

A skill match approach to lifelong learning

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Outline

- Training gap in lifelong learning
 - Lifelong learning theory
 - Types of training
 - Some illustrative analyses
 - Implications for policy
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- Talk based on article in *Ind. Rel. Jrnl* (w/ M. Tåhlin)

Bottom line

- Closing the training gap in on-the-job training (OJT) difficult
- Much OJT related to the nature of the job, training for tasks that need to be carried out
- Simple tasks require little training
- Employees in job with simple tasks receive little training
 - and often have low levels of education
- Policies aimed at employees unlikely to close the training gap
- Policies should instead focus on
 - Co-financing programs aimed at employers
 - Job re-design

Training gap

- Employees with more education partake in more further education and training (FET)
 - In particular more formal FET
- Question is why?
 - Differences in employee demand for FET?
 - Differences in employer supply of FET?

Lifelong learning

- Most policy discussions based on human capital theory
- Two frequently used models
 - Human capital = Schooling + work experience
 - Training decisions by the employee
 - Human capital = General training + specific training
 - Training decisions by the employer and the employee
 - The job itself (or more precisely its relationship to the employee) plays no prominent role in any of these models

Types of training

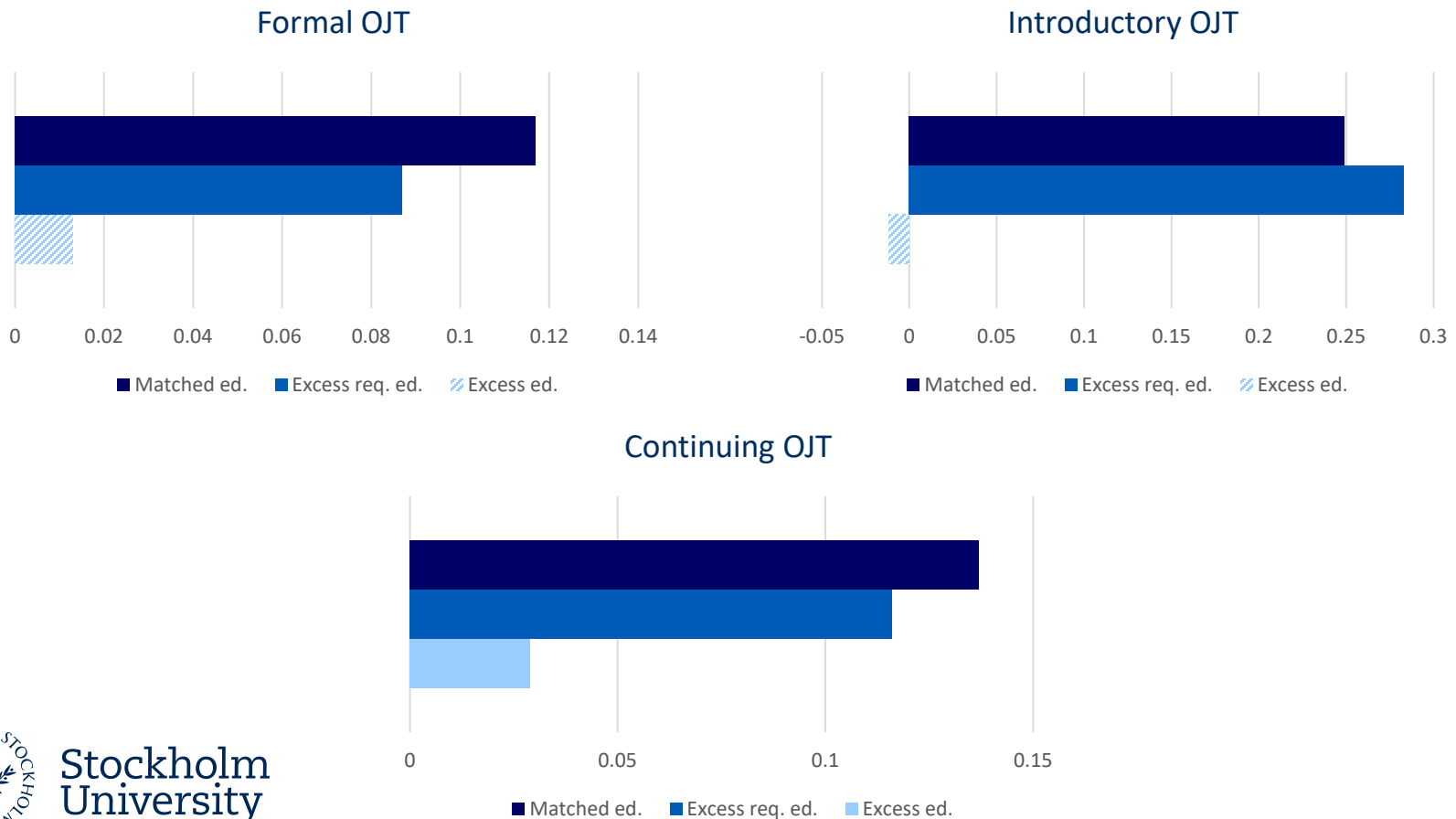
- Types of workplace training
 - Formal OJT
 - Informal OJT
 - Mentoring
 - Learning-by-doing
- Note: Some reasons put forth for the training gap only apply to formal OJT, and not to informal OJT

Evidence

- Data: Swedish Level-of-Living Survey, yr. 2000, approx. 3000 resp. aged 19-65
- ORU-model (modified)
- Decomposes attained education into three components
 - Education matching job requirements
 - Education in excess of job requirements
 - Job requirements in excess of education
- Normally applied to analyses of wages, with very consistent results
- We apply it to OJT
 - Three different measures of OJT regressed on the three measures of the relationship between required and attained education
 - Present illustrations of estimates from regression models
 - Focus on patterns of estimates within and across types of OJT

Evidence

- Matched and Excess req. ed. clearly and positively associated with all three forms of OJT, while Excess ed. is not (or only weakly)



Conclusions

- No (or small) training gap in excess education
- Training gap in OJT related to required education, i.e. to the job
- Similar patterns for both informal (introductory and continuing) and formal training
 - Questions arguments advanced to explain training gap in formal OJT
- The tasks inherent in a job seem to determine if training is needed
- Indicates that training gap arises because employees with little education occupy jobs requiring little training

Policy implications

- If this holds, clear implications for training policies
- Employee-directed policies
 - E.g. co-financing between employees and government
 - Less likely to work
- Employer-directed policies
 - Co-financing between employers and government or between employers and employees
 - Risk of deadweight loss
 - Should be directed at less educated workers to close training gap
- Job restructuring
 - Job rotation
 - Difficult to achieve on a large scale

Thank you



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