

**Recent Developments in
Employee Development Schemes**

by

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Executive Summary

Introduction

Employee Development Schemes (EDS) are schemes that provide employees with access to opportunities for personal development not directly linked with their current role and responsibilities. The concept of EDS has attracted considerable interest in the human resource (HR) practitioner literature in the UK since the early innovations in the automotive sector here.

There are now a variety of guides on EDS aimed at HR professionals, managers and trade union officials. However these tend to lack a robust empirical basis, suffering from the often inconsistent approaches to what constitutes a formal approach to EDS within organisations and the dearth of coherent evidence on the impact of EDS on organisations and individuals.

This current research aimed to update the Department for Education and Skills' (ex-Department for Education and Employment –DfEE) current information about EDS, and how they are developing and operating. The goal was to go beyond updating the preliminary mapping evidence drawn from an earlier study¹, and in particular to address some of the information gaps set out in that report.

Context and objectives

The research had four clear objectives:

- i) To estimate the number of employers currently offering EDS to their employees;
- ii) To identify trends in how EDS has been developing in recent years;
- iii) To assess the potential benefits of running an EDS for the employer and for individual employees;
- iv) To provide case studies to:
 - illustrate differential practice in EDS implementation and organisation;
 - help develop further a typology of schemes; and
 - to provide qualitative evidence on the extent to which schemes are monitored and evaluated by organisations and by funding bodies.

There is no single source of information on which organisations do (or do not) support EDS. For this reason the research took a multi-faceted perspective on collating evidence on EDS support by employers, including an extensive review of the human resource (HR) literature and enquiries of a range of intermediary

¹ *The Role Of Employee Development Schemes In Increasing Learning At Work*. The HOST Consultancy. DfEE Research Report RR73, 1998.

agencies, some based on existing knowledge or previous research, others on *ad hoc* 'leads'.

It should be noted that, based on earlier research, the following definition was used in initial discussion with employers:

EDS may be called various things but all have some common characteristics:

- *They are employer-led - but sometimes involving a joint decision-making group including staff and/or trade unions;*
- *They are an employee benefit and usually apply to all employees irrespective of level of educational attainment;*
- *They focus on training that is not required for current jobs - which should be provided under an organisation's conventional staff training arrangements;*
- *They usually provide for a fixed limit of finance for an employee to attend an external course of their choice (often at a community or Further Education college) on a part-time or evening basis, or provide access to open learning facilities that the employer may have on site;*
- *Usually these schemes are specific to individual firms, but sometimes groups of employers may band together to support such an initiative;*
- *The outcomes may be qualification (e.g. GCSE in Italian) but are often not linked to qualifications and are seen to benefit the employer and employee by keeping the latter interested and able to learn.*

This definition was used to clarify and guide the process of identification of potential EDS in organisations. It was not used to filter in or out schemes that did or did not meet all the terms of this definition. Thus, a largely pragmatic, 'inclusive' approach to identification of schemes that purported to be EDS was adopted. This was necessary to fulfil the wider aims of the research above.

Some 482 potential EDS organisations were identified and sent a postal questionnaire; a further 22 organisations were identified too late for inclusion in the survey. One telephone reminder was used with non-respondents. The total response rate was 35 per cent (including refusals).

A total of 25 in-depth employer case studies were also conducted. Full, detailed write-ups of these case studies are available on request from HOST Policy Research².

For the reasons already described, the evidence collected during the course of this research does not allow us to extrapolate statistically the distribution of EDS to the general population of employers. Moreover, the findings are based principally on the

² HOST Policy Research, PO Box 144, Horsham West Sussex RH12 1YS. Tel; 01403 211440. E-mail: info@hostpolicyresearch.com

postal survey returns and case studies, together with the contacts with intermediary agencies and desk-based work. This does not allow us to judge how representative they are across the entire population of EDS. Nevertheless this research, together with the cumulative experience of previous work and findings (described in section 2), encompasses a wide spectrum of employers' and agencies' experiences of EDS, and as such the findings are thought to be significant within the context of recent developments in EDS.

Key findings

The difficulty in identifying organisations with EDS makes an estimation of total schemes in existence tentative at best. The best estimate is that around 1,500 employers in England are involved with EDS at the present time, although the bounds of uncertainty around this estimate must be considerable.

The research does however strongly suggest a contraction in the total number of schemes over the last three-four years. While an estimate of the extent of this contraction is similarly fraught with uncertainty, the available evidence points to a decline of the order of a quarter or more.

- The previous HOST research suggested that in 1997-98 TECs interviewed at the time felt that the momentum for involvement in EDS was growing. On the basis of the apparent growth in EDS at that time, it was thought that by mid-2000 there might be up to a projected 3,000 or so employers involved in EDS. This 'momentum effect' is far less obvious from the current research results and instead of an expansion there appears to have been a contraction in numbers of EDS overall. Nonetheless, there has been a dramatic rise in the number of organisations with fewer than 200 employees taking up EDS since 1997-98 but this growth appears to have dissipated of late, a result primarily of changes in TEC funding policies in the run-up to the formation of the national and local Learning and Skills Councils (LSCs).
- EDS appear to be more prevalent in retail, finance, pharmaceuticals, utilities, banks, schools, colleges, automotive industries and manufacturing. There is little evidence of systematic EDS arrangements in local authorities, health care Trusts, tourism, hotel and catering, transport and communications and construction.
- Many schemes have been introduced largely as a result of funding incentives rather than business planning. The case studies, however, illustrate some good practice in linking EDS to business objectives.
- The majority of schemes are run only for employees although some of the most innovative have started to include access for family members and more occasionally suppliers. The main reasons for introducing an EDS are raising skill levels, encouraging staff commitment, motivation and loyalty and encouraging learning in the work environment. For the majority of survey respondents, the purpose of having the EDS has not changed since it began. Where changes have occurred, they have been, for example, to include or

exclude health-related content of schemes such as membership of sports clubs.

- Although in most cases all employees are eligible for the EDS, some organisations are constrained by budgets and have to limit the number of employees who can participate in one year. In some of these firms repeat use by learners is actively discouraged – potentially limiting the longer-term gain to the organisation.
- Running an EDS often involves a complex mix of on-site and external learning. Almost two thirds of surveyed organisations provide access to on-site learning facilities/centres. Only one organisation in seven provides full fee payment for external courses.
- Providing learning guidance is an important feature of effective EDS, and many TECs contracted with their local careers service provider, or even local consultants, to provide guidance support. Just under 40 per cent of organisations also support EDS with an internal guide on learning resources.
- Funding arrangements vary considerably and the case studies demonstrate the great range of fee and payment structures that exist today. There are issues for consideration in how to support and enable organisations to continue with their EDS once ‘pump-priming’ funding ceases, particularly if no evaluation of the success or otherwise of the scheme has been carried out (as was found to be the case in most instances).
- Whilst past research has suggested that EDS is most effective when it is clearly additional to other work-related learning opportunity, over a quarter of survey respondents restrict their EDS to vocational courses only.
- In addition to funding levels, the case study experience suggests that the way schemes are run is an important influence on their sustainability. In some cases it seems to be the quality of EDS co-ordination and learner support, and the flexibility of access and internal ‘championing’ of the initiatives by employee ‘peers’ which are more important than the level of funding. Just under half of respondents encourage participants to move on from non-vocational courses to vocational.
- Take-up rates are highly variable. In many cases, raised staff awareness had led to an increase in the usage of the scheme. The survey results suggest that where there is open access to EDS, participation shows few contrasts in level across occupational groups.
- Information on EDS benefits - to organisations and individual participants – is weakly developed in most schemes. Where evaluations have been conducted they focus on processes rather than impact, and the available benefit evidence is often only anecdotal.

- Large numbers of survey respondents are involved in various training or quality initiatives, but most found it difficult to answer the extent to which their EDS supports these.
- From the employers' perspective, the benefits to employees were increased confidence and improved learning skills. The main perceived benefit to organisations is increasing staff skill and knowledge levels. Boosting or sustaining staff motivation and loyalty were also seen as common organisational benefits – especially in the manufacturing sector.
- Additional benefits identified over time include increased communication, staff identifying with a company culture, and a rise in profitability/efficiency.
- Whilst some employers felt there were no barriers to securing greater benefit from their EDS, over two thirds cited budget and time. Shift work was also an issue. Some respondents indicated a problem in motivating staff to participate in the EDS.
- Employees themselves report a range of benefits of EDS, most notably improved confidence within and outside the workplace – notably among lower skilled staff. The only barrier to participation identified by employees was time, as many had considerable domestic commitments.

EDS models and approach

The case studies suggest great diversity in the organisation, rationales and expectations of EDS. There are those organisations that only allow vocational courses to be undertaken within their EDS, with varying levels of budget and support. In these cases, where the EDS is effectively being used as part of what would be considered normal work-related training, the potential additionality of the scheme is limited. This does not mean that these schemes do not work for the organisations running them, or that effective learning is not taking place, but that they do not match the EDS principles and practice as set out earlier.

On the other hand, many of the more successful schemes³ are aimed essentially at personal development with organisational gain a 'knock-on' benefit from this. These often involve a wide choice of non-vocational and vocational options. Even here, however, participation can be limited due to restricted budget and resources within the organisation.

The evidence from the case studies suggests that most organisations, in seeking to establish EDS, have little appreciation of what the concept - or its implementation - involves.

There is also an apparent lack of coherence among the case study schemes reviewed in how their scope and funding links to work-based learning standards, and

³ As defined by employers' own assessments based on sustained participation and learning progression.

in particular Investors in People, or to support through learndirect provision or Individual Learning Accounts (ILAs).

External funding

In many respects, funding is a central issue in the development of EDS as a tool in helping businesses to build a workforce that is capable of continued learning and adaptation. The results show that, even among those organisations engaged in EDS, 'budget and time' are the main perceived barriers for organisations in securing real and sustainable benefit from an EDS.

This is a complex issue since few organisations chose to cost or evaluate wider issues in supporting EDS - or the benefits arising. Where cost data can be secured, it relates commonly only to external courses or related EDS budgets. Even these data lack comparability, since the 'level' of support will vary with the mix of EDS provision between on-site learning through open learning or coaching (usually not costed) and external courses. Added to this there are contrasts between organisations in what - if any - amount of cost is recovered from employees (either in their time or cash commitment), and any levels of subsidy on start-up or access provided by publicly-funded or other bodies.

For external provision in EDS, in 1998 the typical amount of employer support per employee was around £50 per capita a year on external courses. This was generally irrespective of the level or mode of learning although in some cases funding was restricted to courses linked to qualifications. The boost to EDS take-up at the time suggested 'pump-priming' has helped promote EDS and brought EDS arrangements into smaller organisations. For SMEs, in part this pump priming seems to have reduced the perceived risks that managers may have felt was associated with a novel approach to workplace learning. However, it is by no means clear that such support is sufficient - or even appropriate - to promote longer term commitment to the process of EDS. In particular, there seems to have been limited sustainability by those organisations which had taken full advantage of the pump-priming funds, without any real business rationale having been developed.

Co-ordination and networking

Group EDS arrangements account for a large proportion of the organisations that have access to EDS. They accounted for around a third of all schemes in 1998, although the proportion has fallen since. These group arrangements do seem to present a unique set of issues - and these have been largely ignored in past empirical evidence. Related to the issue of external funding is the need for clear central co-ordination amongst such network schemes. Often funded and 'co-ordinated' through TECs, organisations in group EDS seem to have become involved merely to access the funds, and have often mistakenly believed that TECs would both broker and facilitate the networks. In some cases, EDS networks seem to have been effectively taken over by individual provider bodies to support their own funding needs rather than employer or employee requirements.

In too many group arrangements, there seems rarely to be clear ownership of these schemes by participating organisations - a factor which compounds the difficulties

commonly seen in 'mainstreaming' the activity when development funds run out. Volatility of funding in group schemes presents special problems for their sustainability.

If group schemes are to continue to be a feature of EDS development, further work on their characteristics, success factors, development and benefits is needed. Some principles or code of practice for employer commitment, standards or guidelines for coordinators etc. would be useful. It may be that such schemes have inherently different goals and scope than single organisation arrangements, suggesting, perhaps, some pilot-level development activity that is more robustly monitored than has often been the case in the past.

Good practice and lessons for public policy

The results of this research provide a positive picture of how EDS can provide a real focus at the workplace for encouraging wider participation in learning. They show EDS has come a long way since the pioneering days of the Ford Employee Development and Assistance Programme (EDAP), and the duration of many of these schemes and the continuing levels of employee participation benefits are testament to the early proponents of EDS.

The research suggests that a cadre of convinced firms, following good practice, has been developed - and seems to have grown, albeit slowly, over the years. However, this experience has done little to promote much wider take-up of EDS. Experimental initiatives by many of the former TECs and CCTEs amongst others in the mid and late 1990s, helped kick-start EDS in some SMEs but were often resourced and managed in such a way that other employers were unable to benefit - or learn very much - from their experience.

The research suggests that EDS can provide leverage for stimulating learning among adults in the workplace - and especially among hard to reach groups of adults. However, EDS as a process may have reached, or be close to, the optimum level at which it can readily sell itself to employers. Without some stimulus to overcome this inertia few employees are likely to have access to new EDS arrangements.

For those concerned with public policy and how workplace learning relates to wider policy goals such as social inclusion and developing or sustaining employability, there is a need to look closely at the role EDS can play in providing a workplace focus for enhanced learning. For those concerned to use EDS as a vehicle to support other vocational education and training (VET) initiatives and goals, a useful starting point would be clear, consistent and comprehensive guidelines on good practice and effective development of EDS for employing organisations. Such guidelines would certainly be timely, and could build on the employer evidence that emerges from this study and elsewhere by setting out:

- Background to, and examples of, effective EDS in practice

- A clearly argued business rationale for more employers becoming involved, with case study illustrations;
- Links to sources of funding and organisational guidance, and how these relate to other workplace learning initiatives;
- Approaches and models to EDS arrangement, and how these relate to different organisational circumstances and needs;
- Practical advice of developing and running sustainable schemes, and getting the best value from them;
- How to monitor arrangements, the scope and quality of learning arising and how to use this to demonstrate added value;
- Building EDS participation through evaluation and continuous improvement.

Looking at the guidance already available, some of this information is already available to trade union officers, but relatively little to managers or HR specialists at the workplace. Appropriate guidance and promotion would help to fill this gap - and provide for valuable links to other VET initiatives.

1: Introduction

Introduction and context

1.1 Employee Development Schemes (EDS) are schemes that provide employees with access to opportunities for personal development not directly linked with their current role and responsibilities. The concept of EDS has attracted considerable interest in the human resource (HR) practitioner literature since the early innovations in the automotive sector. There are now a variety of guides aimed at HR professionals, managers and trade union officials. However these tend to lack a robust empirical basis, suffering from the often inconsistent approaches to what constitutes a formal approach to EDS within organisations and the dearth of coherent evidence on the impact of EDS on organisations and individuals.

1.2 Earlier research for the then Department for Education and Employment (DfEE) showed there was much less evidence on employee benefit, learning process outcomes and post-EDS learning pathways, and even less on the distribution and characteristics of EDS¹. In general, little has been added since then to the information on characteristics and distribution.

1.3 It is against this background of imperfect and essentially fragmented (or outdated) evidence that this current research aimed to update DfES's current information about EDS, and how they are developing and operating. The goal was to go beyond updating the preliminary mapping evidence drawn from the earlier research, and in particular to address some of the information gaps set out in that report.

1.4 To tackle this, the research required a combination of methods that could provide sufficient breadth for sound mapping of take-up and characteristics of EDS within organisations, set against an extensive and in-depth analysis of experience of those who run, and benefit from, EDS arrangements.

Objectives

1.5 The research had four clear objectives as follows:

- i) To estimate the number of employers currently offering EDS to their employees;
- ii) To identify trends in how EDS has been developing in recent years;
- iii) To assess the potential benefits of running an EDS for the employer and for individual employees;
- iv) To provide case studies to :
 - illustrate differential practice in EDS implementation and organisation;

¹ *The Role of Employee Development Schemes in Increasing Learning at Work*. The HOST Consultancy. DfEE Research Report 73, 1998.

- help develop further a typology of schemes; and
- to provide evidence on the extent to which schemes are formally evaluated by organisations and by funding bodies.

Methodology

1.6 The methodology for the study had of necessity to be broad-ranging but at the same time as robust as possible, given the information gaps and potential difficulties of conducting the research identified at the outset of the study.

1.7 To this end, a four-stage methodology was developed:

- Stage 1 - Preliminary liaison, planning and secondary research;
- Stage 2 - Mapping current EDS arrangements and distribution to include a cross-TEC, cross-NTO and cross-agency review and validation;
- Stage 3 - Design and conduct of a national EDS sample survey of employers identified from Stage 2;
- Stage 4 - Identification and conduct of EDS case studies;

Stage 1 - Preliminary liaison and secondary research

1.8 This stage included, as background research, an intensive review of available evidence and literature. This included bibliographic searches, web review, and telephone discussions with key agencies to identify any recent or ongoing research.

The key agencies included:

- CIPD;
- Employment NTO (other NTOs were included in Stage 2);
- FEDA;
- Investors in People UK;
- Lifelong Learning Partnerships;
- QCA/SQA;
- NTO National Council;
- TEC National Council;
- Ufl/learndirect.

1.9 Co-ordinators of Union Learning Funds (ULF) were also approached to establish evidence of EDS activity in this area.

Stage 2 - Mapping current EDS arrangements

1.10 There is no single source of information on which organisations do (or do not) support EDS. Previous surveys have drawn heavily on TEC/CCTE experience of EDS arrangements. Although this was then a valuable source of information, it had several limitations - it was effectively limited to TEC funding knowledge, and TEC intelligence was weak where there was not an explicit EDS funding focus. A few

TECs were also reluctant to be involved, something experienced in this research in the run-up to LSC hand-over.

1.11 For this reason, the current research took a multi-faceted perspective on collating evidence on EDS support by employers, using, as a starting point, the existing HOST database of over 200 employers in single or composite EDS arrangements. This was augmented by an extensive and methodical review across a range of intermediary agencies, piecing together local, sectoral and other lists of employers - or groups of employers - with EDS arrangements in (or potentially in) place and involving:

- A press release inviting organisations to participate in the survey;
- A telephone survey of workplace development or lifelong learning managers (or related staff) in TECs/CCTEs to collate available information and update the HOST database;
- A parallel review of NTO knowledge;
- A letter to all co-ordinators of Lifelong Learning Partnerships, and a response proforma for them (or stakeholders) to identify known EDS arrangements in their areas.

To this was added the information collated from Stage 1.

Stage 3 - National EDS sample survey of employers

1.12 A postal questionnaire approach was adopted, mainly because the range of evidence to be collated did not lend itself to a structured telephone survey. The design of the questionnaire reflected the need for comparability with the earlier HOST research, and for additional content required to meet the current objectives.

1.13 The previous HOST estimate for the likely numbers of organisations with schemes showed a projected population of over 2,000 employers (including group schemes, thought to account for over a third of all firms). The results also suggested a mid and late 1990s expansion of schemes, suggesting that, by mid 2000, there might be up to 3,000 organisations in active schemes. This figure was seen to be the most appropriate starting point for planning the approach to sampling and at the outset it was thought that up to 1,000 or more organisations with EDS might be identified and sampled.

1.14 To begin with, all organisations on HOST's original database were telephoned to ensure they still had an EDS and that HOST had up-to-date contact details. There was a significant drop-out from these original firms, some due to mergers or changes in management, but the majority because of the withdrawal of TEC funding. Only some 94 out of the original 200 remained, strongly suggesting, at the outset, some contraction in total numbers of schemes rather than the expansion projected from the findings of the previous research.

1.15 Further confirmation of a contraction was provided by the fact that identification of additional organisations proved a long, laborious exercise. Some employers were suggested by TECs, but there was little else forthcoming from the discussions with key agencies, or indeed from the literature review.

1.16 Each possible organisation identified was telephoned to ensure an EDS did exist, and to obtain contact details and a preliminary discussion with the EDS co-ordinator to notify them of the survey and request their participation. Based on the earlier research, the following definition was used in initial discussion with employers:

EDS may be called various things but all have some common characteristics:

- *They are employer-led - but sometimes involving a joint decision-making group including staff and/or trade unions;*
- *They are an employee benefit and usually apply to all employees irrespective of level of educational attainment;*
- *They focus on training that is not required for current jobs - which should be provided under an organisation's conventional staff training arrangements;*
- *They usually provide for a fixed limit of finance for an employee to attend an external course of their choice (often at a community or Further Education college) on a part-time or evening basis, or provide access to open learning facilities that the employer may have on site;*
- *Usually these schemes are specific to individual firms, but sometimes groups of employers may band together to support such an initiative;*
- *The outcomes may be qualification (e.g. GCSE in Italian) but are often not linked to qualifications and are seen to benefit the employer and employee by keeping the latter interested and able to learn.*

1.17 This definition was used to clarify and guide in the process of identification of potential EDS in organisations. It was not used to filter in or out schemes that did or did not meet all the terms of this definition. Thus, a largely pragmatic, 'inclusive' approach to identification of schemes that purported to be EDS was adopted, mainly to be in a better position to fulfil the aims of the research above.

1.18 To summarise, a total of 482 potential EDS organisations were identified and sent a questionnaire (a figure well down on the original projected sample); a further 22 organisations were identified too late for inclusion in the survey. One telephone reminder was used with non-respondents. The total response rate was 35 per cent (including some refusals). The survey results in this report are based on 126 responses.

Stage 4 - Identification and conduct of EDS case studies

1.19 The need for understanding of how well EDS arrangements work - for both organisations and individuals - needed more than the information collected about the trends, current operation, development, focus and outcomes of schemes in Stage 3. In particular, although the survey collated a wide cross-section of experience on

benefits to employers and employees, more in-depth work was needed with organisations to understand the determinants of these benefits, and why certain arrangements work especially well for some organisations and end-users. To address these, 25 in-depth employer case studies were conducted.

1.20 The case studies followed the methodological model established in the earlier DfEE research, and included where appropriate, interviews with:

- an appropriate senior manager to review strategic issues of the EDS role;
- the most senior manager concerned with HRD practice - the Personnel or Training Manager (Head) in larger firms, but a manager with HR functions in others;
- the EDS co-ordinator - usually separate from either of the above in effective EDS arrangements;
- appropriate employee representatives in the firms - either chairs of the EDS user groups (where constituted), trade union convenors/shop stewards (where appropriate), or others; and
- recent EDS participants, mainly to review learning outcomes and actual or proposed pathways (e.g. to qualifications/higher level qualifications).

1.22 These case studies have been written up fully and are available from HOST Policy Research on request (HOST Policy Research, PO Box 144, Horsham, West Sussex RH12 1YS. Tel. 01403 211440. E-mail: info@hostpolicyresearch.com).

The report structure

1.23 Following this introduction, section 2 considers the results of the literature review setting EDS in context and exploring the concepts of EDS models. Section 3 considers the issue of how many organisations operate EDS, and sets out a profile of survey respondents and case study organisations. Sections 4 to 6 set out the survey results with illustrations from the case studies. The final section establishes some conclusions and areas for consideration.

2: Employee Development Schemes in Context

Introduction

2.1 Past research provides a useful backcloth for the empirical evidence which is the focus of this report. Drawing on an updated¹ review of past research on workplace practice and innovation, this section looks at:

- The origins of EDS;
- Evidence of scheme organisation and participation by employers;
- Common principles underpinning EDS practice at the workplace;
- Employer take-up and development of EDS in the 1990s;
- Policy development and links;
- An exploration of EDS models.

The review starts with an overview of how this research base has helped to define what EDS are and how they operate.

The origins of EDS

2.2 The preliminary planning for this project confirmed how confused many practitioners were about what constituted an EDS at the workplace. A useful starting point is consequently to look again at the origins of EDS. The empirical evidence suggests the foundations are in the automotive sector in the US. These schemes were often jointly developed by managers and other employees to provide the whole workforce with access to opportunities for personal and skills development not directly linked with their current role and responsibilities.

2.3 In the UK, the first - and most highly publicised - scheme was the Ford Employee Development and Assistance Programme (EDAP).² Launched in 1989, this had many of the hallmarks of the EDS developed in its US parent. In particular, EDAP combined learning opportunities with certain welfare and counselling facilities. The scheme has gone on to be customised across all of Ford's UK plants, and has been profiled as the most successful joint trade union-management collaboration in EDS across the UK.³ Subsequent EDS developments in the UK - which has a different tradition of welfare support at the workplace - have tended to focus on employees' access to personal learning opportunities.

2.4 EDAP attracted widespread interest in the personnel profession in the early 1990s. However, at a time of recession, with personnel practice often centred on downsizing, the concept was slow to spread in practice. An early development focus was in other major auto manufacturers, and some multi-national enterprises (MNEs) in other sectors. However, data from the (then) Institute of Personnel Management suggested that, four years after the launch of EDAP, there were probably only 50 EDS in the UK - predominantly among larger manufacturing employers.

What are Employee Development Schemes?

2.5 Evidence on the characteristics of EDS is limited. Most is based on *ad hoc* reviews and case study research - often small in scale. The evidence that does exist shows that, below a superficial similarity in EDS provision in organisations, there are considerable variations in approach. All schemes are voluntary in focus, but outside this there are exceptions to most of the now accepted criteria for what constitutes an EDS. This research has adopted a wide, 'inclusive' definition, see section 1, to analyse the gamut of variations on these criteria.

2.6 Most schemes apply to all full- and part-time employees, but some restrict eligibility to particular occupational groupings or to staff after a probationary period within the organisation. Some schemes go much wider in coverage to apply to sub-contract staff and those on study or maternity leave. A few have successfully experimented with extending coverage to families of employees. Some schemes have differential levels of support for different categories of staff.

2.7 The pioneer schemes for EDS centred on support of non-vocational learning - largely under the influence of trade union bargaining, which was keen to support wider workforce learning. Subsequent developments have often lost this focus. The 1998 review for DfEE⁴ included activities supported under specific TEC initiatives. This showed a rising number of EDS programmes which did encourage non-vocational learning (specifically in knowledge or skills which may be of no direct relevance to the current job activities of the participant). In contrast, some schemes had a vocational bar to provision.

2.8 The workplace evidence is highly fragmented and this makes it difficult to provide a broader picture of practice. However, it does show great diversity. The level of workplace support varies widely between organisations. For example:

- Simple schemes, with annual budgets for out-of-hours employee learner support, geared predominantly at access to further and community-based education;
- More comprehensive programmes, combining a range of internal learner support, counselling and provision, with financial support for off-site provision and study programmes.

2.9 Early schemes originated as single company arrangements. An early extension of the concept was a group scheme bringing together a number of organisations and involving common management by an appointed agency. This was pioneered⁵ by the Derbyshire Enterprise Development Initiative (DEDI), launched in 1992 and supported by three TECs, an FE college and a local authority. The research evidence suggests that enterprises can now be involved in EDS in one of four ways:

- Single company schemes - organised, resourced and managed within a single organisation. This includes schemes run on an autonomous basis by organisations but with some co-funding of learning activity - predominantly through TECs in the mid and later 1990s;

- Co-ordinated schemes which are jointly managed under a co-operative arrangement, often drawing together organisations in a single area, trading estate or supply-chain;
- Single industry schemes - a variant of co-ordinated schemes - which focus on organisations in a single sector of activity. Examples include the DfES-supported EDS in the glass manufacture and distribution sector,⁶ and a sub-regional scheme in agriculture and related industries jointly resourced by ATB Landbase;⁷
- Multi-employer schemes - usually set up by local business support agencies such as TECs and CCTEs, and providing promotion and support to a range of employers seeking to be involved. Kent TEC's⁸ *Return to Learn* initiative was among the best known and largest multi-employer schemes.

2.10 Group schemes seemed to be largely driven by external funding opportunities and were unusual before the mid 1990s. Consequently, an early review of the role of EDS in employers' initiatives to develop people at work⁹ found little evidence of such group mechanisms. However, it suggested considerable potential for 'pre-competitive' collaboration in this area across small and medium-sized enterprises (SMEs).

Principles into practice

2.11 The picture is of largely organic development of EDS by organisations in the UK, later stimulated in some areas and sectors by TEC/CCTE or ESF initiative funding. There are no agreed standards and little consistency in workplace practice. However, in 1999, the TUC set out some defining principles in a workplace guide to EDS:¹⁰

- EDS schemes centre on **voluntary participation** by employees in training or other structured learning activities which are additional to that needed in their current work role;
- Schemes have a **common entitlement to participation** to all those eligible to take part - generally this is the whole workforce;
- Participation can involve a **variety of learning pathways**, but this is generally in **employees' own time**;
- The focus for learning opportunities is on **self-directed personal development**, although many schemes may provide some guidance to employees on choice;
- The schemes are based on **cost-sharing** - with individual participants contributing their own time and sometimes meeting additional costs of the courses they have picked, and employers paying the whole or a proportion of enrolment/teaching fees and study materials or learning resources.

These principles were developed jointly by HOST and the TUC, drawing on good practice observed in the earlier national review for DfEE.

2.12 Other common features of schemes, such as collaborative arrangements with providers or business support agencies, are thought to add to the efficiency of schemes but are not 'core' principles or essential to their operation.

Employer developments in EDS

2.13 After a slow start, the EDS concept seems to have started to spread more widely in the mid-1990s. The evidence suggests this was largely under the stimulus of local action by TECs and LECs and, more recently, by some sector bodies.¹¹

2.14 Although a number of high profile examples provide important exceptions, monitoring by the former International Consortium of Employee Development suggests that it is only in the last five years that schemes have become more widespread among SMEs. Unlike the spread among larger organisations, this seems to have had little to do with networking among HR professionals and collective bargaining, and has owed more to local innovation and promotion programmes by TECs and CCTEs.

2.15 Until the late 1990s, quantitative evidence on employer take-up was poor and based on largely speculative assessments. This showed:

- National estimates¹² (DfEE, IPM) were suggesting that, as late as mid 1993, around 50 UK enterprises were operating EDS schemes - almost entirely single company schemes;
- Two years later, DfEE¹³ were estimating that numbers had risen seven-fold to 350 - but this was still seen as mainly on the initiative of single organisations;
- A revised DfEE estimate at the end of 1995 placed the figure at 450 organisations;¹⁴
- A review in 1997 identified around 400 organisations with EDS support in just nine TEC areas,¹⁵ suggesting a substantial expansion in employer activity, although the authors made no attempt to estimate national participation from these data.

2.16 The only systematic research and estimates of recent take-up stem from the 1998 survey by HOST for DfEE.¹⁶ This suggested that, on evidence provided by TECs and NTOs, over 2,000 organisations in England and Wales were involved in single company or group EDS arrangements. The sharp expansion - over four-fold in just three years - was put down largely to TEC initiatives in this area. However, the report cautioned that around a third of these EDS supporters were very small SMEs, in two group schemes where the EDS processes lacked transparency.

What works in EDS ?

2.17 The essentially fragmented research on EDS has emphasised more practical aspects in the development of schemes. Consequently, the various studies that have been carried out give a poor picture of the scale and pattern of take-up, but some evidence of what it is that helps such schemes to work more effectively within organisations. Looking across this material, a number of common characteristics emerge:

- The commitment of senior managers - and their active championing of EDS - is essential to success,¹⁷ and in helping to change corporate culture on training to one where self-direction is an important process;
- The focus and value of the schemes need to be effectively promoted to the direct beneficiaries - employees. Without this, take-up in organisations can be marginal (10% or less). With it, take-up has been reported by some evaluation studies to exceed 40 per cent.¹⁹ A recurrent success factor seems to be that the internal marketing of the scheme also needs to 'sell' EDS as a distinct product - one which links to other staff development initiatives in the organisation, but is not lost within them;
- To be successful, most schemes need to engage employees, many of whose experience of structured learning is some time in the past. Some will have few or no academic qualifications. Many will have had unsuccessful or even sour experiences of structured learning. A few may lack the basic literacy and language skills. Schemes consequently need to be supported by high quality advice and guidance to prospective participants, and access to basic skills diagnosis and on-line and/or community provision to address this;²⁰
- Employees need to have a direct stake in the management of the scheme. This can be achieved through direct involvement of trade unions in the delivery and resourcing arrangements²¹ - or by having a range of employees directly involved in, or leading, its administration.²² Case studies of successful EDS repeatedly show how effective trade union engagement can build value and participation;²³
- Some EDS initiatives have been able to develop more cost-effective delivery by forging links with particular providers - usually, but not exclusively, colleges of Further Education. This has proven especially valuable for smaller organisations where there may be limited resources to manage and supply schemes with diverse learning opportunities. However, in all cases, provision should be led by employee-defined needs;
- Co-ordination is also seen as an important ingredient in success. The experience here varies considerably between single employer schemes, where smaller organisations have reported this to take 'only an hour or so a week',²⁴ to group schemes, where well-resourced and expert co-ordination are vital to the administration of EDS;

- Many EDS initiatives have found provision for employees to be especially successful when drawing on flexible distance and open learning methods. The cost of hardware and learning software is now often so inexpensive that all but the smallest workplace can afford to set up a small PC-based learning centre for out-of-hours or remote access for employees.

2.18 Perhaps the most important success factor is recognising that EDS works best where those involved in managing and resourcing it understand the need for its ongoing promotion and support. Some research²⁵ has shown early employee suspicion about management motives for introducing EDS. This calls for clear positioning within the organisation and a commitment that job-specific training will not diminish as a result of EDS participation. It also requires openness about the intent behind the initiative, and anticipated value to the organisation and individuals.

What difference does EDS make?

2.19 Until the late 1990s, there was very little evidence of the impact of EDS on both participating enterprises and employees. The 1998 review suggested that, where evidence did exist, it was largely anecdotal in nature, with little systematic research evidence on impact.

2.20 The 1998 survey²⁶ and case study research for the TUC²⁷ suggested that effective EDS arrangements:

- Provide an important ingredient in managers' ability to enhance confidence, morale and commitment among employees;
- Contribute towards their ability to handle change effectively at the workplace;
- Help communications and teamwork at the workplace;
- Support the development of a learning capacity at the workplace which enhances the image of, and commitment to, more vocational or job-related training;
- Help to build greater adaptability and flexibility among employees, and greater potential for delegating responsibility to employees;
- Contribute towards developing or sustaining higher productivity or quality standards at the workplace.

2.21 The evidence from TEC evaluations of EDS support has tended to be weak. However, some of these have suggested that the initiative has reached smaller organisations that have opted out of vocational education and training, and drawn them back into the TEC's sphere of influence.²⁸ This evidence needs to be treated with some caution. Indeed, the extended survey evidence from this project suggests limited sustainability within the TEC experience - an issue explored in more detail later in the report.

2.22 For employees participating in EDS, the messages have also been difficult to synthesise, but past research²⁹ has suggested that:

- EDS can be a very effective way of kindling an enthusiasm for learning among lower occupation (or unqualified) staff, and even for tackling basic skills needs of employees, in a non-threatening way;
- It helps to build confidence in staff that they are able to benefit from learning, with many going on to more vocationally-orientated learning and skills development after participating in EDS;
- That the self-directed learning which EDS supports can help individuals feel more a part of a process of change in organisations than victims of it. Some case studies have reported it increases employee confidence in their employability.

2.23 The diverse case study evidence regularly reports that EDS seem to enhance employees' self-confidence and often helps to build a better community involvement and image of the organisation. Significantly, where there is statistical evidence,^{30,31} the results show that high proportions of users intend to continue to use the scheme to access learning opportunities outside working hours. Evidence of actual progression and longer-term impact on employees is weak, and some researchers have suggested that the lack of longitudinal studies among users compromises this.³²

Policy development and linkages

2.24 As this evidence base shows, much of the past research on EDS has stemmed directly or indirectly from DfEE/DfES funding. However, government policy on the support and stimulation of work-based learning through EDS has been viewed by some as lacking coherence. DfEE support in the mid 1990s was largely innovation linked or experimental in focus and centred on TEC piloting of EDS to smaller organisations.³³ For government, the EDS mechanism to date seems to have been seen as a vehicle in building individual commitment to learning - especially for introducing those with few or no qualifications, or absent from education for a long time, to education and training.³⁴

2.25 A number of the more innovative TECs in this area also saw this as a cornerstone to their strategies for building lifelong learning and boosting vocational and other educational attainment among those in work. For some, however, support seems to have waned with TEC-centred pilot funding.

2.26 A contemporary policy influence was the potential for EDS to open doors to other areas of more vocationally-orientated training and skills development. This was probably an important influence on the allocation of development funds to selected TECs and to a small number of (then) Industry Training Organisations to support the early development of EDS in organisations. A total of 18 TECs and CCTEs in England have received these development funds since 1995.

2.27 The linkage of EDS to more recent VET initiatives remains obscure. A few of the TEC evaluations explored the nature of links between EDS and the Investors in People Standard.³⁵ Others have suggested an indirect benefit to the take-up of NVQs - both in terms of employer commitment and individual participation.³⁶ Some of this research has also commented that EDS can positively support equality of opportunity in organisations,³⁷ although the basis for this seems to centre not on differentiated provision but on open access - a central principle of EDS.

2.28 A potential link for EDS has been to Individual Learning Accounts (ILAs). The principles of this were explored in a DfEE-funded review.³⁸ Although seen here as an important source of underpinning funding and policy integration, there has been no systematic research to explore issues such as practical linkages, focus and additionality with respect to the link between EDS and ILAs. This issue of ILAs and EDS is returned to in later in the report in the context of the current research.

2.29 Since the Moser Report,³⁹ an important issue for government in stimulating workplace learning has been the contribution to be made to improving adult basic skills. The Moser targets for raising basic skill levels by 2010 included an assumption of a workplace boost to address evidence from the International Adult Literacy Survey⁴⁰ that the employability of over three million people currently at work may be held back by very weak basic skills levels. Research to provide the empirical evidence of how EDS can support this is very weak - none being reported in the then DfEE's recent reviews of improving adult basic skills.^{41,42} However, research recently published by the Basic Skills Agency⁴³ on workplace innovations shows the longest standing EDS in the UK - EDAP - has had significant impact on adult basic skills at the Ford Body Plant in Dagenham. Although this may be the only robust empirical evidence of the basic skills-EDS link, several of the case studies have made, or are beginning to make, formal links with internal basic skills needs and provision, EDS and vocational achievement.

2.30 Another important potential policy linkage is the role EDS provision can make in building workplace guidance and delivery of non-vocational learning within learndirect. Early evaluation evidence here centred on the advisory services⁴⁴ and showed no evidence of systematic links to EDS provision.

2.31 In general, the policy links over the last six to seven years seem to be latent rather than explicitly developed - an issue returned to later in the report.

An exploration of EDS models

2.32 There has been surprisingly little work undertaken to model EDS processes. That which has most relevance is more firmly associated with work done since the late 1950s (in the US) and the late 1970s (in the UK) on learning organisations - and lacks distinctiveness on the EDS dimension within this. The earlier HOST work for DfEE - and subsequently for the TUC - sets out broad focus and operating principles of EDS, but this did not go so far as modelling activity.

2.33 The empirical evidence, as brought together here, suggests great diversity in practice. There is even some scepticism, by those well placed to critically review EDS processes, that some of the activity so defined is a substitution for vocational

training activity and effort that would otherwise be conducted through mainstream work-related training. The earlier research has also shown that much of this variance centres on two key elements:

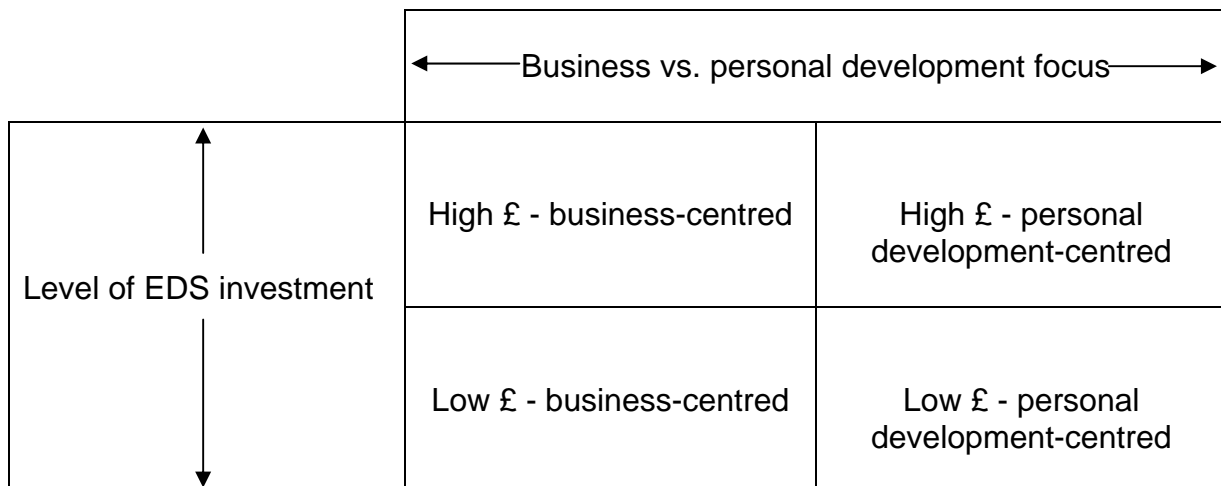
i. The extent to which EDS arrangements are driven by specific business development goals or individual employees' personal development needs. This suggests a continuum of practice, from business-centred to individual development-centred. Although the value of the latter may well be a business aspiration (e.g. supporting employees' learning and change management capabilities, staff motivation and commitment, etc), its focus is on EDS outcomes which are centred on the individual, not the organisation; and

ii. The level of investment in the EDS arrangements. In this, and to allow for the diversity of delivery and administration arrangements, we would include EDS co-ordination, in-house materials and external (including course) support. The investment may combine internal (i.e. company and employee) investments, and those contributed by development or underpinning funding from external agencies - including any subsidised provision from FE or adult education.

2.34 This suggests a simple four-segment model - as characterised in Figure 2.1. It suggests that EDS arrangements might be classified in four types:

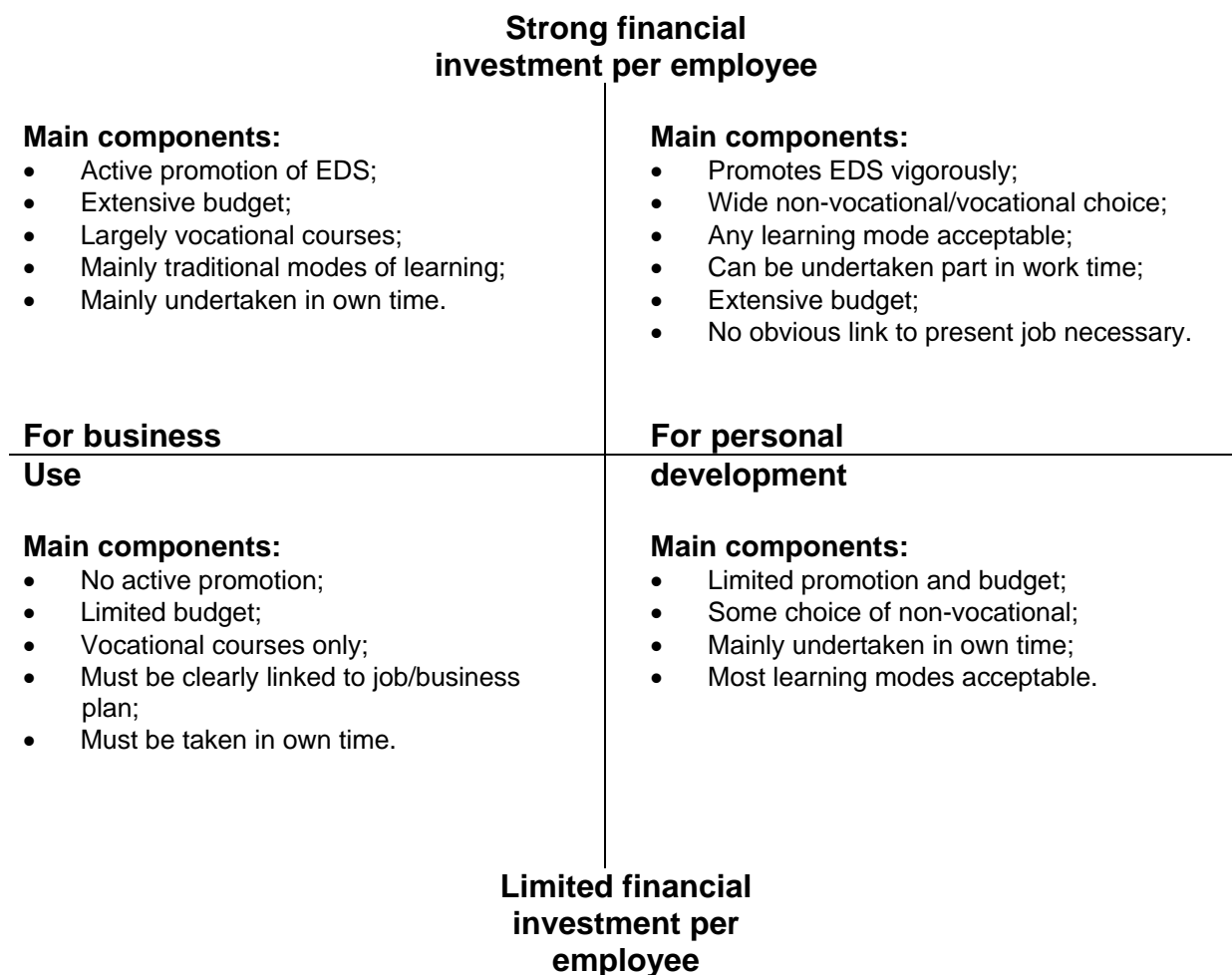
- Business driven with high investment per employee;
- Business driven with relatively low levels of investment;
- Individual development driven with high investment; and
- Individual development driven with low investment.

Figure 2.1: A prospective model of EDS arrangements



2.35 Taking this one step further, Figure 2.2 develops the likely key elements within these four possible scenarios.

Figure 2.2: EDS models



Overview

2.36 There would seem to be no lack of research evidence on the development of EDS. However, with the exception of a small number of company-specific studies, the evidence is mostly small-scale and often based on *post-hoc* reviews of employer and employee experience. Only the 1998 DfEE survey went any way towards mapping activity. However, in that study, weak workplace monitoring meant little could be told about overall levels of employer take-up, or the appeal of EDS to different sorts of employers or business circumstances. This remains an important information gap.

2.37 What emerges is an essentially fragmented picture of the development of EDS - stemming from a combination of essentially organic development in the early 1990s, mixed with selective TEC promotion since. Neither stimulus seems to have provided the foundations for the evidence on benefits to employers and employees that any more coherent approach to policy support through government would need.

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3: A profile of organisations with EDS

Introduction

3.1 As explained briefly in section 1, the sample for the survey element of the research was obtained by a number of different approaches, as no clear sample frame for organisations with EDS exists. Part of the remit was to consider previous estimates from earlier research and establish a profile of organisations. Thus this section begins with a review of the sampling process and profile of organisations contacted in order to come to some conclusions about size, structure, and the number of EDS that potentially exist. It then goes on to consider the profile of survey respondents and case study organisations.

3.2 It was recognised at the outset that although the methodology described in section 1 above was as exhaustive and far-reaching as possible, the relative paucity of systematic data and research on EDS participation, benefits and implementation, meant that the evidence collected during the course of this research does not allow us to extrapolate statistically the findings to the general population of employers. The findings from the sample survey and case-studies, which encompass a wide spectrum of experiences of employers and agencies involved with EDS, are however thought to be significant within the context of recent developments in EDS.

How many organisations have an EDS?

3.3 The methodology adopted for this research yielded a large list of organisations with possible EDS in place that were then telephoned to be verified and included in the survey.

3.4 At the outset, HOST's own database of 200 was trimmed down to 94 as, over the period since 1997/98, many organisations no longer operate schemes owing to staff changes, mergers, withdrawal of TEC funding and some apparent confusion with ILAs (seen by some employers to have replaced EDS - an important point returned to later in the report). These were augmented by a further 388 organisations with EDS identified through the main contacts already described, giving a minimum total of 482 potential EDS in existence. Difficulties with Data Protection prevented some TECs from providing detailed information but extrapolation based on a comparison of previous estimates and this research experience, means there may be a further 300 organisations with EDS that could not be contacted because of this.

3.5 Whilst all TECs were contacted, there was apparent confusion in some instances whether the TEC was supporting EDS or not. This was confirmed during the course of the case study work. A cautious estimate would suggest as many as 200 organisations who may be receiving support of this kind that could not be contacted via TEC sources.

3.6 Another issue within TECs was where funding had been originally provided but now withdrawn, and little record appeared to be kept within TECs of the organisations that had been involved. In one case, for example, The Learning and

Business Link Company (formerly Kent TEC) had funded 480 organisations with EDS in the past, but funding was now withdrawn. They were unable to provide a list of organisations, and advertisements in local newspapers failed to attract responses. Assuming a similar rate of attrition as that encountered with the HOST database, where just over 50 per cent had dropped out of running EDS since they were last contacted, it is safe to assume that as many as 200 organisations at least in the Kent area may still have a scheme in place. Other TECs may be in similar situations, but few have the numbers that Kent could demonstrate, the average being 50 employers. Again, it is possible to make an assumption that as many as 200 organisations may be in a similar situation.

3.7 Many other organisations were also identified that had secured European funding to support organisations establishing EDS. Again, it would be safe to assume that there are other organisations in the same position that were not contacted. A best estimate here would be another 100 organisations being supported in this manner.

3.8 This suggests overall around 700 firms with EDS arrangements not otherwise accounted for in this research², alongside the 800 or so known to more definitely be involved with EDS³.

3.9 Taking the two figures together would suggest a tentative estimate of around 1,500 organisations with EDS. This figure compares with the previous estimate of 1,970 to 2,275 four years ago, and suggests some attrition, perhaps of the order of 25%, has taken place, mainly due to TEC drop-out effects.

3.10 This estimate has necessarily relied heavily on intermediary or self-reporting by organisations. The survey evidence suggests that organisations identified by intermediary bodies (e.g. TECs, NTOs) as having EDS arrangements often have practices and processes which do not support the underpinning principles of EDS (see the definition in section 1 and issues explored in section 2). If this is the case, the estimate may include large numbers of organisations that are running schemes rather optimistically labelled as EDS. There is also national evidence from the Ford EDAP-funded NIACE award that many organisations putting themselves forward as exemplars in EDS fell a long way short of the underpinning principles.

3.11 A few further words of caution with regard to the current estimate:

- The estimate of EDS participation amongst organisations not identified by participating TECs is highly speculative;

² Derived as follows: Not identified by TECs but likely to exist: approx 200; Possible organisations with EDS in the Kent area: approx 200; Possible organisations around the country (with the 'Kent experience'): approx 200; and organisations being supported by other bodies not identified: approx 100.

³ Derived as follows: Prevented from access owing to Data Protection: 300; Organisations identified with EDS and surveyed: 482; Organisations identified too late to be included: 22.

- A more cautious estimate might assume that the lack of feedback from advertising in Kent would suggest a much higher level of drop-out in what was a very large scheme;
- EDS support by other 'not identified' co-ordinating bodies might be much more focused than for the TEC parallels, in which case the estimate of around 100 firms supported in this way would be exaggerated;
- To set against this, there is the possibility that post-TEC funding erosion levels are not as high as estimated, in which case the estimate of 1,500 organisations is overly cautious.

What are organisations with EDS likely to look like?

3.12 The employer survey suggests that some organisations would appear to be more likely than others to have an EDS. The earlier research suggested that many of the TECs promoting take-up of EDS targeted SMEs, and especially those with fewer than 100 employees. At that time, they were seen to be less than successful, as nearly two thirds of survey respondents employed more than 200 staff, and nearly half had more than 1,000 employees.

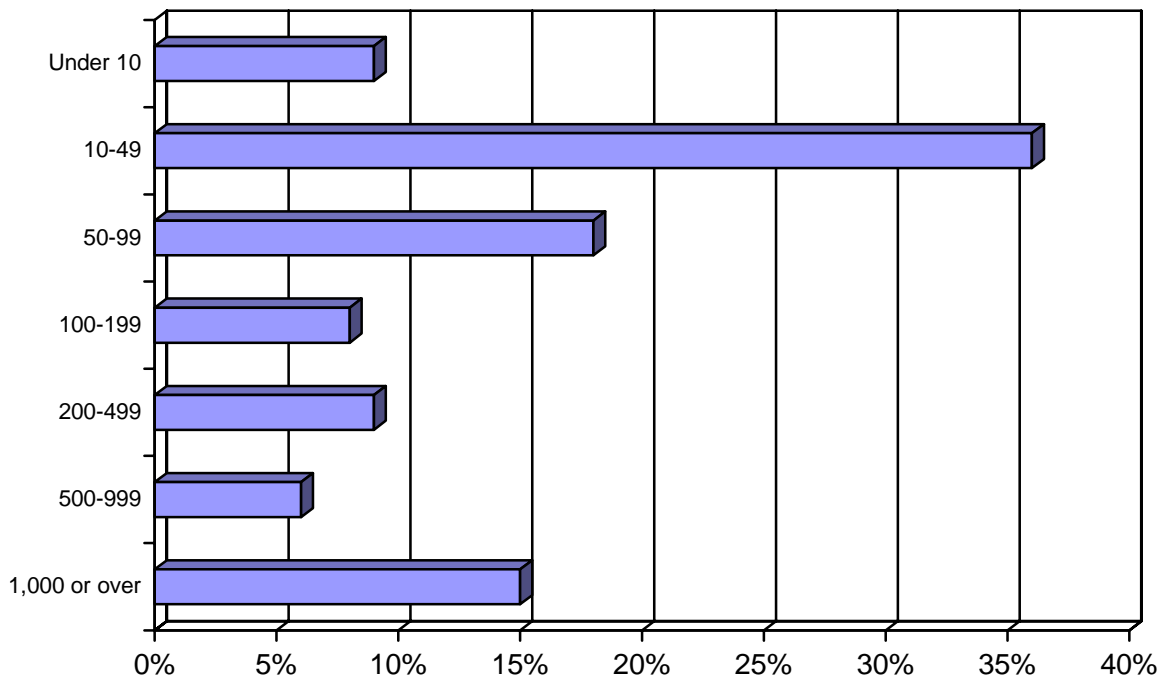
3.13 However, that research did establish that EDS can be applied and work effectively even in smaller firms and the sampling exercise and survey for the current project now suggests organisations with EDS are most likely to have less than 100 employees, although larger firms with over 200 employees still make up a reasonable proportion of the total sampled (around 30%).

3.14 Nevertheless, this represents an apparent turn-round in the constituent make-up and characteristics of the population of employers with EDS since the 1998 survey. Further findings from the sample survey suggest that this is not due simply to a shift in the sectoral structure of the EDS population.

A profile of survey respondents

3.15 Survey respondents were asked to provide background information on their organisations against which to review the overall response. As can be seen from Figure 3.1, almost two thirds (63%) have fewer than 100 employees, although a not insignificant 15 per cent have more than 1,000.

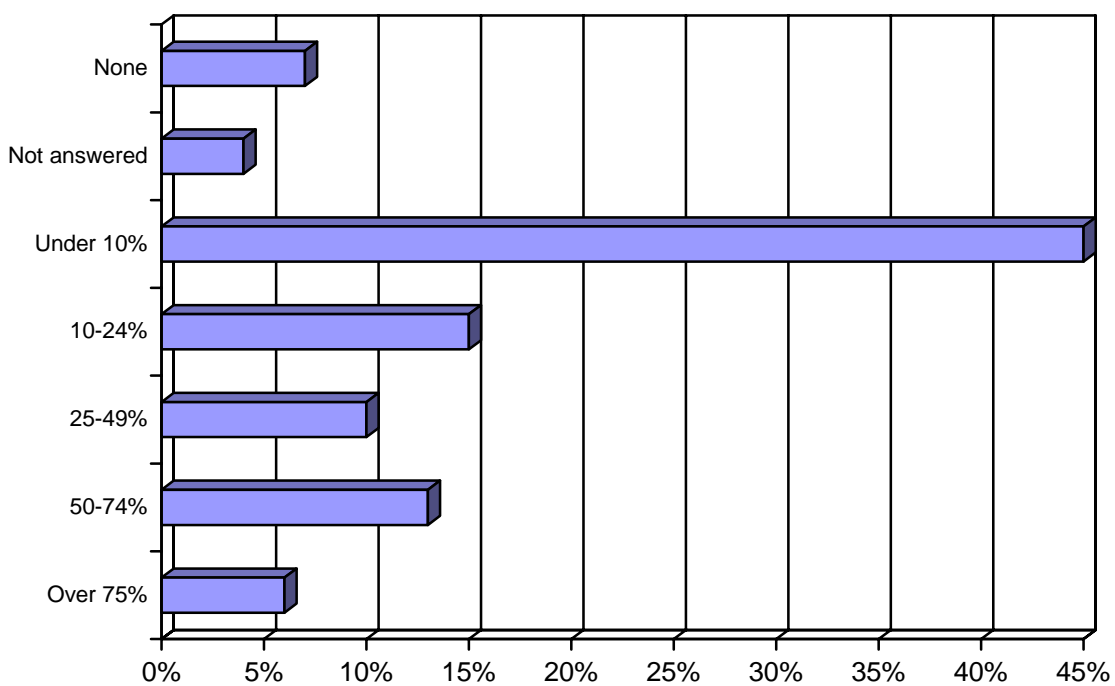
Figure 3.1: Size of responding organisations (number of employees)



N = 126

3.16 Considering part-time employment within these organisations, just under a half (45%) have less than ten per cent of their employees working part-time (Figure 3.2).

Figure 3.2: Percentage of part-time staff within responding organisations



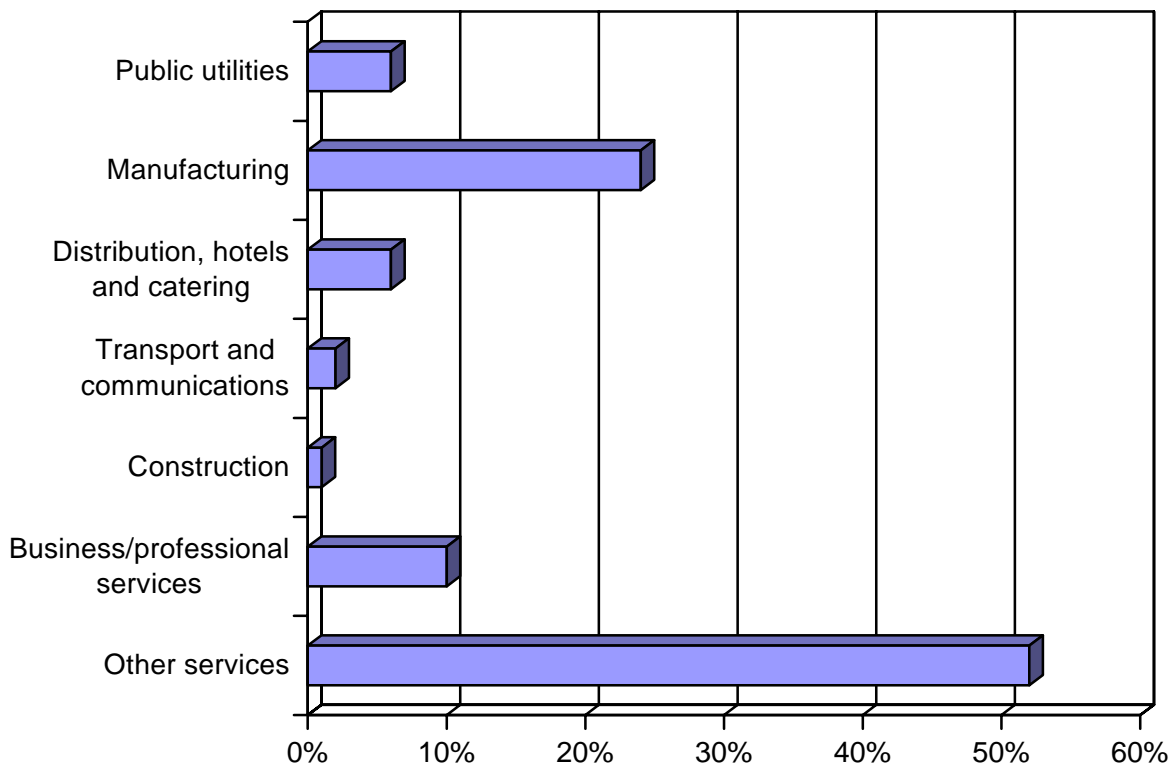
N = 126

3.17 Respondents' indications in terms of business activity matches earlier findings, in that just under a quarter are in manufacturing, over half in other services and little evidence within transport and communication, and construction in particular (Figure 3.3). In more detailed sectoral terms, they appear to be more prevalent in:

- Retail;
- Finance;
- Pharmaceuticals;
- Utilities;
- Banks;
- Schools and colleges;
- Automotive industry;
- Manufacturing.

3.18 There is little evidence, in particular, of EDS in local authorities, health care trusts, tourism, hotel and catering, transport and communications and construction. The success of EDS within manufacturing has been commented on in wider literature.

Figure 3.3: Principal business activity



N =126

3.19 Figure 3.4 sets out principal business activity by size (number of employees) and suggests, for example, that almost two thirds of manufacturers with EDS employ less than 200 employees, and that those in 'other services' are predominantly employing less than 100 staff. This size issue is important for policy decisions in this area.

3.20 Respondents were asked to describe their business type, and Figure 3.5 shows that just under two fifths (37%) are private limited companies, but that two per cent are sole traders and ten per cent partnerships, again reinforcing the smaller firm element that was not so obvious from the previous research.

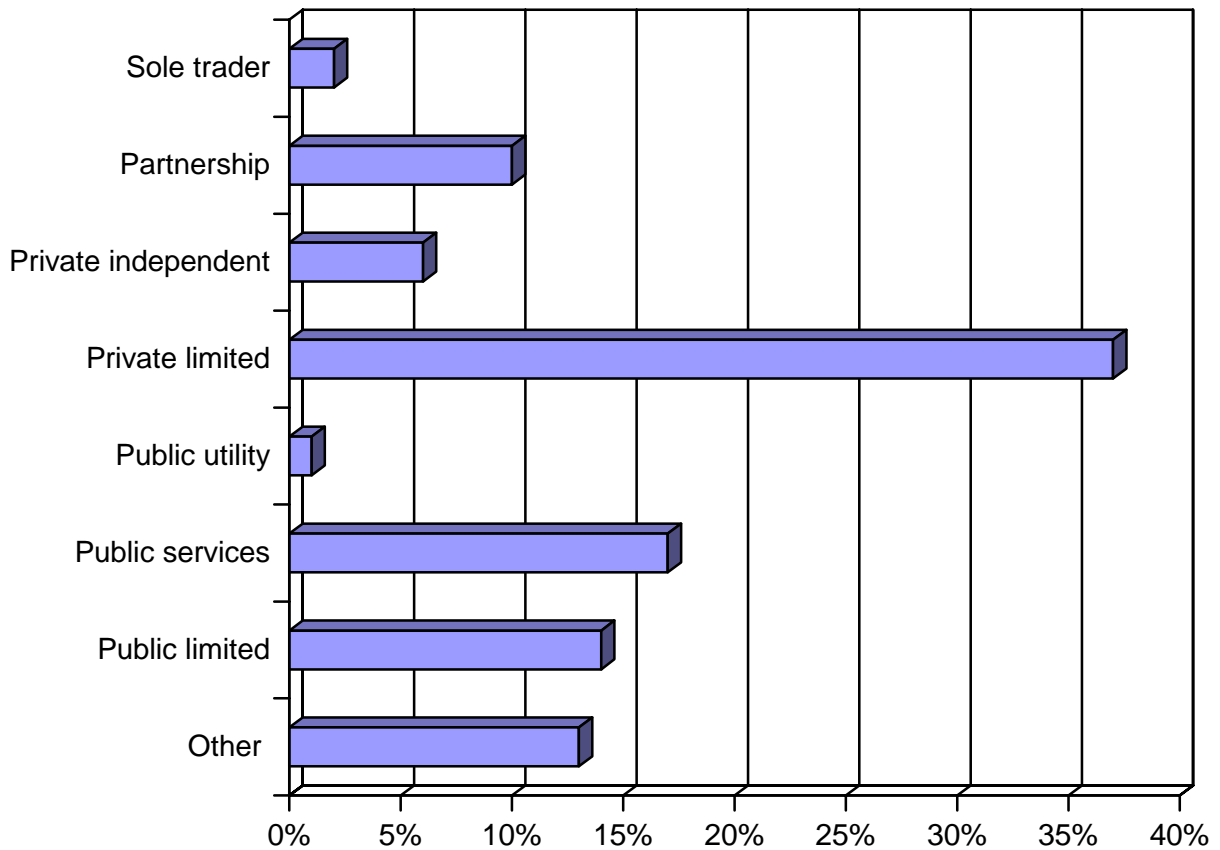
Figure 3.4: Principal business activity of respondents by size (number of employees)

Number of Employees	Total		Principal Business Activity													
			Public Utilities		Manufacturing		Distribution Hotels and Catering		Transport and Communications		Construction		Business/ Professional services		Other services	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Under 10	11	9	1	9	1	9	2	18	-	-	-	-	1	9	6	55
10-49	45	36	1	2	7	16	2	4	1	2	-	-	6	13	28	62
50-99	22	17	-	-	5	23	2	9	1	5	1	-	1	5	13	59
100-199	10	8	-	-	6	60	-	-	-	-	-	-	-	-	4	40
200-499	11	9	1	9	4	36	-	-	-	-	-	-	2	18	4	36
500-999	8	6	1	13	3	38	-	-	-	-	-	-	-	-	4	50
1,000 or over	19	15	4	21	4	21	1	5	1	5	-	-	2	11	7	37
Total	126	100	8	6	30	24	7	6	3	2	1	1	12	10	66	52

NB One organisation indicated two separate business activities.

N = 126

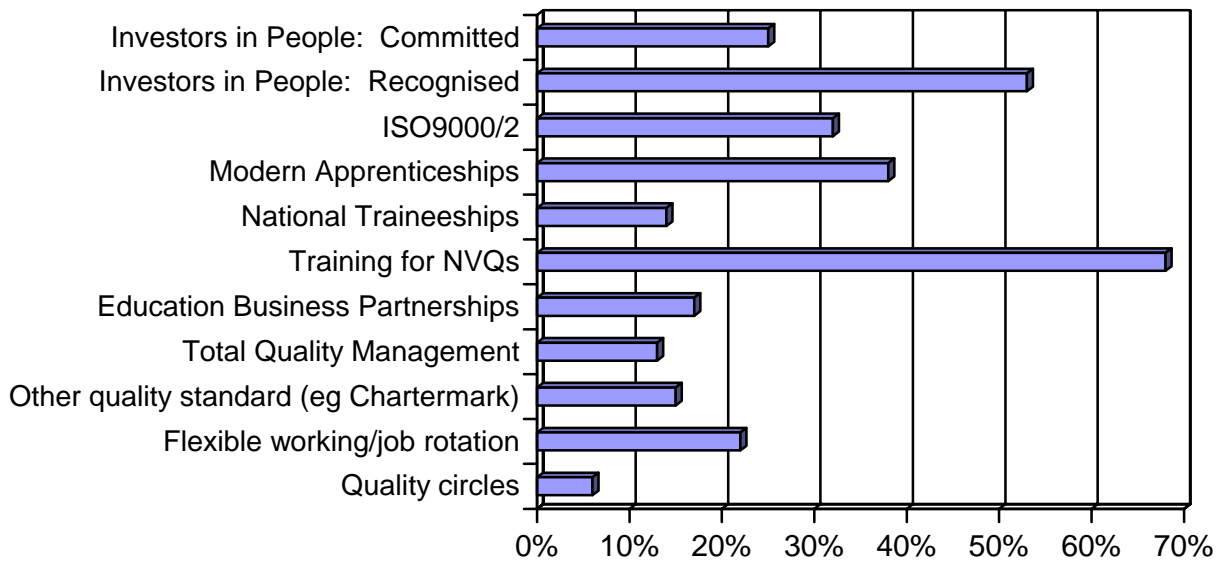
Figure 3.5: Description of business type



N = 126

3.21 One interesting aspect from the earlier research was that there was some complementarity with other quality standards, most clearly with Investors in People (IiP). This is considered in more detail later in the report, but Figure 3.6 suggests a significant number of responding firms are involved in quality initiatives of various kinds, but particularly Investors in People.

Figure 3.6: Organisations currently involved in any training or quality initiatives



NB Multiple response

N = 126

3.22 Figure 3.7 sets out this response by size of firm (number of employees) and suggests a fairly even distribution across all respondents.

Figure 3.7: Involvement in training or quality initiatives by size (number of employees)

Number of Employees	Total		Involvement in Training or Quality Initiatives											
			Investors in People Committed		Investors in People Recognised		ISO 9000/2		Modern Apprenticeships		National Traineeships		Training for NVQs	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Under 10	11	9	4	36	1	1	1	1	5	4	2	2	7	6
10-49	45	36	11	24	18	40	10	22	12	27	5	11	26	58
50-99	22	17	2	9	17	77	7	32	12	55	4	18	18	82
100-199	10	8	2	20	8	80	8	80	3	30	2	20	8	80
200-499	11	9	3	27	6	55	3	27	3	27	2	18	5	45
500-999	8	6	4	50	6	75	2	25	3	38	1	13	7	88
1,000 or over	19	15	6	32	11	58	9	47	10	53	1	5	14	74
Total	126	100	32	25	67	53	40	32	48	38	17	14	85	68

Continued.../

Figure 3.7: Involvement in training or quality initiatives by size (number of employees) (continued)

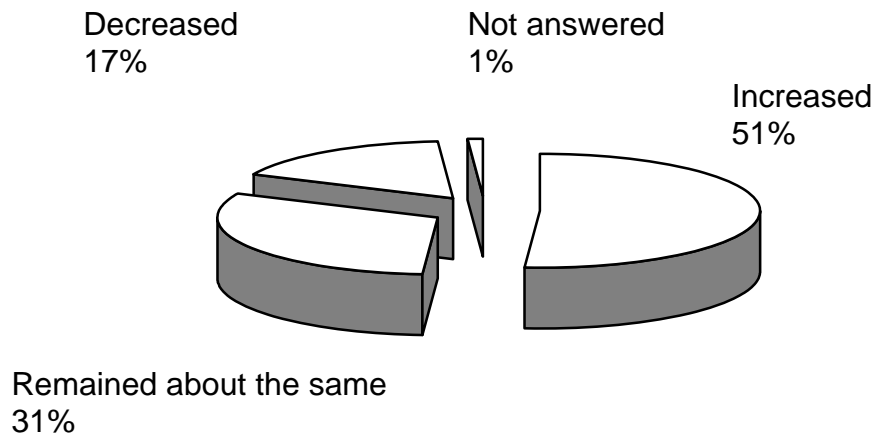
Number of Employees	Total		Involvement in Training or Quality Initiatives									
			Education Business Partnerships		Total Quality Management		Other quality standard		Flexible working/job rotation		Quality Circles	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Under 10	11	9	1	1	-	-	-	-	1	1	-	-
10-49	45	36	5	11	3	7	6	13	3	7	-	-
50-99	22	17	2	9	3	14	3	14	4	18	1	5
100-199	10	8	1	10	2	20	1	10	4	40	2	20
200-499	11	9	3	27	2	18	3	27	3	27	1	9
500-999	8	6	2	25	3	38	1	13	2	25	2	25
1,000 or over	19	15	7	37	3	16	5	26	11	58	2	11
Total	126	100	21	17	16	13	19	15	28	22	8	6

NB Multiple response

N = 126

3.23 Finally, respondents were asked to provide an indication of how their overall employment levels have changed over the last three years. The previous research had suggested that EDS participation was not limited to firms where job levels were growing, although they seemed to be more attractive, or easier to establish, in such firms. Figure 3.8 does indicate that 17 per cent of respondents have seen their workforce decrease, but have still maintained their EDS.

Figure 3.8: How overall employment levels have changed in the organisation over the last three years



N = 126

A profile of the case study organisations

3.24 The final area for consideration in this section is a profile of the case study organisations that provided the illustrative evidence to support the survey findings. This needs little discussion and is set out in detail in Figure 3.9, showing a wide spread both in terms of size, geography and business activity. It does, however, provide a brief introduction to the elements of their EDS, which are explored in more detail in the following sections.

Overview

3.25 The difficulty in identifying organisations with EDS makes an estimation of total schemes in existence tentative at best. However, this research does suggest a contraction in the total number of schemes over the last four years. They do appear to be more prevalent in retail, finance, pharmaceuticals, utilities, banks, schools, colleges, automotive industries and manufacturing. There is little evidence of EDS in local authorities, health care trusts, tourism, hotel and catering, transport and communications and construction. The research suggests an increase in EDS amongst SMEs in particular, with this not purely on account of a structural shift in the sectoral make-up of the EDS population.

Figure 3.9: EDS - A comparison of case study organisations

Organisation	Sector	Number of employees	% of employees who have participated in Scheme	Type of Course		Part of a TEC/ Chamber network	Year EDS was introduced
				Non-voc	Voc		
National Charity	Charity	23 + 150 volunteers	50% and over	Any	-	No	1997-1998
Business/Personal Service sector company	Other	1,500	Under 5%	-	Yes	No	1995
Food manufacturer	Manufacturing	200	11-24%	Any	-	No	1994
Small manufacturer	Manufacturing	78	55%	No	Yes	Yes	1999
Environment Organisation	Natural Heritage	600	Not known	Yes	Yes	No	1996
Major manufacturer	Manufacturing	40,000	50% or over	Yes	Yes	No	1989
Business/Personal Service sector	Other	15	Under 5%	No	Yes	No	1999 or later
Food manufacturer	Private independent	600	50% or over	No	Yes	No	1997-1998
NHS	Public Services	3,000	Under 5%	Any	-	No	1997-1998
Business Association	Business	1,662	Under 5%	No	Yes	No	1995-1996
Professional Institute	Engineering	430	35%	Yes	Yes	No	1997
Small business	Cultural Heritage	26	80%	No	Yes	No	1999
Regional police force	Business/ professional	500	25-49%	Yes	Yes	No	1997
Major manufacturer	Manufacturing	800	Not known	Yes	Yes	No	1996

Continued.../Figure 3.9: EDS - A comparison of case study organisations (continued)

Organisation	Sector	Number of Employees	% of employees who have participated in Scheme	Type of Course		Part of a TEC/ Chamber network	Year EDS was introduced
				Non-voc	Voc		
College	Education	400	9%	Yes	Yes	No	1999
Education/Training Institute	Training	100	40%	Yes	Yes	No	1992
NHS Trust	Public Services	4,400	Under 5%	Yes	Yes	Yes	1995-1996
Employee-led Development Network	Public	N/A	Under 5%	No	Selected	Yes	1997-1998
Careers Service Partnership	Other	71	5-10%	Any	-	Yes	1998
Clothing manufacturer	Manufacturing	130	25-49%	Any	-	Yes	1999
Small counselling service	Partnership	4 + 5 seasonal	50% or over	No	Yes	No	1999 or later
Catering company	Catering	1,650	25%	Yes	No	Yes (originally)	1998
Independent School	School	18	50% or over	Any	-	No	1994
Rail company	Transport	4,500	10-15%	Selected	Yes	No	1999
Training company	Private limited	26	5-10%	Any	-	No	1997-1998

4: Planning and Implementation

Introduction

4.1 The previous two sections have established the background to EDS and a profile of survey respondents and case study organisations.

4.2 The next three sections focus on organisation-level review of EDS. In particular, they take a more structured look at the reasons for implementation, and also the process of introducing a scheme through to development issues and benefits. This section considers the background and reasons for the introduction of an EDS, the aims of schemes and their broad scope.

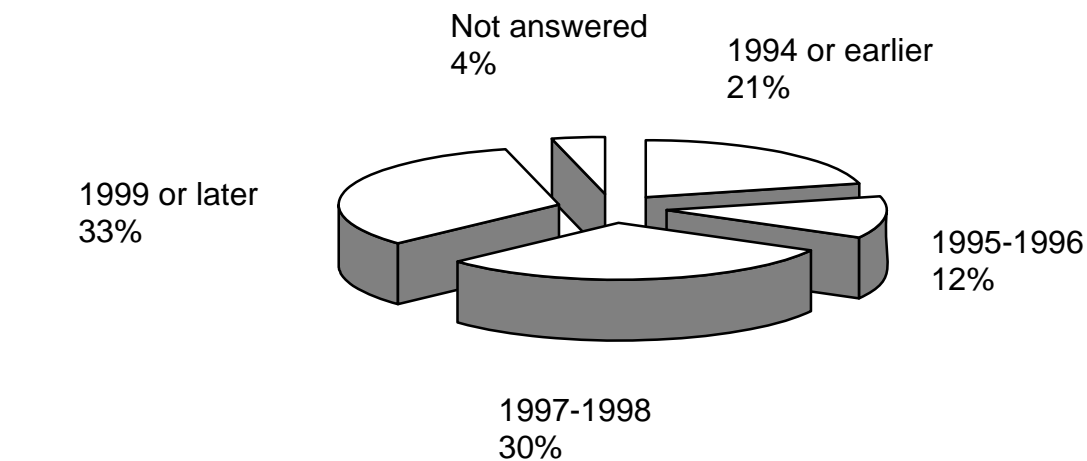
4.3 In this section, the results of the survey are illustrated with relevant detail from the case study organisations.

Introduction of EDS in case study organisations

4.4 The previous HOST research suggested that, in 1997/98, 36 TECs were currently and directly supporting organisations in setting up or running EDS, and six others reported active support in the past. A further nine anticipated providing future support. TECs interviewed at that time felt that the momentum for involvement in EDS was growing and that the concept of EDS was seen as a distinct product, but one that could help drive other TEC-centred learning opportunities and products offered.

4.5 Clearly, the current research, as discussed in previous sections, indicates that the momentum for involvement has subsided of late, with estimated total numbers of employers with EDS proving to be significantly less than projected. At the same time, based on survey returns, there has been a dramatic rise in the number of organisations with fewer than 200 employees taking EDS since 1997-98. In fact, across these surveyed organisations, almost two thirds of respondents' schemes have been introduced since 1997 (Figure 4.1).

Figure 4.1: When EDS was first introduced



4.6 Considering the date of introduction by size of firm (Figure 4.2) suggests a distinct rise in the numbers of organisations with fewer than 100 employees, particularly those in the 10-49 employee bracket. Fieldwork and case study interviews suggest this has been the target group of many TECs aiming to build local learning capabilities at the workplace. However, it also reflects a distinct funding effect, and in particular using Single Regeneration Budget (SRB) funding targeted at SMEs.

Figure 4.2: Date of EDS introduction by size of firm (number of employees)

Number of employees	When EDS was first introduced									
	Total		1994 or earlier		1995 - 1996		1997 - 1998		1999 or later	
	No	%	No	%	No	%	No	%	No	%
Under 10	11	9	1	9	1	9	2	18	6	55
10-49	45	36	8	18	2	4	12	27	22	49
50-99	22	17	3	14	5	23	9	41	4	18
100-199	10	8	2	20	-	-	2	20	6	60
200-499	11	9	3	38	2	18	5	63	1	9
500-999	8	6	1	13	1	13	3	38	1	13
1,000 or over	19	15	8	42	4	21	5	26	1	5
Total	126	100	26	21	15	12	38	30	41	33

NB Six respondents did not indicate dates

Examples of TEC support:

The case studies provide a number of examples of TECs prompting the introduction of EDS within organisations, and in some cases pump-priming the initiative. Two case-studies from the same area, along with other local employers, were approached by their local CCTE to join their 'Flying High EDS' - a network of companies, each with an EDS part-funded by the Chamber. The case studies became interested, as it would give employees the opportunity to return to learning on their own terms, and to choose to study something of real interest to them. It would give them the encouragement and financial help to 'take the plunge'. At one case study, the Management Group hoped it would make those who participated more ready, not only to accept, but also to contribute towards change. But the greatest attraction was that, as presented by the Chamber, it would require very little management time to set it up and run it, and that there was support and information available to help a Workforce Group to get it going. The financial support was also an attraction, since the company could find it difficult to justify expenditure on courses and activities that are not work-related.

The college case study began an EDS following a successful ESF bid, with their local TEC as one partner, whose aim was to promote EDS collaboration among small companies. Conscious that the college itself had no scheme, the programme has given opportunity to staff as well as acting as a useful 'reference sell' to organisations who are customers of college services.

Another case study, a local NHS Trust, was assisted by its local TEC in a number of different ways. The TEC provided matched funding, brokered discounts at the local FE college and helped the organisation to plan and market EDS to all levels of staff. While in one case study of a collaborative employee-led arrangement, the support from three TECs was important in levering in wider funds from mainstream EU funds.

However, TEC effects on EDS introduction were more variable in other case study organisations. For some, schemes were introduced long before TECs became active in EDS support. For others, however, TECs played no role but for different reasons. In one, a statutory environmental organisation, the contribution to be made by the TEC at the time the EDS was being set up in the mid 1990s was held back by the TEC's inability to contribute under the old 'double funding' rules. Managers had been aware that these limitations had since changed, but were reluctant to seek TEC support because of experience of 'excessive bureaucracy' in their experience of various TECs in other programmes.

4.7 Bureaucracy - or perceptions of it - were echoed by other case studies as a reason for not drawing on TEC support. One, a rail company, was particularly concerned to avoid an administrative burden on 'form filling' for small amounts of money 'that would detract the scheme co-ordinator from learner support and development activity'. Another also sees the money available from their local TEC as being not worth the bureaucracy involved.

The aim of schemes

4.8 Although many schemes have been introduced as a result of 'pump-priming', or through TEC promotion, some case study organisations had put much greater thought into reviewing the business case prior to introducing an EDS. This issue was seen in HOST's 1998 report as crucial to the longer-term durability and success of schemes, but was then seen as only weakly undertaken by many firms.

The Employee Development Scheme at one NHS Trust was introduced in 1996 under the heading of the 'Lifelong Learning Scheme'. In 1994, the organisation embarked on a period of change and amalgamation called 'Transformation' which aimed to develop and shape the culture within the organisation. This centred on a number of strands, including looking at different ways of working, the way people went about their jobs and how people learnt and were developed within the organisation. The introduction of the Employee Development Scheme, through its support of learning not directly related to an individual's role, aimed to:

- Encourage a new method of learning;
- Encourage people back into learning who may not have undertaken any course of study for some time;
- Break down some of the barriers which may exist for people who have been out of learning for a number of years in helping them to return to a classroom/formal course environment;
- Provide a new way for unions and management to work together outside of the traditional management/union approach. The EDS was the first example of partnership working between management and unions in the organisation;
- Recognise that the skills people learn and use outside of work do have an impact upon them while they are at work;
- Encourage staff to see learning as an enjoyable experience, therefore hopefully encouraging those who had perhaps resisted work-related learning to participate;
- Provide financial support to help employees learn new skills.

The Trust is an integral part of the local community and it is recognised that its employees are also part of the local community which, at the time, had one of the lowest rates of young people entering further education in the country - through the introduction of the scheme, it was hoped this might have, in some small way, a spin-off in how learning was viewed – i.e. if a young person saw Mum or Dad returning to college and enjoying their experience, this may encourage others to do the same. Also, at this time, the organisation was looking at Investors in People, with its emphasis on training and development and systems supporting learning. It was felt that the EDS would complement and support the traditional types of learning covered by the award.

4.9 For some larger firms, the organisational development roots of introducing EDS have already been well documented. In two case studies, the schemes were preceded by extensive research to look at both organisational and employee gains, and by management-trade union dialogue to develop a coherent and sustainable business case based on this evidence. In the case of Ford - the UK pioneer in EDS - the evidence was drawn almost wholly from the USA, and included commissioned research and joint management-union study visits. For another - developing their approaches in the mid 1990s - the focus was on internally resourced research and on domestic UK examples.

4.10 One case study constituted an example of a small company (in the cultural heritage sector) linking its EDS clearly to its main business objectives. This company began business planning in 1999 for the first time. Two years on, its operation has changed from one that made no profit to one where a £16k surplus has been

achieved. The managers believe there is a direct link between the scheme and the increase in profit, and part of this surplus will be used to develop the EDS programme.

One case study, a Division of a regional police force, provides a detailed example of planning for the development of an EDS. This organisation was able to take advantage of TEC 'pump-priming' to conduct a pilot prior to introducing a full scheme linked to business objectives.

In May 1997, representatives from the Division attended an open day organised by a local employee development consortium. At that time, the Division was interested in establishing a learning culture and supporting individual employees in their personal and career development, through encouragement, information and, where learning activities would also benefit the organisation, funding. It was thought that an EDS might meet this need and the consortium provided an opportunity to try it out. Thus, in deciding to run a pilot ED Scheme (as it was called) between December 1997 and March 1998, the Division had the following objectives:

- To assess whether this kind of scheme would assist in developing a learning culture within the organisation, and in particular whether it would help raise skill levels;
- To look at the model that such a scheme might take;
- To look at the level of demand for the scheme generally and for particular types of courses.

The pilot scheme was aimed primarily at the 140 staff in the main organisation and a training needs analysis was conducted to determine the shape of the model. This led to the development of a proposal for a likely model with set parameters of time, content and budget. Funding for the pilot was established as a budget of £6,500. The subsequent pilot evaluation showed:

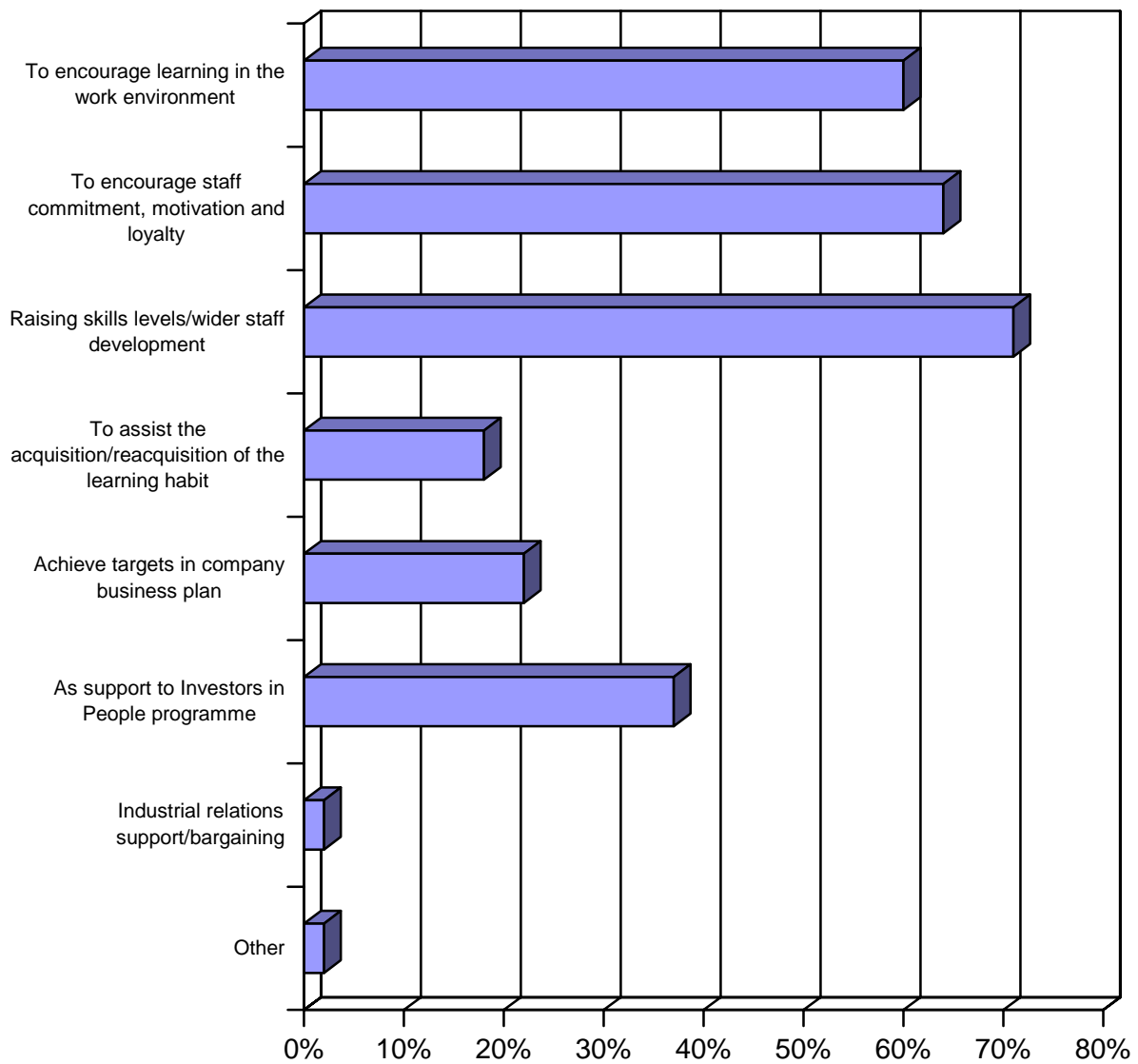
- Some 106 participants - drawn mainly from support staff where there was 35 per cent participation - due to good organisation and marketing;
- Attitude to the scheme - a positive attitude prevailed, although some admitted initial scepticism. The occupational group targeted (who often felt 'the forgotten army') appreciated the focus and it was seen to be a boost to employee morale;
- Release - there were some difficulties for shift workers in attending a regular class. Some issues also had to be resolved over release to attend short courses where a colleague had to provide cover;
- Impact of the scheme - was essentially positive. One aspect that was particularly pleasing was that many staff attended in their own time.

Some aspects of the model for the pilot worked particularly well, especially the range of courses and the Educational Guidance Worker.

4.11 The survey results show that over four fifths (87%) of respondents' EDS are internal schemes run only for their employees. A further seven per cent are part of a

managed scheme run by another person or organisation. Figure 4.3 sets out the main reasons for introducing an EDS, and suggests that raising skill levels, encouraging staff commitment, motivation and loyalty, and encouraging learning in the work environment are high on the agenda.

Figure 4.3: Main reasons for introducing an EDS



NB: Multiple response N=126

Examples of how EDS began:

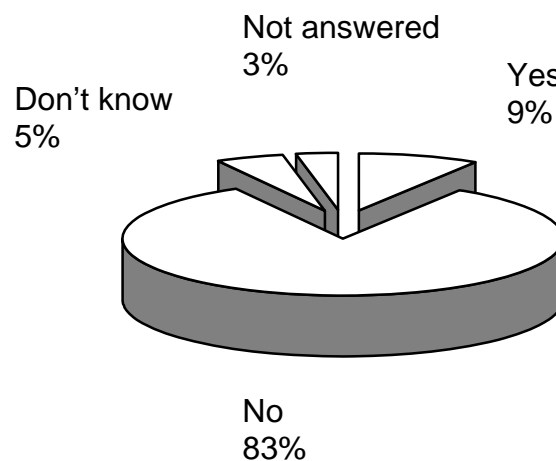
One catering company, which employs over fifteen hundred employees, introduced its scheme as a direct result of a workshop managers event which was organised by their local TEC. Representatives from Ford attended this event, and the company, which at that time was experiencing staff recruitment and morale problems, conceived the idea that EDS would engender a better team spirit among its many staff who worked remotely.

Another, a small Midlands-based manufacturing company introduced EDS following their initial Investors in People (IIP) assessment conducted by the local TEC in 1999. TEC staff convinced them that a vocationally-based programme would give the workforce a greater ownership of the IIP process, increase skills, and give learning a higher profile within the company. EDS remains largely vocationally-based although, as in many other organisations, the distinction between what can be classed as job-related training and what is not is sometimes difficult to distinguish.

And another, a small business/personal service sector company, has introduced EDS to broaden the interpersonal skills of their staff and, like the above case study employer, as a direct result of their initial IIP assessment. Currently, courses are vocationally based but there are plans to extend the types of courses that can be undertaken, and ultimately offer one seamless learning programme.

4.12 For the majority of survey respondents, the purpose of having the EDS has not changed since it began (Figure 4.4).

Figure 4.4: Whether the purpose of having the EDS has changed since it began



N = 126

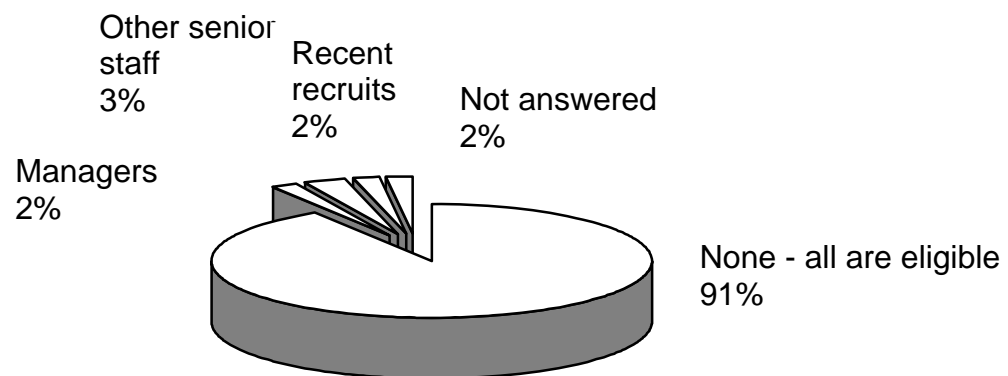
4.13 For just under one in ten (9%) where the purpose had changed, reasons were mainly centred on widening the scope of content of schemes. Issues raised included:

- Promotion of health options;
- Currently 'on freeze' to focus on Investors in People priorities;
- Buy in specialists to speak to staff;
- Benefits in terms of employee retention;
- Employees are more flexible to cope with change;
- Now focused on the achievements of business objectives;
- We now recognise the potential;
- Pursuit of Investors in People;
- Broadened to a company-wide implementation;
- Encouraged wider learning (i.e. from a skills development focus);
- Developed skills.

Eligibility and actual provision

4.14 As section 2 has indicated, the scope and focus of schemes is an important feature of implementation. For most survey respondents (91%), all employees are eligible to participate in the scheme (Figure 4.5).

Figure 4.5: Which employees are not eligible to participate in the scheme



N = 126

4.15 The main exclusions are generally for short-term contractors.

An example of eligibility:

At one Careers Service Partnership, all employees are eligible for the scheme, but the training is meant to be unrelated to work, which would be covered under the normal training budget and Investors in People.

Given that ten bursaries are available each year, in case more than that number apply, some guidelines are now given on how selection preferences would be applied. Thus preference will be given to:

- Those completing two-year courses from last year;
- Those wishing to undertake courses which have some relation to their work;¹
- Those who have never benefited from the EDS before;
- Those who want to undertake courses that will be fully completed in one year or less.

4.16 Although most of the case study organisations indicated that all permanent full-time staff were eligible for EDS, there were, in some cases, budgetary constraints. Thus, if an organisation's EDS had a fixed yearly budget that was quickly spent, those staff who wanted to take courses at the end of this financial period had to wait until a fresh budget was available - several months in some cases. At other organisations with a fixed budget, staff who had undertaken learning in one year might have to have a 'gap' year to enable others to take part. In one, a statutory environmental organisation, for example, applications for external course funding through EDS regularly oversubscribed the central funds available. This was seen to be a reflection of the success of the scheme. This was coped with by prioritising first-time and occasional users. Some regular or repeat users were seen to lose out in this process but where this occurred, the central learning support team supported individual bids to draw on any surpluses from devolved 'local' training funds.

¹ That would not normally be funded through other services.

An example of funding constraints:

Due to the reduction in funding at one NHS Trust when the TEC support ended, and the high number of applicants, a sliding scale of financial support was introduced against which to allocate their £5,000 budget:

Year 1 - a 75 per cent contribution towards learning up to a maximum of £100;

Year 2 - a 75 per cent contribution towards learning up to a maximum of £50;

Year 3 - a 75 per cent contribution towards learning up to a maximum of £25.

Applications are supported for each academic year for three years out of five. Once this time period has elapsed, applicants become eligible for funding again as in year one. Priority will always be given to those applicants who have not received financial support in the past.

4.17 Exclusions may be more characteristic of group or composite EDS schemes, and often a consequence of their planning to secure common development goals and/or funding constraints.

4.18 The next section considers the content of EDS in more detail.

Overview

4.19 The previous HOST research suggested that in 1997-98, TECs interviewed at the time felt that the momentum for involvement in EDS was growing and this 'momentum effect' is clear from the current research results, including a distinct rise in organisations of less than 100 employees with EDS, a result of TECs targeting SMEs. Many schemes have been introduced as a result of funding incentives rather than business planning. The case studies, however, illustrate some good practice in linking EDS to business objectives.

4.20 The majority of schemes are internal and run only for employees. The main reasons for introducing an EDS are raising skill levels, encouraging staff commitment, motivation and loyalty, and encouraging learning in the work environment. For the majority of survey respondents, the purpose of having the EDS has not changed since it began. Where changes have occurred they have been, for example, to include or exclude health-related content of schemes such as membership of sports clubs.

4.21 Although in most cases all employees are eligible for the EDS, some organisations are constrained by budgets and have to limit the number of employees who can participate in any one year.

5: EDS in Practice

Introduction

5.1 Past research (section 2) has suggested great variety between organisations in how schemes are set up, accessed and actually run. This reflects the largely organic way in which EDS in the UK has developed. Using the survey research as a base, and illustrated with case study examples, this section considers some of the variations in how EDS actually operate within organisations. In particular, it considers:

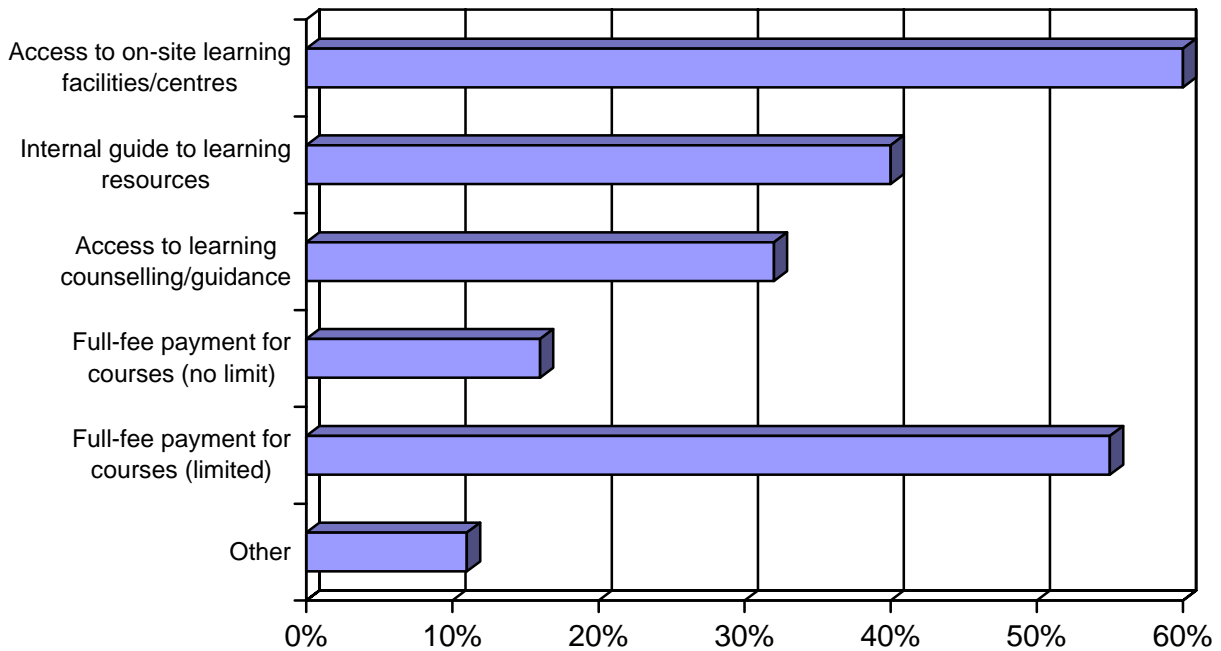
- Activity supported under an EDS;
- Financial support for users;
- Vocational or non-vocational focus for learning activities;
- Involvement of other organisations in EDS operation and support;
- Usage of the scheme.

5.2 It also draws together these findings to contrast this observed practice across the surveyed organisations, with principles of good practice emerging from the earlier HOST-DfEE review of EDS.

Support provided under an EDS

5.3 Running an EDS often involves a complex mix of on-site and external learning. Past research has suggested that learning technologies have seen on-site provision rising in importance. In fact, in terms of what is actually provided under the scheme, almost two thirds (60%) of surveyed organisations provide access to on-site learning facilities/centres (Figure 5.1).

Figure 5.1: What is provided under EDS



NB Multiple responses

N = 126

5.4 External provision remains an important element, although levels of support here vary. Among the survey organisations, over two thirds (69%) provide full-fee payment for courses - but mostly with a limit on the number benefiting. Only one organisation in seven (15%) provides full-fee payment for any external course irrespective of costs within any wider eligibility needs.

5.5 Support by organisations for EDS goes much wider than on-site learning access or funding (or part-funding) eligible external courses. For other areas of support, the survey findings are similar to those from the previous HOST research, except for a marked difference (32% from this survey compared to 89% previously) in those offering access to learning counselling/guidance. This was not explored in-depth in the earlier research, but discussions for the current research suggest that many TECs have contracted since the last research with their local careers service provider, or even local consultants, to provide guidance support.

Examples of access to learning counselling/guidance:

In 1998, one case study, a Careers Service Partnership, was approached by the EDS Development Officer of the local CCTE. The Chamber was about to introduce an EDS scheme with 10-15 local companies and the Development Officer felt it would be beneficial for employees to have some guidance and information to help with their training decisions. Each employee in the participating companies was given the opportunity of a half-hour guidance interview with Careers Service staff. The Chamber paid the local Careers Service £30 per interview, and approximately 100 interviews took place over the life of the initiative.

For one regional police force Division, the use of an Educational Guidance Worker proved crucial to the success of the pilot that led to their EDS being introduced.

Other case studies offer on-site learning support under their EDS. Several, from across a wide range of sectors, have active open learning centres where vocational and non-vocational courses can be taken. One food manufacturer's centre can be used at any time and there are plans to expand both the general facilities and the course guidance on offer. A new training officer, recently appointed, has been delegated to research ways that its use can be increased or facilities offered to other local employers or the company's suppliers.

5.6 The survey results also show that just under 40 per cent of organisations also support EDS with an internal guide on learning resources. Past research has shown (section 2) that such guides can take many forms, but are an important feature of widening access - especially to non-traditional user groups. The proportion of firms offering such guides has changed little in the last three years, suggesting that many firms with EDS have yet to recognise these as a cornerstone in EDS effectiveness.

Examples of learning resource guides:

The environmental organisation case study has adopted a particularly imaginative approach. Faced with much of its workforce being widely dispersed and similar communications challenges for an EDS, it had developed a learning resources guide which became the regularly updated *Learning Passport* distributed to all employees. This had an endorsement by the organisation's Chief Executive, and contained summary details of all formal and informal learning pathways open to staff - and how to access these.

The organisation's *Learning Passport* is central to the wider EDS arrangements. It is backed up by a more detailed directory of opportunities and options which is available through line managers, and a regularly updated learning calendar. The Learning Resources team are looking to make much of the Passport and EDS supporting material available through a dedicated Learning Server on the organisation's intra-net.

Financial support and links with ILAs

5.7 Past research has shown a complex and often confusing picture for practitioners on how organisations financially support EDS schemes, and individual users within them. The previous HOST research reported that the financial support offered at that time varied, but centred on part-funding of external costs of EDS participants.

5.8 Funding support from TECs at that time was seen to vary, but was typically for half the external costs up to a maximum of around £100, input by the TEC per participant. Otherwise, without TEC support, it averaged around £50 per person. Among more recently developed schemes, these levels seem to have become the benchmarks for support.

5.9 The current case studies demonstrate the great range of fee and payment structures that exist today. These are summarised in Figure 5.2.

Figure 5.2: EDS – Case study funding comparison

Organisation	Financial Arrangements
Business/Personal service sector company	Originally funded by ITO (NTO), the organisation now offers £50 per year, per employee. External funding comes from ILAs.
Clothing Manufacturer	Part of local CCTE's 'Flying High EDS' funded by SRB4, the Chamber pays two thirds of the costs up to a maximum of £250 per employee per year, the final third being split equally between the company (up to a maximum of £85) and the individual.
Independent School	A seemingly complicated funding structure, between 25 support funds, EZA and SRB4. Clear funds for EDS not transparent.
Training company	Local CCTE pays two thirds of costs, company pays the other third, total maximum of £300.
Careers Service Partnership	£500 allocated per year from the training budget, on offer to employees as ten £50 bursaries.
Regional Police Force	Not singled out from overall training budget, EDS is part of 'Learning Framework'. No set sum for individuals, heavily reliant on ILAs.
Major manufacturer	Pioneer scheme in UK. Quasi-autonomous multi-site arrangements. Currently all employees have access to a company-funded scheme up to £200 per person.

Figure 5.2: EDS - Case study funding comparison (continued)

Organisation	Financial Arrangements
Major manufacturer	Company-funded scheme. Main provision is 'free' and open access to LRC learning materials with FE access of up to £100 each employee.
NHS Trust	A £5,000 overall budget with a sliding scale. Year 1, a 75 per cent contribution up to a maximum of £50, and Year 3, a 75 per cent contribution up to a maximum of £25.
Business Association	No longer actively promoting EDS.
Small counselling service	What training can be offered is considered monthly based on cash flow.
Food manufacturer	The budget for the EDS is based on the previous year's take up. The current figure is £200 per year per person. The current overall budget is £2,000 out of a training budget of £150,000.
Environment organisation	Employer-funded scheme. Access to an internal Learning Passport scheme is supplemented by an EDS external fees budget of £2,000 centrally supplemented (at manager's discretion) by 'line' training budgets.
Education/Training Institute	Funded since 1992. Currently £217 per staff member (amount rises annually by inflation). No external funding.
Small business	Nominal budget of £2k for 25 staff, supported by TEC-matched funding, and military associations' funds. Money "would be found" rather than refuse staff request.
Catering company	£50 per staff member (for non-vocational) up to a maximum of £5K per year for all staff. ILAs used for vocational courses.
Professional Institute	£100 for non-vocational and £200 for vocational. No external finance.
Food manufacturer	About £100 per employee, although use made of Open Learning Centre which allows computer-based packages to be used many times.

Figure 5.2: EDS - Case study funding comparison (continued)

Organisation	Financial Arrangements
College	Up to £100 per employee to maximum budget of £3K annually. No external funds.
Small manufacturer	No maximum amount per employee as courses must be vocational. Funding taken from main HR budget.
National Charity	£200 per employee (paid staff) £50 per employee (volunteer staff).
NHS Trust	Varies - bursaries, subsidies, discounted courses plus ILAs are all available. Broadly, £200 per employee.
Business/Personal service sector company	Taken from HR/Training budget. All vocational costs fully met.
Rail company	No maximum amount, although provision heavily emphasises in-house access. External course costs of over £100 will require line manager sign off.
Employee-led Development Scheme	Group EDS scheme run across initially three sites and now seven. Participation limited to selected IT courses with costs fully funded within the scheme.

5.10 The issue of finance raises a number of points for the future development of EDS, not least the potential for misunderstanding with regard to ILAs. Among the case studies, quality of awareness of ILAs was strong but more variable for actual use. In principle, ILAs should be used to complement the support provided by employers and the individuals themselves. The evidence from the case studies is however of an apparent lack of coherence in how the funding of EDS links to support through ILAs.

5.11 Several case study organisations rely on employees accessing ILAs to fund aspects of their EDS. This is perfectly legitimate provided this funding does not substitute for or displace funding provided by the employer and/or the individual, either for EDS or more directed vocational training. In most cases it was not possible to discern whether or not this was the case. In one case, ILAs are used to directly fund vocational training and EDS remains funded by the organisation. Another, the regional police force Division, also relies heavily on ILAs as contributions towards training costs.

5.12 This focus may well be because some TECs have legitimately promoted ILAs as a means of funding some personal skills development, especially in small companies, or it may be that organisations themselves do not fully understand the concept of ILAs. One large organisation case study surprisingly had no knowledge of ILAs at all. At two other case studies, the HR department was introduced to ILAs

as a legitimate means of staff training for job-specific skills, by the TEC's own Investors in People advisor.

5.13 However, other case study organisations have considered but rejected ILA involvement. Two in particular felt the administrative arrangements necessary to comply with local TEC needs were too great. Another was, however, looking at how ILAs could be used by individuals to support top-up costs for external courses undertaken under EDS.

In August 1999, one NHS Trust case study agreed to pilot the Government's new Individual Learning Account with its local TEC which made 100 learning accounts available to staff. This was subsequently increased to 200 accounts that had a value of £30,000. A variation on the national model was negotiated, using vouchers issued by the TEC to the value of £150 per person, redeemable for full or part payment of courses at local colleges and universities. This model was subsequently adopted by local employers with the brand title of Advance Learning Vouchers (ALVs - now Individual Learning Accounts). The TEC provided financial incentives to the employer to promote ALVs, offering £200 for every tenth ALV taken up by employees. The Trust earned approximately £1,500 in this way.

ALVs were seen to differ from the EDS in that, to be eligible for an ALV, learning had to be vocationally related either to an individual's current career, or for a proposed future career, but not to be seen as a substitute for the sorts of training the employer should provide which is job-specific. An analysis of applicants to the EDS at the time estimated that approximately 45 per cent would have been eligible for an ILA. It was felt that the introduction of ILAs would complement the EDS very well, with the EDS being able to support recreational and hobby courses and the ILA supporting vocationally-related courses.

After a slow start, the number of EDS applicants peaked in 1998/99 and has trailed off as a result of the implementation of ALVs/ILAs. Also in 1999, due to the large number of applicants, a sliding scale of support was introduced to enable more people to have access to the scheme.

Where people applied for both EDS and ILAs, they were asked to make a choice between them rather than being able to combine them. It is felt that, in the future, the number of applicants to the EDS will increase again due to new regulations limiting applicants to ILAs, and the fact that an individual can only apply for funding through this scheme once.

5.14 The most striking evidence of potential 'clash' with ILA funding is provided by another case study, a business association where, after three years of funding from the local CCTE, the association was chosen to pilot ILAs, this leading to the eventual withdrawal of the EDS.

An example of ILAs having implications for EDS:

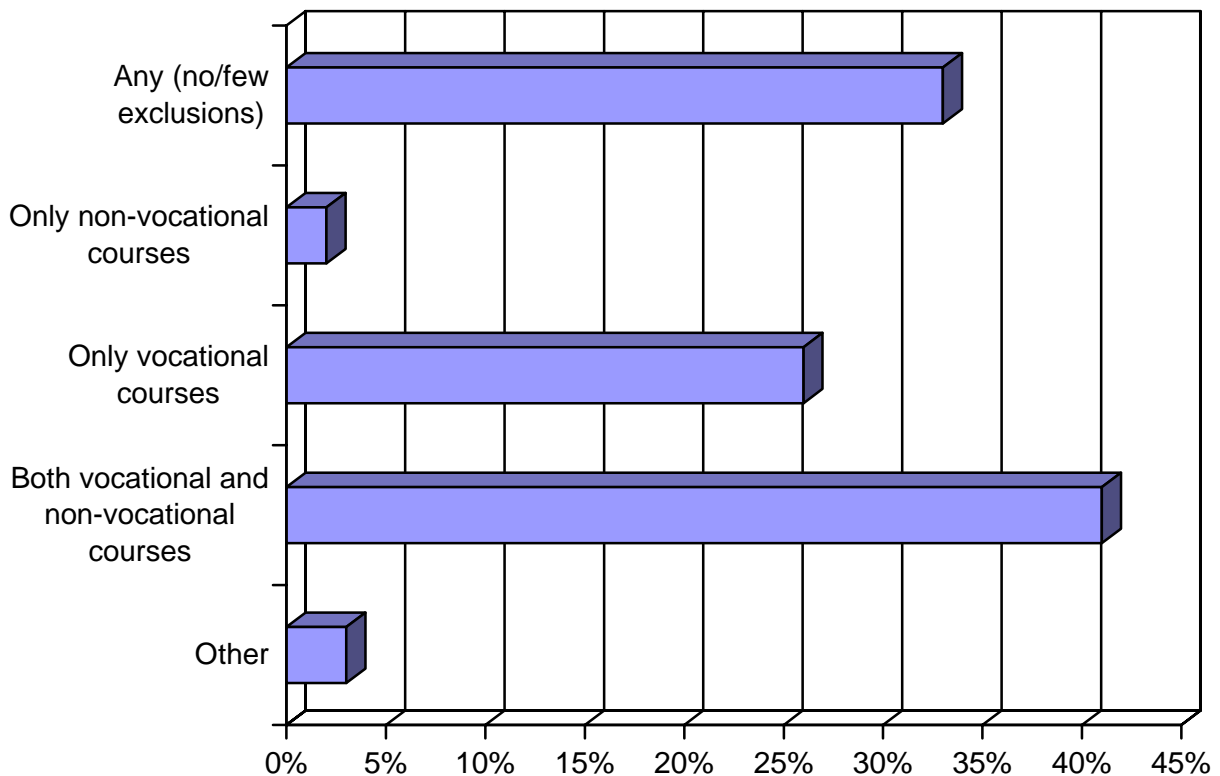
After three years, the local CCTE withdrew EDS funding to the business association. At that time, the association was chosen to be a pilot model for ILAs. This was supported enthusiastically by all concerned and strongly promoted within member organisations. The promotion and take-up of ILAs, centrally co-ordinated by the employer, proved so popular, and involved such a lot of central administration, that they effectively took over from the EDS. However, following the pilot, co-ordination was de-centralised and became the responsibility of the individual. Up until that point, central co-ordination and encouragement had meant large numbers of individuals using ILAs and much enthusiasm for them, as well as some degree of record keeping. Now that the individual is responsible for accessing ILAs, much of this has been lost. This is not least because the individual had to apply to the TEC where they lived and as a member organisation's employees travel to work from all over the country this became impossible to keep track of. Now the ILAs are centrally managed for the whole country by one organisation without recourse to local co-ordinators, (involving just the phoning of an 0800 number), the monitoring situation is worse. Thus, the association states: '*...the introduction of ILAs was detrimental to our scheme*'.

Vocational or non-vocational?

5.15 Past research has suggested that EDS is most effective when it is clearly additional to other work-related learning opportunity. Consequently, it is most properly positioned in organisations when it seeks to focus on learning which is not related to current job or skill needs of participants, and funded accordingly. In other words, work-related learning should be funded from the mainstream learning and development budget, and not normally through EDS. Sometimes, however, as is indicated in an earlier section, distinguishing between learning which only has value in a job-related context and that which is non-vocational can be difficult.

5.16 The earlier HOST research suggested that just under a fifth (18%) of the then survey respondents restricted their EDS to only vocational courses. The current research found over a quarter (26%) of respondents had this rule and two fifths (41%) specifically indicated both vocational and non-vocational courses (Figure 5.3). Very few organisations specify a focus on non-vocational courses (2%) - although longer established schemes would see these as the heart of the organisational (and individual) value of EDS.

Figure 5.3: Type of courses or learning opportunities supported under EDS



N = 126

5.17 Some case study organisations offered examples of how they fund learning/learning-based activities that were not course-based at all. For some, this substantially stretches the definition of 'learning'. For others, it anticipates an extension into the welfare and health dimension of some schemes. One professional institute will, for example, fund membership of a gym; another, a training institute, will pay for personal equipment such as walking shoes for outdoor activities or magazine subscriptions. And another, a food manufacturer, will pay for course books and materials. Some companies justify payment for yoga classes or aromatherapy sessions by seeing it as a means of helping staff cope with stress.

5.18 One case study NHS Trust offers a number of courses of this type on site and open to friends of staff as well as staff themselves. For many organisations, however, especially the smaller ones, only very traditional courses are funded, if indeed non-vocational is permitted at all.

5.19 The definition and approach is perhaps broadest in the longest established UK scheme - Ford EDAP. Here, employee health and related welfare has been a feature of EDS arrangements since its inception. In terms of learning support, the scheme is better defined by what it does not support - skills and knowledge development that would normally be covered by the company training budget - than what it does. Other

schemes only exclude provision in non-vocational learning if it is thought to be a significant risk to health - parachuting courses and scuba diving instruction were commonly cited.

5.20 In reality, as we have said, the divisions become easily blurred. For example, a member of staff at the training institute case study, an experienced manager and qualified teacher, reported gaining more self-confidence in her public speaking role from attending a non-vocational course in Scottish Dancing than from any vocational or academic course she had undertaken.

An example of vocational emphasis:

For some organisations, such as one of the business service companies used as a case study, the vocational emphasis of the scheme arose after two years of a broader regime with pump-priming from the then Industry Training Organisation in late 1995. The ITO (now the National Training Organisation for the sector) offered to support the introduction of such a scheme with financial support in the first two years. They provided a back-up to the company with the provision of a video on EDS and seminar support.

The hope was to encourage people to get back into learning, raising skill levels and supporting the Investors in People programme. Since the company introduced the EDS, the amount of training activity within the organisation has increased dramatically.

Detailed records began to be kept in 1997 and showed that, for that year, 67 individuals had taken advantage of the scheme. In that year, non-vocational courses included woodwork, motor biking and horse riding. At the end of 1997, the 'pump-priming' from the ITO ceased, causing the company to reassess the position of the scheme within its overall training policy. The decision was taken to focus the scheme entirely on vocational-related training and take-up has dropped dramatically.

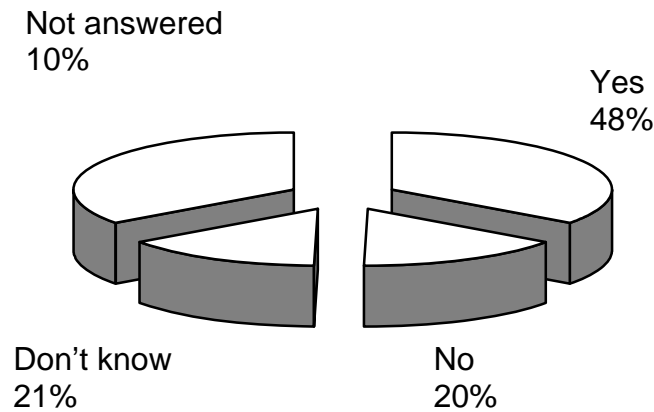
5.21 Indeed, for other case study organisations, once 'pump-priming' ends, can the organisation justify in business terms continuing with a broad outlook?

An example of proposed changes post-funding:

At one clothing manufacturer, the Management Group see clear benefits in enabling them to manage change in working practices with an interested, flexible workforce. It is seen to develop confidence amongst staff. They are currently reviewing the future of the scheme as the funding period from the local CCTE draws to a close. Convinced of the benefits, it is likely they will continue with the scheme, but may add some restrictions, particularly with regard to the keep-fit classes, as they have some concerns about the money being spent on those activities other than tangible learning.

5.22 In terms of whether participants are encouraged to move on from non-vocational courses to vocational, just under half (48%) of respondents indicated that this was the case (Figure 5.4).

Figure 5.4: Whether participants are encouraged to move on from non-vocational courses to vocational



N = 126

5.23 Systematic evidence of the nature of this progression is thin. However, an earlier evaluation by Ruskin College of the Ford EDAP scheme found extensive evidence of individuals undertaking essentially leisure or personal interest learning going on to more vocationally significant courses. Several EDS co-ordinators felt this to be a strong feature among non-traditional learners needing to build confidence in their own learning abilities.

5.24 The previous HOST research also found that repeat use of EDS, and the extent to which schemes encourage initial participants to progress to more vocationally-orientated programmes outside of EDS arrangements, whilst important policy issues, had not been given systematic attention in any TEC evaluation reports. At that time, HOST reported that, without systematic monitoring or tracking by employers, such evidence is elusive. It remains so today, nearly four years later.

Examples of links with Basic Skills:

One food manufacturer case study can demonstrate a clear link between Basic Skills training, EDS and vocational achievement. The company is heavily involved in adult basic skills, which is a stand-alone initiative funded from the training budget. This has been running for approximately ten years and involves working with local Adult Education providers on-site. Over the years, assessment materials relevant to the workplace have been developed. Level 2 numeracy and literacy has been set as the site standard and they are well on their way to achieving it. Provision is one-to-one or in small groups according to need and the comfort of the individual. Training is given in two-hour blocks, such as one to three pm, which asks for some commitment from the employee (one hour of their time), with an hour provided by the company across the middle of a shift system of six to two, two to ten. For those on night shifts, individual timetables are established.

There are two particular examples of individuals moving from basic skills into the EDS. In one case, an individual started basic skills at Level 1, moved through Levels 2 and 3, transferred onto the EDS and is now studying a GCSE. The other individual moved through to gain Level 3 with distinction and is now learning Spanish under the EDS.

At two other case study employers, an NHS Trust and a food manufacturer, there are plans to link EDS more effectively with Basic Skills, encouraging and helping those with greatest difficulties to make the transition to more mainstream learning through branding Basic Skills training as part of the EDS package.

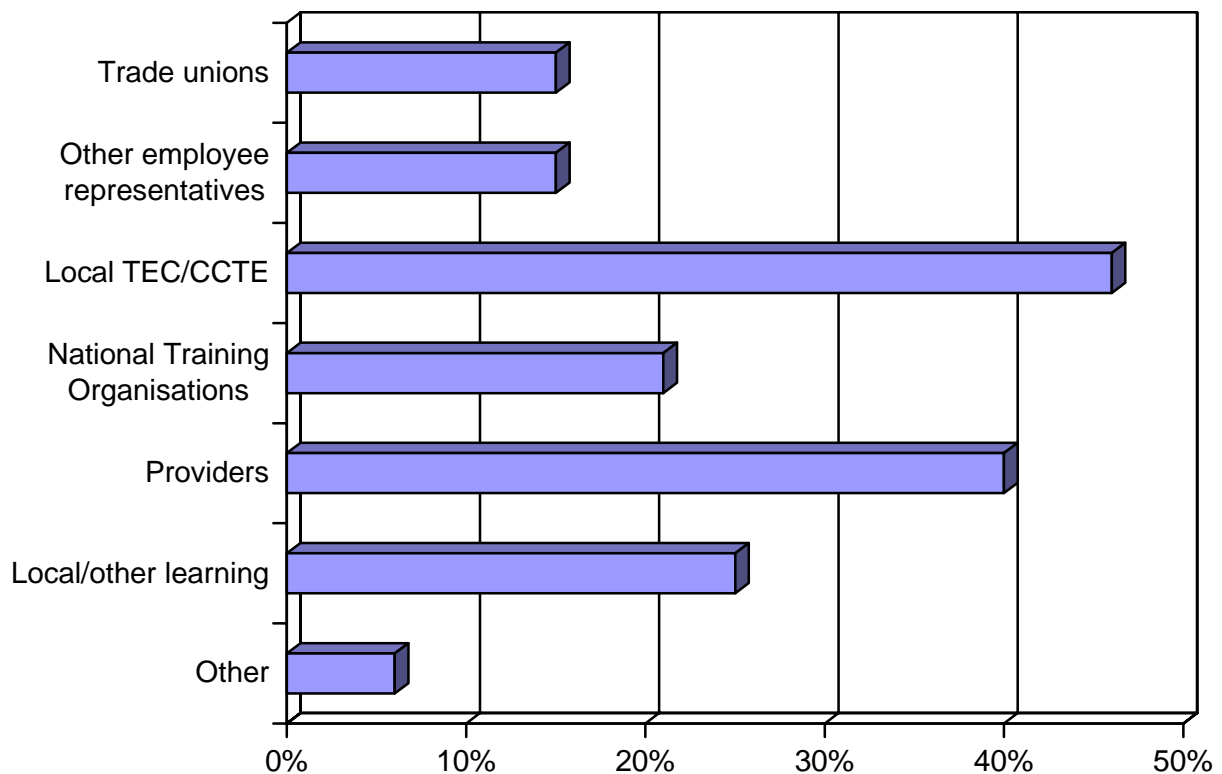
5.25 Several other case study organisations can show individuals who have progressed. In one, a business service company, of the 147 total participants in the four years since records were kept, 16 are repeat participants. In two cases, their first involvement with the EDS was on non-vocational courses (curtains and valances, Spanish introduction), since when they have gone on to vocational courses. At another employer, a Midlands college, non-vocational language courses were the key to greater participation in vocational training by at least two members of staff. These individuals reported that the confidence they gained from learning that they were not required to do had stimulated more active involvement in job-based training.

5.26 In some cases, the reverse is true. Mature part-time staff at the small cultural heritage sector case study had undertaken vocational learning courses in a variety of IT skills which prompted them to take non-vocational IT courses in their own time, which were self-funded. Again, the distinction between vocational/non-vocational learning and skill attainment and use is difficult to distinguish.

Involvement of other organisations

5.27 Survey respondents suggest involvement of other organisations in their scheme (Figure 5.5), but this is noticeably less than the results from the previous HOST research. This can be largely explained by the stimulus in access to 'pump-priming' brokered by TECs. This may have inflated the 'natural' role of external bodies in the mid and late 1990s, but has mainly now ceased. It is uncertain at this stage how the new LSCs will approach the issue of funding EDS.

Figure 5.5: Whether the organisation of the EDS has the direct involvement of particular organisations



N = 126

5.28 In terms of TEC involvement, respondents suggested that set-up advice and funding were the main areas. Of the 58 respondents indicating involvement of TECs, they suggested the following areas (with actual number of respondents in brackets).

- Advice and guidance (23);
- Funding/financial assistance (26);
- Training materials/access (16);

- Support/information (16);
- NVQs (8);
- Providers (4);
- liP articulation (2);
- Partners in success (1);
- Involved in project teams (1);
- Verification (1);
- Learning works pilot project (1);
- Workshops (1).

Examples of TEC-brokered networks:

Several case studies were involved in TEC-brokered networks or in networks where TECs were leading stakeholders. For example, two participate in a network in which 20-30 organisations are active at any point of time. Apart from a few of these organisations getting together to run 'tasting' sessions, there has been no central co-ordination to meet training needs as had been originally hoped.

At one of these employers in particular, a training company, the slow start for the scheme was not helped by lack of information on rules and procedures from the local CCTE, although this improved when '*someone enthusiastic and a 'born networker' took over co-ordination*'. It was felt to be a pleasure to attend network meetings co-ordinated by her, as they were fun and full of ideas. Unfortunately, she left recently and much of the drive and enthusiasm has disappeared. There is also some uncertainty about what will happen to the scheme once the CCTE ceases to exist.

During the research, several other examples of network co-ordination were uncovered. This included the highly specialised group EDS co-ordinated by one case study organisation and supported by three local TECs and European funding.

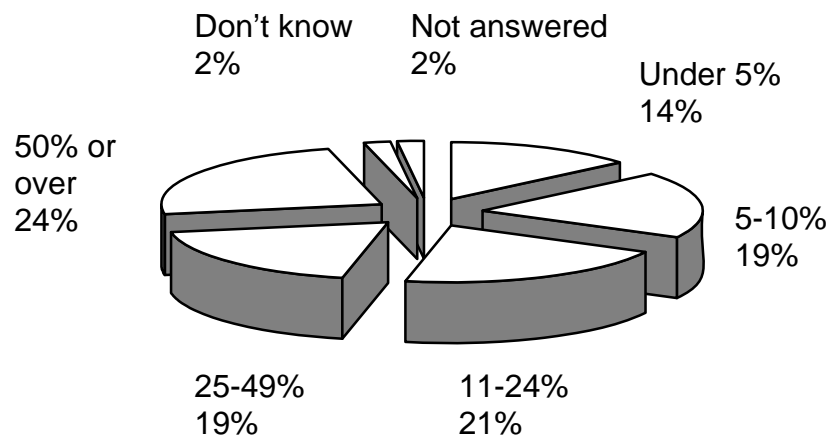
The group EDS and its partners was unusual in that it centred on a single 'subject' focus - building the IT capabilities of SMEs through self-directed learning. Three group EDS arrangements were set up at different trading estate sites through a combination of TEC, European, and regional development funds. The arrangements have been in place for over two years and are now being mainstreamed. Sites have been the responsibility of scheme co-ordinators and the SME experience has confirmed the crucial role of a focal point to enable participation, providing learning links to providers and learner support to employees. In one of the three sites which had problems in resourcing this post, take-up and repeat use of the EDS has been weak.

5.29 This leadership issue is reflected in other case studies. It raises a number of co-ordination issues for EDS that are re-visited in the final section .

Usage of the scheme

5.30 Take-up rates across EDS arrangements are highly variable. Overall, just over two fifths of respondents (43%) indicated that a quarter or more of their workforce had taken advantage of the EDS over the last 12 months (Figure 5.6). Take-up rates were lowest among firms involved in group EDS arrangements.

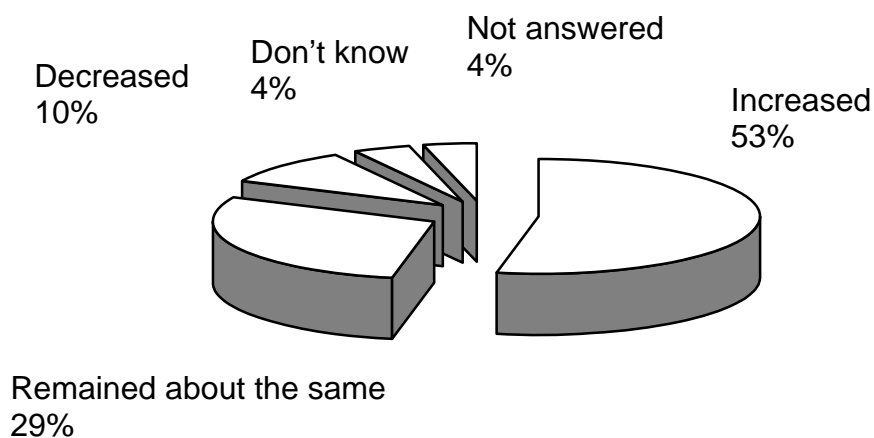
Figure 5.6: Percentage of workforce taking advantage of EDS over the last 12 months



N = 126

5.31 In terms of how this percentage has changed since the EDS was first introduced, over half (53%) indicated that numbers had increased (Figure 5.7).

Figure 5.7: How this percentage has changed since the EDS was first introduced



N = 126

5.32 For those indicating an increase, the main reason was raised staff awareness, plus increased opportunity and perceived success of the scheme. The following is the main list of reasons provided by survey respondents (with the actual number of respondents in brackets).

- Raised staff awareness (20);
- Increased opportunities for staff (10);
- Clear benefits to staff (9);
- Success/credibility of the scheme (9);
- Marketing/promotion (8);
- Widening of the scheme (6);
- Clearer identification of needs (4);
- Wider availability (4);
- Influx of new staff (3);
- Introduction of appraisal scheme (2);
- Change of personnel management staff (2);
- Increased training budget (2).

5.33 Other reasons from individual organisations include availability of internal training on-site, business expansion, lower costs and improved flexibility, funding from the TEC and recognition of value by directors. However, some respondents did indicate a decrease, the main reason being lack of interest by staff, but also emphasis on vocational courses, introduction of ILAs and, in some cases, the EDS co-ordinator having left the organisation.

5.34 However, all of these broad statistics need to be treated with some caution, as it was clear from the case studies that the level and nature of data collection on EDS varies greatly. Indeed, some do not keep detailed information, some retain only the claim information for TEC funding, and some keep detailed records but have never aggregated them or reviewed them for trends. Few conduct systematic and regular evaluations of use - thus making impact judgements or considerations of 'value for money' extremely difficult.

5.35 This lack of data collection was highlighted in HOST's earlier research, one excuse being given by a case study contributor: *'I think it would be misinterpreted, if we started monitoring use'*.

Examples of the value of evaluation and review is shown by two examples. Since May 1999, the start of one medium-sized manufacturing company's scheme, 61 individuals have participated in the EDS, and the following table is a summation, based on the company's own statistics.

Participation in EDS

Occupation	Total	Ethnic minorities	Range of course costs
Factory and Warehouse	42	13 ⁴	£7 ⁵ -335
Managers	2	-	£208-335
Office and Sales	17	-	£52-335
	61	13	

In terms of total spent on these courses, they are as follows:

• Factory and Warehouse	£7,879.00
• Managers	£543.00
• Offices and Supervisors	£3,753.00
Total:	£12,175.00

This is valuable planning information for the organisation.

Equally, another employer, a major food manufacturer, had kept statistics that had not been aggregated, but clearly indicate an increase in numbers of participants since keep-fit (previously excluded) was introduced under the auspices of the scheme.

5.36 Perhaps the most systematic approach to review was conducted by Ford EDAP. Here, individual sites kept some take-up records but this was regularly supplemented by an independent commissioned evaluation which went beyond participation levels to look at characteristics and impact. Another employer also kept detailed records and was able to show percentage take-up of EDS from 1994. Others also kept detailed records of course choices (with reasons), while another had undertaken some internal evaluation which included an analysis of EDS statistics. Some can show levels of participation, and are planning to introduce a greater depth of analysis in future as they believe they may need to justify any increased costs. Generally, though, there was little systematic collection of evidence or use of such evidence even if it was collected at all.

5.37 In terms of staff group usage, Figure 5.8 suggests a fairly even distribution, with the possible exception of managers, where a quarter of respondents suggest little or no use. In reality, the data suggest some polarisation in the participation of managers with the no and low use proportion being counterbalanced by those with extensive use.

⁴ Note that ethnic minority participation is low in relation to the percentage in employment (which is 26%).

⁵ One person draws down funds per swimming lesson, hence the low figure of £7.

5.38 The survey results confirm the case study experience that, where there is open access to EDS, participation shows few contrasts in level across occupational groups. This is an important feature for those using EDS to boost learning capability and interest among lower skilled staff or others with poor experience and attainment from mainstream education - since, in relative terms, semi- and unskilled staff are as likely to be EDS users as those in professional or managerial roles.

Figure 5.8: The extent to which different staff groups are involved in using the Scheme

	Managers	Supervisors	Professional staff	Skilled employees/ technicians	Semi-skilled staff	Unskilled staff
Extensive use	21%	12%	18%	13%	22%	18%
Some use	43%	48%	34%	40%	36%	35%
Little use	19%	13%	11%	13%	11%	13%
No use	6%	3%	5%	2%	3%	7%
No staff in this group	2%	2%	12%	8%	9%	11%
Not answered	9%	21%	20%	25%	19%	17%

N=126

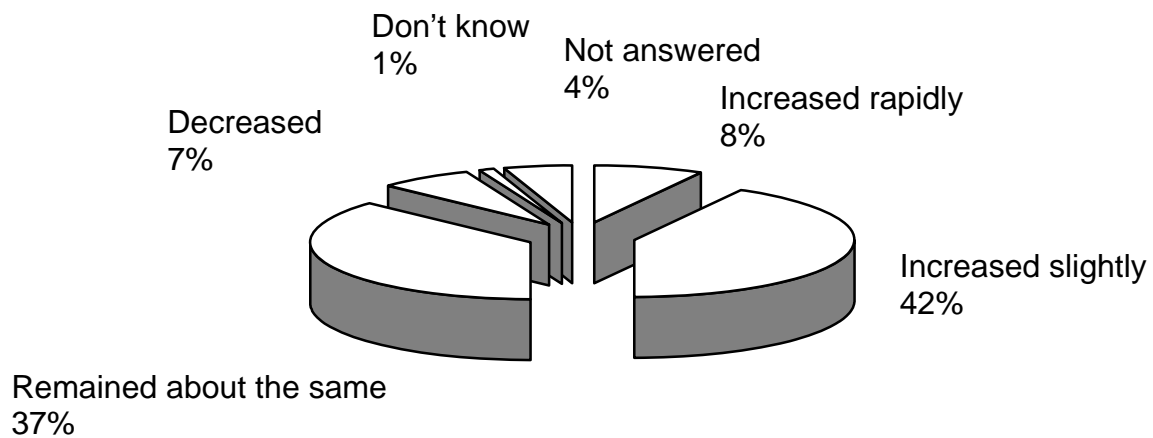
5.39 However, this is balanced by looking at how the participation of these groups of staff have changed since the scheme commenced, which suggests, along with most other groups, an increase in use by one fifth, with little decrease (Figure 5.9).

Figure 5.9: How the participation of these groups of staff has changed since the scheme commenced

	Managers	Supervisors	Professional staff	Skilled employees/ technicians	Semi-skilled staff	Unskilled staff
Increased	21%	23%	19%	23%	25%	20%
Remained the same	56%	43%	44%	41%	41%	41%
Decreased	1%	2%	2%	2%	3%	2%
Don't know	6%	5%	5%	3%	4%	6%
Not answered	15%	27%	30%	31%	28%	31%

5.40 Figure 5.10, which indicates that half of all respondents have seen a slight or rapid increase in use of their scheme, reinforces this point.

Figure 5.10: How the use of the EDS overall has changed over the last 12 months



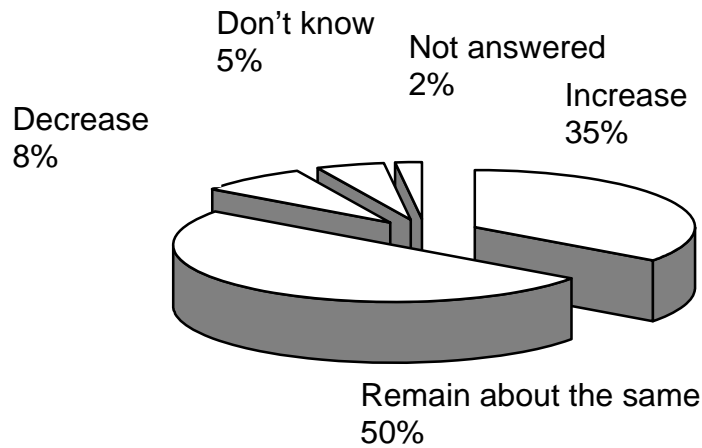
N = 126

5.41 The case study evidence shows that higher levels of participation are often associated with vigorous and creative co-ordination of schemes. The longest established EDS - in Ford EDAP - has seen, in 12 years' cross-site experience, the highest levels of involvement in those sites with a track record of innovation in the marketing of the scheme, wider access and in continuously reviewing the 'offer' to relate to observed employee demands.

The fluctuation in use can be illustrated by two case study examples. At one, a Midlands-based business/personal services sector company, following two years of 'pump-priming', the organisation opted to continue with their EDS, but limited solely to vocational courses. Their participation rates have decreased as a result. Another, a major food manufacturer, wanted to increase participation in their EDS and decided to include keep-fit classes, which had been previously excluded. As a result, their participation rates have increased dramatically.

5.42 In terms of anticipated change in the number of people using the scheme over the next 12 months, some case study organisations are unclear about the shape or nature of their scheme when pump-priming stops or TEC responsibilities transfer to LSCs. Figure 5.11 suggests that over a third of respondents (35%) anticipate an increase and half (50%) that participation will remain about the same.

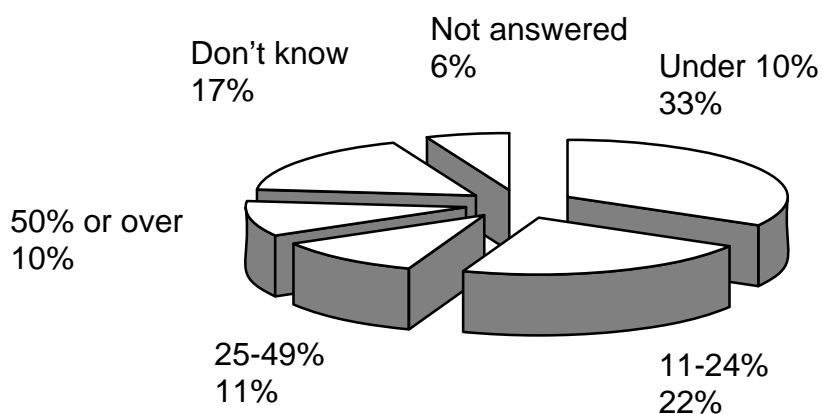
Figure 5.11: Anticipated change in the number of people using the scheme over the next 12 months



N = 126

5.43 Two final areas for consideration in this section relate to movement between courses within and outside the EDS. A caution has already been raised with the statistics provided by survey respondents, and indeed many of the tales of progression within the case study organisations were anecdotal. However, over half of respondents indicated that up to a quarter of their employees had gone on to another course or activity under the scheme this year (Figure 5.12).

Figure 5.12: An estimation of the percentage of users in the previous year that have gone onto another course or activity under the scheme this year

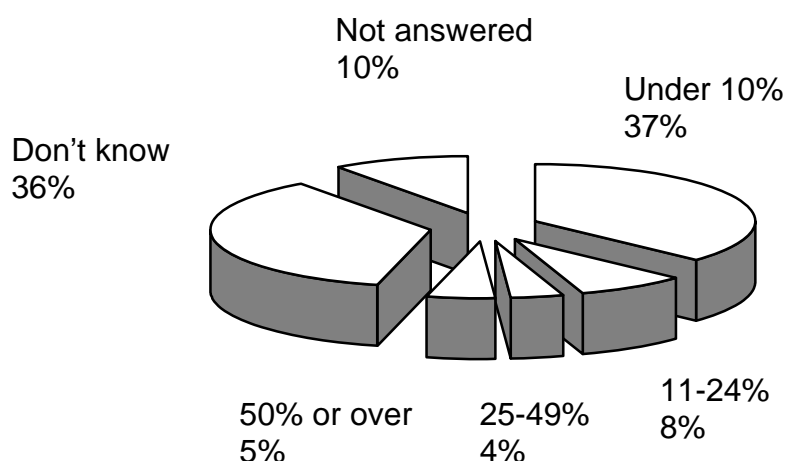


N = 126

5.44 Respondents were less confident in reporting the percentage of users in the previous year which have gone on to additional training or courses outside the

scheme, nearly two fifths (57%) indicating less than ten per cent, but almost half (46%) indicating they did not know or not answering (Figure 5.13).

Figure 5.13: An estimation of the percentage of users in the previous year have gone onto additional training or courses outside the scheme



N = 126

Overview

5.45 Running an EDS often involves a complex mix of on-site and external learning. Almost two thirds of surveyed organisations provide access to on-site learning facilities/centres. Only one organisation in seven provides full fee payment for external courses. Many TECs contracted with their local careers service provider, or even local consultants to provide guidance support. Just under 40 per cent of organisations also support EDS with an internal guide on learning resources.

5.46 Funding arrangements vary considerably and the case studies demonstrate the great range of fee and payment structures that exist today. There are appear to be positive and negative influences in relation to ILAs that require further guidelines for users.

5.47 Whilst past research has suggested that EDS is most effective when it is clearly additional to other work-related learning opportunity, over a quarter of survey respondents restrict their EDS to only vocational courses.

5.48 There are issues for consideration in how to support and enable organisations to continue with their EDS once pump-priming ceases, particularly if no evaluation of the success or otherwise of the scheme has been carried out. The case study experience suggests that the way schemes are run is an important influence on progression. This cannot be disassociated from funding, but in some cases it seems to be the quality of EDS co-ordination and learner support, the flexibility of access and internal 'championing' of the initiatives by employee 'peers' which are more important to progression than the level of funding. Just under half of respondents encourage participants to move on from non-vocational courses to vocational.

5.49 Take-up rates are highly variable. In many cases, raised staff awareness had led to an increase in the usage of the scheme. The survey results confirm the case study experience that, where there is open access to EDS, participation shows few contrasts in level across occupational groups.

6: The Benefits of EDS

Introduction

6.1 The previous two sections have set out the background and process issues relating to EDS. This section focuses on how employers and employees are seen to benefit from EDS. In particular, it looks at:

- The ability of EDS to support other quality initiatives;
- The benefits to the organisation;
- The benefits experienced by users;
- Barriers to securing greater benefit.

6.2 Successful EDS arrangements do not stand still (section 2). We consequently also include a review of organisations' proposed future developments of their EDS.

EDS and wider quality initiatives

6.3 As demonstrated in section 3 (Figure 3.8), large numbers of survey respondents are involved in various training or quality initiatives, 78 per cent either recognised (53%) or committed to Investors in People (25%), for example. However, as Figure 6.1 shows, significant numbers of respondents found it difficult to gauge the extent to which EDS helped support this involvement. What is notable, however, is that just under half (46%) felt their EDS supported their Investors in People recognition.

Figure 6.1: The extent the EDS helps support quality or other standards in the organisation

	To a great extent	To some extent	To a limited extent	Not at all	Not at present	Don't know	Not answered
ISO9000/2	8%	10%	8%	6%	6%	9%	53%
Investors in People committed	14%	12%	2%	3%	2%	7%	60%
Investors in People recognised	25%	21%	3%	2%	4%	6%	39%
Other	2%	-	-	-	-	-	98%

N = 126

Examples of links with other initiatives:

One SME in the Midlands introduced an EDS following an initial Investors in People assessment. The primary focus was, and continues to be, on how courses undertaken through EDS can support the business, business goals (long- and short-term) and provide evidence for recognition of such standards as Investors. A major benefit of this strategy has been that the company undertakes regular evaluation of vocational courses they fund to fulfil the requirements of Investors, and consequently they have a stronger grasp of the skills and knowledge of the workforce. This, in turn, is helping to structure succession planning and secure the long-term future of the company.

At one of the major food manufacturing case studies, the EDS is not seen to be strategically important. Within the organisation's Business Strategy, there is a heading 'Commitment to People' and this is where the EDS sits alongside Investors in People (for which the organisation is held up as a best practice exemplar). Thus the EDS is not measured and evaluated strategically as it does not stand alone.

The EDS has to be seen in the context of overall HR development in the regional police force case study. At the time of the EDS pilot, a formal staff appraisal scheme did not exist. The Division had only recently started working towards Investors in People status. It wanted to take these broader staffing issues and put them under an overall 'Learning Framework' - thus the EDS is part of that Framework rather than a separate, ring-fenced initiative. All in all, it has led to a new culture being developed internally. The concept of the EDS was introduced at a time of internal change. The name 'Employee Development Scheme' was not used, as 'employee development' has a broad connotation, and something more specific was required to fit the organisation. Hence the term 'Learning Framework'. All of this is operated from a performance development and review structure that started in January 2000, where performance priorities are cascaded down from the Chief Constable. Each employee is then involved in a process of personal review to develop themselves to meet these priorities and underpin future career moves.

6.4 The survey evidence also suggests at best some uncertainty among some organisations with Investors in People recognition about the value of EDS in supporting this. Although these are outnumbered two to one by organisations who feel there is value, this seems less than a whole-hearted endorsement. This may reflect tensions apparent from the results of the earlier HOST-DfEE survey which suggested that some organisations doubted if self-directed learning met the Investors in People criteria centred on business-goal focused training and development. Some of those organisations had experiences of Investors in People assessors criticising investment under EDS because it did not meet such goals explicitly. The current survey has shown no similar evidence of mixed messages from assessors over EDS, but it seems that, for some organisations, there remains a lack of clarity over how EDS supports wider Investors in People goals. One of the case studies, recognised against the national standard since 1998, commented that the central training department wanted to keep a clear distinction between training which was seen as goal-centred and underpinning their Investors in People recognition, and EDS learning which was seen as 'welfare'-centred.

6.5 There seems to be similar uncertainty over the relationship between quality certification and EDS, with organisations almost evenly divided between those seeing some relationship, and those not. In some of the case studies, managers saw a more established - if intangible - link with employees more committed to learning being seen as more responsive to quality standards and systems.

An example of links to quality standards:

A large manufacturer, for example, operates in a business environment in which quality standards and continuous improvement are central to its competitiveness. The company's approach to self-directed learning among staff - of which EDS is a crucial part - is seen as essential to supporting this emphasis. In particular, managers are concerned that employees who are not regularly able to respond to systems or process changes, and to actively contribute both to quality systems compliance and improvement, would be holding back their quality-centred competitiveness. Employees who are keeping themselves regularly involved in self-directed learning are thought more likely to be effective contributors to these quality needs.

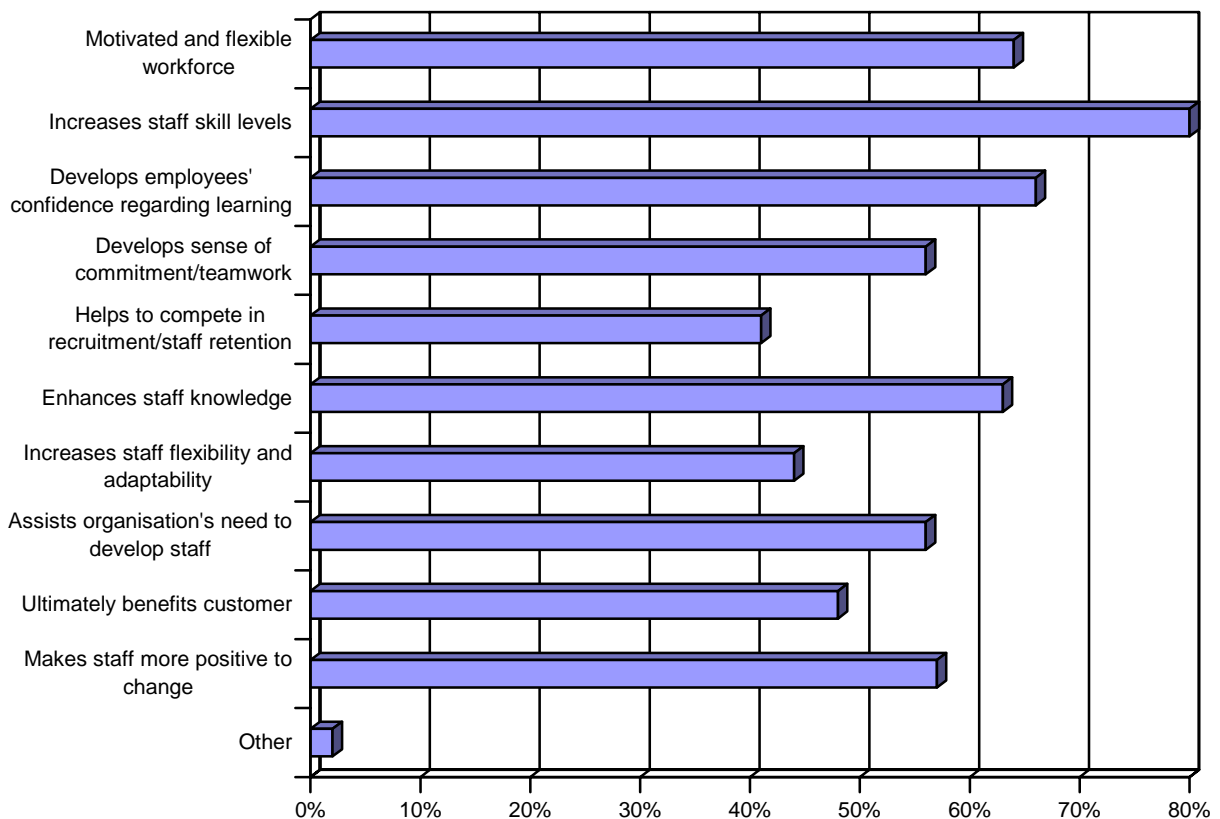
The benefits of EDS for the organisation

6.6 According to survey respondents, the main benefit is clearly increasing staff skill and knowledge levels (Figure 6.2). Interestingly, this was also one of the key objectives of introducing a scheme.

6.7 From the case study evidence, a number of organisations see a better motivated workforce as a clear benefit of EDS. In companies where there are few staff 'perks', or where there are concentrations of part-time staff, enabling employees to undertake learning provides a unifying element, which generates better teamwork. As one company manager observed:

'...learning and staff development is more than just sending people on courses and hoping they get something from it. It's about them sharing that experience with other people so eventually the whole exercise has a multiplying effect.'

Figure 6.2: Benefits to the organisation of running an EDS



NB Multiple responses
N = 126

Examples of motivation:

At one professional institute, the Human Resource Manager has been concerned about stress levels among employees. She has therefore enhanced the EDS to allow yoga classes, gym/fitness club subscriptions, and aromatherapy training to be included, and is now monitoring take-up of this type of learning against sickness record, staff turnover and so on.

At an NHS Trust, the organisation offers the widest possible choice of courses or activities, viewing any type of learning as positive. This extends to the involvement and subsidy of friends and family.

At another case study, a national charity, the HR manager believes that encouraging staff to undertake activities in groups is a method of not only stimulating interest but of assisting job-related team work and consequently helping to lower levels of stress within the organisation.

6.8 Additional benefits identified over time include increased communication, staff identifying with a company culture and a rise in profitability/efficiency.

Examples of additional benefits:

At one North West manufacturing case study, the Management Group see clear benefits in enabling them to manage change in working practices with an interested, flexible workforce. It is seen to develop confidence amongst staff and increased efficiency enabling savings in manpower and resources.

A number of case study organisations saw very tangible and positive results from EDS. As well as greater staff confidence, several, from very different sectors and of different sizes, reported that employees were more willing to take part in work-related learning and development, seeing learning as something both useful in the short term and portable in the longer term.

For many of the surveyed organisations the impact of EDS on staff motivation was also very important. This was also evident in the case studies. One rail operating company, for example, had - as with other UK train operating firms - gone through a period of great turbulence in operations following the much publicised knock-on effects of the Hatfield rail disaster and the subsequent upgrading of national track. This was seen to substantially de-motivate staff who were themselves inconvenienced by the disruptions, but were also having to handle rising customer dissatisfaction. Through the six-month period in which the company was affected, it was felt that the EDS arrangements had helped to boost morale - and there was some evidence that other train operating companies had seen greater staff turnover during this period than the case study employer.

6.9 'Better staff motivation' remains a complex issue that may merit further detailed work with EDS participants to explore just what aspects of their work they feel more motivated about, and any causal relationships with the EDS arrangements. Such evidence did not feature strongly in any of the (albeit limited) evaluation evidence gathered from case studies. However, there was a strong anecdotal link between motivation and enhanced learning capabilities and confidence in the case studies among lower qualified (or unqualified) employees.

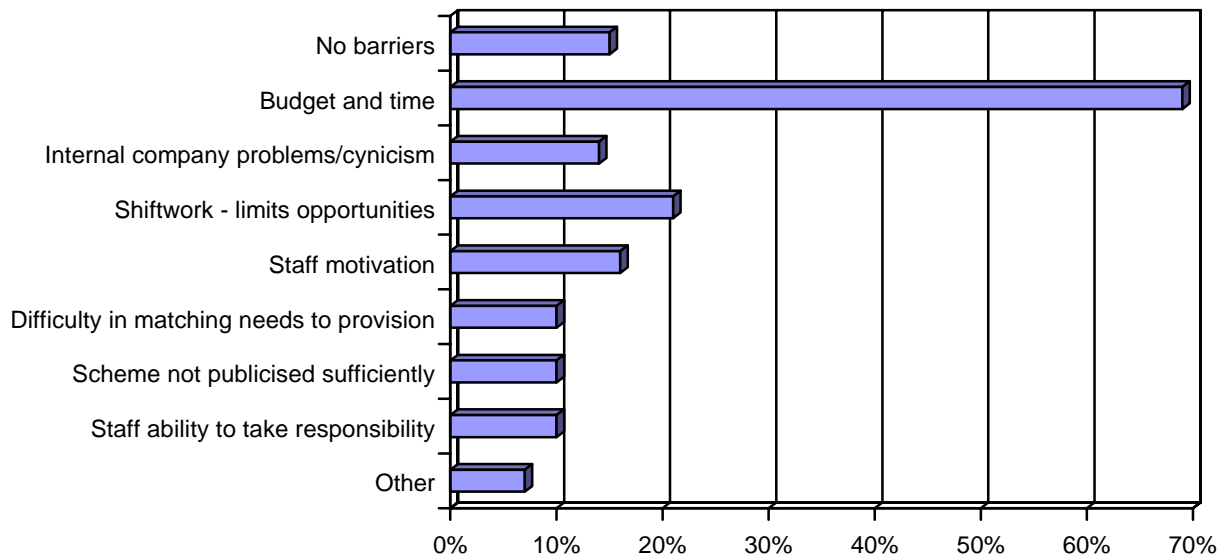
6.10 In each of these issues, as with skills and knowledge development, this seems to have been an aspiration of many organisations in setting up EDS. Here there seems to be a close alignment between the reasons schemes were set up and the observed benefits - a positive effect in sustaining the arrangements. Some benefits, however, seem to have been more unexpected. For example, few anticipated EDS as impacting on recruitment potential for example, but 40 per cent of the surveyed organisations saw this as a benefit.

Barriers to an organisation securing greater benefit

6.11 Whilst some employers (15%) felt there were no barriers, over two thirds (69%) cited budget and time as problems. The two were closely inter-related in practice, and were far and way the most common barriers to securing greater benefit.

However, over a fifth (21%) also indicated problems with shift work patterns (Figure 6.3).

Figure 6.3: Barriers to the organisation securing greater benefit from the EDS



NB Multiple responses
N = 126

An example of EDS and shift work:

Under the auspices of their EDS scheme, 'Nice Little Learner', one of the food manufacturing case study employers has run language courses with local Adult Education providers on site in the lunch hours using SRB funding. Forty people have been learning French, German or Spanish. The SRB funds paid for the actual teaching, the EDS for the course books and materials. This has been moderately successful, attendance every week an issue owing to shifts and production line problems preventing release of some individuals on occasion.

6.12 Perhaps most notable in Figure 6.3 is that 16 per cent of respondents cite problems in staff motivation. This has been a particular problem for one case study, where managers are increasingly bemused by the relatively low take-up of their scheme, given the sums of money on offer and the ability to train in areas they wish. One of the employee co-ordinators feels the problem is that, coming from a training arena, staff are reluctant to attend training out of hours and, in any event, many have families and are reluctant to attend evening or weekend classes.

6.13 Some of the other barriers may relate to the widespread lack of review or evaluation activity on EDS which these organisations undertake. Consequently, around one in ten see difficulty in matching employee needs with EDS provision, and

a similar number cite lack of staff awareness. In both cases, this may reflect a lack of adequate information in these organisations about employee needs and expectations - an odd (if widespread) omission for a process which is thought to be most effective when able to respond to 'self-directed' and therefore self-diagnosed learning needs. Some of the case studies saw this as an important issue in sustaining - or increasing - organisational benefit. One, for example, felt that, although it was proud of the take-up rates, these were starting to fall off for some areas of provision related to EDS. They were now acknowledging the need - reflected by the most experienced case studies such as Ford EDAP - to keep schemes fresh and responsive by regularly monitoring not only participation satisfaction but also unmet or prospective needs.

Benefits to users of EDS

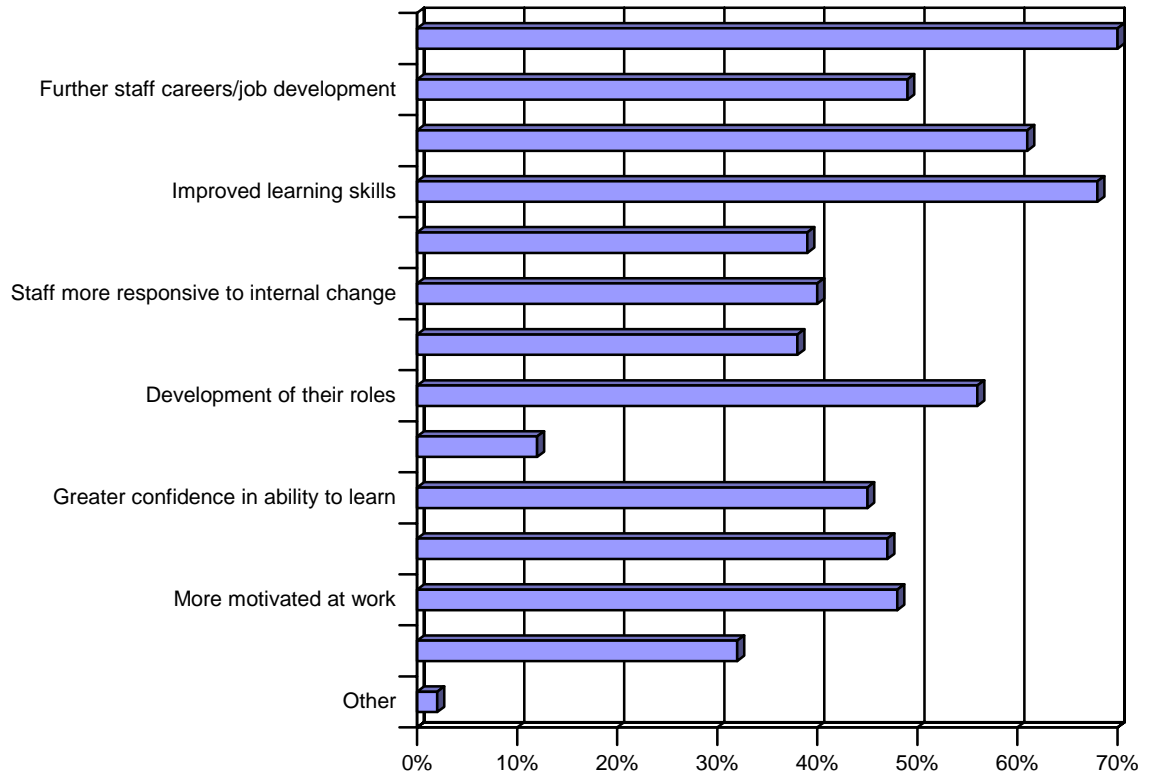
6.14 A two-pronged approach was adopted to obtain the views of employees participating in EDS. Survey respondents were asked, in their opinion, what the benefits are for their employees and, as part of the case studies, focus groups of employees were asked to put forward their own views.

6.15 From the employers' perspective (Figure 6.4), amongst many employee benefits, increased confidence and improved learning skills were front runners. These were closely followed by increased self-esteem, and the ability to contribute better to the development of their work roles.

6.16 Employees report a range of benefits of EDS, most notably improved confidence within and outside the workplace. An employee at one case study employer, who had not undertaken any learning for over twenty years, learnt to ride a horse as part of an EDS course. She reported that learning a new skill where physical skill was involved enlarged her confidence and self-esteem in all areas of her life.

6.17 One of the most important benefits of non-vocational courses is that it removes some of the cynicism that staff often exhibit towards their companies regarding learning. In those organisations where non-vocational learning is encouraged, employees believed that their management valued them highly, and viewed them as individuals capable of their own direction. As a result, they felt very positive towards the company. Some of the case study staff who were only permitted to undertake vocational and/or work-related courses felt their organisation's management were using EDS as disguised job training which they had to undertake in their own time.

Figure 6.4: The benefits which have been experienced by the users themselves



NB Multiple response N = 126

Example of EDS v. vocational training:

In the case study Employee-led Development Network, this was a problem in at least one of the three group EDS arrangements. Here, it was felt that weak co-ordination at a time of staff changes in one of the EDS supported trading estates, had seen some of the constituent SMEs encouraging staff to use these arrangements to learn about specific IT applications. Some of these participants felt they had been pressured to tackle this when a company-centred course would have been more appropriate to their needs. Others, who had entered the EDS to meet self-identified needs, were more motivated.

6.18 Employees also seemed more positive where they had approached their line managers to undertake a course rather than when line managers had suggested learning during, for example, an appraisal interview. Again, the case studies showed extensive evidence that EDS often showed greater benefits - for employees as well as employer - where the participation was self-directed.

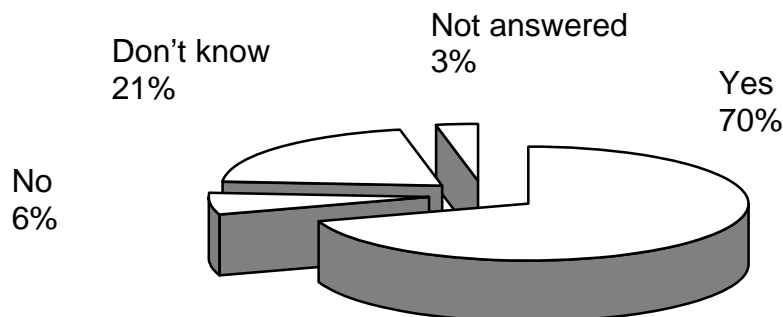
Examples of the benefits of self-direction:

A large manufacturer case study, for example, although seeing participation coming from both appraisal-centred diagnosis and more individual directed take-up, felt that employees tended to benefit more where this was self-directed. Another case study felt so strongly about self-direction that, in the early stages of their arrangements, they tried to avoid any link between the scheme and staff appraisal. As the arrangements developed greater credibility among employees - a process that occurred very rapidly due to the senior manager commitment and joint union-management approach - managers were encouraged to see EDS as one of the ways they could encourage staff to tackle personal skills and development needs and aspirations.

6.19 The only barrier to participation in EDS that was identified by employees was time. Many interviewed had considerable home commitments and, regardless of the terms of their organisation's EDS or the extent of funding, their domestic circumstances prevented participation. In one or two case study organisations, some employees had to make extensive domestic arrangements in order to take up EDS, although in most cases their organisations had accommodated them by changing work schedules. In some organisations, there was considerable flexibility in affording staff time to take courses either in working time or at weekends, or through special leave arrangements. In some companies this flexibility was only offered for vocational courses or where the company could see direct organisational benefits in the shorter term.

6.20 Just under three quarters (70%) of survey respondents felt their EDS had an impact on employees' learning behaviour (Figure 6.5).

Figure 6.5: Whether the scheme has any impact on employees' learning behaviour



N = 126

6.21 It is seen to have the following effects (with numbers of respondents in brackets):

- Encourage a pro-active approach to learning (22);
- Encourage learning (20);
- More interest/willingness to try something new (17);
- Increase confidence (16);
- Staff appreciate the benefits of learning (5);
- Staff feel valued (4);
- More involvement with the company (3);
- Becoming the 'norm' rather than the exception (2);
- Expectations change (2).

6.22 Other points raised by other organisations include transferring learning to the workplace, increasing awareness and encouraging an open-minded attitude amongst staff.

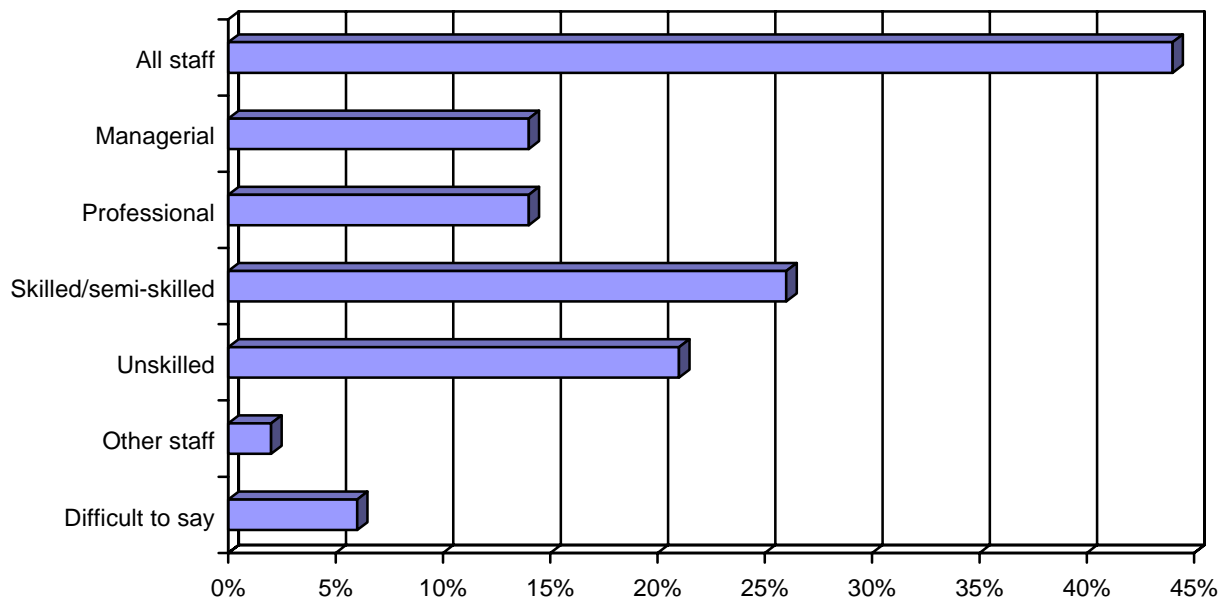
6.23 In terms of which groups of employees have been the main beneficiaries of the EDS within the organisation, whilst over two fifths (44%) say 'all staff', over a quarter (26%) cite skilled/semi-skilled staff and one fifth (21%) unskilled staff (Figure 6.6).

6.24 Employees interviewed by HOST in case study organisations also reported a greater receptivity to learning after completion of an EDS course. Some who had taken language courses had progressed to other subjects and other languages, two employees - in different companies - had taken refresher maths courses and had later undertaken accountancy examinations.

Examples of greater receptivity to learning:

In Ford EDAP, the longest established scheme, evaluations had shown substantial progression for many users. Examples could be cited of semi-skilled shop-floor staff who, following participation in their EDS linked off-line (basic skills) initiative, had gone on to a range of intermediate and even advanced qualifications. In fact, of the over 300 Ford EDAP participants now tackling Open University or part-time degrees, over a half were users who, when first taking part in EDAP '*... could not have mustered more than a handful or 'O' levels of GCSEs between them*'.

Figure 6.6: Which groups of employees have been the main beneficiaries of the scheme



NB Multiple responses

N = 126

Future developments in EDS

6.25 Survey respondents gave a variety of plans for the future development of their scheme. Many of the proposals related to better promotion and increased awareness together. Several plan to review provision with individuals' needs and organisational objectives. 'Tweaking' of schemes included re-launch, a three-year rolling programme for more flexibility, increased awareness of basic skills and dyslexia and provision of more in-house resources.

6.26 Other organisations hoped to improve the funding available for EDS or were planning a more vigorous promotion of their scheme. Often one was dependent on the other, and many EDS managers were reluctant to engage in any further promotion for fear of raising unrealistic expectations. Ford EDAP at Dagenham has already piloted such an initiative with employees at adjacent trading estates.

One or two companies were considering sharing some of their facilities with other small employers. One larger food manufacturer is considering an expansion of its Open Learning Centre for just such a purpose, and using ILAs as a means of supporting such an arrangement. This company is also looking at ways to incorporate Basic Skills training within the EDS package, a move that is also being considered by another, an NHS Trust.

Among other case studies, a common area for development was in looking at what greater use of electronic delivery might offer EDS provision. This had many facets. Several case studies were looking to go beyond IT-based provision in open-learning centres to offer access to distributed learning courses and qualifications in local colleges and universities. One large manufacturer, for example, had piloted such arrangements as far back as 1996, and was now capitalising on these through links with Leeds Metropolitan University, among others.

The statutory environmental organisation case study was looking at setting up in its central learning resources team a dedicated 'learning server' that could make course materials from popular EDS programmes available through the organisation's cross-site intra-net. This was thought to have particular advantage in the future for employees who found it difficult to attend courses in the open learning centre or to make the regular commitment needed for other EDS-supported learning arrangements. Arrangements for this were well advanced, and the organisation was also looking at the implications this would have for more remote learner support in the scheme.

Another case study, a rail company, was also looking at the scope to build in more content in its EDS process that could be linked to guidance and assessment for individual units of selected NVQs. This organisation was in the early stages of developing this arrangement and was exploring some of the software arrangements and validation needs.

6.27 A number of the more innovative cases were also exploring how to secure even greater organisational and individual benefit through opening up some aspects of EDS to families of employees. Ford had already developed a similar programme at its Dagenham site, where the 'off-perimeter' location of the EDAP centre overcame what would might otherwise have been serious security issues for the organisation. Others were considering following suit.

6.28 For some companies the problem of take-up at all levels of the organisation was problematic. One, a professional institute, was developing its internal marketing to address this; another, a large catering company is to hold a Managers' workshop to tackle the same problem; and another, an NHS Trust, is reorganising its whole EDS planning to encourage more managers and part-time workers to take part. Most organisations were anxious that EDS was not seen as the 'workers' programme, and some could see that it could be a very effective vehicle for better cross-level communication.

6.29 A number of organisations were concerned how EDS 'fitted' with other current learning ideas such as learndirect and ILAs. One company said that his directors

were demanding better strategic cohesion between all the different training/learning/development packages that could be used to promote a learning environment, because some programmes his organisation offered were not cost-effective and often duplicated effort.

Overview

6.30 The results have suggested that, whilst large numbers of survey respondents are involved in various training or quality initiatives, they found it difficult to answer the extent to which their EDS supports these.

6.31 The main benefits of EDS to organisations is clearly increasing staff skill and knowledge levels. Additional benefits identified over time include increased communication, staff identifying with a company culture, and a rise in profitability/efficiency.

6.32 Whilst some employers felt there were no barriers to securing greater benefit from their EDS, over two thirds cited budget and time. Shift work was also an issue. Some respondents indicated a problem in motivating staff to participate in the EDS. Some of the barriers clearly relate to the widespread lack of review or evaluation activity on EDS which these organisations undertake.

6.33 From the employers' perspective, the benefits to employees were increased confidence and improved learning skills. Employees themselves report a range of benefits of EDS, most notably improved confidence within and outside the workplace. The only barrier to participation identified by employees was time, as many had considerable domestic commitments.

6.34 Many of the proposals for future development of existing schemes related to better promotion and increased awareness.

7: Conclusions and Issues for Consideration

Introduction

7.1 The preceding sections have established a clear picture of the current profile of EDS within organisations. They have shown a reduction in employer support since previous HOST research in 1998 - reversing a ten-year trend in extending the concept to more and more businesses. The evidence also shows a greater degree of fragmentation in co-ordination as TECs withdrew funding, but a significant increase in participation of organisations with less than 100 employees.

A summary of key findings

7.2 Some of the organisational aspects of EDS revealed by this survey show:

- The majority of schemes are internal and run only for employees. The main reasons for introducing an EDS are raising skill levels, encouraging staff commitment, motivation and loyalty and encouraging learning in the work environment. For the majority of survey respondents, the purpose of having the EDS has not changed since it began. Where changes have occurred, they have been, for example, to include or exclude health-related content of schemes such as membership of sports clubs.
- Although in most cases all employees are eligible for the EDS, some organisations are constrained by budgets and have to limit the number of employees who can participate in one year.
- Running an EDS often involves a complex mix of on-site and external learning. Almost two thirds of surveyed organisations provide access to on-site learning facilities/centres. Only one organisation in seven provides full fee payment for external courses.
- Many TECs contracted with their local careers service provider, or even local consultants, to provide guidance support. Just under 40 per cent of organisations also support EDS with an internal guide on learning resources.
- Funding arrangements vary considerably and the case studies demonstrate the great range of fee and payment structures that exist today. There are issues in relation to ILAs that require further guidelines for users. There are issues for consideration in how to support and enable organisations to continue with their EDS once 'pump-priming' ceases, particularly if no evaluation of the success or otherwise of the scheme has been carried out.
- Whilst past research has suggested that EDS is most effective when it is clearly additional to other work-related learning opportunity, over a quarter of survey respondents restrict their EDS to only vocational courses.

- Take-up rates are highly variable. In many cases, raised staff awareness had led to an increase in the usage of the scheme. The survey results confirm the case study experience that where there is open access to EDS participation shows few contrasts in level across occupational groups.
- The results have suggested that, whilst large numbers of survey respondents are involved in various training or quality initiatives, they found it difficult to answer the extent to which their EDS supports these.

7.3 There would seem to be no lack of research evidence on the development of EDS. However, with the exception of a small number of company-specific studies, the evidence is mostly small-scale and often based on *post hoc* reviews of employer and employee experience. Only the 1998 DfEE survey went any way towards mapping activity. However, in that study, weak workplace monitoring meant that little could be discerned about overall levels of employer take-up, or the appeal of EDS to different sorts of employers or business circumstances. This remains an important information gap.

7.4 What emerges is an essentially fragmented picture of the development of EDS - stemming from a combination of essentially organic development in the early 1990s, mixed with selective TEC promotion since. Neither stimulus seems to have provided the foundations for the evidence on benefits to employers and employees that any more coherent approach to policy support through government would need.

7.5 The difficulty in identifying organisations with EDS makes an estimation of total schemes in existence tentative at best. However, this research does suggest an erosion of the number of total schemes over the last four years, perhaps of the order of 25% or more. They do appear to be more prevalent in retail, finance, pharmaceuticals, utilities, banks, schools, colleges, automotive industries and manufacturing. There is little evidence of EDS in local authorities, health care trusts, tourism, hotel and catering, transport and communications and construction.

7.6 The previous HOST research suggested that in 1997-98 TECs interviewed at the time felt that the momentum for involvement in EDS was growing but this 'momentum effect' is clear from the current research results. However there has been a distinct rise in the number of organisations of less than 100 employees with EDS, a result of TECs targeting SMEs. Many schemes have been introduced as a result of funding incentives rather than business planning. The case studies, however, illustrate some good practice in linking EDS to business objectives.

7.7 The case study experience suggests that the way schemes are run is an important influence on progression. This cannot be dissociated from funding. However, in some cases it seems to be the quality of EDS co-ordination and learner support, and the flexibility of access and internal 'championing' of the initiatives by employee 'peers' which are more important to progression than the level of funding. Just under half of respondents encourage participants to move on from non-vocational courses to vocational.

7.8 The main benefits of EDS to organisations are clearly increasing staff skill and knowledge levels. Additional benefits identified over time include increased communication, staff identifying with a company culture, and a rise in profitability/efficiency. Whilst some employers felt there were no barriers to securing greater benefit from their EDS, over two thirds cited budget and time. Shift work was also an issue. Some respondents indicated a problem in motivating staff to participate in the EDS. Some of the barriers clearly relate to the widespread lack of review or evaluation activity on EDS which these organisations undertake.

7.9 From the employers' perspective, the benefits to employees were increased confidence and improved learning skills. Employees themselves report a range of benefits of EDS, most notably improved confidence within and outside the workplace. The only barrier to participation identified by employees was time, as many had considerable domestic commitments.

7.10 Many of the proposals for future development of existing schemes related to better promotion and increased awareness.

7.11 A number of issues have been raised for further consideration, including:

- EDS models and approach;
- External funding;
- Co-ordination and networking;
- The need for guidance on EDS; and
- Good practice and lessons for public policy

EDS models and approach

7.12 The case studies suggest varying approaches to schemes. This research suggests that they can all be broadly positioned within four categories, as explored in section 2, see Figure 2.2. Clearly, there are those organisations that only allow vocational courses to be undertaken within their EDS, with varying levels of budget and support. By our reckoning, these constitute 8 of the 25 case studies. In these cases, where the EDS is effectively being used as part of what would be considered normal work-related training, the additionality of the scheme is difficult to determine. This does not mean that these schemes do not work for the organisations running them, or that effective learning is not taking place, but that they fall short of the EDS principles and practice as set out in section 2. They tend to be driven by a business perspective and business needs, with little or no consideration of the additional rewards that can be associated with individual learner benefits.

7.13 On the other hand, many of the more successful schemes are aimed at personal development with a wide choice of non-vocational and vocational options, and attract an extensive budget – this describes 10 of the case studies. Even if a wide variety of learning options is eligible for funding, participation can however be limited due to restricted budget and resources within the organisation (this describes 7 of the 25 case studies).

7.14 The evidence from the case studies shows that, three years on from the previous analysis, most organisations, in seeking to establish EDS, find little clarity in what the concept - or its implementation - involves. Given the lack of central guidance to businesses or practitioners within them, each organisation has to determine its own criteria when introducing an EDS. Although customising an approach to individual organisational circumstances is a positive influence on its sustainability, this lack of guidance on principles and options may act as a disincentive to some organisations to become involved in EDS. The model outlined above, with more detailed examples from the case studies, may be a starting point to making the concept more accessible to a wider range of organisations. This could form part of guidance documentation on establishing EDS aimed at organisations, but possibly distributed through LSCs.

External funding

7.15 In many respects, this is a central issue in the development of EDS as a tool in helping businesses to build a workforce which is capable of continued learning. The results show that, even among those organisations engaged in EDS, 'budget and time' are one of the main barriers for organisations in securing benefit from an EDS.

7.16 This is a complex issue since few organisations chose to cost wider issues in supporting EDS - or the benefits arising. Where cost data can be secured, it relates commonly only to external courses or related EDS budgets. Even this data lacks comparability, since the 'level' of support will vary with the mix of EDS provision between on-site learning through open learning or coaching (usually not costed) and external courses. To this we can add contrasts between organisations in what - if any - amount of cost is recovered from employees (either in their time or cash commitment), and any levels of subsidy on start-up or access provided by publicly-funded or other bodies.

7.17 For external provision in EDS in 1998 the average amount of employer support per employee was £50 per programme. Since then the picture has become much more varied and TEC promotion through 'pump-priming' support has improved the take-up of EDS. It has also helped raise the profile of EDS, provided some degree of support and guidance (albeit to variable degrees, a point returned to later), and brought EDS into smaller organisations where it used to be mainly in those with over 1,000 employees.

7.18 However, organisations that have followed this route have willingly taken advantage of the support funding available either in start-up (as with some group schemes) or in individual participant subsidy. Unfortunately, among many of these organisations, little thought has been, or is being, given to the organisation's ability to sustain EDS in the long term. Thus, where TECs have been providing, say, up to £250 per person for a two-year period, two main problems seem to arise in mainstreaming the activity. Firstly, the ability of the organisation to sustain funding at that level is often limited without some other form of external support. This may be compounded for some organisations because, over the typical two to three-year period of TEC support, employee expectations have been built up to expect this level of subsidy and access.

7.19 Secondly, and to some extent even more importantly, there may be limited sustainability by those organisations that have taken full advantage of EDS funds, without any real business rationale having been developed. In this, TEC support seems to have exacerbated indirectly the problem of a lack of substantial business foundations for EDS commented on in the 1998 survey. Only a very few organisations amongst the TEC-supported case studies actually reviewed or evaluated the business and financial implications, or had fully considered whether they would want to continue such a scheme post-funding. The previous research suggested it typically takes three years before an organisation begins to see the full benefit of having an EDS. Not only does external funding often only last for two years or less (i.e. the money runs out before the full benefits can be realised), but even with a publicly derived subsidy, there is usually no real attempt made by many firms to keep detailed records and systematically track, monitor or evaluate the benefits in real terms to the organisation and justify the continuation of a scheme.

7.20 It is difficult to escape the conclusion that the apparent drop-out in EDS participation by businesses stems from these issues. In HOST's database of TEC-supported EDS take-up, there has been a 50 per cent drop-out in the last three years. As such, the mid 1990s experiment in TEC facilitation, although getting many organisations into EDS that otherwise might not have done so, seems also to have an associated cost in limited sustainability for some organisations. This is almost certainly the main reason for large numbers ceasing to run and finance EDS. Similar concerns might also be expressed about some of the more recent TEC-centred initiatives which draw on European Funding.

7.21 This is not to suggest that local facilitation of EDS take-up is inherently flawed. Around half of the TEC-supported organisations seem to retain EDS engagement and some of the case studies show that such schemes have expanded since TEC funding ended. However, it is likely that much more could have been done with an emphasis that was less funding and more business development driven, more strongly facilitated to build employer rationales, and also more systematically evaluated both at organisation and TEC level.

7.22 There may be an important public policy role to be played in revisiting this experience - and certainly considerable scope to do so. The LSC needs to be made fully aware of these points in order to ensure that organisations take a realistic and long-term view of EDS, establish a rationale for participation, and monitor and measure all aspects of a scheme in the same way that they would expect to evaluate the impact of other policies and resulting activities. Any revisited support where local arms of the LSC act as brokers or intermediary agencies to stimulate EDS take-up has a lot to learn from the rather variable earlier TEC experiences.

Co-ordination and networking

7.23 Group EDS arrangements do seem to present a unique set of issues - and these have been largely ignored in any past empirical evidence. Related to the issue of external funding is the need for clear central co-ordination amongst such network schemes. Often funded and 'co-ordinated' through TECs, organisations have

become involved merely to access the funds, and have often mistakenly believed that TECs would both broker and facilitate the networks. In some cases, EDS networks have been effectively taken over by individual provider bodies to support their own funding needs rather than employer or employee needs.

7.24 In too many group arrangements, there seems rarely to be clear 'ownership' of these schemes by participating companies - a factor which compounds the difficulties commonly seen in mainstreaming the activity when development funds run out. For example, where a training need is established across a number of organisations, the responsibility for organising a central course or use of facilities is frequently not clearly established. This has often been compounded by changes of personnel or fluctuating priorities within the TECs or the organisations themselves. Research shows the importance of properly funded and resourced central co-ordination. It would perhaps be better for these network schemes if less money per individual was paid and more resources put into a permanent, sustainable co-ordinator for the scheme.

7.25 If group schemes are to continue to be a feature of EDS development, it seems that rather more needs to be understood about how they work well. It may be that such schemes have inherently different goals and scope than single organisation arrangements - and very different implications for co-ordination, management and funding. This suggests, perhaps, some pilot-level development activity which is more robustly monitored than has often been the case in the past.

7.26 A separate issue in networking, however, is the ability of organisations to share EDS experience across localities. This would seem to be especially important in sectoral developments - a forum where many SMEs will feel most comfortable in exploring development options and needs. At present there is no appropriate national or cross-national focus for such networking among single (or group) company schemes, and very few within individual sectors. Some initiatives have been taken - by the TUC - to support employee representatives in working with managers to develop EDS, but there are no effective parallels for HR practitioners and other managers. Such a practitioner or business forum might have an important role to play in supporting necessary developments in expert support and guidance, integration with other workplace learning and quality initiatives, and perhaps in some common learning access materials.

The need for guidance on EDS

7.27 As already mentioned, there is a clear need for guidelines and/or a guidance document on EDS for employing organisations. This should almost certainly cover the following:

- Background to, and examples of, effective EDS;
- A clearly argued business case for companies becoming involved, with case study illustrations;
- Sources of funding and guidance (with reference to their correct use, e.g. ILAs);
- Scheme models and rationale;
- Practical advice on establishing a scheme;
- Operating a scheme;

- Collecting monitoring data;
- Evaluation, review and revision.

7.28 Such a document could be made available to employing organisations through a variety of sources and used by LSCs, for example, as part of their local promotion and support.

7.29 This research has already provided some of the empirical evidence on which such guidance could draw, and the potential to forge robust links to a range of employer champions for such guidance. Any such document would need to be generic in focus and might complement the more specialised guidance made available by the TUC to voluntary officers of trade unions. There may also be a role for NTOs or other sector bodies to play in customising such materials to sector circumstances.

7.30 Unlike many other areas of VET development which have in the past been supported by practitioner-centred guidance packs, this has the advantage of being able to be self-sustaining. The evidence shows that well-founded EDS arrangements - which such guidance would help forge - are readily self-sustained by a combination of recognised employer gain and continuing employee commitment.

Good practice and lessons for public policy

7.31 The results provide a positive picture of how EDS can provide a real focus at the workplace for encouraging wider participation in learning. It can be highly cost-effective, simple to organise and run, and can draw in employees who have missed out on earlier educational attainment.

7.32 This research (tentatively) estimates that some 1,500 employers across the UK are running such schemes - but why not more? This is a central question for policy makers and to those such as the LSC and SBS taking policy and support for workplace learning to employers.

7.33 The research has shown great diversity in how employers shape and operate EDS. In particular:

- Many schemes were established with narrow goals and expectations - and were seen as workplace perks for employees rather than as a tool for building change capacity and commitment in organisations. For most of these this narrow focus has not changed and will have done little to persuade others of EDS merits other than as a peripheral feature in reward strategies;
- EDS can tap a reservoir of learning aspiration at the workplace - but to do so it needs an approach to resourcing and support that is responsive to these needs and sustainable;
- Even where new EDS arrangements have attracted appropriate financial support they can be let down by ineffective co-ordination or little or no attention being paid to the need for guidance and support to learners;

- Firms running EDS may be very pleased with the results and committed to their continuation, but the lack of sound evaluation means that many fall back on anecdotal evidence of gain - to the organisation and individuals. Such evidence may be persuasive within committed firms, but will do little or nothing to persuade others - many of whom will be sceptical - of the benefits.

7.34 In short, while a cadre of convinced firms has been developed - and seems to have grown , albeit slowly, over the years - this experience has done little to promote wider take-up of EDS.

7.35 There are messages in this for those shaping and implementing public policy. First among them is the workplace leverage which EDS can provide for stimulating learning among adults - and especially among hard to reach groups of adults. Second is that EDS represents a process rather than a programme and as such can link well with other workplace VET and learning initiatives currently being stimulated by government policy and programmes. Thirdly - and more cautiously - EDS as a process may have reached at, or close to, the optimum level at which it can readily sell itself to managers and workforce development practitioners. Without some stimulus to overcome this inertia few employees are likely to have access to EDS arrangements, and an opportunity will be lost to more effectively use workplaces as a vehicle for lifelong learning.

7.36 This research has provided an overview of EDS in its diverse forms and expressions in England. Perhaps the next step might be for public policy to look at the leverage effects of EDS, its synergies with other policy initiatives, and how it relates to other (and wider) policy goals such as social inclusion and developing or sustaining employability. However, as discussed above, the evidence also suggests a need for guidelines on effective development of EDS for employing organisations to encourage more to consider what EDS could do at individual workplaces, and to provide for secure foundations in schemes that are started.