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## **MANAGEMENT-BASED APPROACH TO THE REFORM OF THE VOCATIONAL TRAINING**

### **Abstract**

Reaching, measuring and improving effectiveness has been the focus of many scholars and practitioners of economics since the beginnings of commodity production. Human factors were not considered so early. Some find it degrading to regard humans as part of capital while others find that investment in people (education and development) creates valuable resources for organizations. This debate is present in many disciplines in both theoretical and practical economics including economic sociology, education and management studies. Quality enhancement of human resources is the object of different types of educational cooperation, developmental concepts that target readily usable competencies and outstanding outcomes from the talent pool. Talent, however is a scarce resource, hence in the age of knowledge-based economy there is competition for talents. The meaning of „talent” has expanded to include high-qualified, multicompetent versatile workforce. There is a growing demand for such people and the economy as well as the society expects education to produce them. Hungarian economy follows the global trend but the status of multiple disadvantaged groups and particularly the Roma communities make a serious diversion from these trends.

**Key words:** human capital, educational system, change of paradigms, talent, multicompetent versatile workforce, underprivileged groups, vocational education, development, innovation

### **Podejście do reformy praktyk zawodowych oparte na zarządzaniu**

#### **Streszczenie**

Osiągnięcie, mierzenie i poprawianie wydajności jest przedmiotem zainteresowania wielu badaczy i praktyków ekonomii od początków produkcji towarowej. Na tak wczesnym etapie nie brano pod

uwagę czynnika ludzkiego. Zdaniem niektórych poniżające jest traktowanie ludzi jako części kapitału, podczas gdy inni twierdzą, że inwestycja w ludzi (edukację i rozwój) stwarza cenne zasoby dla organizacji. Spór ten toczy się w wielu dziedzinach ekonomii zarówno teoretycznej, jak i praktycznej, włączając socjologię ekonomiczną, edukację i zarządzanie. Podnoszenie jakości zasobów ludzkich jest przedmiotem współpracy w wielu dziedzinach edukacji oraz koncepcji rozwojowych dotyczących łatwo wykorzystywalnych kompetencji i wybitnych wyników w puli talentów. Talent jest jednak zasobem deficytowym, stąd w czasach gospodarki opartej na wiedzy istnieje w tej dziedzinie konkurencja. Znaczenie słowa „talent” rozszerzyło się i obejmuje wysoce wykwalifikowaną, wszechstronną siłę roboczą o wielorakich kompetencjach. Na takie osoby istnieje rosnące zapotrzebowanie, stąd zarówno gospodarka, jak i społeczeństwo oczekują tak wyedukowanych jednostek na rynku pracy. Gospodarka Węgier podąża za trendami globalnymi, jednak status wielu grup nieuprzywilejowanych, a w szczególności społeczności romskich wykazuje znaczne odstępstwa od tych trendów.

**Słowa kluczowe:** kapitał ludzki, system edukacyjny, zmiana paradygmatów, talent, wszechstronna siła robocza o wielorakich kompetencjach, grupy nieuprzywilejowane, edukacja zawodowa, rozwój, innowacja

### **Introduction. The change of judging human capital**

The contemporary phrase of knowledge-based economy can be explained firstly by the fact that most business activities require knowledge, more often new knowledge or to adapt to them while working. Actually, human capital assimilated to types of capitals accepted at the beginning of commodity production. Although theories about human capital and the investments aiming to develop it have been in focus of eco-sociologists, psychologists and also Nobel-prize winner economists, their acceptance is still not achieved. Man is the special kind of capital used by others by the knowledge acquired by learning for the sake of their own or their society's needs and this fact contributes to individual supply of abilities becoming the crucial condition of conscious investment. However, there seem to be some moral and philosophical questions raised which are often answered by the sentences of the Nobel-prize expert T.W. Schultz<sup>1</sup>, referring to sceptics: „The mere thought of investment in human beings is offensive to some among us. Our values and beliefs inhibit us from looking upon human beings as capital goods, except in slavery, and this we abhor. We are not unaffected by the long struggle to rid society of indentured service and to evolve political and legal institutions to keep men free from bondage. These are achievements that we prize highly. Hence, to treat human beings as wealth that can be augmented by investment runs counter to deeply held values. It seems to reduce man once again to a mere material component, something akin to property. And for man to look upon himself as a capital good, [...] may seem to debase him...” The idea

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<sup>1</sup> T.W. Schultz, *Beruházás az emberi tőkébe [Investment in Human Capital]*, Közgazdasági és Jogi Könyvkiadó 1983, p. 49–50.

that employees have been „advanced”<sup>2</sup> to become resources has been doubted by the experts of critical management. But they cannot help accepting the fact that for successful adaptation, for purchasing and maintaining competitive advantage there is a need for committed leaders and personal and/or collective competences based on human knowledge. However, little is known today how the spread of writing and reading, vocational knowledge, improving life conditions (including healthcare promoting longer life-expectancy) have turned into a new scale of values where people are able to prefinance their own future in the hope of a better and more comfortable life.

For the sake of a more advanced judgement of reality it is worth to consider present-day ideals in a wider context. The new contradictions reflect a prodigal, wasting lifestyle parallel to new forms of defencelessness and poverty. These can – undoubtedly – be changed by the value-creating ability of the human mind. The sum of investment, the calculation of its use and the rate of return can be measured from the aspect of the individual and the society, but this study focuses on the fields experts identified – by keeping Shultz’s views in mind – as belonging to the circle of activities developing abilities of human investment<sup>3</sup>.

The five fields are as follows:

1. Healthcare institutions and services. They influence the growth of human lifespan, vitality and quality;
2. Education during work. Including earlier and contemporary forms of education at workplaces, companies;
3. Formal, organized elementary (basic), secondary and higher education;
4. Adult education programs. Programs or refresher courses organized by an outside firm;
5. Mobility of individuals and families, moving towards the workplace.

Although vocational training is not included in the list above, the second, third and fourth items describe the possible forms of gaining professional knowledge. They correspond to the fields of the educational reforms nowadays. The present paper was made in connection with them.

Today, education and development of abilities have overgrown enforcement of personal interests. They have become the essential conditions of the development enforced on humanity by the 21st century globalization. In this century it is not mining or the accumulation of money that give a competitive advantage, rather – as Széchenyi used to realize – the educated men, and mostly the ones who are creative, able to change – to adapt to new situations – teachable, suitable for innovation, for independent decisions. Shortly, the versatile workforce. To

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<sup>2</sup> A.L. Hideg, A. Gelei, H. Primecz, *Mi a baj a modern szervezetekkel? – kritikai menedzsment elméletek* [What is the problem with modern organizations? – theories of critical management], „Vezetéstudomány” 2014, Vol XIV, Issue 6, p. 2–10.

<sup>3</sup> Gy. Lengyel, Z. Szántó, *A gazdasági élet szociológiája* [The Sociology of Economy], Aula Kiadó 1998, p. 60; T.W. Schultz, *Investment in Human Capital* [Beruházás az emberi tőkébe], 1961, p. 49–50.

sum up, in market competition the most wanted capital is the talented workforce which is difficult to access. Human capital refers to the stock of knowledge, habits, social and personality attributes, including creativity, embodied in the ability to perform labor so as to produce economic value, that the labor force possesses<sup>4</sup>.

### Talent as resource

The history of mankind is a list of competitions and battles in which one of the opponents accesses the valuable goods of the other one. In this sense the constraint of rivalry can be identified in the earliest sources<sup>5</sup>. Competition could and can still be realized in all fields of life and although there are several disciplines today forced to deal with its manifestations and importance, it is more often linked to economy, management sciences and to the emergence of market economy. The goals of the competition, to improve organizations and to increase efficiency, have also changed course nowadays and getting hold of the talented ones has become the „secret weapon”. Man is a resource difficult to access or to hold, since he does not become property of the company. Figuratively, his sovereignty is kept by „going home each night”<sup>6</sup>. It is thus worth to get to know the man whom the big companies of today fight for, and whose existence is proven by the birth and world-conquering results of new branches of industries like the social services of the Internet.

The concept of talent has been examined from new aspects by modern pedagogy. As a national verification it has also been highlighted in legislation. The number 126/2008 Parliamentary Resolution was issued on 13 June on the adoption of National Talent Programme, the financing principles of the National Talent Programme and the principles of the establishment and operation of the National Talent Coordination Board with an annex containing the Talent Programme itself. In its first stage there is a long-term approach including „Economic progress in Hungary can be realised through the development of the knowledge- and skills-intensive branches. It is crucial for the development of these branches whether the youth capable of outstanding achievements in the knowledge and skills area concerned, the talents, can emerge; whether their talent can unfold and

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<sup>4</sup> C. Goldin, *Human Capital*, [In:] *Handbook of Cliometrics*, Heidelberg, Germany: Springer Verlag 2016.

<sup>5</sup> B. Hámori, *A versenyfogalom dinamikája [The dynamics of competition]* OM 114/2004 tanulmánya, as cited in the study OM 114/2004 by anthropologists Bulte-Horan Shogren (2005) which says that even in the competitions between our ancestors, between the Neanderthal man and the Homo Sapiens, the latter could win because his behaviour more significantly reflected innovation and a relatively strong division of labour within the group. In this sense, competition existed 30,000 years before Christ with a stake similar to that of today.

<sup>6</sup> G. Bögel, *A vagyon estére hazamegy [Wealth goes home for the night]*, „Vezetéstudomány” XXIX, 1998/1, p. 22–27.

be put to use; whether the talents are provided adequate and continuous support throughout their career and whether, as a result of the foregoing, the country will be able to retain its most excellent talents”.

It has been chronologically followed by Act CXC of 2011 on National Public Education stating that „Its prioritised objective is to prevent the widening of the social gap and promote talent through the tools of education”. Paragraphs 12 and 13 of Article 4 contain specifications corresponding to the EU programmes of today, namely that education shall prevent social gaps. Before examining the possibilities of their validation it is worth to talk about the concept of talent and the national sociocultural and demographic circumstances. It is especially important to note that in the multiple disadvantaged regions talents can naturally be found and the support and development of them is the common national interest. As Katalin Szabó says<sup>7</sup>, talent is given at an age, in a country, it is impossible to be trained or created, at the most, hidden talents or gifted ones can be discovered, or the extant resources of the revealed talents can be more efficiently utilized. Besides, similar to greater countries, more efforts should be done in order to import, bring back and keep particularly talented ones at home. Recognizing and identifying talent is only seemingly easy. They are more often appreciated until afterwards, following their results. However, there are criteria based on new researches<sup>8</sup>. The most effective method is observation, which has been expanded into four main fields: creativity, the atypical work of the brain, the change of talent examinations (focusing not on memory but on individual solutions) and digital intelligence. Experts have discovered that behind prominent achievements there often seems to be unusual data-processing found. When examining talents with special attitudes they have realized that unusual brain organization regularly lead to their irregular solutions, reactions<sup>9</sup>. Many talents own specific cognitive organizations, unbalanced structures of abilities, the dominance of the right cerebral hemisphere, linguistic disorders or autoimmune diseases, which are more often represented by the form of dyslexia or similar specific learning disorders for the professionals. In several cases, the personal particulars of the talented ones, their weakness of social skills and the unbelievable level of motivation resemble compulsive, autistic behaviour. The so-called abnormal level of activ-

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<sup>7</sup> K. Szabó, *Tehetségihány: állandósult túlkereslet a „többletgazdaság” munkapiacán* *Diagnózis és terápiás javaslatok* [Lack of talented peoples: persistent over-demand at the labor market of the “surplus economy” Diagnosis and therapeutic proposals], p. 5. A tanulmány a TÁMOP-4.2.1/B-09/1/KMR-2010-0005 azonosítójú projekt „A tudás alapú gazdaság Magyarországon, az innovációs szemlélet erősödésének és a K+F teljesítmények növelésének feltételei” című kutatási alprojektjének a keretében készült.

<sup>8</sup> The work of Éva Gyarmaty is prominent in this field. She does not only publish her own researches but also the directions of past and present-day talent management and the results of foreign researches as well. É. Gyarmaty, *Tehetség és tehetséggondozás a 21. század elején Magyarországon*, „Neveléstudomány” 2013, Vol. 2., p. 90–106; M. Csapó, O. Gajić, J. Ivanović, *A tehetséggondozás mai nézetei*, [In:] *A tehetséges tanulókkal való munka módszertana*, eds. M. Takács, A. Bene, V. Nemzetközi tudományos konferenciájának előadásai, Magyar Tannyelvű Tanítóképző Kar, Szabadka, Szerbia 2011.

<sup>9</sup> H. Gardner, *Frames Of Mind: The Theory Of Multiple Intelligences*, Basic Books 1993.

ity is often diagnosed as hyperactivity<sup>10</sup>. In this way talent as a gift leads to a state of minority, which may strongly be influenced or hidden by the external circumstances. The following differentiating factors can be distinguished: socio-cultural environment, ethnic-nationality situation, neurologic deviations, behavioural and emotional particulars and organic-locomotor disorders. However, these attitudes may occur when examining efficiency or, more precisely, inefficiency of disadvantaged children rather than unidentified talents (excepting handicaps diagnosed by physicians). In order to differentiate the combinations, it is necessary to return to the elements of talent and its deployment. Talent, originally a Sumerian-Babylonian unit of measurement, has turned into the attribute of a person with realized values. Genius is a Greek word and refers to the people with particular achievements who has influenced the flow of fate and culture of mankind. (Eistein, Freud, Neuman, Beethoven, etc.). There have been few of them and though being watched carefully, found it difficult to adapt to everyday routines. There is a more frequent category of talent, which can be described by the expression *talented*, and is used for the ones who are born with a certain genetic level of gift and who are able to develop their abilities into creative skills and achievements by the help of their environment. Instead of analysing definitions of talent this paper intends to focus on the connection of talent management with economy and society by applying the most frequently used models. In Renzulli's Three-Ring Conception<sup>11</sup> *giftedness* is found in the intersection of three traits: particular abilities (above and/or exceeding average), creativity and strong task commitment.

Examining the existence and the unfolding of individual attributes Mönks draws attention to environmental factors. By setting the three-ring model into a triangle he identifies the environment responsible for talent management: family, school and peers – effecting commonly. The issues above may suggest that born abilities themselves are not enough – there is a need for the support of a family, of peers and of school, or at least supporters substituting them.

Among the Hungarian experts Endre Czeizel<sup>12</sup> expanded the model into a two times four set. In the outer set a new element is the society and also the factor of fate which may appear as an accidental element in the development of an individual's fate. The biological component of giftedness is 50–67% and thus the outer factors, that is the rate of changeability, is 33–50%. Developing the thought concentrating on outer factors will now tend to concretize whether the youth from the multiple disadvantaged layers have any chance to unfold their talent.

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<sup>10</sup> The results of K. Dabrowski, M.M. Piechowski, *Theory of levels of emotional development*, 1977, as cited by É. Gyarmaty.

<sup>11</sup> J.S. Renzulli, *What makes giftedness? Reexamining a definition*, Phi Delta Kappa 1978.

<sup>12</sup> E. Czeizel, *Sors és tehetség*, FITT Image es Minerva 1997.

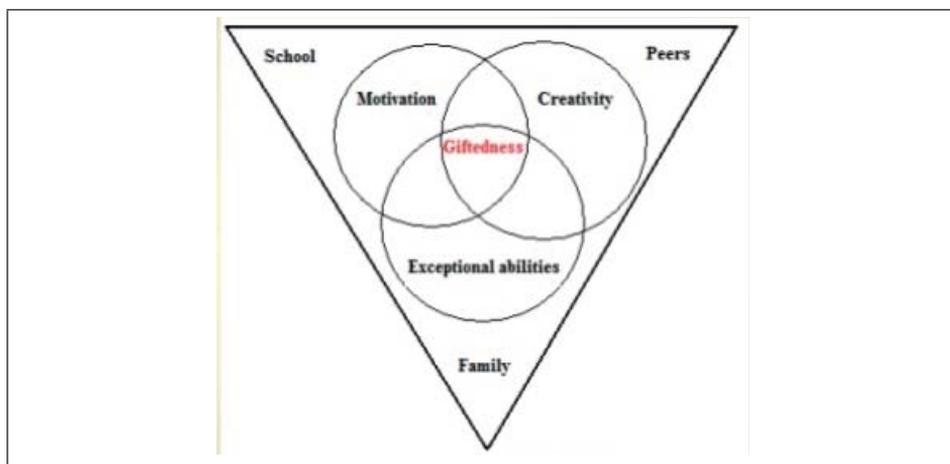


Figure 1. Mönks-Renzulli model

### The situation of hidden talents in the multiple disadvantaged regions

In the small villages of the borderline only the historical past and nature seem to be beautiful. The high number of the unemployed, the zoning of the schools and the ethnic problems make not only the present but also the future became uncertain. The programmes proclaiming to close up have all been in vain and evidently seem impossible to be carried out. Instead, closing up may become the aim requiring quite a number of changes, including the security of subsistence for the coming generation and for those of the active age and also the improvement of vocational skills apart from public works. Hope may be raised by the fact that in this region there are talented children born, as well as great teachers and knowledge is still respected. However, in order to overcome difficulties there is a rather deep gap to be ramped. Aiming to demonstrate present-day backwardness when publishing the social circumstances of children in 2015<sup>13</sup> international educational measuring tools were used and tended to present the national environment by applying specific indicators such as the data referring to demography, social and economic background of students, drop-out of students and also to the learning environment.

Poverty, measured under the international calculation methods of the EUROSTAT, has resulted in staggering numbers. Since 2011 poverty has increased in almost all age groups making it 23% among the ages of 0–5 and 6–17. The correlation between the education of parents and poverty is demonstrated by the fact that between the ages of 0–5 73,5% of the children of parents with primary

<sup>13</sup> *A közoktatás indikátor rendszere 2015.* [The Indicator System of Public Education 2015], ed. J. Varga, MTA KRTK KTI 2015, p. 12–18.

education live in poor household. But the number is also high with parents with secondary education: 21,3% of children live in income poverty. The data about the disadvantaged and multiple disadvantaged schoolchildren reflect a really sad notion.

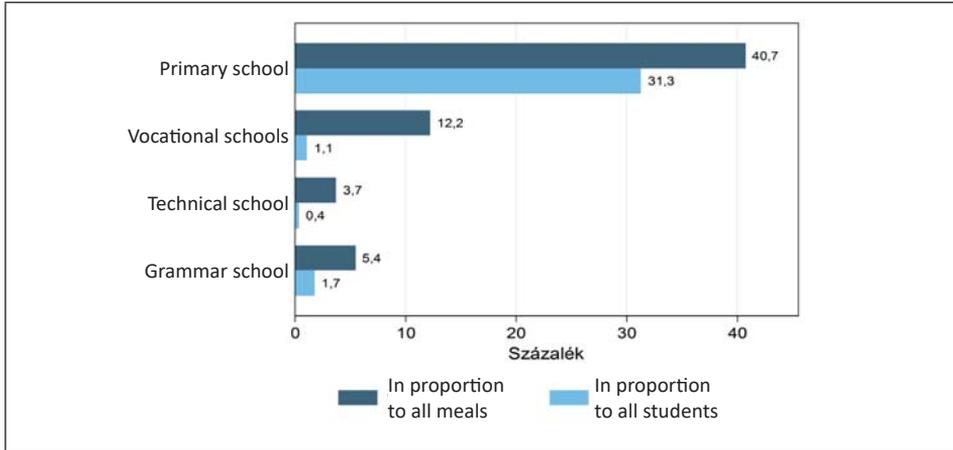


Figure 2. The proportion of free school students by type of dining in proportion of all dining students in proportion of all students

Source: *A közoktatás indikátor rendszere 2015 [The Indicator System of Public Education 2015]*, ed. J.Varga, MTA KRTK KTI 2015, p. 16.

In primary schools almost 41% of all dining children can have their meals free because they are disadvantaged. It may narrow their chances or opportunities of further education. Conditions are even worse in Szabolcs-Szatmár-Bereg county where in 2013 the rate of disadvantaged pupils of grades 1–8 was 55% and that of the multiple disadvantaged ones was 30%. Altogether 85% of children lived in deprived conditions. The rate is similar in Borsod-Abaúj-Zemplén county. The studies of TÁRKI deal with the tendency of school achievements based on data of 2014<sup>14</sup>. According to international surveys Hungary is one of the countries with the greatest difference among its schools. The choosing of students and the selection of them based on their social background is started early and takes all the time through public education. The effect of the family background on achievements is rather significant and Hungarian schools are quite unable to reconcile chances and the rate of resilient students is low. Resilient students are disadvantaged ones who, in spite of their disadvantageous circumstances, have great achievements. In Hungary the number of them have lessened compare to that in 2003 and what is more, 20% of the students are re-

<sup>14</sup> B. Csapó, J.B. Fejes, L. Kinyó, E. Tóth, *Az iskolai teljesítmények alakulása Magyarországon nemzetközi összehasonlításban, [The Development of School Achievements in Hungary in an International Correlation]*, In: Társadalmi riport 2014.

urgent illiterates. All these suggest that the school is unable to compensate for the disadvantages of the family life. There are findings that due to the effects of the economic recession we can witness the birth of an ethnically mixed underclass living in a new type of poverty at the very bottom of the social hierarchy<sup>15</sup>. Tamás Kolosi and Krisztián Pósch determined the change of the proportion of occupational classes based on the aspects of Bourdieu as classes and types of capitals<sup>16</sup>.

Figure 3. The proportion of occupational classes in Hungary

	2002	2012	EU12 (2012)
unskilled	30,2%	36,9%	20,7%
élite	10,1%	8,4%	13,7%
intellectual	14,4%	14,0%	21,5%
mental	14,4%	11,1%	15,6%
skilled	30,9%	29,5%	28,5%

Edited by Láczy using the data from the source.

Source: T. Kolosi, K. Pósch, *Osztályok és Társadalomkép [Classes and Image of Society]*, [in:] *Társadalmi riport 2014*, ed. T. Kolosi, I.G. Tóth, 2015, p. 142.

The figure deliberately shows the row of unskilled ones reflecting not only the significant difference from the European rates but also the decay of home circumstances of the past decade. The other categories have also represented deterioration which are disadvantageous even if it is evident that these were the hardest years of the economic recession. All these happen at an age when the demographic shock developed by an aging society can be experienced. It can (may) only be compensated by much more dynamic improvements and a workforce with versatile abilities. In this way the role of education, training and talent management gain more importance. In the Hungarian programme of the Europe 2020 Strategy there are three policies to be improved: decrease of the number of early school-leavers, to decrease the rate of the ones with weak reading and writing competences and to increase the rate of lifelong learning<sup>17</sup>.

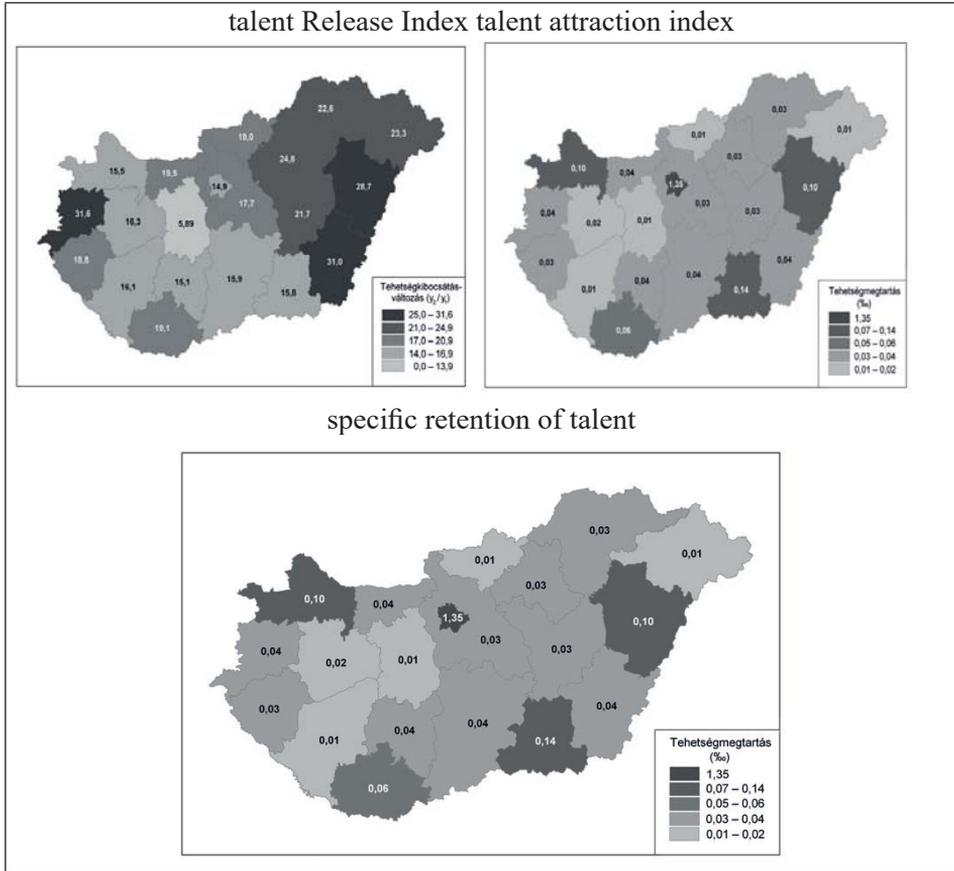
In reality, however, there are hardly any pillars left. The maps of Ferenc Győri for the balance of talent<sup>18</sup> are warningly important, although he applied the data from the Compromise of 1867 to the Change of Regime in 1990.

<sup>15</sup> Sz. Ladányi, *A kirekesztettség változó formái [The Changing Forms of Exclusion]*, Napvilág kiadó 2004.

<sup>16</sup> T. Kolosi, K. Pósch, *Osztályok és társadalomkép [Classes and Image of Society]*, 2014, <http://www.tarki.hu/adatbank-h/kutjel/pdf/b328.pdf>.

<sup>17</sup> *Europe 2020 Strategy and the Reform Programme of Hungary*, 2014, p. 49–50.

<sup>18</sup> F. Győri, *A tehetségértéktől a tehetségföldrajzig [From Maps of Talent to Geography of Talent]*, „Tér és Társadalom” 2011, Vol. 25, Is. 4, p. 39–59.



Map 1. Counties of Hungary between 1867–1990

Source: F. Györi, *A tehetségterképektől a tehetségföldrajzig* [From Maps of Talent to Geography of Talent], „Tér és Társadalom” 2011, Vol. 25, Is. 4, p. 54–56.

As it can clearly be seen, the most densely populated areas have experienced great losses in the decade-length progress explained by emigration, wars beside the lack of industrial development and underdeveloped services. Today it is not a lot better. one of the greatest matters of today’s society and economy is the undereducation of the youth from the multiple disadvantaged regions and the resulting lack of labour market skills. In the north-eastern regions of the country the work opportunities for most of the Roma inhabitants are hindered by further negative factors. The situation seems to be hopeless because of their family background, unemployment, poverty and the fallout due to the reduction of public services (zoning of schools, healthcare and administration) in the small settlements omitted from economic developments (sack settlements). Public work programs offer only partial, short-term solutions. The ones struggling with resurgent il-

literacy are unable to learn skills which would be necessary for most business activities. Without the competences and the material needs and also because of their marketing difficulties they cannot become private contractors, family or agricultural entrepreneurs.

## **Conclusions**

Therefore it is challenging for education, more precisely for vocational training, to develop the employment skills of the ones living on benefits or on public work today, to provide a supplementary support of family or peers for their talented children. In the national public education act talent management is an issue of high importance which, under these circumstances, could mean the overcoming of the disadvantages. The first stage of its realization may be achieved by obtaining the suitable vocational and general competences. On the contrary, the settlements falling behind in deep poverty lack almost all elements of the outer ring of the Mönk-Renzulli model. These cannot be identified as the fate factors of the Czeizel model but rather as the problem of the whole society. Since the structure of families, the responsibility of having children and the traditions of preparation for family life widely differ from the requirements, it is up to public education and vocational institutions to fill in the gaps. There is a lack of new types of day-care centres, schools or institutions with other names where the development of hidden talents could be achieved, occasionally by involving parents into the educational-vocational training by the means of adult education. For this reason an educational institution and a teacher (teachers) and also an expert of adult education should be returned to each settlement. By applying modern educational solutions on new basis and with suitable investments they would be able to prepare the inhabitants to adapt to future challenges, to convince and to start present-day defenceless layers in life in order to become professionals ready to learn skills required by the economy.

