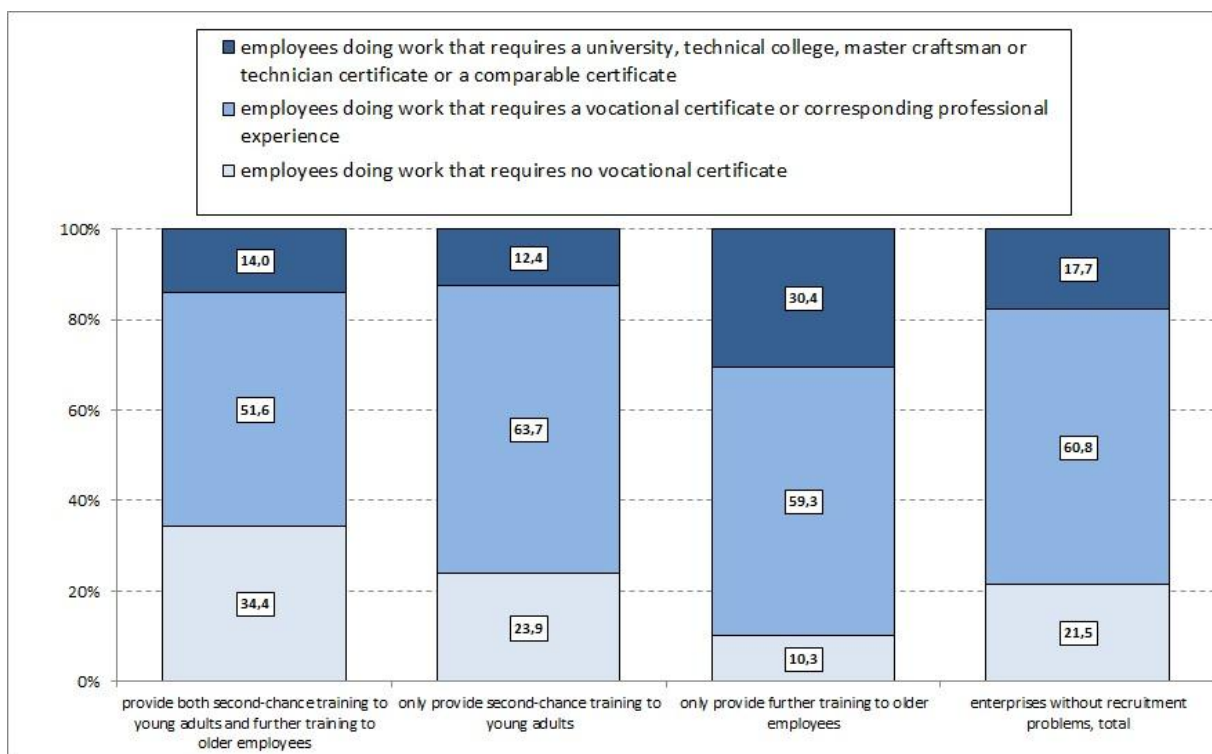
Skills structures in the companies

Another aspect to the assessment of the prerequisites for second-chance qualification for younger and/or further training for older workers is the professional qualifications of the persons employed in the enterprises. The proportion of workers who have no vocational training certificates is of particular interest here. One thing that stands out is that it is precisely the companies with above-average proportions of unskilled workers that would both provide second-chance training to young adults and provide further training to their older employees parallel to that (Figure 5). It is questionable here whether these enterprises could actually be suitable as a target group for second-chance training for unskilled young people.

Companies that would only give young adults second-chance training display a different pattern. Here especially the proportion of vocationally qualified staff is disproportionately high at nearly 64%, possibly an indication that realistic opportunities exist for giving unskilled young people a second chance at vocational education and training.

Providing further training for older employees exclusively seems to be appropriate in particular for enterprises whose employees have relatively high skills levels. In such enterprises, over 30% of the employees have technical college or university degrees and nearly 60% have vocational training certificates. The percentage of unskilled workers there is well below the average.

Figure 5: Enterprises with or without recruitment problems and their employees by vocational qualifications (in %)



Source: BIBB Training Panel 2012

Consequences

It will certainly be a central social and educational policy task in the next few years to make a large number of young adults without vocational certificates fit for the labour market in a relatively short time by means of second-chance vocational education and training. However, the possibilities available to the enterprises and the young people themselves should be seen realistically. It is certainly asking a great deal of the enterprises and the young people to cope with their highly diverse prerequisites, concepts and experiences in such a way that a mutually beneficial relationship results.

It must be stated that a relatively large number of enterprises are generally willing to give younger adults a chance when recruitment problems arise in the labour and training place markets. But, as the evaluations of the current survey of companies show, this group is significantly reduced if this willingness in principle is examined more closely on the basis of certain characteristics of and prevailing conditions in the enterprises. It is important to use the instruments already established in large parts in the National Pact for Training for the benefit of young adults without vocational certificates as well. The "mentoring for the transition to the labour market" and "introductory qualification" programmes (BMBF 2013) are examples that could be cited. How the career aspirations of young people and the needs of and the training opportunities offered by the enterprises can be coordinated will be very crucial in this context.

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