

## GOT SKILLS? RETOOLING VOCATIONAL EDUCATION

August 23, 2014

For decades vocational education has suffered from the twin curses of low status and limited innovation. Politicians have equated higher education with traditional universities of the sort that they themselves attended. Parents have steered children away from “shop class”. And vocational studies have been left to languish: the detritus of an industrial era rather than the handmaiden of a new economy.

A recent report from a management consultancy, McKinsey, called “Education to Employment: Getting Europe’s Youth into Work”, paints a dismal picture of the state of vocational education. In four of the seven countries surveyed, more than half of young people taking an academic course said they would have preferred a vocational one. But they had been put off by disorganisation and lack of prestige. Britain has more than 20,000 vocational qualifications offered by 150 different bodies. In America responsibility is scattered among government departments.

The great exception to this has always been Germany, of course. But now there are signs that other countries are trying to turn a back road into an Autobahn. Politicians are banging the drum for vocational education. Australia, for example, has created a Workforce and Productivity Agency. Educational innovators are flooding into the vocational market.

There are good reasons why vocational education should be gaining ground. The world is plagued by youth unemployment. In the EU about a quarter of 15- to 25-year-olds are jobless. The figure is lower in America (15%) but still remarkably high for a country that once prided itself on having full employment and a flexible labour market. At the same time firms complain bitterly about skills shortages: 27% of European employers surveyed by McKinsey said they have left a vacancy open in the past year because they cannot find anyone with the right attributes; a third said that lack of skills is causing big problems for their business.

The university bubble is also beginning to burst. Democratising universities has proved an expensive and inefficient way of providing mass higher education. Americans, who led the way, have taken on more than \$1 trillion in student debt. But a growing number think that they got poor value for money—taught by PhD students not professors, forced to subsidise expensive research programmes and administrative cadres, and provided, at the end of it all, with a college diploma that no longer automatically brings a desirable job.

Frustration with the status quo is at last leading to a burst of innovation. The internet is well suited to vocational education: it helps reduce costs while making it easier to earn a living while doing some vocational training. Just as important is the birth of a new concept of what is being delivered.

“Competency-based education” sounds tedious but reverses most of the basic tenets of academic teaching. It tries to transmit mastery of work-related skills (or “competences”) rather than command of a particular academic discipline. It is designed for a world of lifelong learning rather than the “three or four years and you’re done” university system. Knowledge is broken up into bite-sized “modules”. Students take these modules at their own convenience—over months or years, in the evenings or by attending full-time courses—and combine them in whatever way makes the most sense for their careers. Evaluation is continuous as students master different skills, rather than embodied in a single degree certificate: your CV provides a constantly updated summary of the skills that you have acquired.

This mixture of new technology and different methods of teaching is attracting a host of entrants, from universities looking for customers to innovators hoping to create new businesses. Southern New Hampshire University College of America paved the way by offering competency-based degrees for \$2,500 a year. Other early adopters include the University of Wisconsin’s UW Flex and Capella University’s FlexPath. Udacity, an online-education firm, has teamed up with companies such as AT&T to provide “nano-degrees”: job-related qualifications that can be completed in six to 12 months for \$200 a month. Dev Bootcamp offers a nine-week course for code developers paid for partly by a success fee. The firm charges employers for each graduate hired, after they complete 100 days on the job, and at the same time reimburses students a significant portion of their tuition fees.

### **Vocation, vocation, vocation**

In a new e-book Clayton Christensen, of Harvard Business School, and Michelle Weise, of the Christensen Institute, argue that this presages a revolution: students will be able to take courses that provide them with essential skills quickly and cheaply. The great disrupter of higher education will not be MOOCs (massive online open courses), they insist: these mostly focus on delivering standard academic education over the internet and suffer from drop-out rates of up to 95%. Rather, it will be a new approach to learning which makes plenty of use of the internet but ties education more closely to work. The emphasis on competences rather than subjects will make vocational education better suited to post-industrial economies. It will also challenge the dominance of universities as students realise that they no longer have to amass huge debts in order to acquire marketable skills.

Mr Christensen and Ms Weise may be going too far when they claim that disruption will spread throughout the university system. There will still be a place for academic study and small classes. But vocational innovation will certainly produce a more dynamic educational marketplace—and one, moreover, that provides an honoured position for vocational colleges, rather than treating them as an embarrassing sideshow.