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# DEVELOPING THE TRAINING ROLE OF AN EMPLOYERS' ORGANIZATION

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## 1. What is Training?

For the purposes of this paper training means:

- transferring information and knowledge to employers
- equipping employers to translate that information and knowledge into practice with a view to enhancing organization effectiveness and productivity, and the quality of the management of people.

Usually training should be considered along with education policies and systems which are crucial to the development of human resources. However, the influence employers' organizations as well as employers can and should have on education will not be covered<sup>(1)</sup>, though a passing reference will be made to it.

## 2. Importance of Developing a Role in Training

Developing a national role in training is important for an employers' organization for several reasons. First, it enables the organization to contribute to the development of a country's human capital, through its influence on education policies and systems and training by public training institutions, to better serve business needs. It also enables it to influence employers in regard to the need for them to invest more in training and employee development - which employers should recognize as one key to their competitiveness in the future. Second, it provides an important service to members, especially in industrial relations in respect of which sources of training for employers in developing countries are few. Third, it is an important source of income provided the organization can deliver relevant quality training. Fourth, it compels its own staff to improve their knowledge without which they cannot offer training to enterprises through their own staff. Fifth, the knowledge required for training increases the quality of other services provided by the organization - policy lobbying, advisory and representation services. Sixth, it contributes to better human relations at the enterprise level and therefore to better enterprise performance, by matching corporate goals and people management policies. Finally, it improves the overall image of the organization and invests it with a degree of professionalism, which can lead to increased membership and influence.

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## 3. The Training Role

### **Internal Training**

The role of an employers' organization in training has to be viewed from different perspectives. First and foremost it must be viewed from an "internal" point of view i.e. the training and development of its own staff. This is essential to the effectiveness of the organization's training services as well as to the other services it provides members, all of which fall within the following:

- influencing the legal and policy environment needed for business growth and development
- direct services to members

This requires that the staff be trained in the areas of the organization's services and core competencies which may include areas such as:

- industrial relations
- human resource management
- occupational safety and health
- information analysis and research for
  - influencing the policy environment
  - transferring knowledge to members
  - undertaking wage and other surveys

### **Training Services**

This objective of training (i.e. to make its other services more effective) involves mostly the acquisition of knowledge needed for staff to perform their functions. This is an important prerequisite to staff undertaking the second role of an employers' organization in training, which is to provide training to members (and sometimes to nonmembers) in areas in which they expect services. But unlike in the case of the first objective of training earlier referred to, this second role or objective requires not only knowledge in the areas of training, but also training skills i.e. in training techniques or methodologies. If staff do not develop training skills

- they will be able to transfer knowledge
- but not the skills to apply the knowledge to particular situations which arise in enterprises (productivity is increasingly the application of knowledge).

Examples include negotiation, workplace mechanisms to improve workplace relations and human resource management policies and practices such as:

- recruitment, selection, induction
- performance appraisal
- leadership and motivation
- employee retention
- wage and salary determination

The main objectives of this second training role (to provide training to members) are:

- to provide members with the means to address labour - related problems and issues
- to instill in enterprise managers the skills needed to improve their management of people
- where enterprises have a training department, to train their personnel.

It follows that the staff of employers' organizations are not themselves practitioners in people management. They are trainers of those engaged in managing people and, occasionally of other trainers.

### **Influencing National Policies and Programmes**

The third role is one to be discharged at the national level, and involves influencing national educational and skills training policies and schemes. This could be effected in a variety of ways:

- Through representation on the policy boards of national training institutions.
- Identifying employers' education and skills needs and providing feed back from employers<sup>(2)</sup>. Employers' organizations could form executive training committees within the organization such as the Education Committee in the Japan Federation of Employers' Associations (NIKKEIREN), the Industrial Education and Training Committee in the Korean Employers' Federation and the Committee on Manpower and Development in the Singapore National Employers' Federation. At the initiative of the New Zealand Employers' Federation the School-Industry Links Development Board was established in 1990 to strengthen the relationship between secondary schools and business. Unique pilot programmes were commenced in 1992 on "Teacher Placement in Industry" and "Management Course for Secondary School Principals".<sup>(3)</sup>
- Influencing government, education and training authorities to correct inappropriate policies and to commence preparing for the future education and training needs if HRD policies are to have impact.
- Initiating or promoting teacher education programmes to impart to them knowledge about the role of business in society, the environment needed for business development etc.
- Promoting closer links between employers and educational and training institutions.
- Influencing course content e.g. management course contents to include more human relations management subjects, and even basic management in occupational safety and health and environmental management.

### **Other Roles**

A fourth role is for an employers' organization to raise awareness among employers of the need for increased investment in the development of human capital as an essential condition for achieving competitiveness.

A fifth role is in the training of personnel or human resource managers, given the fact that their role still tends to be downgraded relative to other management functions such as finance, marketing and production. This role could also be undertaken through training support given to professional bodies like an institute of personnel management.

A sixth role for an employers' organization is the provision of advisory services to member companies by

- assisting trainers in enterprises to develop or improve their in-house training programmes, especially in the areas of the employers' organization's expertise
- upgrading the knowledge of company trainers
- maintaining a directory of relevant training programmes/courses

Seventh, an employers' organization should be able to influence the provision of training incentives to be offered to employers, through the tax system or training levies. Numerous examples in countries abound which can provide useful ideas to employers' organizations.

Eight, an employers' organization could develop training material to be used by enterprises for in-house training.

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#### **4. Problems for Employers' Organizations Developing Training Role**

Several reasons account for the problems faced by employers' organizations in training their own staff, and in providing training to members. They include the following:

- Unlike enterprises which can have their staff trained in management and other training institutions, there are no courses and training institutions which are geared to the needs of employers' organizations. This places a heavy responsibility on senior staff to train new recruits and on staff to develop themselves. Therefore organizations often rely on the ILO to conduct training programmes designed to serve the needs of employers' organizations, and to provide staff with study tours to other employers' organizations.
- Most organizations do not have skilled trainers i.e. persons who have been trained as trainers.
- Inadequate training material
- Inadequate information/knowledge relating to labour-related subjects needed to attract enterprises to the organization's training programmes.
- The economic viability of having full time training staff. Due to financial constraints, an employers' organization would generally have to keep full time training staff to a minimum. Therefore staff with special skills providing advisory and representation services should be trained as trainers to enable them to undertake some training in their areas of expertise.

## 5. Developing the Organization's Training Function

### **Pre-requisites**

There are certain prerequisites essential to undertaking a training role in relation to members. Training may be effected in three ways

- by the employers' organization's own staff
- by external persons or institutions the employers' organization may contract with to conduct training
- by a combination of both the above methods, which would usually be the most practical since it is unrealistic to expect employers' organizations to develop the level of skills needed in all the areas of training.

Even in courses conducted by the organization trainers or resource persons can be used for selected subjects to enrich the programme.

Where training is conducted by the staff of the employers' organization it follows that it must have a comparative advantage in the subject matter of the training. In order to have that advantage the staff should

- have the requisite knowledge in the subject matter
- be trained as trainers, although this is not critical in all cases. For instance, conducting courses on the application of the labour laws requires knowledge of the subject matter, and skills in training may not be particularly critical though undoubtedly useful.
- be supported by an up to date information and research base.

The above mentioned pre-requisites underline the two types of training an employers' organization might undertake. The first is the transference of information and knowledge needed by enterprises to make decisions in labour related areas. This requires the first and third pre-requisites referred to. However, in order to have an impact on enterprises in the management of people, the training needs to go beyond knowledge-transference and demonstrate how to translate the relevant knowledge into practice. This involves not only a sound information and research base and staff with the requisite knowledge, but also staff with training skills.

### **Training Needs Survey**

Training needs of employers should first be identified through a training needs survey, which will determine the areas of training and the programmes to be developed. Such a needs survey by an employers' organization differs from one undertaken by an enterprise in that it would focus on the collective training needs of employers generally or in an industry. However, company-specific training programmes, which may come to be increasingly expected of employers' organizations could be based on needs identified either by the company or by the employers' organizations trainers in consultation with the relevant company officials.

Apart from training needs surveys, where employers' organizations provide direct services to members resulting in close interaction between its staff and enterprises (as where

representation and advisory services are important functions of the organization the staff are ideally placed to identify some of the training needs by virtue of their frequent handling of problems for employers.

Some training can be "supply-driven" to demonstrate the employers' organization's innovativeness and leadership role.

### **Identifying Areas of Training Specialization**

Employers' organizations do not usually offer training in all areas of management (e.g. general management, finance, marketing) because

- these are specialized areas requiring knowledge in subjects outside the mandate of an employers' organization
- such training is provided by other institutions like business schools and polytechnics which specially cater to these training needs.

However, in some areas training undertaken by employers' organizations and other institutions overlap. An example is negotiation skills on which business education institutions in some countries have highly effective programmes. Another is human resource management. Therefore it is important for employers' organizations to develop an expertise in training in industrial relations (laws, workplace labour relations practices, wages, negotiation). It is a subject in which it can develop a comparative advantage, especially since in many countries such training is seldom offered by other institutions. Even if other institutions do, they may lack the practical experience employers' organizations develop if they provide direct services to members.

An increasingly important target group is the small enterprise sector which, unlike the large scale sector, usually lacks a human resource manager or a training policy and in house training facilities. A special needs assessment may have to be conducted in this sector as its needs tend to differ from those of large and medium scale enterprises. The ILO has developed the Improve Your Business (IYB) programme, which is a system of inter-related training packages and supporting materials for providing owners and managers of small enterprises with training in basic business management skills.

### **Establishing Training Priorities**

The employers' organization should establish a priority table in respect of the areas in which it wishes to

- itself provide the training
- act only in a subsidiary capacity by, for instance, collaborating with external institutions or individuals.
- provide training material

Some of the areas in which an employers' organization can undertake training are:

- a. Industrial Relations and Labour Law. This should be a priority as it is the labour relations role which, more than any other, distinguishes an employers' organization from other employer bodies.

- b. Personnel and Human Resource Management. Training in this area helps to strengthen personal departments and human resource management functions. Since one of the main objectives of HRM is to integrate it with the functions of line managers, HRM training should be made available to all enterprise managers. However, training in this field may require linking up with institutions which are qualified in this regard, as it is difficult to build a comparative advantage without external assistance.
- c. Negotiation and negotiation skills. This is important not only for the conduct of collective bargaining but also for enterprise managers in their frequent interactions with their employees and other enterprises.
- d. Safety and health. An employers' organization could develop a limited role, such as interpreting relevant laws and training safety committees in enterprises.
- e. Productivity. Here a limited role is possible, largely through training to achieve sound industrial relations and in HRM practices which promote productivity improvement. Productivity bargaining and performance and skills based pay systems are a part of an employers' organization's mandate directly linked to productivity.
- f. Supervisory training. This often neglected area of training is an important means of improving workplace labour relations and productivity. The ILO has developed a supervisory training module which has been found useful by enterprises.
- g. Cross-cultural management training. In the context of increasing investment in countries from both within and outside the region and the apparent proliferation of disputes flowing from cross-cultural "mismanagement", there is scope for the development of training programmes for foreign personnel designed to acquaint them with local practices and cultural factors relevant to managing local employees. Increasingly, local employees also need to adjust to the management requirements and styles of foreign companies. Strangely, this has been a much neglected area of training. However, it requires quite a mastery of local systems, practices and culture.

Training should not take the form of only collective training programmes i.e. for personnel from several different enterprises. Considerable impact can be achieved through the design and conduct of training programmes for particular enterprises at plant level as it facilitates addressing a particular enterprise's needs. The latter type of programme also has a reasonable chance of attracting senior managers who are in a position to influence the company's policies.

### **Equipping the Organization for Training**

The organization should equip itself to perform a training role. Among other things, this involves the followings:

- Analysing the organization's strengths and weaknesses in training in the light of the needs assessment surveys and identification of the areas of training.
- Training the staff in training skills
- Where relevant, studying the management of the training function of employers' organizations which have developed an excellence in training
- Improving the organization's information/research/knowledge base
- Developing training courses and materials
- Where necessary entering into arrangements with outside individuals or institutions to design and/or conduct training programmes
- Appointing a training manager, or at least a person to plan and coordinate the training
- Acquisition of the training equipment needed.

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## Endnotes

[1.](#) See on this aspect and on HRD challenges for employers Sriyan de Silva "Human Resources Development for Competitiveness: A Priority for Employers" (1997) and Tan Peng Boo "Human Resource Development in Asia Pacific in the 21 Century: Issues and Challenges for Employers and their Organizations" (1996) prepared for the ILO Workshop on Employers' Organizations in Asia Pacific in the Twenty First Century, Turin, Italy, 5-13 May 1997.

[2.](#) A good example of an employers' organization's role in education is the New Zealand Employers' Federation, for which see Marilyn Davis "Linking Education and Training to Business -Needs" in ILO Training Workshop for Asia-Pacific Employers' Organizations on Managing An Employers' Organization (1993, ILO, Bangkok, 25 November - 03 December 1992).

[3.](#) *ibid.*

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*For further information, please contact Bureau for Employers' Activities (ACT/EMP)*

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