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**Sustaining Employability in a Globalizing World:
Critical Issues on Enterprise-based Training Systems**

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Abstract

Demand for skilled labour has been rising steadily as a result of globalization, technological advances and changes in work organization. In recent policy debates to increase employability in a globalizing world economy, the crucial role of a high-quality educated and skilled workforce has gained prominence. This growing prominence, however, is based on the assertion that, a better trained labour force can increase competitiveness and better complement physical capital. There is the need to produce a workforce that is flexible enough to meet new challenges. What this means is that training systems are also under pressure to meet the demands of the changing labour market just as firms are under pressure to sustain competitiveness. The extent to which training systems, especially of developing countries like Ghana, are well placed to respond to the changing needs of the labour market is the central theme of this paper. We argue

that existing training systems in most developing countries are not well placed to respond to changing labour market needs. We therefore present practical and workable suggestions.

Introduction

The Human resources of a nation is perhaps the most crucial factor for sustaining competitiveness, just as the need for sustainable competitiveness has become necessary for the survival of any economy and/or organization. It is the human resources, not the capital or material resources of a nation that ultimately determines the pace and character of its socio-economic development (Forojalla, 1993). The implication of this assertion is that any country that fails to invest in its human capital is bound to fail in its development efforts. This is further reiterated by the International Labour Organization (ILO), by strongly maintaining that the promotion of full and productive employment is the most effective means of ensuring sustainable and equitable developmental growth. In spite of the above realizations, the global employment situation continues to be a problem. In most countries, of which Ghana is no exception, the level of unemployment and underemployment remains high.

In recent policy debates to increase employability in a globalizing world economy, the crucial role of a high-quality educated and skilled workforce has gained prominence. This growing prominence, however, is based on the assertion that a better trained labour force can increase competitiveness and ensure better complementarity between human and physical capital (World Employment Report, 1999) – henceforth referred to as WER. Indeed, enterprise-based training is actually a precondition for change within any organization. There is the need to produce a workforce that is flexible enough to meet new challenges. There are some traces of evidence to suggest that firms that embark on the training of their employees perform better by way of improved productivity.

The World Employment Report (1998: 46) confirms this when it states that, *"firms which follow an active training policy are more likely to report increased productivity... than those which attach less importance to training"*.

In view of the emerging technologies, enterprise-based training is very useful for the control of complex machinery. It helps to equip employees with the technical skills, without which they can hardly make good use of any technology and without which firms can succeed in this era of competition. Furthermore, training by enterprises helps to enhance flexibility of workers. If practices such as multi-skilling and employee participation are essential for surviving a competitive advantage, then training is crucial to sustaining a competitive advantage in current global capitalism, since it is the only way to produce a flexible workforce. Also, the practice of constant improvement inherent in the new forms of work elicits commitment and willingness to take initiative from employees. These traits are best attained through training which, in this context, serves an additional purpose of motivating workers.

Also, induction training, which is an aspect of enterprise-based training, is a useful way of exposing new entrants to the corporate culture of the firm. It entails exposing them to the expected social and ethical behaviour at work. This, no doubt, saves the firm a lot of trouble from mistakes by new workers in the name of ignorance. Enterprise-based training helps firms to cut down on recruitment cost. The cost of advertisement, the time for interviews and signing of contracts and a repetition of the induction process are all done away with by simply upgrading the skills of already existing workforce. This benefit is maximized if the target group for training consists mainly of the youth within the firm, who are nowhere near retirement.

In addition, when firms embark on the training of their employees, they hardly experience skill shortages and deficiencies with their associated problems. This implies that there will be no pressure on a few skilled workers, with

increased overtime working and increased overtime premiums and supplements, which is certainly costly and therefore inefficient. The rapid obsolescence of skills as the result of global trends makes enterprise-based training a safety valve in providing employment security for employees. Enterprise-based training is a means by which the skills of employees are continuously replenished. This enables them to re-enter the labour market at the end of their current engagement. Hence, such trainings afford the worker an element of employment security, not only a specific job security. The employment security of employees, on the other hand, stems from the fact that firms after spending resources in terms of time and funds to train workers, will hardly engage in any indiscriminate retrenchments or firing of employees. Thus, indirectly, enterprise-based training leads to a secure tenure of employment for employees.

Another motivation for being interested in training is that returns to the acquired skills are shared between employer and employee, so that training simultaneously benefits both the workers and the producers of goods (Nielsen & Rosholm, 2007:). On one hand, Biggs et al (1995a), posit that training benefit the employers in terms of increases in productivity. This conclusion was drawn from estimates of the production function based on pooled data for workers from Kenya, Zimbabwe and Ghana in 1992. On the other hand, enterprise based training increases earnings for employees. Middleton et al (1993) and Grubb & Ryan (1999) assert that earnings increase after training. According to the literature survey by Middleton et al. (1993), the increases in earnings as a result of enterprise based training seems to be about 20% in many developing countries.

In addition, customers, consumers and/or clients also benefit indirectly from firm-based training. One major underlying principle for training by firms is the need for customer orientation. The desire to produce goods according to customer specification and the desire to treat customers with special attention so as to retain them is best achieved through enterprise-based training.

Despite these appealing benefits that can be derived from enterprise based training, indications are that not many firms in developing countries are seriously pursuing it as part of their business strategy. Even of serious concern is the lack of data on firm based training. Thus, Nielsen & Rosholm (2007:3) could say, "to our knowledge, such evaluations are scarce for African countries". The question then to be asked is if training is this important, why are all firms not investing more and more in training their employees? This question forms the backdrop to discussions in this paper. This brief conceptual paper is mainly a library research, based on secondary data sources. The subsequent write-up seeks to: Present a conceptual and analytical basis for the arguments; Highlight the pressures facing training systems, particularly in Ghana, and outline practical and workable recommendations as to how training systems can be made more effective and efficient in responding to the changing needs of the labour market.

Conceptual and Analytical Frame Of Reference

This section seeks to explain the underlying concepts that are used through out the paper and that informs the arguments and recommendations.

Understanding Training as a concept

According to Armstrong (1999:507), training "*is the systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience*". In a more detailed way, training has been defined 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 to satisfy the current and future manpower needs of the organization*" (Armstrong, 1999:507).

Enterprise-based training, therefore, refers to the practice of enterprises delivering structured learning experiences to trainees who are employed by the

enterprise. The fundamental objective is to increase organizational efficiency by adding value to its key production factor; the labour force or the employees. In-company training and enterprise-based training are often used interchangeably and they both refer to the kind of training that individuals receive through their engagement with an employer, whether on the job, self-directed, or instructor guided and may be offered outside the work place but sponsored by the employer.

Conventionally, general education, which is a requirement for initial entry into the labour market, is the responsibility of either the state or the individual. In recent times, however, changes in technology as well as changes in work organization imply that the skills required by employers evolve quickly. To get the required skills, firms are faced with two options, namely: To search and hire their required skills from the labour market and/or to embark on training so as to produce their own skill requirements.

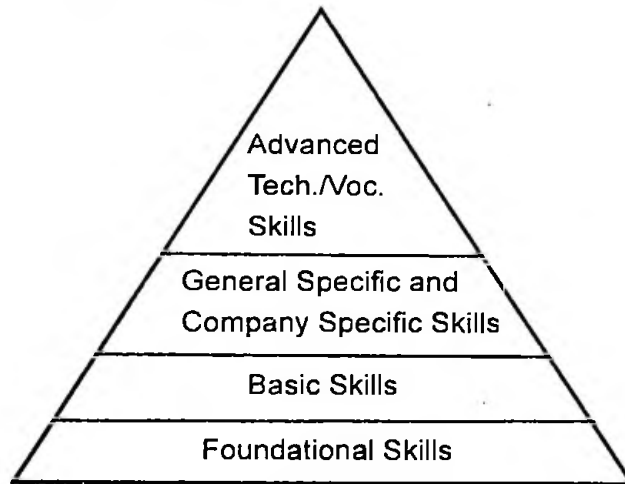
There is enough evidence from the available literature that most firms have opted for training, at least theoretically. "*Training and development are now firmly center stage in most organizations, if not all*" (Darling, 1993: IX). The concern, however, has been that at a time when all indicators point to training as a means of sustaining employability in the global economy, training systems, especially in developing countries like Ghana, are insufficiently responsive to the training demands. Also, the incentives for enterprises to invest in training may not be appealing enough to match the increase in demand.

An important factor that determines the effectiveness and efficiency of a training activity is an effective utilization of existing skills, qualifications and competencies. The definitions of training quoted above emphasize 'the modification of behaviour', which indicates the existence of some behaviour that can be modified. This is to say that without the initial behaviour or knowledge, training is impossible. *The foundations for a flexible training are a sound general education and a broad-based basic training.... which are transferable and which*

form the basis of a lifelong learning and the acquisition of multiple skills (Mitchell, 1998:7). Thus, it is undoubtedly vital to explore the initial education programmes to identify which kinds of skills enhance enterprise-based training activities.

The literature available on the subject groups skills into general and specific which are obtained from education and training respectively. Distinguishing between general and specific training, Grubb and Ryan (1999:11) state that one criterion for distinction is the programme intention; *whiles general education does not prepare individuals for particular occupations, training does.* Another criterion they cite is based on institutional distinctions. *General skills in most countries are provided by the state educational institutions while specific skills are obtained on the job by employers [and/or individuals].* The World Employment Report (1999:58) perceives the relationship between education and training as complementary and which can be viewed in the form of a pyramid, with four levels of capabilities. Figure 1 illustrates these four distinctions.

Figure 1 – The Taxonomy of Skills



Source: Authors' own construction – Based on information from WER (1999:58)

Interestingly, each layer of the pyramid differs with regard to who is responsible for the provision. Usually, foundational, basic and general skills are provided by the state in the form of education while specific – and advanced professional – skills are provided by either firms or individuals in the form of training. While this study focuses basically on the enhancement of occupational and specific skills, it is based on the premise that it is *difficult, if not impossible, to erect a system of skill formation without a solid educational base* WER (1999:59).

Training Systems

According to the Webster's collegiate dictionary, a system is a group of interacting bodies under the influence of related forces, often performing one or more vital functions. In the context of education, a system has been defined by some as the application of programmed learning principles to all aspects of the course. Romiszowski (1970) identifies two ways in which the term educational system is used, namely in the *"traditional sense" and in the "programmed learning sense"*. In the traditional sense, the system is defined to include all educational institutional and organizations, which are implied by the title (Romiszowski, 1970:15). Such a system may include schools, the society within which the schools flourish, the culture and the background among others. Romiszowski further states that the basic input of such a system is the learners. Although there are subsidiary inputs such as buildings, money, textbooks and other human resources in the form of teachers. The basic output from the system, he says is again human resources, *people at a different, presumably higher level of education*. In the programmed learning sense, the inputs to the system are information transmitted to the learner through various methods while the output is the learner's performance.

In the context of this paper, an education and training system is used to denote the traditional sense described above while the programmed learning sense would be viewed in terms of training modes. Thus, training modes exist

within training systems and refer to the content and channel for transmitting information to facilitate learning. A training mode may be formal or non-formal, public or private, and general or specific. According to Nubber (1997:19), *training systems in developing countries encompass a variety of training modes, which may be institutional or enterprise-based.*

A critical examination of how existing training systems are organized, the institutional structures that support them and their sustainability in the climate of global changes are important in this study, since an understanding of such systems will serve as a good basis for any recommendations made in this paper. According to the World Employment Report (1999), there are three main systems, namely cooperative, enterprise-based and state drive systems. Also of interest to this paper, however, is the traditional apprenticeship system which is common in Ghana.

The “cooperative” system – The German style

This is where enterprise-based training is a social contract between employers' organizations, the state and trade unions. However, employers are the main actors in offering apprenticeships in all sectors of the economy and pay for about 50% of the cost of training. The training is often provided through public vocational schools and at the workplace. According to the WER (1999), this system has successfully reduced the incidence of poaching. Also, due to the involvement of employers and trade unions in the design of training structures and curriculum, training is not abstract but made relevant to the labour market functioning. One major problem identified with this system in recent times, however, is its delay in responding to global changes, and this is due to the element of collaboration between three different parties. This is a problem indeed in view of the fact that global competition is evolving very fast.

Enterprise-based – The Japanese style

This system is such that besides general education, any further training is solely the responsibility of the employer who gives intensive off-the-job and on-the job

training. The kind of training provided under this system is specific to the firm. According to the WER (1999), the system has been successful in the production of a highly skilled workforce that is flexible to current global changes. The system is said to be workable because of the lifetime employment since, until recently, there were hardly any fear of poaching. However, given the increasing labour market pressures, labour immobility, even in Japan, is gradually becoming a thing of the past.

The “state-driven” system – The East Asian style

This is where there are schemes to encourage the training of workers due to the persistence of labour market failure. A high labour turnover is, undoubtedly, an indication of labour market failure. Labour market failure in skills training is almost inevitable in most countries because of labour poaching. While poaching makes economic sense, it leads to skill deficiencies when left unchecked. Thus, contrary to neo-liberal ideology, this study is of the position that labour markets cannot function properly alone and that there is the need for state intervention, but only in the creation of an enabling environment for firms to operate and not in the provision of training. This position is reiterated by Godfrey (1997:152), who says, *there is ample evidence of the lack of success of government-provided training in many contexts*. At least, an analysis of the East Asian miracle proves the importance of state intervention in human capital formation. The experiences of Singapore and Malaysia are remarkable in state intervention, but in the form of facilitating training rather providing training.

In Singapore, the Skills Development Fund (SDF) was set-up as an Act of Parliament and launched in December 1979. The objective is *to remove the condition of market failure arising from the high turnover of labour, which results in firms poaching staff rather than investing from the high of its staff* (Chew and Beng, 1999:183). The operation of the scheme is such that all firms are required to pay a certain percentage of the total wage bill as a levy to the SDF. The proceeds are sent to the Ministry of Finance and used for funding of employee

training programmes. According to Godfrey (1997:100), an enabling environment was created to encourage employers to upgrade the skills of their workforce...through the awarding of various subsidies for the funding of such training. Godfrey further mentions that, remarkably, these efforts were a part of the overall national effort of human resource development and not just ad hoc measures. After an analysis of the functioning of the SDF, Chew & Beng (1999:187) state that *it is fair to say that the SDF has effectively removed the spectre of market failure and has performed an important role in promoting skills training in Singapore*. Malaysia is also said to have set up a training scheme similar to that of Singapore to encourage employers to train their employees. According to Chew & Beng (1999:189), *the uniqueness of this scheme is that firms with greater skills and experience are willing to dispatch their workers to train employees of less-advanced firms in the same industry*. As has been shown above, training does not exist in isolation. A sound general education is vital if such training is to be made meaningful.

Traditional Apprenticeship – The Ghanaian Style

This is a kind of pre-employment vocational training that prepares individuals for initial entry into informal economy employment and has served as a viable institution of skill transfer in Ghana and other developing countries in Africa. The training providers are mainly the informal economy operators of small and micro businesses. The trainee learns by observing and assisting the master trainer as well as other workers who may be senior apprentices. Fees are often charged unless the trainer is a family relation. The trainee is often also expected to serve the 'master' by helping them with their household chores and running errands for them. This trend can be potentially exploitative. Another major disadvantage is the absence of defined standards and supporting technical and social knowledge. These notwithstanding, the system have been successful over the years in the provision of on-the-job, workplace-based, and "hands-on" instruction. The unstructured and informal nature also makes it flexible and

adaptable to immediate employer needs. From an observation and intense interaction with such trainers, it was revealed that attempts are now on-going to formalize this traditional training system. The National Coordinating Committee on Technical and Vocational Education and Training (NACVET) has been responsible for overseeing this national system of skill development. Currently, written agreements are replacing verbal agreements; trainees may be assessed after completion of the training and awarded a certificate. This kind of training leads to employment in the informal economy just as formal training leads to employment in the formal sector.

CHALLENGES FACING TRAINING SYSTEMS

While some of the challenges presented in this section is peculiar to Ghana, others are quite general and may reflect the experiences of many others within the global world economy.

Weak Broad-Base General Education

Ghana's educational reforms had laudable objectives and some successes but the higher education level was neglected as the focus was on the basic school level. A commentary on the reforms states: *at the university level, the euphoria over reforms did not appear high...tertiary education did not appear to have been a priority area for reform investment*" (Afenyadu et al, 1999:7). Meanwhile, regarding enterprise-based training, the general education system is to supply firms with trainable labour, which is equipped with basic skills, for firms to train.

Absence of Policy Framework and Political Commitment

In the review of the Ghana's educational reform document, it was realized that there is no mention of enterprise-based training at all. A policy framework at the national level will suggest government's commitment in matters of enterprise-based training. According, to one Human Resource Manager of a Ghanaian firm, *a number of factors determine how enterprises learn – macro economic, trade*

and competition policies...thus, government policies on learning become determinants of comparative advantage”.

Pressures from Technological Advances

According to the World Employment report (1998:37), “... [The recent] technology revolution is as important in terms of its spillover effects and economic impact as any technological revolution of the past two centuries” and Ghana is not an exception. New technologies, besides introducing a wide range of new products, have resulted in the decline in technical performance, which implies the need for highly skilled labour that the traditional educational institutions cannot, and has not been able to, provide. There is therefore the need for firms to help in the provision of, at least, the kind of skills they require.

Pressures from Globalization and Trade Liberalization

Closely linked with the pressure from technology is the globalization of trade, which has resulted in an atmosphere of intense competition which, in turn, has led to an increasing pressure to find new forms of work organization. The firm that can change the production process to bring new and quality products to the market faster, gains a significant advantage in the global market. This, no doubt, calls for employees that are knowledgeable and skilled, and are motivated enough to apply this knowledge and skill. Enterprise-based training is, therefore, resorted to as a means of attaining the said qualities in employees. This in the long run, will lead to attaining and sustaining a competitive advantage.

New Forms of Work Organization

The very nature of the new forms of work organization calls for enterprise-based training. For instance, functional flexibility, which is an aspect of flexibility, is a new form of work organization. It is understood to be the ability of firms to reorganize so that a jobholder applies his or her skills across a broader range of tasks. This is, to say, the ability of employers to alter the function of employees to meet

demand. This practice involves job rotation, job enrichment and, therefore, multi-skilling. An example is when a factory machine operator is asked at a point by his /her employer to take up the maintenance and repair of the machine. This practice certainly requires cross training and retraining – The kind of training that can best be done by the firm and not by any educational institution.

The Poaching of Trained Workers

A major challenge that enterprises in Ghana have had to contend with is the problem of staff poaching. Poaching occurs when a worker trained by one enterprise, with the hope of benefiting from that worker's newly acquired skill over a longer period, is induced to work for another organization. This problem discourages some employers from investing in staff training and development. The poaching problem stems, largely, from the lack of training culture among Ghanaian firms generally. The practice of employee training is not wide spread among Ghanaian firms and also there is no documented legal frame of reference within which firms can operate. As a result, some firms have intimated that it is not worth investing time and resources into training, because competitors are most likely to poach the upgraded staff. While this may be the case, the importance of training as discussed above suggests that it is absurd to forego training because of competitors. In any case, if all firms embark on training, there will be a level playing ground between companies, and there will be no poaching.

Financial cost of Training

Another fundamental problem with enterprise-based training is the cost involved. Most infant industries or small enterprises are unable to afford it. Incidence of training is very often informed by size of enterprise, occupation, economic sector, and permanent or non-permanent employment status (Ridoutt *et al.*, 2002:13). It is widely accepted internationally that enterprise size has a direct influence on training activity (Ridoutt *et al.*, 2002), as is the notion that large enterprises invariably train more and that large enterprises normally train at a higher. Even for

large firms, training cost can be financially burdensome. The long-term effect of training is not recognized in a firm's short-term financial success for which reason firms are reluctant to invest in training. It is, however, note worthy that it is not always the case that training requires huge funds. Training can be done with very little fund as practiced in Japan through on-the-job training. Training by firms also requires sacrificing productive time that may never be regained. It does not follow that training will always automatically yield increase in productivity. Besides having a highly skilled workforce, there are so many other factors that account for either an increase or decrease in productivity. There is no clear mechanism for assessing training / output ratios. Also note worthy is the fact that government subvention to training institutions such as GIMPA and MDPI has been cut off. The tendency therefore will be high charges, which in turn will mean low income firms cannot train their employees.

Absence of regulation of the traditional apprenticeship training system: - Even though attempts are being made to formalize the traditional apprenticeship training in Ghana, there is still room for much improvement. There is still a lot of training that is not regulated, not accredited and not recognized. What this means therefore is that many of such apprentices will end up in the informal economy at best.

RECOMMENDATIONS

The performance of any training system is strongly influenced by the economic and institutional framework in which it operates, as well as by its own programme content and organization (WER, 1999). This hypothesis, which has been largely supported by the experiences from other countries, as well as the need to learn from other countries, forms the basis for most of the recommendations.

Macro Level/State Intervention

The Neo-classical economists posit that state intervention, in all its forms, is not needed because it has failed in the past and has been quite misleading; hence,

markets in general and labour markets, for that matter, are to be driven by demand and supply forces. This is to say that the demand for a particular skill will create its own supply of the skill through training. Thus, governments should not intervene but provide an enabling environment in the form of relevant and current information for the market to operate, since stakeholders must have such information on which to base decisions concerning skills development. In as much as the creation of an enabling environment by the government is important, leaving the labour market in a country like Ghana entirely to market forces alone has failed and it is likely to continue to fail.

An examination of existing training systems showed that both the German cooperative system and the Japanese enterprise-based system are facing problems in adjusting to change. The state-driven system of the East Asian countries, however, has proven to be viable in recent times. Thus, this paper seeks to advocate the need for state intervention. The current nature of world competition means that competitiveness is determined by continuous improvement of the skills and competences of the workforce, which calls for visionary planning for training and development, and which in turn calls for state intervention. The subsequent paragraphs present suggestions as to how this can be done.

Educational Reforms

As a starting point, the state should ensure that its educational system is planned in such a way that links it to its existing market, and not an imaginary one. Learning from the South Africa Skills Development Strategy, it is important to redefine the guidance and placement roles of the Employment Services in Ghana and empowering it to collect, collate and disseminate labour market information to training institutions, to assist them align their programmes to changing market conditions. By this, it is hoped that the traditional institutions will provide good general education, based on which firms can easily add on in the form of firm-specific training. This suggestion also dwells on the human capital theory, where

it is argued that the more educated learn faster and better than the less educated. Also, "though considerable progress can be made with a poorly educated labour force.....in the long run, firms which have educated labour are likely to make more progress in their training schemes" (WER, 1999:45). An important criterion for disbursing public fund, if any, should be the quality and responsiveness of the education and training system as is the case in South Africa. The assessment could be done by an independent body within the Ministry of Education.

Legal Support

The problem of poaching as explained in the beginning of the paper is a factor that works against enterprise-based training in Ghana. For a firm to invest huge sums of money and time in its human resources only to lose them to other firms is not funny at all. This has led to some firms concentrating so much on specific training whe, in fact general training yields far more benefits. Thus, to encourage the investment in human capital by firms, the state should provide an enabling legal environment. Legislation with clear legal sanctions against the poaching firm can go a long way to help. At best, a legal code that forces all firms to train their workforce is a viable option. Once there is a training culture, poaching will, hopefully, be a problem of the past.

Institutional support

Institution as used here does not necessarily mean an organization but rather, a "significant practice and/or a relationship with other factors or stakeholders" (Webster's Collegiate Dictionary, 1991:627). Examples of such institutions could be a well defined certification system for firm-based training, particularly for traditional apprenticeships, a networking system to support small firms to manage their training needs, an award system to boost the efforts of the firms who excel in their training efforts, authorizing employers' association and trade unions to give technical advice and guidelines to firms. Regarding the use of trade unions, they could be useful in ensuring that workers' training needs are

satisfied or that firm-based training expresses mutuality of needs. The existing training institutions could be empowered to provide certification to enterprise-based training efforts.

Micro Level/Firm-Based Interventions

The increasing quest for employee training is attributed to the fast evolving global trends. This means that continuous improvement is to be emphasized, if employee training is to achieve its goal of ensuring sustainable competitiveness. Thus, even though Ghanaian firms in general and banks in particular may be resorting to employee training, the following good practices are recommended for continuously improving employee training. Some of these recommendations are also applicable at the macro level.

Benchmarking Industry's Best Practices

Benchmarking has been defined as the process of comparing oneself to the best relevant competitors - Measuring the practices of one's own company against the best practices of the competition. It is a process that requires establishing operating targets based on the industry's best practices (Rodwell et al., 2000:357). Benchmarking is important in contributing to a company's ability to attain a competitive advantage, since it is an opportunity for identifying, modifying and adopting the most efficient ways of operating. It helps firms to gain insights into what competitors are doing to succeed. This process has been called SIS which means 'stealing ideas shamelessly' (Armstrong (1999:496). Regarding the benchmarking of training and development, The World Employment Report (1999) states ".....there is much that countries can learn from each other's experience in the development and utilization of a better skilled and more adaptable workforce". While this study acknowledges the importance of benchmarking as mentioned above, it shares the view of Rodwell et al (2000), who say, benchmarking may only reveal common practices within the industry and not necessarily those that lead to the attainment of a competitive advantage.

Hence, the need to determine if benchmarking is a best practice and, if so, what practices should be benchmarked...? (Rodwell et al, 2000:357).

Involving Trade Unions or Workers in the Planning of Training

There are mixed feelings about the role of trade unions in employee training. As understanding of the traditional antagonistic nature of trade unions seems to imply a negative trade union response to employee training, given the low wages paid trainees during the training period (Godfrey, 1997:151) and the specific nature of firm-based training, which may boost an organization's productivity at the expense of employees' employability in the labour market. Contrary to the above expressed assumption, trade unions tend to support, rather than resist, employee training. Trade unions have played a positive role in encouraging training activity within firms (Rainbird, 2000: 152). Regarding German trade unions, Mahnkopf (1992:66) says: "within German workers movement, demands for comprehensive occupational... training have a long tradition, as this has always been linked to labour's struggle for emancipation". In Singapore, The National Trades Union Congress is actively involved in employee training and is even known to conduct two nationwide training programmes for workers who are above forty years and who are less educated. Finally, evidence of positive trade union reaction to employee training is found in countries like USA, UK and Australia, as indicated by Rainbird (2001:153) and Godfrey (1997:151). Among the speculated reasons for trade union support for training is the long run wage increase which in a way, make up for the wages lost during training and for the fact that training lowers labour turnover for workers, and union members for that matter. Mahnkopf (1992:67) confirms this by saying, "trainingalso has the function of protecting workers from [unnecessary] dismissal and downgrading". The reaction of trade unions to training, as it relates to this study is the fact that training is further enhanced where, in addition to achieving recognition, trade unions are actively involved in training decisions (Rainbird, 2000:153). Kennedy et al. (1994) cited by Rainbird (2000), after a year's study of Australian industrial

relations, found that trade unionism is associated with superior training provisions. Thus, for effective enterprise-based training, the role of the trade unions must not be overlooked, but optimally maximized.

Properly Staffing and Continuously Training the Training Department Staff

It has become evident that one way to enhance the quality of training is to ensure that the 'right' people are responsible for training design and delivery (London, 1989:11). London, therefore, suggests that, besides employing the services of training professionals, such as technical writers, educational consultants, instructional technologists, computer systems and software experts, HRD experts must make use of subject matter experts in other departments to plan the training curriculum. The apparent reason for London's suggestion is that they have experience in the operations of the business. To London, "these subject matter experts know the client's perspective and therefore enhance the credibility and likely acceptance of the training". In sum, training and development must start from the training department itself, since the professional development of the training staff is considered crucial to the quality of the overall training within a firm. Kapur (1999:68-71) also emphasizes the need for quality trainers by presenting twelve (12) qualities a trainer should have in order to be efficient at his rather crucial role of training others. A critical look at the said quality seems to suggest the need for an extensive training of the trainer himself, thus agreeing with London above.

Critically Evaluate Training to Identify the Strengths and the Loopholes

This is where the success of the entire training programme is assessed to ascertain its effectiveness in the light of the stated objectives. There are various ways and levels of evaluation that can be used, and the HRM literature emphasizes the importance for considering these in the planning process. It is at the planning stage that the basis upon which each category of training is to be evaluated should be determined (Armstrong, 1999:531). Also, because

evaluation covers the whole training process it must be considered early in the design and planning process (Rae, 2000:193). Again, measuring the effectiveness of the training, when done properly, serves as feedback in planning a new training programme, and the process continues. Thus, the result of an effective evaluation serves the purpose of a Training Needs Identification Analysis (TNIA) in the next training cycle, and therefore is very important.

On the Pertinent Issue of Financial Cost of Training

There has been a current debate as to whether government should finance training or not. While some argue that the state should not fund training, others think it should. However, whatever the bases for these arguments are, the state should not look on unconcerned, but should provide appropriate incentives to promote training. Not necessarily the provision of funding, but its supervision. The collection and supervision of training levy, which is based on payroll, as done in Singapore, can be conveniently applied in a country like Ghana. By so doing, infant industries could also be taken care of. Once the funds are generated, the problems of corruption and misappropriation of funds becomes an issue. To address this issue, the proposal for regulating the disbursement of training funds can be conveniently applied to the Ghanaian context. The state may reduce the financial training burden on firms by reimbursing the training costs of employers as done in Singapore, by providing wage subsidies during the training period, by providing training grants or loans to enterprises and by providing tax credits for employers who provide training for their workforce. Mitchell (1998:34) is of the opinion that such a system is very easy to be abused by firms who may overstate their training budget. Other likely problems, he states, could be the level of bureaucracy required for administering and controlling such support systems. This notwithstanding, these suggestions may go a long way to help enhance enterprise-based training in Ghana, when done properly.

What the government can do is just to provide an enabling environment for firms to operate – to train as cost effectively as possible. It is really up to

individual firms to find ways of reducing the cost of training. Tsang (1999:95) concludes from a study on costing vocational training that, pre-employment vocational training is more expensive than in-service training but then within the confines of in-service training, he concludes that, "findings on the unit cost of different modes of vocational training, or types of education or curricula, do not translate directly into a definitive assessment of the relative attractiveness of alternative training strategies". Though relative costs may differ by trade, no single mode is likely to be the best choice for all trades. In light of the recent developments in the overlapping of training modes and the integration of training programmes into a national system, a training system offering a mix of training modes may be most appropriate for developing countries.

According to Tsang (1999:94), the costs of vocational training have several major determinants, namely:

- The technology of training, including class size and the method of instruction (the use of labour or capital techniques);
- Teacher costs and their determinants (such as salary schedule and labour-market conditions)
- The length of the training programme
- The extent of wastage or drop-out
- The extent of underutilization of training inputs
- The scale of operation

Thus, firms can learn from these cost determinants to develop policy options that seek to minimize the cost effect of the determinants rather than seek cheaper training alternatives that do not exist in reality. Such strategies could include: reducing drop-out rates; making fuller use of training inputs; taking advantage of economies of scale; and controlling costs related to training methods, teaching staff, and the length of the training programme. Efforts to reduce the unit costs of vocational training should consider the impact on the quality of training and on trainees; cost reduction at the expense of quality does not improve the efficiency of training (Ibid).

CONCLUDING REMARKS

This paper has argued that global trade competition and its associated technological development have put pressure on firms to take action in order to survive the increasing competition and thus remain in business. Many firms have, as a result, shifted from a market approach to skills acquisition to investment in skill acquisition through training; from hiring organizations to learning organizations in spite of the many challenges they have to contend with. This paper has provided an added basis for considering employee training as a strategically important and worthwhile venture, as an old Chinese Philosopher, Guazi, confirms when he posits that: *"When planning for one year, there's nothing better than planting grain, when planning for ten years, there's nothing better than planting trees, when planning for a lifetime, there's nothing better than planting men"* (ILO working paper, 1996). Thus, investing in the training of men produces benefits that can last a lifetime. Undoubtedly, training is beneficial to employers, employees and even the national economy at large and must be taken serious.

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