**Research Report
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Adapting To Change: An Evaluation of the ESF Objective 4 Programme In Britain (1998-2000)

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EXECUTIVE SUMMARY

Introduction

ESF Objective 4 (O4) supports Priorities that aim to make it easier for the workforce (particularly those threatened with unemployment) to adapt to changes in working practices, industrial change and to developments in production systems. There were three Priorities associated with O4:

> Priority 1 (P1): to develop anticipation tools that inform the development of training programmes. Within P1 there are 2 strands of funding. The first supports overall anticipation of changes in the labour market at national, regional and local level and the second supports company level skills analysis.

> Priority 2 (P2): to target training on those individuals within companies who do not have relevant up to date skills and who risk becoming unemployed. Within P2 there are also two strands of funding. Both strands support training and development firstly for key individuals and secondly for target groups within the workforce.

> Priority 3 (P3): to reinforce solutions to change. The two strands of funding support the development of new training solutions and improved networking.

In Britain, O4 funding amounted to £167million over two years (1998-2000). P1 accounted for approximately twelve per cent of the total, P2 seventy per cent and P3 seventeen per cent of the fund. Technical assistance accounted for approximately one per cent of the fund.

The O4 Evaluation Process

The ESF Evaluation Team in DfEE commissioned the Policy Research Institute to undertake an evaluation of the Programme in Britain. The main aims of the evaluation were to

- Assess the impact of O4 in GB

- Evaluate the extent to which the programme has met its objectives

- Suggest ways of improving the delivery of programmes which are designed to improve the adaptability in the workplace in order to inform future provision.

The evaluation methodology drew on a variety of primary/secondary information and utilised both qualitative and quantitative data collection methods. There were several discrete but inter-linked research elements associated with the evaluation methodology, namely:

- Analysis of the monitoring and final claims data collected by Government Office in the Regions and processed by DfEE.

- Twenty face to face interviews were conducted with key stakeholders (identified by DfEE) at the outset of the evaluation project together with a further thirty telephone interviews with managers of O4 funded projects.

- A survey was undertaken in October/November 1999 to explore the experiences of individuals (n=1000) undertaking training supported through O4. A follow up survey (n=759) to assess outcomes and impact was undertaken in October 2000.

- A survey was undertaken in October/November 1999 to examine the experiences of employers (n=200) engaged through O4. A follow up survey was undertaken in October 2000 (n=180) to assess further impact and outcomes.

- Further in depth face to face interviews (n=84) were undertaken to explore issues associated with the impact of support provided through O4 on individuals, employers and local trainers.

- A literature search and review provides contextual information.

- Presentation of results. Feedback on the progress and emerging evaluation findings were provided to the Steering Group throughout the duration of the project. An interim report was produced in December 1999 and a 'Good Practice Guide' produced in October 2000. The final report was delivered in March 2001.

The methodology is outlined in more detail in the full report and technical annex.

Policy Context

The aim of O4 was to help alleviate the threat of social exclusion through long-term unemployment by developing the skills of the workforce who are currently employed but who are potentially at most risk of losing their jobs. The emphasis was placed on those threatened with redundancy and the programme aspired to smooth the transition of workers made redundant back into employment. However the potential to contribute to the competitiveness of SMEs through the development of improved training and development processes was also a key driver.

Enhancing adaptability and employability were two central attributes of O4. However the extent to which they were/are universally understood and applicable is debatable. For example employability is a term used in a variety of contexts, with a range of meanings and as a result it can lack clarity and precision as an operational concept. Furthermore adaptability suffers from the same lack of clarity and precision sometimes referring to the characteristics of an individual, sometimes the organisation, sometimes the outcome of a process and sometimes the process itself.

Policy connected to the themes of O4 in Great Britain has continued to emerge and evolve during the O4 programming period. Key events include

- The Learning Age Green Paper (1997), re-emphasising the link between the development of lifelong learning, skills, competitiveness and social exclusion and proposed policy initiatives such as Individual Learning Accounts and University for Industry to widen learning opportunities. The Learning to Succeed White Paper (1999) determined new delivery structures (including the development of Learning and Skills Councils and Small Business Service) and continued commitment to workplace development initiatives such as the development of National Vocational Qualifications and Investors in People.
- The programme of research under the National Skills Task Force and publication of several key reports provided policy analysis and recommendations on lifelong learning and social exclusion including the final report of the National Skills Task Force 'Skills for all; Proposals for a National Skills Agenda'.

- The Competitiveness agenda set out in the Building the Knowledge Economy White Paper (1998) recognised the importance of developing skills (and particularly the skills of managers in SMEs) in the workplace. The development of workplace skills has been re-emphasised in the recent joint DTI/DfEE White Paper on Enterprise, Skills and Innovation entitled Opportunity for All in a World of Change (2001).

- Devolution and regional governance. The emergence of the Welsh and Scottish Executives, the establishment of Regional Development Agencies and the development of Regional Economic Strategies and Skills Action Plans to reflect regional economic priorities.

- Increased emphasis on evaluation at the EC and National level. For example the creation of the Centre for Management and Policy Studies in the Cabinet Office and the increased emphasis on evidence based policy (Cabinet Office 2000).

Labour Market Context

Economic and labour market conditions were relatively favourable at the outset of the programming period (1998) with more people in work than ever before, low inflation and low unemployment. However, there remained concerns associated with

- the number of people unemployed (1.8m)[1]
- the problem of large scale redundancies
- inequitable access to training for members of the workforce including those with relatively low qualifications, women and those working part-time
- too few employers (particularly SMEs) supporting sufficient skills development amongst their workforce.
- the capability of the supply side to meet the diverse needs of SMEs.

There now appears to be almost universal acceptance that skills development has a positive impact on both improving competitiveness and alleviating social exclusion (OECD 1998, Campbell 1999). However empirical evidence on the payback of training for employers remains equivocal (Barrett et al 1998, Storey et al 1994, Green, 1997) and

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[1] ILO (LFS Quarterly Supplement May 1998)

the uncertainty surrounding return on investment in training can be a significant barrier to training activity, particularly in SMEs.

Implementation of the O4 Programme in Britain

- Four Pillars of action (adaptability, employability, entrepreneurship and equal opportunities) underpin the European Employment Strategy and provide the foundation for ESF supported labour market intervention at the national level. These were established during the O4 programming period in GB, influenced its implementation and have become central to the new Objective 3 (O3) Programme (2000-2006) which incorporates key concepts of the previous O4 Programme.

- Stakeholders generally viewed O4 positively at the national, regional and local levels, although the thinking underpinning this positive view was diverse and somewhat contradictory. Some stakeholders viewed O4 *primarily* as an important aspect of proactive prevention of unemployment whilst others viewed it *primarily* as a means of improving the competitiveness of local companies. These views are not mutually exclusive as it can be argued that O4 works with both companies and their employees to improve skills levels, raise company performance and reduce the threat of unemployment.

- Many stakeholders at the national, regional and local level welcomed the opportunity presented by O4 to engage employers in workforce development activity although concerns were expressed at the low level of employer involvement in the design of interventions to be funded under O4.

- Largely due to the late take up of O4 funds by the UK Government, both the SPD and Regional Assessments were completed within a short timescale. This had ongoing implications for the planning, design and implementation of O4, and there was a general feeling that the process was 'rushed' and that the requirement to allocate resources exerted a major influence on funding decisions.

- The Regional Committees were essentially comprised of the existing O3 committees. Some stakeholders, whose concerns were arguably as great or greater in relation to O4 (e.g. Trade Unions, National Training Organisations) had difficulty penetrating the existing O3 networks at the regional level.

- There were concerns associated with the mechanistic nature of the scoring process, the continuity and timing of the funding decisions and the resources available for monitoring and evaluation at the regional level.
- There was (and to some extent remains) considerable uncertainty associated with eligibility of beneficiaries, match funding issues and the amount/utility of information required to service ESF requirements.

Assessing Outcomes of O4 in Britain

The primary research with employers and individual beneficiaries suggests that O4 intervention has been of benefit to the majority of participants. Key findings include:

Characteristics of beneficiaries

- The majority of organisations were responding to external challenges and were involved in activity including product, process and/or technological change
- The majority of employers (64%) were already undertaking substantial[2] training activity
- The most common training needs were associated with management and IT skills
- Two in five individuals had undertaken no training in the previous twelve months

Adaptability and employability

- O4 provision focussed on the management and IT training needs identified as a priority by employers prior to the O4 intervention
- The vast majority (73%) of individual beneficiaries suggested that the training had positively impacted on various aspects of their flexibility and adaptability
- Employers reinforced the view that O4 positively contributed to factors such as employee commitment and access to new technology
- At the end of the O4 Programme, almost one third of employers suggested that trainees were doing a different job as a result of O4 training. However only 15% of

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[2] More than half of all staff involved in training

employees suggested that they had changed their job title since being involved in O4 training

- The majority of individuals felt more confident and got more satisfaction from their work and attributed this, at least in part, to the O4 training.

Lifelong Learning

- The majority of individuals suggested that they were more interested in training and education. Two in five suggested that their employer had become more supportive and almost half had undertaken additional training following the O4 intervention
- Employers suggested a high level of commitment to ESF activity with over ninety per cent suggesting that they would probably or definitely be involved in similar initiatives in the future
- The majority of employers suggested that the O4 training had met the needs of the organisation
- Employers recognised the benefit of the training both in terms of 'soft' organisational measures such as 'increased confidence in the future' and general concepts such as 'competitiveness' and 'improved employee performance'.

An Assessment of Programme Performance: Process

- The effectiveness of the SPD and the Regional Assessments was contested. Some stakeholders viewed them in a more positive light as 'flexible' whilst others referred to them as 'vague'
- There were concerns that the 'pepperpot of projects' funded under O4 did not 'add up' to the achievement of regional priorities as outlined in the Regional Assessments
- Some organisations expressed difficulty in developing bids for ESF funding, in particular, smaller organisations who do not have resources dedicated to accessing ESF funding and organisations bidding for ESF for the first time
- The scoring process was perceived to operate efficiently. However there were some concerns associated with its equity and transparency. There were also concerns associated with the 'lateness' of the decisions to fund projects

- There were concerns at the outset of the programme that O4 would be used to support training in large firms that would otherwise undertake training anyway. This does not appear to have occurred as the vast majority of beneficiaries are drawn from SMEs (employing fewer than 250). However many of these were involved in training activities prior to O4.

- The survey of individuals undertaking O4 supported training suggests that the three occupational groups (unskilled and semi-skilled manual workers, craft and skilled manual workers; clerical and secretarial workers) identified as priorities for support in the SPD accounted for forty per cent of the beneficiaries. A relatively large proportion of managers appear to have been engaged in O4 supported activities. Managers were identified as a priority group in the guidance notes accompanying O4 even though they are generally less likely than other occupational groups to be subject to redundancy and more likely to be engaged in training activity

- Monitoring and evaluation appears to have been highly variable at both the regional and local level. The extent of regional activity has been influenced by the lack of specific resources for O4 monitoring and evaluation. Local monitoring and evaluation was highly diverse and characterised essentially by financial monitoring and after-the event approaches.

An Assessment of Programme Performance: Outcomes

- The net impact of the O4 programme on the macro economic performance of the economy was always likely to be minimal given the relatively small amount of funds associated with O4 and the impact of other factors such as the stage of the business cycle on macro economic performance.

- Whilst there has been an increase in productivity growth, the UK continues to lag behind its major international competitors. Whilst employers recognise improvements in their employees' ability the direct attribution of benefit to quantitative measures of productivity remains elusive in most instances.

- Most employers identify the O4 training received as 'company specific'. However the employees and employers both recognise the positive contribution it has made to the individuals' employability in terms of, for example, work performance, motivation and use of technology.

- Overall redundancy rates have decreased from 9% to 7% (Spring 1998 to Autumn 2000)[3]. However, the problem of large scale redundancies remains and whilst public sector responses have emerged in response to the problem (e.g. Job Transition Service, Rapid Response Fund), the largely unpredictable and 'shock' nature of these occurrences and the extent to which they occur in large companies (as opposed to SMEs) have conspired against the use of O4 resources in these circumstances.

- Inequitable access to training would appear to remain a key issue in the economy. Generally O4 has reflected the pre-existing broader labour market situation with unequal access to training for sections of the workforce (e.g. women, craft skilled, Part time employees) replicated in O4 projects more generally. O4 has engaged far more men than women in training activities.

- There remains a demand side issue associated with the extent to which SMEs are able to recognise, articulate, source and evaluate training activities. However O4 appears to have encouraged the development of systems to support human resource development and in particular processes such as training needs analysis, appraisal systems and personal development plans.

- There is some evidence to suggest greater additionality associated with the impact of O4 on smaller employers (employing between 1-25).

- O4 appears to have supported the development of interventions which meet the diverse needs of the majority of participants and which have gone some way to addressing policy concerns associated with relevance and flexibility of supply.

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[3] Labour Market Review (1999, 2000) Employment Service

Summary

The multi-method evaluation methodology has provided a wealth of qualitative and quantitative data to triangulate and assess the operation and impact of the O4 programme in Britain. Whilst there is a recognition that improvements can be made to all stages of the design, development, delivery and evaluation of the O4 programme, the evaluation research suggests that overall the programme has been delivered successfully in Britain.   Awareness of the potential of a preventative approach to dealing with unemployment, a relatively new approach in British policy, has been raised. At the same time interventions developed with O4 funding have engaged SMEs, supported their competitiveness in a wide variety of ways and assisted a range of employees to adapt to change. The surveys of employers and employees suggest that resources have been largely allocated to the broad ranging target beneficiaries identified at the outset of the programme. Employers and employees involved in O4 supported activities report a range of outcomes which have contributed to the development of various aspects of adaptability and employability which often appear to exceed what has been experienced in the labour market more generally. The majority of both employers and employees appear to have experienced positive outcomes and express a willingness to be engaged in further learning and ESF supported activities in the future.

There remain concerns associated with the extent to which O4 delivery has mirrored inequalities in the labour market associated with access to training for some groups such as women, those with low or no qualifications and part-time employees. There are also concerns about the extent to which the SPD provided sufficiently focussed guidance to target beneficiaries. Certainly the lack of specific objectives and adequate performance indicators mitigate against an unequivocal view of the success of the programme against predetermined criteria.   Other concerns are associated with the resources made available to evaluate the programme at the regional level and the extent to which the 'lessons learned' from local projects are communicated both horizontally and vertically to inform future policy and service development[4].

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[4] A Good Practice Guide for O3 (2000-2006): Lessons emerging from the Evaluation of O4 (1998-2000) can be downloaded from www.esfnews.org.uk or obtained from the ESF Evaluation Team, DfEE, W626 Moorfoot Sheffield, S1 4PQ. Tel 0114 259 3717.

However the largely positive outcomes associated with O4 in Britain provides a useful foundation for implementing the new O3 programme. Stakeholders at the national, regional and local level will need to ensure that the strategic framework, allocation processes and design of projects rise to the challenges outlined in this report, which include:

- The need to ensure that interventions build on the positive experiences expressed by beneficiaries in the O4 programme through encouraging the adoption of both formal and informal approaches to lifelong learning

- At the same time as encouraging further progression for those involved in O4 activities, efforts should be made to extend provision. Interventions need to overcome (rather than mirror) existing labour market inequalities in order to address equal opportunities issues and target those most at risk of social exclusion (e.g. low skilled, lone parents, Pakistanis and Bangladeshis, ethnic minority women and disabled)

- The need to develop and differentiate approaches which engage organisations of different size (e.g. micro, small) and reach employees with the lowest probability of experiencing training and development. In particular interventions need to move beyond the personal development of managers to encourage wider workforce participation

- The development of a customer-centred (SME and employee) approach to ensure that interventions reflect the needs of the customer may help to reconcile the competition/cooperation tension whilst building capacity in the emerging institutional infrastructure

- There are also demand-side issues to address and priority should be given to the development of employer capability to recognise training needs, articulate them, source appropriate training and to evaluate the intervention.

- Evaluation is recognised as a key element in the new O3 programme and SMART objectives, realistic and more sophisticated performance indicators and effective information systems will all help to monitor, review and improve ESF interventions at the local, regional and national level.

1.   INTRODUCTION

The Policy Research Institute (Leeds Metropolitan University) was commissioned to evaluate the European Social Fund (ESF) Objective 4 (O4) Programme in Britain in June 1999. This final report summarises the evaluation process, findings and outcomes of the Programme. The report is divided into six sections. This, section 1, introduces the scale and scope of O4 in Britain and provides an overview of the evaluation framework, aims and methods. Section 2 reviews the rationale underpinning O4 and the associated dynamic policy environment in Britain between 1998-2000. Section 3 explores the organisation and implementation of the programme in Britain and section 4 draws on research with employers and employees to assess the outcomes of the programme. Section 5 provides an assessment of programme performance in terms of both process and outcomes. Finally Section 6 of the report draws on the experiences of O4 and looks ahead to the challenges associated with the Objective 3 programme (2000-2006).

1.1   Introduction to ESF Objective 4

The Objective 4 (O4) programme was designed to assist those in employment to adapt effectively to labour market changes driven by a global economy characterised by technological and social change. The ESF is one of three Structural Funds of the European Union and O4 was one of six ESF structural objectives. O4 supports Priorities that aim to make it easier for the workforce (particularly those threatened with unemployment) to adapt to changes in working practices, industrial change and to developments in production systems. There were three Priorities associated with O4:

> Priority 1 (P1): to develop anticipation tools that inform the development of training programmes. Within P1 there are 2 strands of funding. The first supports overall anticipation of changes in the labour market at national, regional and local level and the second supports company level skills analysis.

> Priority 2 (P2): to target training on those individuals within companies who do not have relevant up to date skills and who risk becoming unemployed. Within P2 there are also two strands of funding. Both strands support training and

development firstly for key individuals and secondly for target groups within the workforce.

Priority 3 (P3): to reinforce solutions to change. The two strands of funding support the development of new training solutions and improved networking.

P1 accounted for approximately twelve per cent of the total, P2 seventy per cent and P3 seventeen per cent of the fund. Technical assistance accounted for approximately one per cent of the fund. Together the three priorities provided a holistic model for labour market interventions based on identification of need, development and delivery of training solutions and dissemination and embedding of practice. In Britain, O4 accounted for £167 million over two years and engaged more than seven thousand employers and over 160,000 individuals in a variety of training and development activities.

A Statistical Overview

The allocation of budgets provides an insight into the allocation of O4 resources within the UK. These are outlined in table 1.1:

Table 1.1: Objective Four expenditure by region

	Total (m)
North East	6.97
North West	16.07
Y&H	13.99
W. Mids	14.14
E. Mids	11.76
Eastern	16.30
South West	15.99
South East	22.31
London	21.04
National	25.53
Wales	3.47

Source DfEE Final Claims 2000

There was considerable regional variance associated with the budgets for O4 allocated to the regions with the highest proportion of funds allocated to national projects and the lowest to Wales.

The applications database and the final claims database compiled by DfEE to oversee the implementation of O4 provided an overview of the programme. Both databases have required significant cleaning and maintenance to provide the basis for the analysis in this section. Recommendations for improvements were put forward following the interim evaluation report (Dec 1999).

The allocation of projects for the regions and GB as a whole is summarised in table 1.2.

Table 1.2: Allocation of projects by region (1998)

Area	Priority 1	Priority 2	Priority 3	Priority 4	Total	%
North East	21	56	16	1	94	8.3
North West	27	90	19	10	146	12.8
Yorkshire and Humberside	14	54	16	1	85	7.5
West Midlands	20	40	13	3	76	6.7
East Midlands	21	79	25	3	128	11.2
Eastern	17	47	18	6	88	7.7
South West	19	66	22	2	109	9.6
South East	28	82	23	6	139	12.2
London	18	101	27	10	156	13.7
Wales	4	18	7	1	30	2.6
Scotland*						
National	30	26	29	2	87	7.6
	219	**659**	**215**	**45**	**1138**	

Source DfEE Final Claims 2000 (*not available)

Priority 2 projects accounted for just over half (57.9%) of all projects funded through ESF O4. The bulk of the remaining projects were split between Priority 1 (19.3%) and Priority 3 (18.9%). Priority 4 projects provided technical assistance and accounted for the remaining (3.9%) of all projects.

There was considerable regional variance associated with the allocation of projects by region with London (13.7%) and North West (12.8%) allocating funds for the highest number of projects and Wales (2.6%) the lowest.

Organisations from a variety of sectors led bids for O4 funding. Table 1.3 provides a summary of projects by organisational sector.

Table 1.3 Size of project by sector

	Total
Local Authorities	99
Further Education	341
Higher Education	138
TEC/BusinessLink/ Chamber	243
Training Organisations	115
Voluntary sector	76
SMEs/Private	103
Other	23
	1138

Source DfEE Final Claims Data (2000)

Just over 341 projects (29.9%) were led by organisations from Further Education and 21.4 per cent were led by Training and Enterprise Councils (TECs)/Business Links/Chambers. SMEs and private companies led on almost 10% of all projects.

Table 1.4 Summary by O4 priority and strand

	P1.1	P1.2	P2.1	P2.2	P3.1	P3.2	P4	Total
Number of projects	89	130	179	480	136	79	45	1138
Total (m)	9.14	11.09	25.35	90.97	22.73	6.96	1.33	167.57
Mean (000)	103	85	142	190	167	88	29	147

Source: DfEE Final Claims Data (2000)

Priority 2, strand 2 accounted for the largest number of projects (42.2% of all projects) and the majority (54.3%) of O4 resources in Britain. The mean project size was just under £150k with those funded under P2.2 tending to be the largest and those funded under P1.2 the smallest (excluding P4).

1.2   Aims and Objectives of the Evaluation

The main aims of the evaluation were to

- Assess the impact of O4 in the GB
- Evaluate the extent to which the programme has met its objectives
- Suggest ways of improving the delivery of programmes designed to improve the adaptability in the workplace to inform future provision.

Objective 4 was designed to facilitate:

- an improvement in the adaptability to industrial change within firms in terms of training systems and forward planning; and
- an improvement in the employability of individual workers either within the firm, sector or the external labour market

Priority 2 projects accounted for the majority of the resources available through O4 and in line with the wishes of DfEE the main focus of the O4 evaluation was targeted on the assessing the impact of these projects.

Evaluation Framework

Research undertaken by the Policy Research Institute for the Joseph Rowntree Foundation (Sanderson *et al*, 1998) developed a model of active labour market interventions.   The model (outlined in Figure One) identifies the normative process of policy design and development, through locally based actions, to assessment of key outputs and outcomes.   This model was used to provide the framework for the evaluation of Objective 4.   It provided the framework for information collection and analysis.

Figure 1:   A Framework for Labour Market Programme Evaluation

Labour Market Context
- demand characteristics
- supply characteristics
- industrial growth/decline

Characteristics/Circumstances/Needs of the Workforce
e.g. threat of redundancy, capacity of companies to respond to threat, 'skills deficit' of individuals

Programme Design and Appraisal
- objectives (*national and regional*)
- targeting *priority groups*
- coherence + *linkage* with other measures
success criteria

Project *Approval and* Delivery
- implementation of measures
- *regional monitoring and evaluation*
- engaging target companies
- reaching target groups

Outcomes
Immediate – Intermediate - Final
- enhanced skills and capacities
- enhanced competitiveness
- job security achieved

Macro-level Effects
- net effect on local economy
- substitution/displacement

Value for Money

Good practice

Process effectiveness

Target group impact

Labour market impact

Evaluation Methodology

The evaluation methodology drew on a variety of primary/secondary information and qualitative and quantitative data collection methods. There were several discrete but inter-linked research elements associated with the evaluation methodology, namely:

1. Analysis of routine monitoring data. This included analysis of the monitoring and final claims data collected by DfEE.

2. Qualitative interviews with key actors. Twenty face to face interviews were conducted with key stakeholders (identified by DfEE) at the outset of the evaluation project.

3. Two stage survey of individuals. A survey was undertaken in October/November 1999 to assess the impact of O4 on one thousand individuals undertaking training supported through O4. A follow up survey was undertaken in October 2000 to assess further impact and outcomes.

4. Two stage telephone survey of employers. A survey was undertaken in October/November 1999 to assess the impact of O4 on two hundred companies supported through O4. A follow up survey was undertaken in October 2000 to assess further impact and outcomes.

5. Case studies were developed to explore issues associated with the impact of support on individuals, employers and local trainers.

6. A literature search and review was undertaken to provide contextual information.

7. A telephone survey of thirty projects funded under Priorities 1 and 3 was undertaken to explore implementation issues, progress and experiences at the local level.

8. Presentation of results. Feedback on the progress and emerging evaluation findings were provided to the Steering Group throughout the duration of the project. An interim report was produced in December 1999 and this, the final report provides the evaluation findings.

A more detailed description of the aims, methods and tools adopted for each of the elements is contained in the technical appendix.

1.3   Section Summary

ESF O4 supports Priorities that aim to make it easier for the workforce (particularly those threatened with unemployment) to adapt to changes in working practices, industrial change and to developments in production systems.   There were three Priorities associated with O4 which provide a holistic model for labour market intervention based on the identification of needs, the development and delivery of training solutions and the dissemination and embedding of practice.

In Britain, O4 accounted for £167 million over two years (1998-2000). P1 accounted for approximately fourteen per cent of the total, P2 seventy per cent and P3 fifteen per cent of the fund. Technical assistance accounted for approximately one per cent of the fund.

The ESF Evaluation Team in DfEE commissioned the Policy Research Institute to undertake an evaluation of the Programme in Britain. The main aims of the evaluation were to

- Assess the impact of O4 in the GB
- Evaluate the extent to which the programme has met its objectives
- Suggest ways of improving the delivery of programmes designed to improve the adaptability in the workplace to inform future provision.

There were several discrete but inter-linked research elements associated with the evaluation methodology including a literature search and review; analysis of the monitoring and final claims data; interviews with key stakeholders (identified by DfEE); baseline and follow-up surveys of individuals and companies; and further in depth interviews to explore the O4 intervention process.

2 POLICY AND LABOUR MARKET CONTEXT IN GREAT BRITAIN

This section of the report outlines the rational for intervention under O4 and reviews the policy context in Britain.

2.1 The Rationale for Intervention Under Objective 4

The rationale for O4 intervention is largely based on the development of a preventative approach to dealing with the problem of unemployment.   It is based on the premise that improving the skills, attitudes and aspirations of those in work will alleviate their propensity to become excluded from the labour market.   Research suggests that individuals with low skills are more likely to be unemployed, or underemployed and are more vulnerable to redundancy.   For example in a review of the benefits of learning Campbell (1999a) reports:

- Unemployment rates for those with lower secondary qualifications are 60% higher than for those with upper secondary level qualifications
- There is a strong relationship between qualifications and earning
- Higher level skills/qualifications are likely to be in most demand in future years
- The proportion of jobs requiring qualifications increased from 62-69%.

The aim of O4 was to alleviate the threat of social exclusion through long-term unemployment by developing the skills of the workforce currently employed but at most risk of losing their jobs, thereby alleviating the threat of long term unemployment. It seeks to be pre-emptive rather than reactive, seeking to smooth the process of industrial change as opposed to dealing with its consequences (Begg 1995).

However the preventative approach embodied by O4 also has the potential to contribute to economic growth though the development of a more skilled workforce able to compete more effectively in a global environment, thus recognising the contribution of skills development to competitiveness.   The productivity of UK industry remains a core concern (DTI 1998, National Action Plan 2000, HM Treasury 2000) and the ability of small and medium sized enterprises to compete successfully and create jobs lies at the

heart of EU and national policy (EC 1998, DfEE (1998, 1999) DTI 1998). Whilst the effectiveness of training interventions is contested (Black et al 1996, Storey et al 1994, Green 1997) the development of the skills of those in work is seen to be (at least in substantial part) the answer to improving productivity (Rainbird 1994). It is based on the belief that people are more effective if they understand what they are doing, have a firm grasp of the theories that underpin their activities and if they aim for continuous improvement in techniques, knowledge and performance (Stern et al 1999). It is argued that when people acquire skills they do not only make themselves more productive they commonly make themselves more adaptable to changing tastes and technologies. Adaptability is crucial for keeping labour and capital employed and maintaining competitiveness. Skilled workers are regarded as being more flexible than unskilled workers in the sense that skilled workers can adapt to new technologies at lower cost than can unskilled workers (Booth et al 1996). Conversely it is argued that deficient training may lead to deficient investment leading to even more deficient training and so on (Acempglu 1996). Employees can see too low a rate of return to acquiring skills, while simultaneously employers perceive skilled workers and hence innovation (product, process technology) as too expensive. A vicious circle ensues and can lead to a low skill/low investment trap (Snower 1996).

This analysis has impacted on the training agenda which has widened from the transmission of specific technical skills to individuals to linking development activity with company objectives, implementing organisational change and adherence to quality standards (Felstead et al 1997). Skills formation is increasingly viewed as a continuous process in which learning at work is a central activity rather than a series of discontinuous, one off educational or training activities (Ashton 1998).

It is argued that companies wishing to maximise the use of knowledge and learning to enhance their organisational effectiveness have to place their human resources at the forefront of efforts to improve and enhance their resource base. There are different views on how this can be managed, however commentators generally stress the importance of having a strategic approach and preferably, one which aligns the needs of the company, with the needs of the job with the needs of the individual (Pedlar et al 1997).

The aim of Objective 4 in GB as outlined in the Invitation to tender for the evaluation was

> *to facilitate the adaptation of workers of either sex to industrial change, and especially those threatened with unemployment or affected by industrial change or changes in production systems.*

Global economic restructuring and the increasing freedom to trade is a key factor affecting both company growth and development, and national economic success. Components of the change include a decline in the primary and manufacturing sectors, growth in financial and other service sectors, and increasing internationalisation of trade. The business environment is increasingly characterised by global sourcing and resourcing, progressively shorter product life cycles with a premium on innovative products and processes and, customer orientation. The ability of a nation, its companies and its workforce to respond positively to these changes is important both for economic prosperity and for social cohesion (OECD 1998, Campbell 1999).

The response to the changing economic environment is to encourage skills acquisition, both as a means to enhance the employability of the workforce, but also to encourage companies and, in particular small and medium sized enterprises (SMEs), to respond to changes in a proactive and planned manner. ESF O4 is a mechanism which unites the objectives of enhanced individual employability and both individual and organisational adaptability at the local level.

Adaptability and employability were two key tenets of O4. However the extent to which these are universally understood and applicable is open to debate (Philpott 1999). For example, research conducted on behalf of the DfEE concludes that employability is a term used in a variety of contexts with a range of meanings and as a result it can lack clarity and precision as an operational concept (Hillage et al 1999). Furthermore adaptability suffers from the same lack of clarity and precision sometimes referring to the individual, sometimes the organisation; sometimes the outcome of a process and sometimes the process itself.

2.2   The Policy Context During the Programming Period in Britain 1998-2000

Employment and education policy has continued to emerge and evolve during the O4 programming period in Britain. The National Skills Task Force was established in 1997 to advise on the main skills gaps and shortages, current and anticipated in the labour force and to explore how they could be addressed (DfEE 1998).   Nineteen research reports were produced in the period between 1999 and 2000 and the Final Report of the Task Force was published in 2000. Several other influential reports have been delivered (e.g. Moser 1999, Fryer 1999, Beattie 1999) which provide policy guidance associated with the lifelong learning, competitiveness and social exclusion agendas.

A key initial milestone was the production of the Green paper, "The Learning Age" (Dfee 1998). The Green Paper introduced interventions such as Individual Learning Accounts, the University for Industry and the Union Learning Fund whilst reinforcing commitment to existing initiatives such as Employee Led Development and Investors in People. Following extensive consultation the White Paper was published in June 1999. The Learning to Succeed White Paper represented a wide ranging reform of post-16 education and training (DfEE 1999). The overarching policy objective is to equip individuals and businesses with the skills and qualifications both need for economic growth in a global market. Learning is also understood to be necessary for individual fulfillment and social cohesion. Key interventions in the workplace to encourage employers (e.g. Investors In People) and employees (Career Development Loans, Individual Learning Accounts) to undertake training and development activities are set to continue.

Changes to the infrastructure introduced in the White Paper (DfEE 1999) include the establishment of Learning and Skills Councils (LSC) and the Small Business Service and the demise of Training and Enterprise Councils and Local Enterprise Councils in Scotland. LSCs (and their counterparts in Wales and Scotland) will be established in 2001 and will champion lifelong learning. They will work closely with the emerging University for Industry (UFI) to achieve this aim.   The UfI is the 'flagship development for Lifelong Learning' and was launched autumn 2000. It embraces learndirect as the network of learning services which has seven hundred centres across England, Wales and Northern Ireland, (December 2000) providing people with the opportunity to learn in

places that offer an alternative to traditional academic settings. The development of the UfI has been influenced by projects funded under the ESF ADAPT initiative[5] (Round 3).

It is envisaged that the Learning and Skills Councils will work closely with National Training Organisations (NTOs) and further engage employers in the development of policy interventions. They will develop plans in conjunction with the emerging Small Business Service to provide 'a seamless service to SMEs and to integrate skills development with enterprise competitiveness' (DfEE 1999). The Small Business Service became operational in April 2000 and incorporated Business Links (England), Business Shops (Scotland) and Business Connect (Wales) as the focus for business support for smaller businesses. This continues a support policy which was articulated in the DTI Competitiveness White Paper (1998) "Building the Knowledge Driven Economy" which focussed on developing the skills and capabilities of companies and the workforce in response to the global challenges of economic restructuring and technological change. The emphasis of DTI support remains on the development of capability associated with business issues such as exporting, environmental management, innovation and business planning. The role of leadership, management and learning to create competitive advantage in a knowledge driven economy is an example of the common agenda shared by DfEE and DTI.

Drawing together the myriad of workplace learning initiatives and ensuring that the needs of the regions are met falls under the auspices of the Regional Development Agencies and their equivalent agencies in Scotland and Wales (DETR 1997). Their remit includes the development of a strategic approach to business support, training and other labour market activities at the regional level. The DETR emphasis is placed on 'people development' and encouraging the development of an educated and skilled workforce that is inventive and adaptable. The recent urban (DETR 2000a) and Rural (DETR 2000b) White Papers reinforce the Departments commitment to partnership working, raising educational attainment and targeted small business support. At the outset of O4 in GB, Regional Assessments were produced as a basis for identifying

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[5]ESF ADAPT is a policy intervention which has many similarities with the O4 programme in that it is targeted on the development of skills for those in employment. It also provides the opportunity to test innovative approaches to intervention and engage in transnational cooperation.

regional priorities. In the majority of instances these formed an integral element of the Regional Economic Development Strategies produced by the Regional agencies. The linkage to the skills agenda is facilitated by the development of Regional Skills Plans. The regional agenda continues to develop and evolve with the government proposing a strong link between the emerging Learning and Skills Councils and the RDAs both at the national and local level (DfEE 1999).

2.3 Some Relevant Research and Evaluation Studies

A review of the social, economic and political landscape in 1998 (Cully et al 1999) suggests:

- There were more Britons in paid work in 1998 than ever before
- Unemployment as measured by the claimant count was at its lowest level since 1979
- Inflation was low (underlying rate running between 2.5 and 3.2 per cent)
- Growth in average earnings above inflation (between 4.3 and 5.7 per cent)

However in spite of these positive attributes there remained concerns associated with the level of unemployment (1.8m were actively seeking work) and high profile large scale redundancies. Whilst a highly flexible labour market continued to evolve there was increasing evidence of job insecurity. For example, one in twelve workers were in temporary employment and a higher proportion of workers worked longer hours than their European peers.

High profile redundancies continued to impact on local areas however, analysis of Labour Force Survey data suggested that the number of redundancies remained more or less stable between 1996-1998 (Terryn 1999). Nevertheless certain sections of the workforce appear more vulnerable to redundancy than others. For example

- Men are more than one and a half times as likely as women to be made redundant
- Those aged between 25 and 49 were less likely to be made redundant than younger or older workers

- Employees in manufacturing industry are more likely to be made redundant than employees in any other industry
- Plant and machine operatives and employees in craft and related occupations are more likely to be made redundant than employees in any other occupation.

Cully et al suggest 1998 was a distinctive year in the field of employment relations as the new labour government introduced a range of proposals impacting on the workplace.

There have been a range of research and evaluation studies informing the development and implementation of training and workforce development programmes. Research raises questions associated with inequity/inequality of access to training and development opportunities. For example the incidence of training amongst particular groups of workers is less than would be expected across the whole labour force. Strebler et al (1997) report that women are less likely to undertake competence based training than men, and are increasingly disadvantaged in terms of pay and progression. Furthermore there is a gender bias apparent associated with access to training with females far less likely to undertake training than males (Blundell et al 1996, Metcalf 1997). Gallie et al (1998) indicate that those employed on a part-time basis tend to be disadvantaged in terms of access to skills development opportunities. The incidence of training is therefore, uneven across different groups of employees.

Barriers to training amongst particular groups of employees may include:

- Caring responsibilities, both of children and / or elderly relatives;
- Mobility, the lack of time or transport to travel to learning opportunities;
- Cost, both in term of the direct cost of courses, or the opportunity cost in terms of lost earnings
- Lack of motivation: in some sub-occupational groups training is not thought to be necessary prior to employment or on the job
- Lack of time

- Lack of incentive: individuals may be unaware of the rewards from learning
- Lack of information

Employers who are committed to learning may be able to offer ways to overcome some of these obstacles, however when these are placed in the SME context the policy desire to increase skills and training levels becomes even more challenging.

Analysis of training activity invariably leads to the conclusion that SMEs undertake less training than their larger counterparts. For example, SMEs are significantly less likely than their larger counterparts to be involved in formal training programmes, particularly those that take place off the job.

- 92% of employers with 500+ workers provided off-the-job training compared with 79% in the 25-49 size band (IFF Research 1998).
- 65% of firms with 500+ employees offer NVQs/SVQs, but only 37% in the 25-49 size band do so (IFF Research 1998).
- micro businesses are even less likely than small businesses to provide internal and/or external formal training (Cosh et al 1998)
- Only 10% of SMEs have a specific budget for workforce training/learning (Curran et al 1997)

The incidence of 'formal' external training amongst SMEs is undoubtedly lower than amongst larger companies. The reluctance of both SME employers and employees to undergo training goes some way to explain the generally lower level of training in SMEs (Storey 1994). However whilst business size itself may be a key determinant in undertaking development activity the key determining factor (for managers at least) is one of individual choice (Thomson et al 1999). Workplace training is not a prominent feature of SMEs notwithstanding the massive investment in the sector by NCVQ (FEFC 1994) which might have been expected to boost the prevalence of training. There has been recognition over a number of years that there is a need for more targeted, flexible solutions in terms of local delivery, duration and timeliness to encourage both businesses and their employees to undertake training activity (Johnson et al 1992; Beaver et al 1998; Perrin 1999).

There have been a number of studies investigating the returns from investment in training (e.g. Rainbird 1994, Black et al 1996, Campbell et al 2000). Training results in

increased wages for trained workers and increased productivity for those enterprises which train and innovate (OECD 1994). One of the most positive studies, undertaken by Dearden et al (2000), found that training significantly boosts productivity in the productive sector of the UK economy. They estimate that raising the proportion of workers trained in an industry and thereby the stock of available skills from 10% (the mean) to fifteen per cent is associated with at least a three per cent increase in the value added per worker.

However the cost-benefit case remains to be proven and there is considerable doubt as to whether a definitive answer could ever be found to the question of payback on training (Gibb 1997). For example a review of research (Storey et al 1994) attempted to establish links between management training and SME growth. They concluded firstly that "those firms which participated in training schemes generally felt they derived some benefit from this participation", if this results in better confidence then it could result in better performance. Secondly they note that "our highly subjective impression is that some types of training may be effective in improving firm performance while others are not". This exemplifies the ambiguity and absence of 'hard evidence' which bedevils the evaluation of the costs and benefits of training.

Despite these issues a number of studies have demonstrated the positive effects of training, although some have been more cautious than others. For example Green (1997) reviewed 21 empirical studies investigating the link between employee training and company performance. He found:

- that studies from abroad in most but not all cases show that training does have a positive impact on productivity;
- certain kinds of training were effective in raising productivity, notably computer training in the non-manufacturing sector;
- there is a marginal effect on the propensity of individuals to remain with their employer if they undertake training - hence training *reduces* the danger of competitors poaching skilled workers; and
- higher level skills normally lead to greater productivity

Green notes that the potential importance of enterprise based training for upgrading the skills of the British workforce is not in doubt, he does find some cautious confirmation of a direct link between training and productivity.

2.4   Section Summary

The aim of O4 was to alleviate the threat of social exclusion through long-term unemployment by developing the skills of the workforce currently employed but at most risk of losing their jobs. The emphasis was placed on those threatened with redundancy and the programme aspired to smooth the transition of workers made redundant back into employment. However the potential to contribute to the competitiveness of SMEs through the development of improved training and development processes was also a key driver.

Adaptability and employability were two central attributes of O4. However the extent to which they were/are universally understood and applicable is debatable. For example employability is a term used in a variety of contexts, with a range of meanings and as a result it can lack clarity and precision as an operational concept.   Furthermore adaptability suffers from the same lack of clarity and precision sometimes referring to the individual, sometimes the organisation, sometimes the outcome of a process and sometimes the process itself.

Policy in Great Britain has continued to emerge and evolve during the O4 programming period. Key events include

- The Learning Age Green Paper (1997), re-emphasised the link between the development of lifelong learning, skills, competitiveness and social exclusion and proposed policy initiatives such as Individual Learning Accounts and University for Industry to widen learning opportunities. The Learning to Succeed White Paper (1999) determined new delivery structures (including the development of Learning and Skills Councils and Small Business Service) and continued commitment to workplace development initiatives such as the development of National Vocational Qualifications and Investors in People.
- The programme of research under the National Skills Task Force and publication of several key reports providing policy analysis and recommendations on lifelong

learning and social exclusion including the final report of the National Skills Task Force 'Skills for all; Proposals for a National Skills Agenda'.

- The Competitiveness agenda set out in the Building the Knowledge Economy White Paper 1998 recognised the importance of developing skills (and particularly the skills of managers in SMEs) in the workplace. The development of workplace skills has been re-emphasised in the recent joint DTI/DfEE White Paper on Enterprise, Skills and Innovation entitled Opportunity for All in a World of Change.

- Devolution and regional governance. The emergence of the Welsh and Scottish Executives, the establishment of Regional Development Agencies and the development of Regional Economic Strategies and Skills Action Plans to reflect regional economic priorities.

- Increased emphasis on evaluation at the EC and National level. For example the creation of the Centre for Management and Policy Studies in the Cabinet Office and the increased emphasis on evidence based policy (Cabinet Office 2000).

Economic and labour market conditions were relatively favourable at the outset of the programming period with more people in work than ever before, low inflation and low unemployment. However, there remained concerns associated with the number unemployed; the problem of large scale redundancies; inequitable access to training; too few employers (particularly SMEs) supporting sufficient skills development amongst their workforce and the capability of the supply side to meet the diverse needs of SMEs.

There appears to be almost universal acceptance that skills development has a positive impact on both improving competitiveness and alleviating social exclusion. However empirical evidence on the payback of training remains equivocal and the uncertainty surrounding return on investment in training can be a significant barrier to training activity.

3 IMPLEMENTATION OF THE O4 PROGRAMME IN GREAT BRITAIN

This section of the report reviews the institutional organisation and implementation of O4 in Britain. It draws on interviews with twenty key stakeholders at the outset of the evaluation and a survey of thirty managers of projects funded under P1 and P3 to investigate issues associated with two key elements identified in the evaluation framework namely Programme Design and Project approval and delivery.

3.1 The Linkage Between EU and the GB Regions

ESF O4 funding was provided through DG Employment and Social Affairs.

Objective 4 Upper level Process Model

European Commission
Employment and Social
Affairs (Previously DG 5)

GB National Monitoring
Committee
(Chair:DfEE)

GB Regional Committee
(Government Office, Welsh
Office, Scottish Office)

GB Local (Project Sponsors)
(e.g. FE, HE, TECs, Local
Authorities)
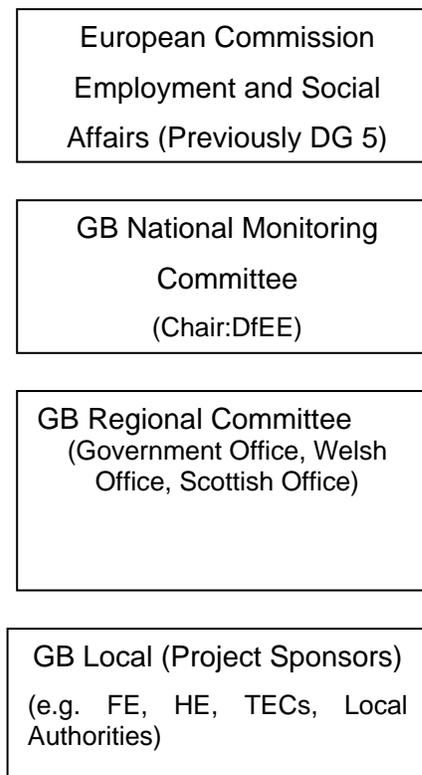
O4 was implemented at the start of the 1994-1999 programming period in all EU Member States except the UK. The Conservative government had initially negotiated an option to withdraw from O4. However, after consultation in 1997 the UK authorities submitted an O4 Plan to the Commission in November 1997. The UK Single

Programming Document (SPD) was in draft form by February 1998. In the UK therefore, O4 ran for the two years prior to the commencement of the 2000-2006 Programming Period.

At the European level, the Commission's 1994 White Paper on Growth, Competitiveness and Employment began a process of discussion and negotiation. Key milestones included the Dublin Declaration on Employment (December, 1996), which noted that "it is necessary to continue with macroeconomic policies oriented towards stability, economic growth and employment", and the Amsterdam European Council in June 1997 which agreed a new Employment Chapter. Subsequently the European Employment Strategy articulated the four pillars of action which were agreed subsequent to the commencement of the O4 programming period in GB (1998-2000). These are:-

- Adaptability: to pursue actions which encourage people to adapt to the new labour market opportunities, to embrace change and acquire skills relevant to the new economic realities.
- Employability: to ensure that people possess the attributes, attitudes, aspirations and generic skills required to become and remain employable whether they be new labour market entrants; the unemployed and other job seekers; or people changing roles, occupations and industries.
- Entrepreneurship: to promote actions which exploit business opportunities to be creative, innovative and to manage change. Encouragement of self employment, business start ups, spin offs and partnerships which are all key elements of the evolving economy.
- Equal opportunities: to ensure that all individuals have the appropriate skills and knowledge, including all groups in society and all geographical areas.

The UK response to the Employment strategy was the National Action Plan for Employment (NAP). The NAP itself evolves annually in response to the Annual Employment Package adopted each year by the Commission.

The Single Programming Document (SPD), prepared by the DfEE in 1998 (EC 1998) identified key priorities at national level. These were the development of higher-level, key and basic skills. Priority target groups were identified as occupational groups of

unskilled and semi-skilled manual workers, craft and skilled manual workers and clerical and secretarial workers. A proportion of funds was allocated to national projects, however the majority of funds were distributed through the regions.

The emerging regional agenda resulted in a series of regional assessments designed to identify priority groups in each region in order to develop a strategic framework within which Objective 4 could be implemented.

A proportion of funds were allocated to be used for national projects and bidding rounds were instigated where project proposals were put forward at a national level and by organisations and partnerships within each of the regions. Applications were scored by a panel drawn from key players and resources allocated accordingly to successful bids.

3.2 The Single Programming Document

The analysis underpinning the O4 intervention contained in the SPD for Great Britain (EC 1998) noted that the impact of economic restructuring has different effects amongst particular groups, localities, industrial sectors and occupations, and not all were benefiting from the healthy state of the economy.

The SPD (EC 1998 p22) suggested that the O4 programme should give priority to

- Increasing the higher-level skills of employees to meet the needs of the new jobs which are expected to be created
- Aiming to broaden the level of key skills within the workforce
- Ensure that those lacking basic skills are trained to increase their employability

Groups of workers which should be given priority for support were identified as

- Unskilled and semi-skilled manual workers
- Craft and skilled manual workers
- Clerical and secretarial workers

The SPD provided further indications of the wide ranging support activity eligible for funding under O4. Table 3.1 provides a summary.

Table 3.1 Summary of eligible activity

	Support will be available for
Priority 1.1	National research projects that • Examines industrial change and skills needs • Examines the effects of new technology on particular sectors Sectoral research into training needs Cross-Sectoral labour market research Regional research into skill needs and labour market changes Research into baselines for a learning town or learning city project Development of new tools for labour market analysis, prediction and the effective dissemination of results to the lowest possible level
Priority 1.2	Development of Company based skills analysis which addresses the competence and training needs of the company. This should lead towards a commitment to IIP or recognition Research into baselines of learning experiences, achievements and attitudes of employees and managers in companies, or groups of companies, or industrial sectors Locally based skills analyses based on groups of companies acting in partnership Sectoral skills analyses within groups of SMEs and within SMEs and large company partnerships Skills analyses linked to supply chain Development of lifelong learning strategies within companies or groups of companies Development of company competence frameworks and self-assessment tools for employees Action plans demonstrating how skills will be developed to meet future business objectives Customers' and clients' feedback on service delivery which could inform the future skill requirements demanded by the market
Priority 2.1	Training to develop the skills of • in-house trainers, mentors and NVQ/SVQ assessors • sector based IIP advisors Managing development Development of mentor schemes Change management training for mentors and key members of staff Training part-funded through ILAs
Priority 2.2	Training • of owner managers • of employees in development –related basic skills • in information technology • in new production technology • in management, communication, vision and leadership skills • wider vocational skills e.g. marketing basic accounting • advice and guidance related to any of the above

Table 3.1 Summary of eligible activity (cont)

	Support will be available for
Priority 3.1	Development and piloting of innovative ways to introduce ILAs and pilot training courses using ILAs Development of multimedia training and guidance materials in partnership with user employer and employees and their integration into the mechanisms of training needs analysis and training delivery within companies or groups of companies Sectoral Training Packages for target groups Development of distance learning packages leading to NVQ/SVQ qualifications in IT Management or communication skills Pilot training courses for trainers using new forms of technology Development of handbooks on innovative approaches to training and development Development of new learning technology and systems that encourage participation in learning Development of new technology-based diagnostic tools for guidance
Priority 3.2	Development of action learning groups to reduce lead times from first contact to commitment and from commitment to recognition for IIP National, regional, local or Sectoral conferences or seminars aimed at SMEs Development of thematic employee and employer workshops to address training and guidance needs Development of seminars for local business people Publication of up-to date skills and labour market news Workshops for local partnerships to discuss national and regional trends and how they will impact on the development of training packages Consortium approaches to employee development schemes Dissemination of good practice on employee development schemes Development of collaborative learning centres

Source GB SPD 1998-1999 (EC 1998a)

O4 enabled sectoral/regional dimensions to be addressed through research and collaborative working. It emphasised the development of in-company systems to support human resource development and the promotion of established and emerging policy interventions (e.g. ILAs and IIP). It provided the opportunity to support diverse groups such as owner-managers, management, trainers and employees more generally and it encouraged the piloting of technology based delivery. In essence it provided the training infrastructure with a wide remit and resources to undertake a broad range of research, training and dissemination activities to encourage the development of those in work.

3.3   Programme Design

Several issues associated with programme design emerged during the stakeholder interviews. These included national and regional development of O4, targeting of the interventions and linkage with other policy objectives.

3.3.1   National and Regional Development of O4

Three aspects of the national and regional development of O4 came to the fore during interviews with key stakeholders at the outset of the evaluation. Firstly issues associated with the development of the National Single Programming Document (SPD). Secondly issues associated with regional assessments and finally issues associated with the composition of regional committees/partnerships. Other issues associated with, for example, agreement by the Monitoring Committee of the methodology associated with the allocation of funds amongst the regions did not re-emerge in the stakeholder interviews to any great degree.

3.3.1.1   The National Single Programming Document

The national SPD provided the framework for the implementation of O4 in GB. The constrained time scale for consultation on the SPD was the most often mentioned characteristic of the formative part of the O4 process. This was particularly pertinent for membership based organisations who did not have the time to take the proposals to their members and report back within the timeframe.

There was an understanding that the time frames were largely dictated by the timing of the process and reflected a pragmatic necessity to move the O4 process forward at some speed. However stakeholders reported a range of views associated with the SPD development process. The feeling that consultation on a document that had already been through many drafts and any 'inputs' constituted nothing more than "tweaking" or "tokenism" was expressed in two instances. By contrast another interviewee was satisfied that the key issue for their organisation had been taken on board.

3.3.1.2 Regional Assessments

The implications of the condensed timescale continued as the process of regionalised delivery was developed. By the time the SPD and associated guidance was issued via Government Offices to regional partnerships, the Regional Assessments had to be

completed within a month. In almost all cases these were delivered by local or national consultancies.

One interviewee had reviewed the Regional Assessments and expressed the view that the reports were essentially a regional interpretation of the national guidance, and that while the broad target groups were relevant to regions there was little evidence of vigorous debate relating to specific regional priorities. These comments were reinforced through anecdotes from other stakeholders. The Regional Assessments were delivered quickly, were used as a reference document in the applications process and were essentially working documents rather than statements of a partnership's strategy at the regional level.

Nevertheless within the regions there were some specific ideas about the role which O4 could and should be playing (although less certainty about whether that was actually being delivered in practice). For instance, one region pushed the need to up-skill the workforce in the area of IT, another that O4 should be used to support people with low skills living in deprived communities.

3.3.1.3 Regional Committees

Responsibility for managing the implementation of O4 in line with national guidance and in accordance with the Regional Assessment rested with Regional Committees. In the regions these tended to have predominantly the same composition as existing Objective 3 Committees. This was generally thought to be the most pragmatic way to proceed given the limited time frame and the short life of the Programme. However there were additions to these Committees in some regions, including regional CBI members, Universities and Training Organisations.

There was some anecdotal evidence that additional private sector representation on these Committees was not particularly successful. It was suggested that private sector people were put off by the feel of it being a "talk shop", and were alienated by the way that people "talk in alphabet" language which was incomprehensible to those previously uninvolved in European programmes. By contrast some of the other partners (e.g. TUC, NTOs) were pleased to have the opportunity to be involved with regional partnerships after being "on the outside" for some time.

3.3.2 Targeting Priority Groups

National guidance notes accompanying the SPD indicated that priority would be given to:

- Increasing the higher-level skills of employees to meet the needs of the new jobs being created
- Broadening key skills within the workforce
- Training those lacking in basic skills to increase their employability

While public sector employees were the only ineligible group, particular occupational categories were identified as priorities:

- Unskilled and semi-skilled manual workers
- Craft and skilled manual workers
- Clerical and secretarial workers

The guidance notes suggested that it was anticipated that support would focus primarily on SMEs, but that larger companies might be eligible if they worked with SMEs in their supply chain.

In practice, several regional interviewees said that these target groups were too wide;

> *"a sharper sense of priorities and narrower defined target groups" is needed.*

> *"the money should have been better targeted in real terms and against some kind of Plan"*

However, there is a paradox associated with definitional issues, namely whilst some interviewees suggested projects should be more focused on specific issues, others found the flexibility within the guidelines to be of benefit. What one interviewee called "vague" another called "flexible".

Results from the telephone survey of local managers of P1 and P3 projects provide further insights into the targeting of the programme.

Table 3.2:Target market by priority (number of projects)

Target market	P1	P3	Total
Sector based	7	8	15
Geographical	3		3
Occupational		4	4
Company		1	1
Broad based	5	2	7
	15	**15**	**30**

Source Survey of P1 and P3 projects

The managers suggest that sector based approaches were the most common method of targeting P1 and P3 activity. A wide range of sectors were targeted in the sample including hotels and catering, care, textiles, automotive, engineering, building products and the voluntary sector. Three projects focused activity on spatial areas (i.e. local, regional, rural) and four projects focused on specific types of occupations (owner-mangers of SMEs, IT professionals). Seven projects indicated that SMEs were the target for their intervention, which implies a broad based approach to targeting was being adopted.

3.3.3 Coherence and Linkage with Other Policy Priorities

At the national level, the key actors expressed support for the overall objectives of Objective Four as set out in the Single Programming Document. In several cases this was because they chimed well with organisational or sector objectives, so for example the CBI was building its Employability agenda, the TUC was prioritising vocational training and its learning services, and training was reinforced as part of the NTOs core mission.

However, as suggested earlier, there was some concern about the clarity of the aims of the Programme and the definition of the target groups. This uncertainty was transmitted to the regional level. The comparison was made between O4 and O3 by three regional respondents. They suggested that whereas the aims and client group for Objective 3 were very clear, this was not the case with Objective 4. One regional stakeholder noted:

"The concept needed 'selling' – it was much harder to get into than Objective 3"

This lack of clarity at the regional level appeared to translate, at least initially, into a lack of understanding by project applicants at the local level. It was suggested that the confusion was more apparent in the first round of applications in 1998 than in the following round in the subsequent year.

The national and regional stakeholders expressed concerns about the feasibility of achieving linkage on the ground with emergent initiatives. The emergent nature of policy instruments such as the University for Industry (UfI) and Individual Learning Accounts (ILAs) contributed to this. Whilst O4 interventions were linked into these policy instruments in the project application there appeared a general view that the linkages were based on rhetoric as opposed to practice. For example a stakeholder suggested:

> *'In applications UfI and ILAs were mentioned along the way – but no concrete actions were planned'*

The telephone survey with thirty local project managers suggested a variety of linkages between O4 and other policy intervention 'on the ground'. For example eleven reported specific linkage with emerging and existing policy interventions:

- UfI learning materials and technology (n=2)
- Sectoral cluster linkages (n=2)
- Learning materials to support sector specific NVQs (n=2)
- To support implementation of ILAs (n=1)
- Research Partnerships developed and/or cemented with O4 funds (n=3)
- Promotion of IIP through sector specialists (n=1)

Finally, largely as a consequence of the limited time scale, once the regional assessments had been completed and the call for projects went out, the process was largely reactive. There was, with a couple of exceptions, very little co-ordinated action to bring forward projects which linked into a coherent strategic response to priority issues.

> *We ended up with a "pepper-pot of projects".*

A common perception was that O4 had been supply-side led, driven more by the needs of the training providers than by the needs of businesses within the region. It appeared that private companies have tended not to apply (in some regions they were explicitly excluded from the process). The timescale was too short to engage them in the process and there was a perception that anything to do with Europe would bring "a nightmare of bureaucracy" which represented a cost that private sector companies would not wish to meet.

3.4   Project Approval and Delivery

There have been two main application rounds for Objective 4, one in 1998 and the other in 1999. Interviewees, particularly those in Government Offices, raised several issues associated with this process. The four key issues raised included:

- Advice and support for applicants
- Scoring framework
- Scoring panels
- Levels of interest

3.4.1   Advice and Support

Provision of advice and support to potential applicants was available in all regions. In some regions this came from the Government Office or the Scottish Office, in others it was channeled through the regional partners (e.g. FE). Some regions were more pro-active than others. For example in one region, sub-regional partnerships, co-ordinated by TEC European Managers set the focus for sub-regional priorities. They then undertook a lot of work to support and encourage bids which fitted within these priorities. Another region organised workshops to encourage bids and the development of partnerships but these were not well attended.

At least two regions had web-pages to support projects and encourage networking. In Scotland the web-page had public sites, and subscription only sites and 'notice-boards' for project managers.

The interactive application forms were generally welcomed. No region reported major problems although there was some recognition that some smaller organisations might

not have sufficient computing capacity to make best use of the forms and Internet advice and networking.

3.4.2   Scoring Framework

The regions generally took the national scoring framework and adjusted it slightly to suit their local needs. For some respondents the fact that regional priorities only accounted for 20 of the 200 marks was a particular concern. In one region quite a lot of work had been done by the regional partners to encourage projects which went to the heart of what they wanted O4 to achieve in their region. They were dismayed to find that a number of applications arrived in the last week, submitted by national training organisations or consultancies which were clearly "off the shelf" projects, which scored highly and which pushed out the regional projects. The lack of regional discretion was one of the major problems cited by this region.

Other stakeholders commented on the mechanistic nature of the process. This was raised in two different contexts, firstly one respondent reported that if projects were particularly innovative or "flexible", they might not score highly but they could nevertheless be 'good' projects. Secondly, the system was not able to cope with holistic projects i.e. projects which tried to link the three Priorities into a coherent package of actions. The application process dictated that three separate elements of the projects had to be submitted as separate applications under all three priorities. In some cases it was not immediately clear to scoring panels that such projects had been submitted – in 1998 one was half way through the scoring process before they realised. There were instances of holistic projects which had been successful under two of the Priorities, but unsuccessful with the third, thus impacting upon their integrity.

Finally there was some criticism that scoring could be perceived as subjective, and therefore it is important that the system is transparent and operates as openly as possible.

The fit between the type of project funded and the aims of the Priority it was funded under was explored in the telephone interviews with the local managers of projects funded under P1 and P3. The telephone interviews provide an insight into the wide ranging nature of projects funded under O4 Priority 1 and Priority 3. The interview

transcripts were analysed and the nature and aims of the project explored. A judgement was then made by the evaluators as to the extent to which the project fitted into its funding strand.

Table 3.3: Nature of project by strand (Number of projects)

Type of project	P 1.1	P1.2	P3.1	P3.2	Total
Anticipation of overall changes in the labour market	1	3	1		6
Company level skills analysis	1	9			8
New training solutions		1	10		10
Improved networking				4	4
	2	**13**	**11**	**4**	**30**

Source Survey of P1 and P3 projects

The largely subjective classification inevitably masks a variation in the nature of projects within each category.   For example projects funded under P1.2 (development of anticipation tools that inform the development of training programmes through supporting company level skills analysis) included

- Training sector specific IIP advisors to work with SMEs to encourage take up of IIP
- Software to develop individual skills profiles
- Training Needs Analysis (TNA) and the development of a paper based toolkit to facilitate Training Needs Analysis in a specific sector
- Training Needs Analysis to support the development of action plans and the sourcing of training

The subjective classification echoes issues raised by some of the national and regional stakeholders in relation to the blurred boundaries associated with both the different Priorities and the strands within them.

There were only two P1 strand one funded projects in the sample. These projects should aim to develop anticipation tools to inform the development of training programmes.   One of these projects aimed to create a network of companies to

undertake TNA and would appear as suited to strand 2 as strand 1 funding. Thirteen strand two projects are included in the sample and it appears that three of these could have been funded under strand one. For example strand two projects include

- Further analysis of employer surveys
- Labour market information survey (n=2)

These activities would appear to fall outside the remit of the strand but within the remit of the Priority. Generally projects funded under each priority appear consistent with the aims of the priority. However, the development and use of software to determine skills or to distribute learning materials (n=6) appears to cross the Priority boundaries with several projects funded under P1.2 and one project funded under P3.1.   For example one project funded under P1.2 undertook TNA and compiled a paper based toolkit to provide the basis for the development of a multimedia tool (CD-Rom) for use across the sector. A project funded under P3.1 adopted TNA as the basis for designing multimedia materials (Video) to be distributed using satellite technology.

There are further examples which reflect the blurred boundaries between priorities raised as issues by the key stakeholders in the previous section of this report. For example there are projects which are funded under P3 which involve in company skills assessment (potentially P1) and the development of learning materials (potentially P2). Furthermore there are projects funded under P1 which promote training through sector specific advisors and access to other policy interventions which could conceivably be funded under P3. The subjective nature of assessment and the multifaceted nature of many applications make simple classification problematic.

3.4.3 Scoring Panels

Just as most regions used the O3 partnerships as their Regional Committees, the scoring panels tended to be constructed and operated in much the same way.

'You end up seeing the same faces – there are only so many people to use'

A typical scoring process would start with a training session lasting one or two days to introduce the aims of O4, to clarify terms and to agree the process. Two people

generally scored each project, sometimes together and sometimes unilaterally. In some instances, to reduce the prospect of bias, people from one or two of the sectors were used to score projects from a different sector. However there was some concern that people tend to know others in what were often quite small circles. Moderation may be undertaken by the chair of the panel (either from the Committee or an independent expert), or the Committee. It was clearly important to the Panels that they operated fairly and could justify their decisions.

Interviewees suggested that the system generally worked effectively (notwithstanding the proviso's about the scoring framework set out above). Four drawbacks were identified:

- The difficulty of finding dates when members of scoring panels were all available and finding venues for the events. This could make the time between applicants submitting their applications and project commencement overly long.
- Scoring from different sectors might mean that the scorers were less familiar with particular terminology or use of language (this was particularly the case with applications from the HE sector), and this may have introduced an element of bias into the system.
- The annual nature of the application process resulted in information overload at a given point in time and resulted in those involved in the scoring process having to find large chunks of time in diaries often already committed to non-O4 activities.
- The subjectivity associated with the scoring process resulted in difficulties justifying decisions on appeal.

3.4.4   Levels of Interest

The stakeholders suggested that the regions had different experiences regarding the popularity of O4 overall, and the success of the three Priorities. At the commencement of Objective 4 there was a concern that it might be under-spent as difficulties had been experienced spending ADAPT funding. Overall, there was general satisfaction with the

level of activities supported under Objective 4.   However, there have been some difficulties with particular priorities in the different regions.

The take up of the different Priorities varied across regions. Some regions reported greater ease disbursing P1 or P3 funds than P2. The conventional explanation for this was that in absolute terms regions did not have much money to spend on P1 and P3 and therefore only a small number of 'good' projects were needed. However, other regions noted certain difficulties particularly with P1 where there was difficulty drawing together match funding for research activities.

The situation with Priority 2 was similarly mixed.   Some regions had so many applications which passed the threshold of scores that they constructed a reserve list, others ran second calls for projects. Several explanations were put forward for this:

- Some regions had larger numbers of organisations who were experienced at bidding for European Social Funds and therefore the quality of bids was high;
- Some regions were less generous in their interpretation of the scoring framework;
- Organisations in some regions had less capacity to deliver training for the workforce
- Some regions placed a lower priority on training the workforce than training for the unemployed

Another issue was raised in a region that also had O2 status. The experience there was that many projects submitted the same project under O2 as O4. If they were successful under the former then they withdrew from the latter leading to under-subscription for O4.

Regions that had a reserve list were more inclined to think that the regional allocations of Objective 4 did not adequately reflect local need. However those regions which were unable to spend all their funds in the first round of applications reported that they were better able to respond to emerging needs. Particular examples were given of important local employers announcing redundancies and partnerships being able to bring forward integrated projects which retrained those employees who would lose their jobs and

placed them in other companies. Without a certain amount of flexibility in their budgets these projects might not have been able to proceed.

3.5   Monitoring and Evaluation

At the time of the Interim Report (December 1999), most of the stakeholders at the national level reported that they had only anecdotal reports of what was happening with Objective 4 on the ground, if at all. Government Officers reported a similar level of awareness. The monitoring and claims information was the only feedback GOs got from projects. This information was valuable in some instances as it acted as a signal to indicate which projects may not be running (as they did not always inform the Office of their intention to withdraw). This then identified areas of potential under-spend and reserve projects could be brought on.

The amount of face to face monitoring undertaken varied between regions. In some instances one or two project visits were made each year. Others monitored selected projects, in one region the criteria were:

- Projects over the value of £100 k
- Projects which were queried during the scoring process
- Projects which had a large under-spend in the previous year.

Some concern was expressed that the system was not sufficiently well regulated to discern mis-use of resources, or indeed fraud.

The audit function was generally not explored in the interviews however, one respondent raised the issue that DfEE auditors were not integrated with the Policy and Practice units and their interpretation of eligibility criteria might be different to other DfEE units, to the region's or to Europe. In one case the region's decision about eligibility was overturned and a project had to return several thousand pounds. This was viewed as contributing to a lack of regional discretion given by the Department.

Local projects reflected the diversity of evaluation activities undertaken. The survey of P1 and P3 projects illustrated the difference in evaluation processes.

Table 3.4 Type of evaluation by priority (number of projects)

	P 1	**P 3**	**Total**
No evaluation	7	1	8
Project monitoring /QA	5	11	16
Project review and evaluation report	3	3	6
	15	**15**	**30**

Source: Survey of P1 and P3 projects

The majority of projects were subject to some form of local monitoring, review or evaluation. 20% (n=6) suggested that they had undertaken an evaluation and produced (or were in the process of producing) a report. The majority of respondents suggested that they undertook evaluation through quality assurance of the product development (n=10) or delivery process (n=6) through feedback from customers on a generally ad hoc basis. A substantial minority (n=8) did not appear to undertake an evaluation process. All but one of these were P1 funded projects. Two of these respondents suggested that the outcomes of the project were research reports and commented on the problems of evaluation in this context. Two respondents forwarded published research reports both of which acknowledged ESF support for the projects on their published documentation.

3.6   Section Summary and Emerging Issues

This section of the report has drawn on interviews with key actors at the European, national, regional and local level to develop a stakeholder view of Objective 4. It has assessed the experiences and perspectives of a range of stakeholders associated with O4 implementation in Britain. The following key issues emerge from the analysis

- The Four Pillars of action (adaptability, employability, entrepreneurship and equal opportunities) underpin the European Employment Strategy and provide the foundation for ESF labour market intervention at the national level. These emerged during the O4 programming period in GB, influenced its implementation and have become central to the Objective 3 Programme (2000-2006).
- Stakeholders generally viewed O4 positively at both the national and regional level, although the thinking underpinning this positive view was diverse and somewhat contradictory. Some stakeholders viewed O4 *primarily* as an important aspect of proactive prevention of unemployment whilst others viewed it *primarily*

as a means of improving the competitiveness of local companies. These views are not mutually exclusive as it can be argued that that O4 works with both companies and their employees to improve skills level, raise company performance and reduce the threat of unemployment.

- Many stakeholders at the national, regional and local level welcomed the opportunity presented by O4 to engage SMEs in workforce development activity although concerns were expressed at the low level of employer involvement in the design of interventions to be funded under O4

- There was a contested view of the SPD and Regional Assessments as some stakeholders viewed them in a positive light as 'flexible' and others a less positive light as 'vague'. They were completed within a short timescale and this had ongoing implications for the implementation of O4. There was a general feeling that the process was 'rushed' and the requirement to allocate resources influenced funding decisions.

- The Regional Committees were essentially comprised of the existing O3 committees. Some stakeholders (e.g. Trade Unions, Voluntary Sector, National Training Organisations) had difficulty penetrating the networks at the regional level.

- There were concerns associated with the mechanistic nature of the scoring process, the continuity and timing of funding decisions and the resources available for monitoring and evaluation at the regional level.

- There was (and to some extent remains) considerable uncertainty associated with eligibility of beneficiaries, match funding issues and the amount/utility of information required to service ESF requirements.

4 ASSESSING OUTCOMES OF OBJECTIVE 4 IN BRITAIN

The aim of O4 was to positively affect individual employers and their employees to adapt to industrial change. The extent to which O4 has succeeded in facilitating this change is perhaps the critical measure of the success of the intervention. This section of the report draws on primary research with companies and individuals participating in O4 in Britain to ascertain their views of the process and its contribution to aspects of adaptability and employability.

4.1 The Nature of the Survey Samples

The sampling and survey methodology are outlined in detail in the Appendix. The initial surveys of both employers and individual beneficiaries were undertaken in October/November 1999 and the follow-up surveys in October 2000. The characteristics of company survey respondents are summarised in table 4.1.

Table 4.1 Characteristics of sample of employers

	1999		2000	
	NO. OF RESPONDENTS	%	NO. OF RESPONDENTS	%
Employment size				
1-24 employees	80	37.9	70	38.9
25-49 employees	47	22.3	40	22.2
50+ employees	84	39.8	70	38.9
Sector				
Manufacturing	100	47.4	80	44.4
Services	111	52.6	100	55.6
Region				
Eastern	7	3.3	7	3.9
East Midlands	25	11.9	22	12.2
London	13	6.2	11	6.1
North East	13	6.2	12	6.7
North West	23	10.9	18	10.0
South East	19	9.0	15	8.3
South West	22	10.4	17	9.4
West Midlands	19	9.0	17	9.4
Yorkshire & Humber	6	2.8	6	3.3
Wales	29	13.7	25	13.9
Scotland	27	12.8	23	12.8
National projects	8	3.8	7	3.9
Total	**211**	**100.0**	**180**	**100.0**

Source: Survey of employers (2000)

The original survey (November 1999) established a sample of 211 companies participating in Objective 4. In the absence of reliable management information to establish a sample which was representative of participants in O4, broad survey quotas were established to ensure coverage of companies operating in both manufacturing and services sectors of the economy and of companies of varying sizes. In addition, quotas were established to reflect the regional dimension of O4 implementation.

The extent to which decisions affecting investments in human resources and/or new technology are decided locally may have an important bearing upon the training and related activities that take place within the individual workplace. Thirty eight percent of responding employers stated that their workplace was part of a larger group, with very little variation according to size of workplace. However service sector establishments (32%) were less likely than manufacturing units (45%) to be part of a larger group.

In total the surveyed companies employed 18,927 people in 1999, a mean of just under ninety people per workplace. Female workers accounted for 43% of all employees in the workplace covered by the survey, with a higher proportion of female employees in the services sector (47%) compared to 39 per cent in the manufacturing sector.

The characteristics of individual survey respondents are summarised in table 4.2.

Table 4.2: Characteristics of sample of individuals

	1999		2000	
	No. of Respondents	**%**	**No. of Respondents**	**%**
Gender				
Male	527	52.7	408	53.9
Female	470	47.0	350	46.1
Occupation				
Managers & Administrators	296	29.6	245	32.3
Professional Occupations	41	4.1	35	4.6
Associate Professional & Technical	101	10.1	88	11.6
Clerical and Secretarial	146	14.6	102	13.4
Craft related	108	10.8	79	10.4
Personal and Protective Service	121	12.1	84	11.1
Sales	42	4.2	31	4.1
Plant & Machine Operatives	89	8.9	67	8.8
Other	27	2.7	28	3.7
Employment				
Full time	872	87.3	615	81.6
Part time	107	10.7	64	8.5
Other	21	2.1	75	9.9
Age				
Under 25	138	13.8	69	9.1
25-44	518	51.8	438	57.8
45+	342	34.2	252	33.2
Ethnicity				
White	912	91.2	688	90.6
Other	87	8.7	71	9.4
Sector				
Manufacturing	402	40.2	296	39.0
Services	579	57.9	455	59.9
Other			8	1.1
Total	**1000**		**759**	

Source Survey of Individuals, 1999 & 2000

The original survey of individuals (November 1999) established a sample of 1000 individuals who had undertaken training part funded by ESF O4. In the absence of reliable management information to establish a sample representative of participants in O4, broad survey quotas were established to control the proportion of male/female

respondents. Women are over-represented in the survey samples as analysis of the Final Claims Data suggests that only thirty seven per cent of beneficiaries were women.

The sample contains respondents from a range of occupations although almost one third (32.1%) are drawn from a single category, managers and administrators. Respondents were drawn from across the age range. The majority (58%) were between twenty five and forty four years of age. The majority of respondents were white with less than ten per cent of the survey sample drawn from 'ethnic minorities'.

4.1.1 Sample Attrition and Comparability 1999- 2000

Sample attrition in the period between 1999 and 2000 was minimised through careful management of the survey process and high retention rates were apparent in both the employer and individual beneficiary surveys. Retention rates were 85 per cent for the company sample and 76 per cent for the individual beneficiaries.

Two hundred and forty (24%) individual respondents in the 1999 sample were not contactable in 2000. The most common reasons for non-response was employer refusal to allow a follow up interview with their employees or employee refusal to participate. Where employees had moved on, a workplace colleague provided an indication of their movement but these responses have not been included in the 2000 analysis due to the second hand nature of this information, nevertheless it provides useful context. Seventy six ex-colleagues provided an insight into the beneficiaries movement which suggests that over half had gone on to get a new job and only 5 five cent were made redundant.

The employer sample contains a broad cross-section of employers by employment size, although medium and larger employers (over 50 employees) are over represented when compared with national figures. Employers of this size represent just over two per cent of businesses but fifty six per cent of employment (DTI 2000). The number of manufacturing employers (which includes primary sectors and sectors such as Construction) is greater than might have been expected from the known sectoral distribution of employers in Britain. This reflects the expected targeting of O4 on sectors at most risk from structural change envisaged at the outset of O4. Twenty eight per cent of all employers fall under this category in 1999. The proportion of male/female

respondents is broadly comparable (+/- 2%) with the labour market more generally (Annual Employment Survey 1998).

Analysis of the variation between the 1999/2000 employer/employee samples suggests that the sample characteristics are broadly comparable year on year. For example in the company sample there is minimal variation associated with business size, a slight increase in the retention of service sector companies and minor variations associated with regional response. In the sample of individuals, there is minimal year on year variation associated with general characteristics such as gender, occupation, ethnicity or sector. There is a slight shift in the age profile between the under 25 and 25-44 group which may explained by the ageing of the younger respondents across the ageband boundaries. Given the high degree of fit between the two samples, the analysis in this report is largely based on the responses obtained in the 2000 survey. Where there are differences in the 1999/2000 findings they are highlighted in the text.

4.2   Characteristics of Change in Participating Companies

Innovation in terms of changing markets, technologies and/or processes are key drivers which lead to improving existing skills or to developing new skills in the workforce. The survey of employers investigated issues such as changes in the overall level of employment, work organisation, products and processes and the introduction of new technologies in order to provide an overview of the nature of change in participating companies.

4.2.1   Employment Change

Figure 4.1 illustrates that the experiences of surveyed organisations in relation to employment change is mixed.

Figure 4.1 Employment Change in Past Year (% of respondents)
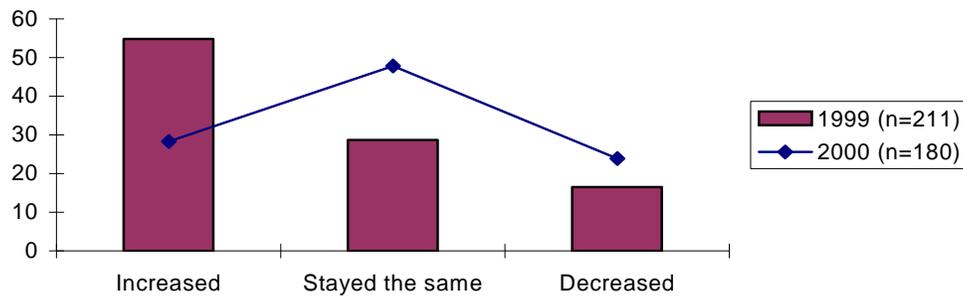
Source: Survey of Employers (1999, 2000)

While the figures presented in figure 4.1 are not strictly comparable due to the different time periods involved, it is clear that 1999-2000 was a difficult trading year for many respondent organisations. More detailed investigation of the data suggests that manufacturing businesses were more likely to experience a decline in employment between 1999 and 2000 than their service sector counterparts (31% as opposed to 18%). While this largely reflects the problems faced by many manufacturers during 2000, it is likely that changing technology also played a part.

4.2.2   Innovation

Figure 4.2 Nature of Change
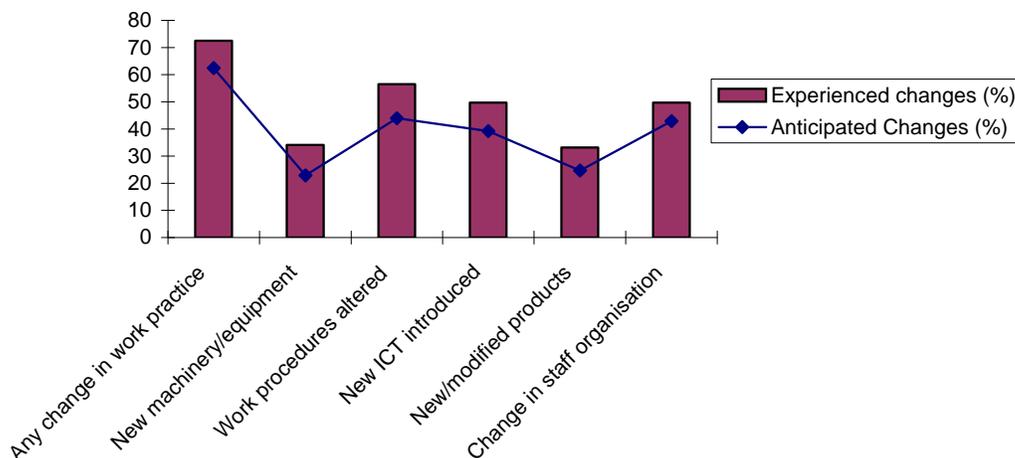
Source: Survey of Employers (1999 n=211)

The vast majority (73%) of responding organisations have experienced at least one type of innovation associated with the introduction of new technology or work process during

the past three years. Furthermore, the majority of organisations expect further changes in the next three years.

The changes experienced by respondents are often multiple and varied. The most commonly cited change is associated with the alteration of work procedures or change in staff organisation. Almost half the companies have introduced new Information and Communications Technology in the past three years. The ongoing nature of change is illustrated by the anticipated changes cited by respondents with the majority of organisations (63%) suggesting that they will be involved in further change associated with at least one aspect of technology or process in the next three years.

Table 4.3 Change in technology over past 12 months (% of respondents)

	Past (%)	Anticipated (%)
Significant increase	25.0	14.4
Moderate increase	47.8	47.2
No change	26.1	31.7
Decline	0.6	1.1
Don't know	0.5	5.6
Total		

Source: Survey of employers (2000 n=180)

In around half of all cases, technological change is described as 'moderate' suggesting an incremental approach to change adopted by employers. However a substantial minority (circa 14%) of respondents anticipate 'significant' technological change in the near future.

In general, those businesses that had experienced change in the past are significantly more likely than others to anticipate continued change in the future. However, a sizeable minority of organisations that had not experienced change reported that some changes might be occurring in the future. For example, thirty three employers had not introduced any information or communications technologies in the year preceding O4 intervention, but fifteen of these said that such a change was likely in the future.

There is a weak positive correlation between measures of change in technology, work practices, products etc. and anticipated future training practices. However, only in the case of the introduction of new products is the relationship statistically significant. All businesses that anticipated introducing new products said that they would be undertaking some form of training in the near future.

4.3   Characteristics of HR Development Activity Prior to O4

The initial survey of employers (1999) suggested that the majority of responding organisations engaged in O4 activities were broadly positive about training activity prior to their involvement in the O4 intervention.

Figure 4.3 Indicators of HR Activity (% of employers)

% of respondents with more than half of all staff involved in training   64

% of respondents with a training plan   68.1

% of respondents who describe themselves as 'enthusiastic' about training   74.9
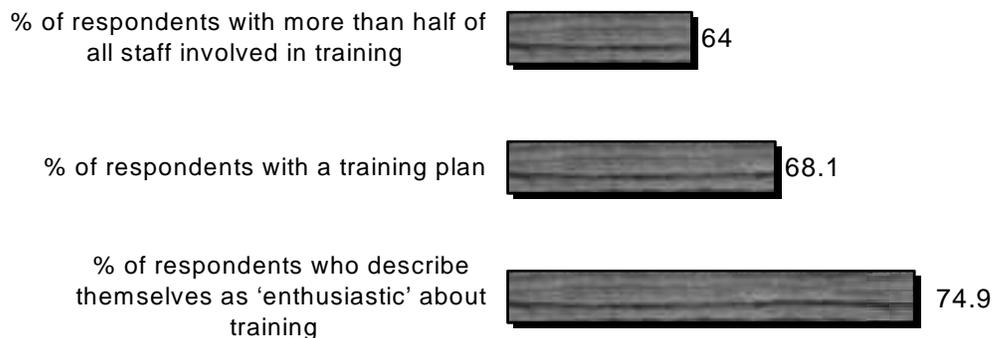
Source: Survey of Employers (1999)

The vast majority of respondents (74.9%) describe themselves as 'enthusiastic' about training. The majority of employers (68.1%) in the survey suggest that they already possess a training plan and (64%) suggest that more than half of their staff were involved in training prior to participating in the O4 funded intervention.

The survey results suggest that the emphasis of skills development lies with improving the capability of management and the use of ICT as illustrated in figure 4.4. It is also clear from the high proportion of 'other' skills needs that employers recognise a wide range of provision is required to meet their diverse skills needs.

Fig 4.4 Training Needs Pre O4

Improved literacy	11
Improved maths	10.5
IT/computing	49.2
Management	45.5
Wider vocational skills	29.3
New production technology	19.4
Other	47.1
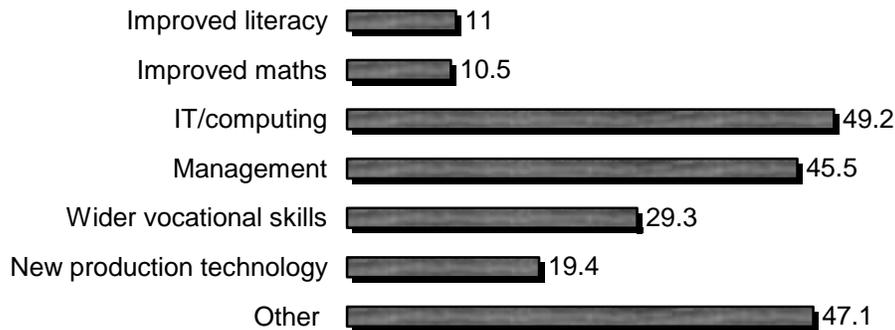
Source: Survey of employers (1999 n=211)

4.4   Training Provided Through O4 Projects

The surveys investigated the type of training provided with the support of ESF O4 funding, the numbers and categories of staff involved and the skills learned through the training.

The most common skills facilitated through O4 training reflected the priorities of the employers prior to involvement in O4. Figure 4.5 summarised the skills learned through training supported by O4.

Fig 4.5 O4 Supported Provision

Improved literacy	11
Improved maths	10.4
IT/computing	40.3
Management	48.3
Wider vocational skills	14.2
New production technology	10.9
Other	30.2
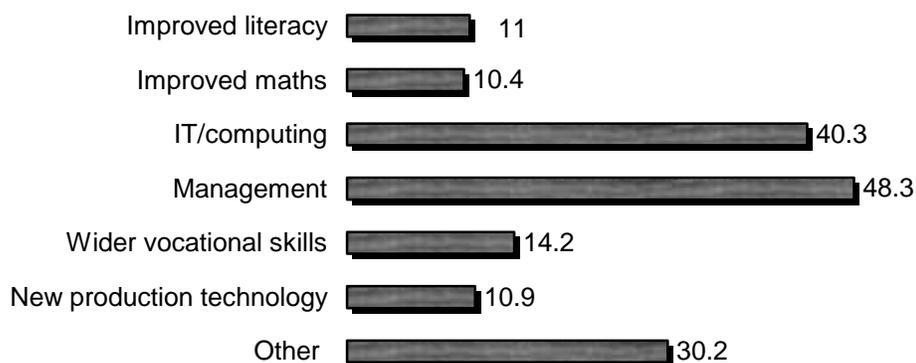
Source: Survey of Employers (1999 n=211)

Almost half the employers suggested that they had supported the development of IT (40%) and management related training (48%). However the wide range of skills

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learned through O4 supported training is illustrated by the fact that thirty per cent of respondents mentioned skill areas other than those specified in the questionnaire. These included health, safety or hygiene skills, caring skills, technical engineering skills, customer service and assessor/instructor skills.

4.5   Adaptability and Employability

The emphasis of O4 was placed on the development of skills which would encourage both adaptability and employability.   The surveys of employers and individual beneficiaries examined the emphasis of skills development associated with the development of specific current job related skills or more broad based skills development.

Figure 4.6 Type of Skills Development

Completely new job and new set of skills
4%

Learn some new skills for different type of job
16%

Other
9%

Revise /update skills for current job
71%
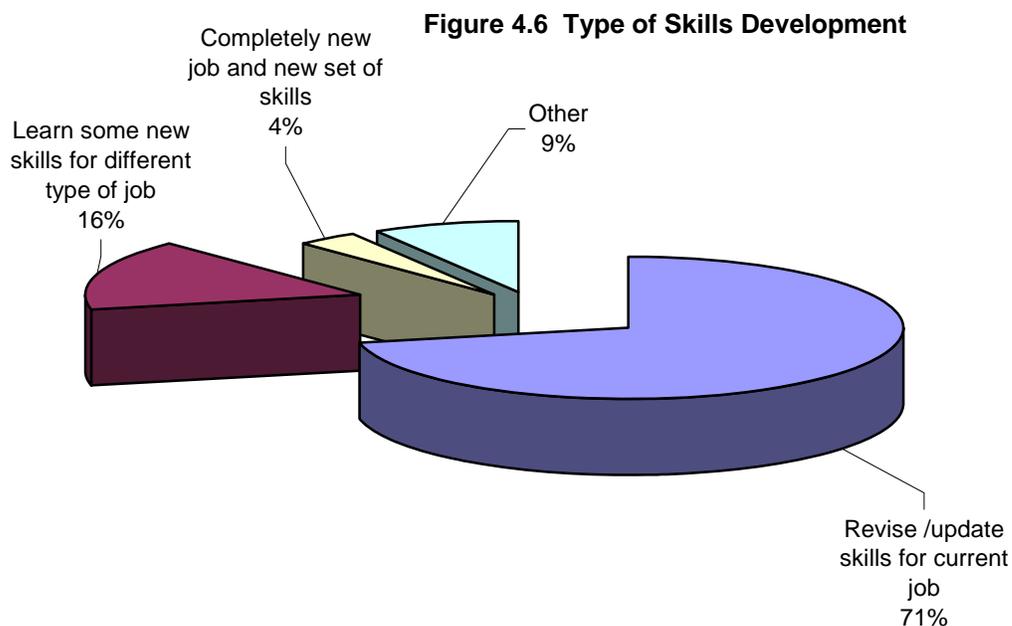
Source:b Survey of Employers (1999 n=211)

The survey of individuals reinforces the view that the majority of training supported job specific needs (table 4.4) with almost three quarters suggesting that they had undertaken 'job specific' training.

Table 4.4 Type of training undertaken

	Number	Percent
Job specific training	729	73.0
Training for another job	208	20.8
Training for completely different job	61	6.1
Other	78	7.8

Source: Survey of Individuals, 1999

The follow up survey of individuals provides further insights into aspects of adaptability and flexibility. Figure 4.7 illustrates the types of activities undertaken subsequent to the O4 funded intervention.

Figure 4.7 New Activities Undertaken Since O4 Funded Intervention

	Used new IT packages	Used a new machine	Used a new technology	Worked in a different part of the company	Undertaken new tasks as part of the job
■ Number	285	207	289	128	356
☐ Percent	39	28.4	39.6	17.5	48.8
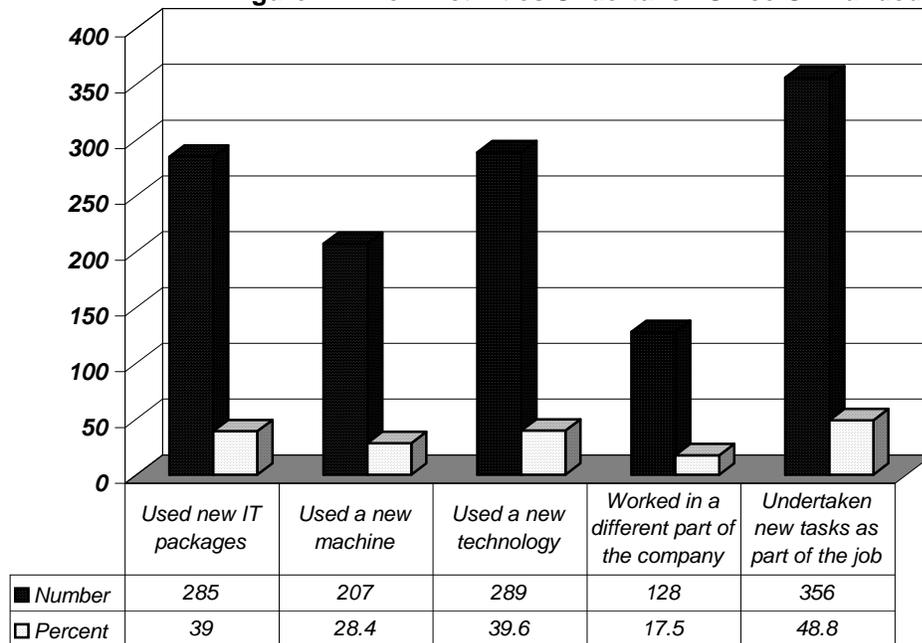
Source: Survey of Individuals, 2000

The vast majority of respondents in work (73%) suggested that O4 had impacted on aspects of their flexibility and adaptability by extending or broadening their role in the workplace or through using a variety of new or different technologies.   For example almost half of these have undertaken new tasks as part of their job and over one third suggest that they had used new IT packages.   Just over one quarter (27%) suggested that they had not undertaken new activities since receiving the O4 funded training.

Employers themselves were asked to indicate how useful they felt that the O4 supported training had been in relation to various aspects of the flexibility of the trainees concerned. Figure 4.8 illustrates the results.

Figure 4.8 Reported Usefulness of Training Supported by O4 (% of respondents reporting that training was 'very' useful)

Trainees' motivation	60.9
Trainees' ability to do the job better	68.2
Trainees' ability to find other work	47.5
Trainees' progression in the company	25.4
Trainees' access to new technology	38.3

Source: Survey of Employers (1999 n=211)

Employers reinforce the view that O4 has contributed to improved employee commitment, and access to new technology. Thirty eight per cent of employers suggested that the training provided through O4 has been 'very useful' in facilitating the trainees' access to new technology. However almost half of the employers suggested that O4 had improved the trainees' ability to find other work providing an indication of the transferability of the skills developed by O4 and potentially raising employer concerns about trainees who might choose to change their employer.

4.6   Enhanced Job Mobility: A cause for concern for employers?

The survey of individuals provides the opportunity to track workforce flows between employers and other labour market situations. The vast majority of individual respondents in 2000 (six hundred and seventy five) remain employed by the same employer. Sixty nine are now employed by a different employer and fifteen are not currently in employment. This suggests that circa ten percent of employees have moved on from their employer in 1999 with the majority of these finding employment elsewhere. The survey of employers confirms the general magnitude of this shift with employers suggesting that fifteen per cent of employees have moved on, although this figure is skewed by one organisation that had made seventy people redundant (61% of all estimated redundancies in the employer sample).

The majority of individuals in the survey (70%) suggested that the skills that they had gained through the O4 funded training could be used to move between employers. Almost half (47.5%) of the employers suggested that it had enhanced the trainees ability to find other work. The employers recognition that the training had enhanced the individuals ability to find other work may raise employer concerns associated with the poaching of trained staff.

4.6.1 Losing the Investment in Training

Employers suggest that the 'loss' of trainees was spread across a sizeable number of businesses, with half of all employers losing at least one trainee (Fig 4.9).

Figure 4.9 O4 Trainees Still Employed in Organisation (% respondents)

75% or less still employed	29.5
76%-99% still employed	20.2
All trainees still employed	50.3
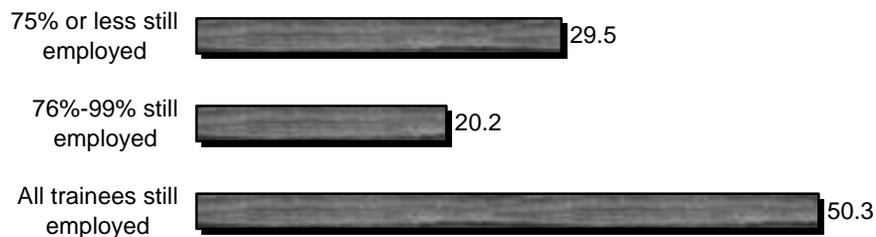
Source: Survey of Employers (2000) n=180

Not surprisingly, employers were not able to provide detailed information about all of the trainees that were identified as having left their organisations since undertaking the Objective 4 supported training. However, it was possible to obtain information on 76% of these individuals.

Employers suggested that just over half of these people had found jobs that were different in nature to the ones that they had been doing with their previous employer. Employers estimate that forty five per cent had obtained a similar type of job.

Very few were known to have become unemployed, even taking account of the redundancies (Fig 4.10). Indeed, the majority of trainees who moved on appear to have left voluntarily, presumably to take up new job opportunities.

Figure 4.10 Reasons for Trainees Having Left Employment (% of employees in each group)

Reason	Value
Other reason	3.5
Dismissed	2.4
Left voluntarily	57.2
Redundant	33.6

Source: Survey of Employers (2000 n=180)

Figure 4.11 illustrates that, in the opinion of the employer, O4 training had led directly to an employee leaving in only a small minority of cases. Employers suggest that only 20% of people had left employment as a direct or partial result of the training that they had received.

Figure 4.11 Did Employees Leave as a Direct Result of O4 Training? (% of employers that 'lost' trainees)

- Do not know 2%
- Yes 11%
- To some extent 9%
- No 78%
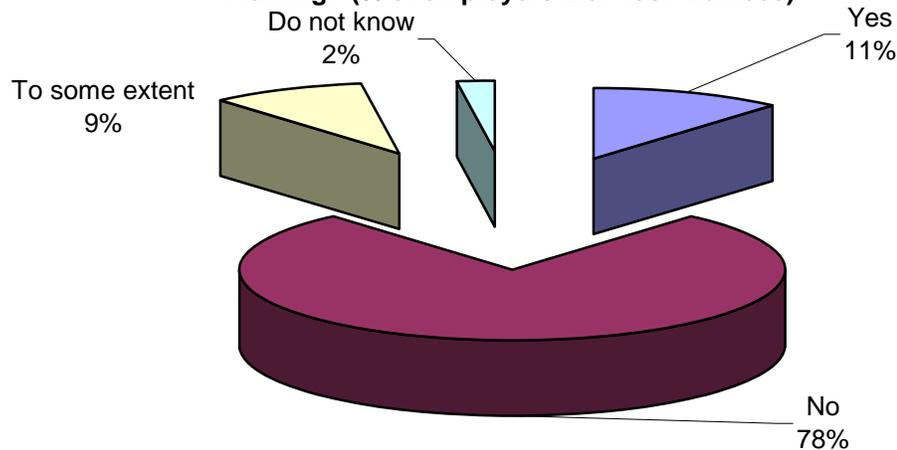
Source: Survey of Employers (2000 n=88)

Employers were further asked whether 'losing' people as a direct result of O4 would deter them from becoming involved in this type of initiative in the future. Of the nine organisations that were affected, only one said that they would be deterred from participating in future, six would not be deterred and two were unsure. This suggests that fear of 'poaching' is not a major issue, at least among those businesses that were involved in O4.

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Individuals who had left and were contactable in their new position provided a mixed view of the extent to which O4 had helped them obtain the new position. Almost one third suggested that it had helped a great deal and a further third suggested that it had not helped at all (Fig 4.12).

Figure 4.12 Impact on Job Mobility
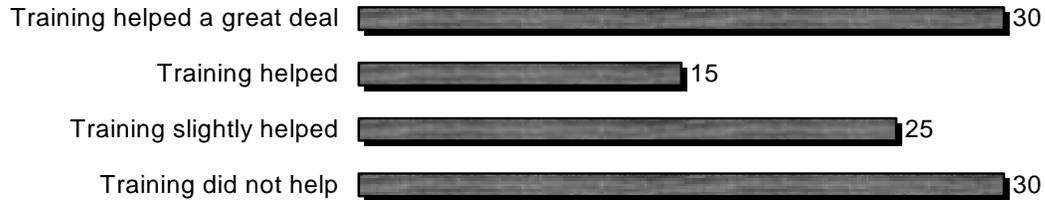
Source: Survey of Individuals, 2000 (n=60)

4.7   Impact on the Individual at Work

The surveys provide evidence of the development of O4 beneficiaries in relation to factors such as changing jobs, pay and perceptions associated with job security. The survey of employers suggested that the majority of their employees who had undertaken training part funded through O4 remained in the same job as they did when they commenced the training.

Figure 4.13 Position of Retained Employees (% of employees in each group)
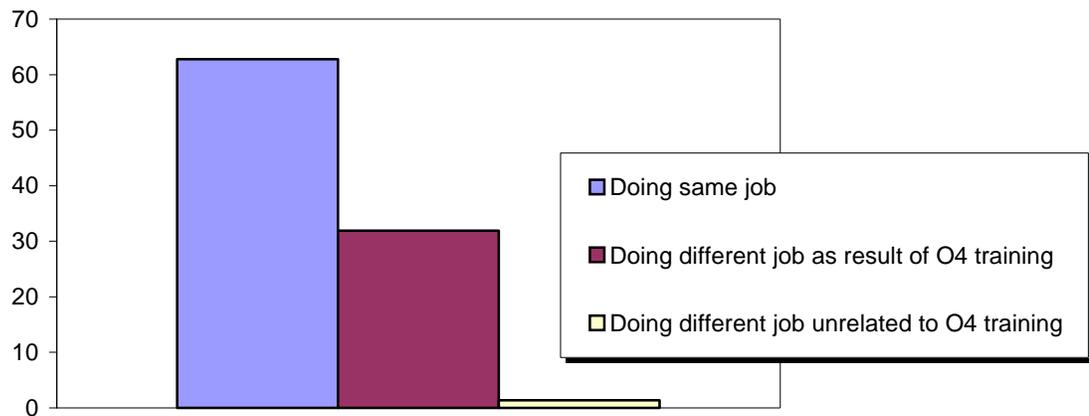
Source: Survey of Employers (2000)

However employers suggested that almost one third of employees were doing a different job as a result of the O4 training. Employees themselves provided further evidence of role changes and progression.   Whilst the vast majority of individuals did not appear to have changed their role at work, more than one hundred individuals (15%) have changed their job title since becoming involved in O4 training. The majority of these (65%) report that they have been promoted. Comparison of the change in job title suggests that the vast majority of beneficiaries have remained within their occupational grouping as opposed to shifting to another occupational group.

Individuals have attained the benefits of O4 supported training in other ways. For example twenty seven per cent report that they have received a pay rise above the normal settlement and more than a quarter of these (27%) suggest that this is wholly attributable to the O4 intervention.

Individuals report a range of other attitudinal changes which are associated with the O4 intervention.

Table 4.5: Showing how beneficiaries feel since their O4 funded intervention (percent)

	No.	% of total respondents	If yes, this is		
			Fully due to O4	Partly due to O4	Not due to O4
Feel more confident at work	545	71.8%	30%	63%	7%
Feel more secure in job	340	44.8%	26%	59%	16%
Got more satisfaction from work	422	55.6%	28%	63%	9%

Source Survey of Individuals, 2000

The vast majority of respondents (71.8%) suggested that they felt more confident at work. Almost a third of these (30%) attributed this almost wholly to the training received through O4. Over half (55.6%) suggested that their work satisfaction had improved with less than 10 per cent suggesting that this was unrelated to the O4 intervention. Furthermore more than two in five (44.8%) suggested that they felt more secure in their job as a result of receiving the training part funded by ESF O4, with over one quarter of these attributing the increased security to the intervention. Only seven per cent of trainees reported that they did not feel more confident at work, more secure or get more satisfaction.

4.8   Impact on Attitudes Towards and Incidence of Training

The baseline survey investigated the extent to which individual beneficiaries had undertaken training in the twelve months preceding involvement with the O4 intervention (4.14). Two in five of the respondents had not undertaken any internal or external training in the preceding period (12 months).

Figure 4.14: Incidence of training

Source: Survey of Individuals (1999)

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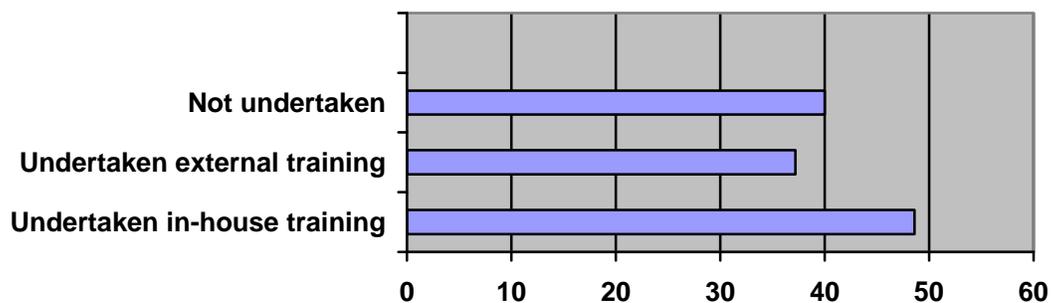
The data reinforces the view that internal training is the most frequent mode of training undertaken by employees in the survey. Furthermore, over one third (37.2%) had undertaken some form of external training.

Employers and employees involved in the surveys of O4 beneficiaries have, by definition, subsequently become involved in training and development activities. A number of factors appear to be associated with increased training activity on behalf of employers. Although no one factor dominates, and levels of statistical significance in bi-variate tests are low. In general, businesses that had experienced some form of change (e.g. new technology, new products, new forms of work organisation) in the past were more likely to have increased their training activity. There seems to be no clear relationship, however, between anticipated changes and actual changes in training activity. Increased levels of training were reported across the board, but were slightly more prevalent among businesses with relatively low training activity (defined as those training 25% or fewer of their staff) prior to involvement in Objective 4. However, a significant minority (38%) of such firms stated that training levels had remained unchanged since O4.

The six hundred and seventy five individuals who had remained with the same employer (1999-2000) were asked a range of questions to assess the impact of O4 on their personal attitudes towards, and the incidence of training. Figure 4.15 summarises the survey results.

Fig 4.15 Increased Interest, Incidence Post O4

Source: Survey of Individuals (2000)

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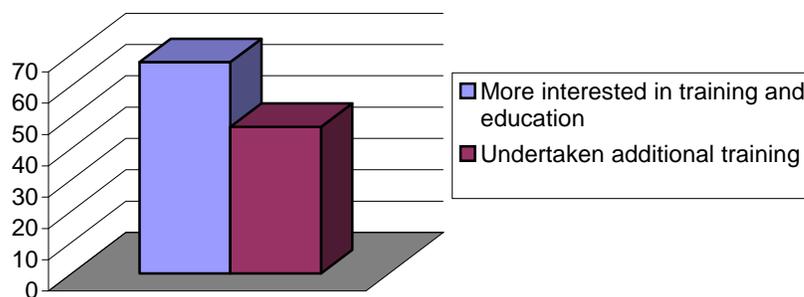
The survey results suggest that over two thirds of respondents (67.5%) are more interested in training and education following their experience of training supported by O4. Furthermore almost half (46.8%) have gone on to undertake additional training subsequent to the O4 intervention, with the vast majority of these (88.9%) suggesting that their employer had paid for the training. Individuals also report a change in employer attitudes towards training (Fig 4.16).

Figure 4.16 Change in Employer Attitude (% individuals)

Less supportive 4%

Other 5%

More supportive 43%

The same 48%
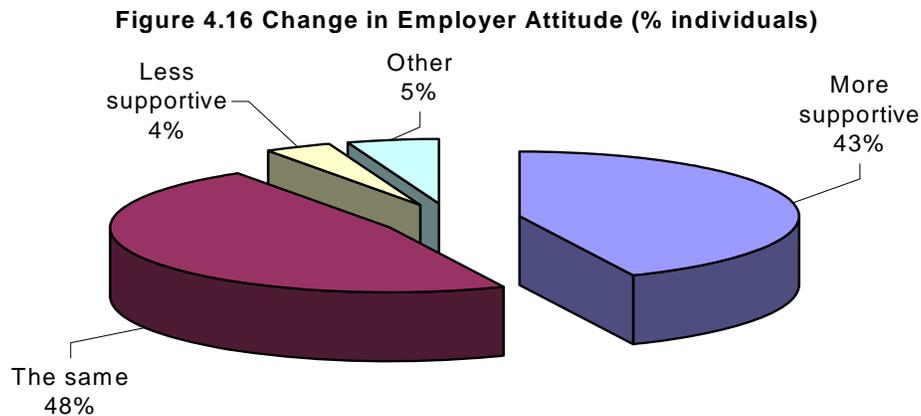
Source: Survey of Individuals, 2000

Almost half the individual beneficiaries (43.2%) suggest that their employer had developed a more supportive attitude towards training and education.

The views of the individual respondents are supported by the self-assessment of employers. Managers were asked how they would describe their attitude towards training before and after their involvement with Objective 4. The results are summarised in Table 4.6, and suggest a small but perceptible 'positive' shift in attitudes.

Table 4.6 Employers' attitudes towards training of staff benefiting from O4

	Before O4	After O4
	%	**%**
Enthusiastic	75	88
Uninterested	2	1
Uncertain about effectiveness	14	4
Keen to give opportunity	56	51
Worried about ability to learn	10	2
Total		

Source: Survey of employers, 1999 (N=211)
Note: respondents could give more than one answer

Individual employees suggested that only a small proportion of employers (4.1%) had become less supportive. The findings from the employers survey reinforce the view of an increased emphasis on training. For example employers suggest that further resources have been used to support continuous development with over 60 per cent of employers supporting further training for the workforce.

Table 4.7 Impact of O4 training on further training activity

(% of employees in each group)

	Total
More similar training	13.9
Other further training	46.7
No further training	31.9
Total	**100.0**

Source: Survey of employers (2000)

However the survey suggests that there remain approximately one third of employers who have conducted no training following initial O4 activity. The majority of employers suggest that they have increased their training activity subsequent to their initial involvement in O4 (Fig 4.17).

Figure 4.17 Change in Training Activity Since Involvement in O4 (% respondents)
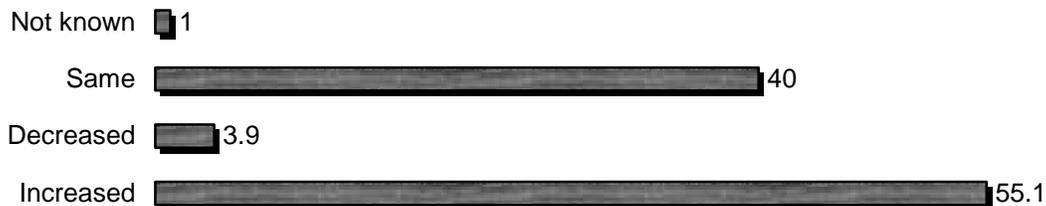
Source: Survey of Employers (200 n=180)

The findings indicate that over half of the employers (55%) have increased their training activity with less than four per cent decreasing activity since becoming involved in O4 supported activities.

Figure 4.18 Increased Training a Result of Involvement in O4? (% of employers reporting increased training activity)
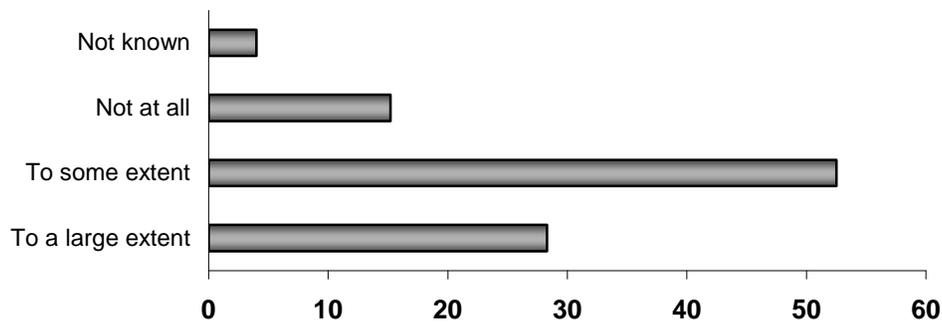
Source: Survey of Employers (2000 n=99)

Figure 4.18 clearly demonstrates that most employers, who have increased training activity, recognised that the increased training activity was due, at least to some extent, to the O4 intervention. Employers were generally positive about their experiences with O4, with only a small minority (5.6%) stating that they would definitely not get involved in a similar intervention in the future.

4.9   Impact on Organisational Performance

Evaluating the impact of training and skills development is fraught with methodological challenges. Establishing cause and effect, attributing changes in financial performance to skills development activity, the uniqueness of individuals and organisations and the stage of the economic cycle all conspire against an unequivocal view of the contribution of training and skills development activity to the 'bottom line'.

A major policy concern is related to the level of productivity of UK based businesses. However the concept of productivity has meaning in all places but there are no standardised measures in many sectors. Financial measures are themselves open to measurement, interpretation problems and inconsistency. Research undertaken by the Policy Research Institute for NACETT (Johnson et al 2000) illustrated clearly that the impact on organisational performance of investment in training and development is usually an indirect one, even among organisations that invest heavily in their people. Improved financial performance, for example, results from better customer care, improved morale among staff, lower levels of wastage, improved staff retention and a whole range of other 'intermediate variables'. The approach followed in the surveys of

O4 beneficiaries is to ask managers about various aspects of their organisations performance and to treat the data as orders of magnitude rather than measures of exactitude.

**Figure 4.19 Respondents reporting some or
large positive impact (% of employers)**
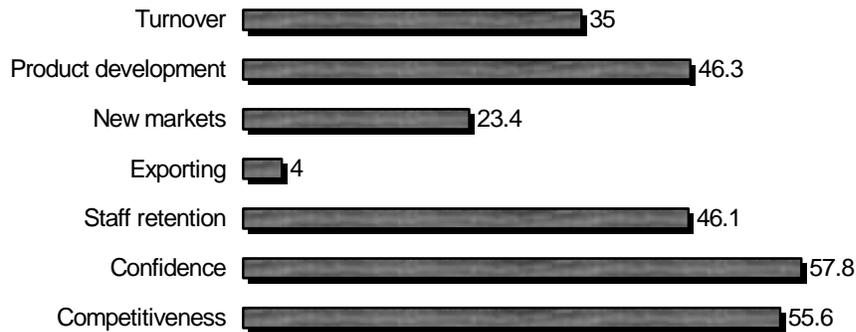
Source: Survey of Employers (2000)

Fig 4.19 demonstrates an important point namely that the most immediate and obvious impacts of involvement in Objective 4 training are upon 'softer' indicators of business success, such as 'confidence about the future' and 'competitiveness'. Respondents, in general, were less likely to identify a direct, strong link between training and 'harder' financial indicators such as turnover or profitability.

However, the survey data suggests that the benefits of training in relation to financial and related indicators of success, such as turnover and new product development, become apparent to a number of respondents over a longer period of time. This is demonstrated, for example, by an increase between 1999 and 2000 of 8% in the proportion of respondents stating the Objective 4 training has had at least some positive impact on turnover.

Employers appear able and willing to recognise the impact of training on individual performance as indicated in table 4.8.

Table 4.8 Impact of O4 training on employee performance

(% of employees in each group)

	Total
Improved as result of training	84.5
Improved, not as result of training	4.8
Not improved	7.2
Total	**100.0**

Source: Survey of employers (2000 n=180)

Table 4.8 shows that, according to employers', O4 training has had a positive impact upon the performance of the participating employees. It is clear that a large number of employers feel that this improved performance will, after a period of time, feed through to wider improvements in organisational performance. However a small minority do not recognise an improvement in employee performance as a result of the O4 training.

Figure 4.20 Extent to which O4 Training Met Needs of Organisation (% of employers)
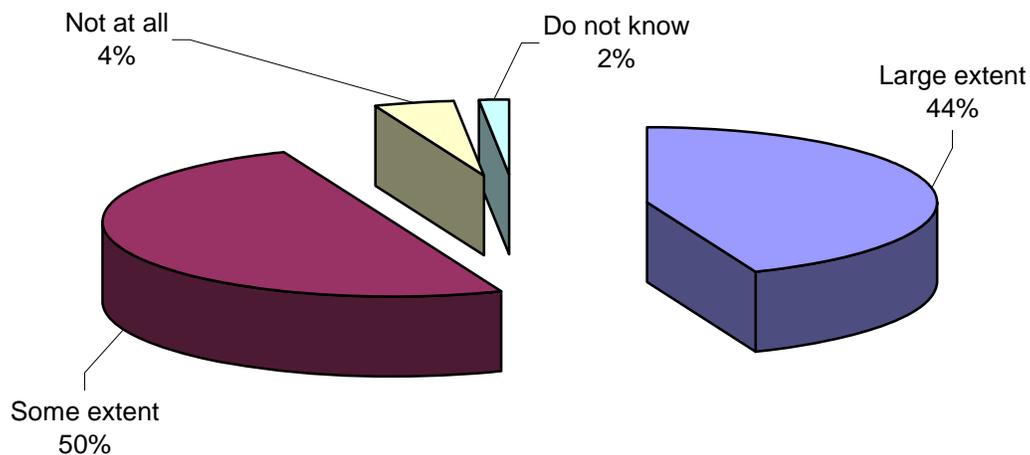
Source: Survey of Individuals, 2000

Finally, when asked whether Objective 4 training had met the needs of their organisations, respondents were broadly divided between those who felt that their needs had been fully met and those employers whose needs had been partly met. Less than

5% felt that their needs had not been met at all. This illustrates the vital need for those involved in providing training and related support for employers to take close account of the specific needs of the organisation which will considerably increase the chances of success in the eyes of the employer.

4.10 Section Summary

This section of the report has drawn on the surveys of employers and employees engaged in the O4 Programme. The key findings are

Characteristics of beneficiaries

- The majority of organisations are responding to external challenges and involved in activity including product, process and/or technological change
- The majority of organisations are already undertaking training activity
- The most common training needs are associated with management and IT skills

Adaptability and employability

- O4 provision focussed on management and IT training needs identified as a priority by employers prior to the O4 intervention
- The vast majority (73%) of individual beneficiaries suggested that the training had impacted on various aspects of their flexibility and adaptability
- Employers reinforce the view that O4 contributed to employee commitment and access to new technology
- Almost one third of employers suggest that trainees are doing a different job as a result of O4 training. However only 15% of employees suggest that they have changed their job title since being involved in O4 training
- However the majority of individuals feel more confident and get more satisfaction from their work and attribute this at least in part to the O4 training.

Commitment to ESF training

- The majority of individuals suggest that they are more interested in training and education, two in five suggest that their employer has become more supportive and almost half have undertaken additional training following the O4 intervention
- Employers suggest a high level of commitment to ESF activity with over ninety per cent suggesting that they would probably or definitely be involved in similar initiatives in the future
- The majority of employers suggest that the O4 training met the needs of the organisation
- Employers recognise the benefit of the training both in terms of 'soft organisational measures such as increased confidence in the future and competitiveness and also in terms of improved employee performance.

5 AN ASSESSMENT OF PROGRAMME PERFORMANCE

This section of the report reviews process issues arising from the evaluation of O4 in Britain and assesses the impact of O4 in the wider labour market context.

5.1 Process Issues

5.1.1 Strategic Guidance

The Single Programming Document (EC 1998) provided strategic guidance for the implementation of O4 in Great Britain.   It suggested that the O4 programme should give priority to

- Increasing the higher-level skills of employees to meet the needs of the new jobs which are expected to be created
- Aiming to broaden the level of key skills within the workforce
- Ensure that those lacking basic skills are trained to increase their employability

The SPD went on to identify a broad range of further groups 'eligible' for O4 support. These included in-house trainers, mentors; sector based IIP advisors; owner managers. Support was also available to develop information technology skills, management skills and wider vocational skills (e.g. marketing, accounting).

The tensions inherent in the competitiveness and preventative approach to unemployment rationale underpinning O4 initially resulted in some confusion associated with its nature and purpose and the guidance provided by the SPD was seen by some as 'vague' and by others as 'flexible'.

5.1.2 Regional Implementation

Regional Assessments were mostly completed externally by regional and national specialists. They have generally been used as working documents to support the applications process. However the extent to which they provided sufficient strategic guidance for the implementation of O4 and the extent to which they take account of demand-side needs (of SMEs and their employees) is contested. There were some

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concerns that the projects that were funded did not necessarily 'add up' to achieve the regional priorities.

The preventative nature of O4 placed greater emphasis on dealing with beneficiaries through employers. This was welcomed as a considerable opportunity to engage with the business community by many stakeholders. However the regionalised implementation of the programme presented some uncertainty for regional officers as the concepts underpinning Objective 4 were not clearly understood (by their own admission). The regional stakeholders suggested that the National SPD had been interpreted by (mostly) external consultants to reflect the regional labour market conditions. However, whilst it was understood that workforce development linked to company development plans had the generally beneficial effect of reducing the number of company closures and hence redundancies, it was difficult to generate projects which addressed all these issues together. Stakeholders could recall very few examples where O4 had been responsive to imminent redundancies in a locality.

To facilitate regional implementation, regions adapted their O3 systems and partnerships to O4, therefore a great deal of comparison was made with the experience of implementing and managing O3. Consequently O4 was seen as less straightforward than O3 and the relatively small amount of funds associated with O4 impacted on its relative importance. Some organisations (e.g. voluntary sector, Unions, NTOs) found it difficult to penetrate the regional networks at the outset of O4 although some of the barriers appear to have been (at least partially) overcome during the programming period.

Furthermore, some organisations expressed difficulty drawing bids together. There appear to be two types of organisations

1. Smaller organisations who do not have resources dedicated to accessing available through ESF funding
2. Organisations bidding for ESF funds for the first time.

5.2   Project Approval and Delivery

5.2.1   Targeting

A number of difficulties with targeting were generated as a consequence of the different interpretations of the rationale behind O4.

For instance:

> *If* O4 was *primarily* about workforce development and increasing employability, then groups of workers who are "less employable" or re-employable would be targeted. These would be people with low skills or in vulnerable occupations such as manual workers, and other vulnerable groups such as the elderly.

> *If* O4 was *primarily* about company responsiveness to global economic change then companies most vulnerable to changes in the global market would be targeted.

> *If* O4 was *primarily* about workforce responsiveness to global economic change then it is difficult to identify particular groups to be targeted as it can be argued that just about everyone fits this description, including public sector workers and those in large companies (groups who are - with some exceptions - excluded from participation in Objective 4).

In practice, it appears that all three (and possibly more) interpretations have been adopted.   The diverse nature of targeting apparent in the small scale survey of P1 and P3 projects highlight this issue.   For example, the majority of projects adopted an industrial sector based approach which perhaps reflected the emphasis of regional and competitiveness policy in the UK. However it was not clear how some sectors (e.g. Care) fitted with the emphasis of O4 on targeting workers at threat from industrial change or change in production systems identified in the SPD.   Furthermore, few projects appeared to target specific occupational groups, choosing to focus on industrial sectors or SMEs more generally.

The wide ranging and diverse strategic guidance and the myriad local interpretations of the purpose of O4 make coming to a judgement on the effectiveness of the targeting of O4 problematic.

The analysis in this report suggests that the vast majority of the employers engaged in the O4 programme in Britain fall under the EU definition (employing less than 250) of an SME and were identified as a key priority for support in the O4 SPD. The concern that was expressed by some stakeholders, namely that O4 funding would predominantly be used to support training in large firms that would otherwise undertake the training anyway has not been apparent. Whilst there have been a relatively large proportion of managers engaged in O4 supported activities, this occupational group was identified as a key group in the guidance notes associated with the O4 application process even though they are less likely to be subject to redundancy than other occupational groups. The three occupation groups (Unskilled and semi-skilled manual workers, Craft and skilled manual workers, Clerical and secretarial workers) identified as priorities for support in the SPD accounted for over 40 per cent of the individual respondents involved in the primary research.

Stakeholders suggested that the scoring process generally operated efficiently. However, in common with other ESF evaluation findings (Judge et al 1999) there is some concern about its appropriateness, and its mechanistic and reactive nature. There is also concern about regional weighting in the scoring system and the extent to which the process was equitable and transparent.

5.2.2 Monitoring and Evaluation

There appears to have been little ongoing reflection on the programme, its aims or its progress. This is manifested in a number of ways including:

- Supplier driven provision
- Adequacy of monitoring and evaluation

These issues occur to different degrees in each region. The stakeholders raised concerns associated with the extent to which ESF O4 provision reflected the interests of providers as opposed to employers and their workforce. There are undoubtedly

examples of supply driven interventions, however the majority of employers contributing to the evaluation surveys suggest that the provision has fitted their development priorities and met their needs. This view is re-inforced by the testimony from employers and employees in the face to face interviews and the case study examples and illustrated in the Good Practice Guide[6].

A general point was made by key stakeholders at both the regional and national levels in respect of the lack of specific O4 resources to support monitoring and evaluation at the regional level. The situation appears patchy with some regions suggesting that they were proactively encouraging submission of projects and monitoring O4 implementation. Regions with strong locally based partnerships appeared to be more proactive than others.

Although some respondents to the survey of P1 and P3 projects suggested that they had completed or intended to undertake external evaluation of the O4 funded projects, self evaluation, monitoring and evaluation after the event characterise the evaluation processes.   The local evaluation reports forwarded to the evaluator were of varying quality. Furthermore the extent to which they feed into the regional and national policy process appears to be limited in general.

5.3   Impact on the Labour Market

The overall level of employment has risen by 1m between 1997 and June 2000 (Bivand 2000). At the start of the O4 programming period there were indications that the labour market was about to turn down, but in the event, economic conditions prevailed which resulted in no change in the general trend. The changes apparent in the labour market during the programming period include

- fall in self-employment due in part to a change in Inland Revenue regulations
- fall in the number of individuals on Government training schemes due to the fall in overall levels of unemployment
- changes to the structure of youth schemes towards employed status.

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[6] Copies of the Good Practice Guide can be downloaded from www.esfnews.org.uk or obtained from the ESF Evaluation Team, DfEE, W626 Moorfoot Sheffield, S1 4PQ. Tel 0114 259 3717.

There has been little shift in the share of full time/part time employment with three quarters of those in employment employed on a full time basis. Employment growth has been experienced in every region, with the largest growth in SE/East and London and the smallest growth in North East, Merseyside and Wales. Employment has fallen in only one industry group (energy and water). The strongest employment growth has been in distribution, hotels and restaurants and finance and business services sectors of the economy.

However the macro economic stability masks a continued dynamism in the economy with new businesses forming whilst others cease trading and individuals change their labour market situation. The net effect of the O4 programme on the macro economic performance of the economy is likely to be minimal given the relatively small amount of funds associated with O4. Consequently identifying impacts at the level of the firm and on specific aspects of the labour market is more illuminating when exploring the impact of O4. The O4 programme is examined in terms of the following impacts on individuals and employers participating in the programme:

- Training and development activity
- The development of formal training processes
- Equal Opportunities
- Employability and adaptability
- Lifelong Learning
- Linkage with national policy
- Additionality and deadweight

5.3.1 Training and Development Activity

It is clear from analysis of the primary data collected as part of the evaluation that O4 has supported a wide range of training activity. However this has to be seen in the context of an increase in training activities reflected in the total amount of off and on the job training amongst all groups of employees. For example, there is evidence from both LFS and IALS that measured training levels have increased over the last 15 years although the last five years the picture appears to have remained static. For example the proportion of the workforce receiving any job related training during *the last month*

rose by nearly 5% between 1985 and 1994 but has risen by only 1.3% between 1996 and 2000 to stand at 16% in Spring 2000.

The primary data from the evaluation suggests that O4 has led to an overall increase in employee access to, and involvement in, training.

Figure 5.1: Impact on individual access and involvement in training
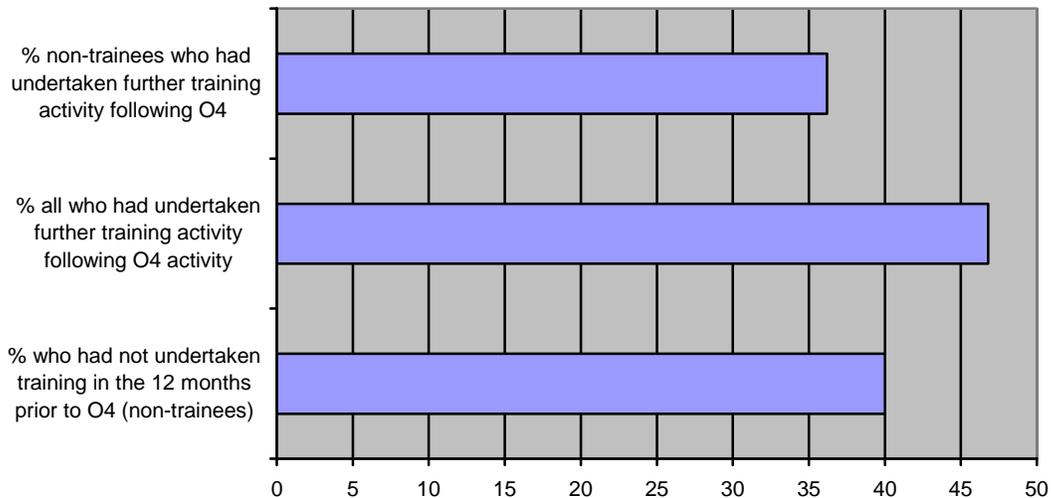
Source: Survey of Individuals (1999, 2000)

The Workplace Employee Relations Survey (WERS) (Cully et al 1999) suggests that sixty two per cent of full time employees had received some training in the past year. The evaluation research with O4 individual beneficiaries suggests that two in five had not received internal or external training in the twelve months prior to O4 involvement. Whilst not directly comparable, this suggests that O4 had been able to reach a greater proportion (if marginal) of employees who might not have been expected to be involved in training activities.

There is also evidence to suggest that training funded under O4 had formed part of an ongoing development process for many individuals. Almost half (46.8%) of all beneficiaries in the survey had undertaken training subsequent to the O4 intervention with almost half of these suggesting that the additional training was directly linked with the original training supported by O4. Furthermore over one third of trainees who had

not undertaken any external training in the twelve months prior to O4 have subsequently gone on to undertake further training activity.

The majority of employers too reported increases in training activity subsequent to their involvement in Objective 4. Fifty six percent of employers in the 2000 follow-up survey stated that training activity had increased since their involvement in Objective 4; only four per cent said that training activity had decreased. In twenty eight per cent of the organisations in which training had increased, respondents felt that this was due 'to a large extent' to their involvement with Objective 4; a further fifty three per cent said that this had been the case 'to some extent'.

5.3.2   Supporting the Development of Formal Training Processes

One of the few admissions that the internal workings of the firm need to be addressed if training policy is to succeed comes through the Investors in People (IIP) Initiative. IIP encourages a structured approach to training and development activity and the integration of activity with the business objectives of the organisation. It recognises the benefits from influencing a company's business strategy rather than its training strategy alone by integrating training and development activity with the development of the organisation. However despite IIP there appear to remain structural characteristics within many firms (particularly smaller firms) which limit demand for higher levels of education as employers are unable or unwilling to recognise, articulate, source or evaluate training and development needs.   O4 sought to develop more forward looking and structured approaches to human resource development through interventions specifically associated with IIP along with other forms of human resource processes to improve the adaptability of organisations in response to the competitive environment.

Figure 5.2 % of Organisations That have Put in Place Training-Related Activities or Systems Since Being Involved with O4
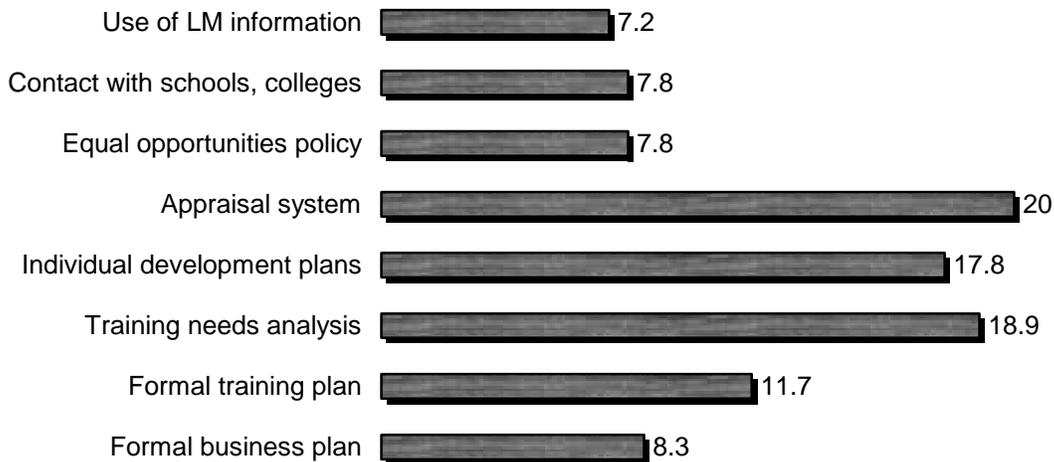
Source: Survey of Employers (200 n=180)

As can be seen from figure 5.2 respondents to the follow-up survey of employers reported that a range of training-related activities or procedures had been put in place since their involvement with O4. In particular, procedures such as undertaking individual staff appraisals, development plans and/or training needs analyses were adopted by between eighteen per cent and twenty per cent of respondents in addition to around fifty per cent of organisations that already had one or more of these in place prior to being engaged with O4.

The findings from the survey of individuals illustrate the changes at a personal level (table 5.1).

Table 5.1: Increase in identification of training needs

	1999		2000	
	Number	**%**	**Number**	**%**
Needs identified through a development interview	185	27.6	328	48.9

Source: Survey of Employees (1999, 2000)

The proportion of individuals who have their training needs identified through an interview has increased from just over a quarter (27.6%) to almost a half (48.9%). This will almost invariably invariably support the increased profile, recognition of need and resourcing of training and development activities.

5.3.3 Equal Opportunities

Equal Opportunities is one of four Pillars guiding ESF Labour Market intervention. Analysis of the final claims data suggests that O4 has engaged 106,330 male (63%) and 63,629 female (37%) beneficiaries. This should be of concern given the inequalities associated with access to training opportunities and skills development already manifested in the economy (e.g. Metcalf 1997).

The surveys conducted as part of the O4 evaluation investigated several issues with employers including their Equal Opportunities Policy and any special arrangements made to accommodate those likely to be discriminated against. The results are summarised in Figure 5.3 which suggests that a significant minority of employers have formal equal opportunities processes in relation to training and development.

Figure 5.3 Formal Arrangements Re Equal Opportunities Issues

% with EO policy re training and development	29.4
% making special arrangements re childcare	21.7
% of employers with at least one ethnic minority employee	53.1
% of employers with ethnic minority employees making special effort to involve them in training & development	17.4

Source: Survey of Employers (2000 n=180)

However the data suggests that there is scope for further development in the adoption of formal equal opportunities processes in the majority of participating employers.

Against the overall background of increased incidence of training, there is evidence to suggest that certain sections of the workforce remain less likely to receive training than others (Cully et al 1999). For example IALS finds that full time workers are roughly twice as likely to have received training during the previous twelve months compared with part time workers. The WERS data reveals a difference in the likelihood of undertaking training related to occupation. Those in management and professional occupations far more likely to undertake training than those in operative or craft related occupations.

Individual beneficiaries were asked if they had experienced problems associated with access to training and development opportunities. Less than ten percent of the survey respondents (n=52) suggested that they did not have equal access to training and development opportunities.

Table 5.2 compares the characteristics of these respondents with the remainder of the survey sample.

Table 5.2 Beneficiaries who feel they have not had equal access to training

	Those perceived to be discriminated against	
	No.	% of all respondents in work
Employment contract		
Full time	42	6.4
Part time	6	8.8
Other	4	15.5
Gender		
Male	29	7.1
Female	23	6.6
Age		
Under 25	5	7.2
25-44	30	6.8
45+	17	6.7
Ethnicity		
White	47	6.8
Other	5	7.0
Occupation		
Managers and admin	15	6.1
Professional Occupation	0	0
Associate professional	6	6.8
Clerical and secretarial	7	6.8
Craft	10	12.7
Personal and Protective	6	7.1
Sales	3	9.7
Plant and Machine Opps	3	7.1
Other	2	3.8
Sector		
Manufacturing	18	6.1
Services	34	7.5

Source Survey of Individuals 2000

The analysis suggests that there is little difference associated with gender, age and ethnicity and the respondents' perception of being discriminated against. There are however differences associated with the employment contract and occupation. For example, those in craft related occupations are more likely to suggest that they do not have equal access to training opportunities than respondents in other occupational categories.

A wide range of reasons were given by individuals who believed that they did not have equal access to training. Only one respondent believed that their part-time status was the reason for the lack of opportunity and only three respondents suggested that only more senior/specialist staff receive training. The majority of the remainder suggested general reasons associated with lack of management support and lack of time.

5.3.4 Employability and Adaptability

The O4 intervention appears to have had a positive impact on adaptability as measured by both the individual and the employer and outlined in the previous section of this report. For example, a large proportion of employees suggest that they are more skilled for the work that they do or have gained skills that could be used to change jobs. A further perceptual measure finds that almost half (47.5%) of employers suggest that the O4 intervention has been 'very useful' in developing the trainees' ability to find other work. The majority of employees themselves (70%) suggest that they have gained skills which could be used to help them change jobs with almost 40 per cent of these individuals fully attributing this change to O4 and a further 50 per cent partly attributing this to O4. This compares favourably (though not directly) with the findings from other research which suggested that the majority of employees say that training makes little difference to their mobility (Felstead et al 1997).

The majority of both employers and employees suggest that the O4 intervention involved the training of employees to revise and/or update the skills required to do their current job (See table 4.4). On the face of it, these results suggest that Objective 4 funding has been used, in the majority of cases, to support company-specific training rather than the more generic training which might provide trainees with transferable skills in the event of structural changes, the introduction of new technology or redundancy. However, it should be noted that 'job specific' skills incorporate elements of both company-specific and occupational skills. The case studies, and in particular, the interviews with trainees, revealed a number of instances where training which is ostensibly 'company-specific' helped to equip individuals broader skills that could, if necessary, be utilised elsewhere:

❑ *Two members of the clerical team of a membership organisation based in Devon received training in different aspects of Microsoft Office, including database management and financial software. While the training was geared primarily towards*

the needs of the organisation to improve membership records and financial control, both participants independently stated that they were keen to add their experience to their CVs in case they decided to look for other jobs.

❑ *Staff in a Kent care home for elderly people were given IT training in order to enable them to cope with a computerised recording system that was due to be introduced. Participants in this programme (mainly mature women) were pleased that they would be able to do their current job more effectively, but also recognised wider benefits in terms of employability.*

❑ *Staff at a transport training company in Wales were financed by Objective 4 to undertake D33 certificates at a local college. The main driver for this was the demand from clients for such certification. However, trainees were clear that obtaining this certificate would help them to gain alternative employment if necessary.*

5.4   Lifelong Learning

The National Learning Targets ensure that learning associated with accredited standards lies at the heart of government policy. There has been substantial growth in the number and level of qualifications which has largely arisen from an expansion in formal education (DfEE 2000a).   However there is a generally recognised need for both employers and employees to continue to develop and learn throughout their lifetimes. A wide range of training and development opportunities were offered through O4 interventions, many of which were linked with the attainment of qualifications or standards.

Forty five per cent of employers stated that the O4 training had led to the adoption of *new* qualifications within their organisations.   A wide range of qualifications was mentioned, from basic skills and food hygiene certificates to professional qualifications such as CIMA. However in the vast majority of cases, employers referred to NVQ or SVQ qualifications in a number of areas including customer care, sales and assessor skills (D32/33). Of the ninety organisations that mentioned NVQ/SVQ qualifications, fifty nine were at level 3 or below, and thirty one at level 4 or 5.

The case study interviews explored the extent to which employers and employees felt that the acquisition of qualifications was an important component of the O4 projects in which they were involved. The following examples illustrate the range of views expressed:

❑ In the case of a Welsh training company, it was absolutely essential for their employees to gain D32/D33 certificates, in order to ensure that the business could retain and/or win contracts with major employers and ITOs. At the same time, individual employees valued the qualifications as a means of obtaining other employment, if necessary.

❑ A rapidly growing high technology business in Manchester was very pleased with the training provided by a local university in a range of specialist technical skills. However, the company was beginning to undertake work for clients that insisted on industry standard qualifications, rather than the university certificate awarded for the O4-funded course.

❑ A consortium of business in the West Midlands that was working on a project with a local university, supported by O4, had only limited interest in qualifications *per se*. Indeed, they praised the flexibility of the programme, allowing courses to develop in response to company and individual needs, rather than the requirements of a formal qualification.

Employees themselves provide further evidence of the extent of accredited learning associated with O4. Over half the respondents (58.8%) to the survey of individuals have obtained a qualification or part qualification associated with the training provided through the O4 intervention. This is a substantially higher proportion than that recorded in the workforce more generally. For example the Labour Force Survey indicates that 39% of employer funded training leads towards either a qualification or a credit towards a qualification (similar to IALS 41%).

5.4.1 Linkage with National Policy

The key policy interventions (e.g. University for Industry, Individual Learning Accounts) introduced by the Green Paper (Dfee1997) have developed and evolved during the O4

programming period. Many projects made a linkage with the interventions at the applications stage. In common with other ESF evaluations (cf ADAPT/Employment Evaluation) identifying the impacts of projects on policy developments was particularly difficult not least because the projects themselves did not know when they had had any effect or conversely assumed that dissemination would inevitably lead to mainstreaming. The majority of project managers in the survey of P1 and P3 projects suggested that there were no established mechanisms to feedback lessons learnt from the local projects to inform the development of regional or national policy interventions (the main exception being specific pilot projects established under UfI or to promote ILAs). The feedback process appeared to be through evaluation reports produced for individual projects however the scale, scope, quality and level of dissemination varied widely.

Stakeholders expressed concerns in the early stages of the evaluation (Sept 1999) associated with the extent to which O4 projects have added value or contributed to the development of existing and emerging policy interventions. The survey of employers provides an insight into the extent to which O4 had facilitated connection with the demand side. The extent to which employers have become involved in a range of policy interventions since being involved in O4 are summarised in figure 5.4.

Figure 5.4 Employers Involvement with Policy Interventions
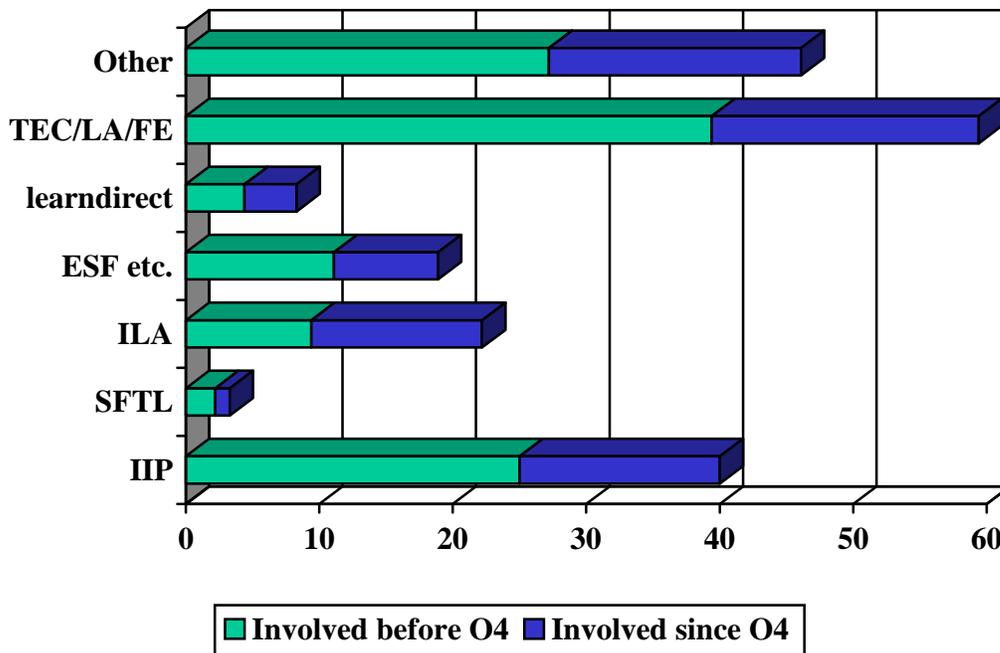
Source: Survey of Employers (2000)

Figure 5.4 demonstrates that there has been an increase among O4-supported employers in involvement with a range of policy and other initiatives that are concerned with training and development. In absolute terms, the largest increases have been in contact with TECs, local authorities and/or FE colleges, and in relation to a range of other initiatives. However, the largest proportionate increase has been in relation to Individual Learning Accounts (up from 9% to 22%) and Investors in People (25% to 40%). There has also been a small but perceptible increase in involvement with learndirect, although less than 10% of respondents reported any involvement in 2000.

Employees responses provide further insights into the awareness and involvement in related policy initiatives (Table 5.3)

Table 5.3: Awareness and involvement

	%
Have heard of ILA	26.9%
Have an ILA	8.8%
Heard of Learn Direct	27.0%
Contacted Learn Direct	3.5%

Source: Survey of individuals (2000)

Just over one quarter of the individual beneficiaries have heard of an ILA or Learndirect. However very few O4 beneficiaries have opened an ILA or contacted Learndirect.

5.4.2   Summary of Deadweight and Additionality

The assessment of deadweight and additionality is notoriously multi-faceted and largely judgemental. It is influenced by individuals perception of the objectives of O4 and their own activity. The research undertaken for the evaluation provides a basis upon which to form a view as to the nature and incidence of additionality and dead-weight at a variety of levels and from a variety of perspectives.

For example, at the level of policy, O4 has provided the opportunity to experience the implementation of a preventative approach to dealing with unemployment and to surface some of the tensions which exist in a policy which aims to satisfy competitiveness and social exclusion agendas simultaneously. At the regional level it has helped to engage organisations, which until recently, were not involved in partnerships at the regional level.

Furthermore the surveys provide evidence of additionality on behalf of both employers and employees.

5.4.2.1 Employers View

Table 5.4: Selected indicators of additionality and deadweight

	%
% that would not have carried out the same training without O4 support	17.3
% that would have carried out less or different training without O4	39.9
% that would have carried out the same training in the absence of O4 funding	42.8
% saying that training resulted in the adoption of new qualifications	45.0
% with plans for further training of staff involved in the project	84.3
% with plans for same type of training with other staff	73.9
% with plans for other types of training worth other staff	93.3

Source: Survey of employers (1999)

In relation to additionality (i.e. the extent to which the O4 funding has stimulated activity that would not otherwise have taken place) a sizeable minority of employers (17.3%) reported that none of the reported training activity would have taken place without the O4 funding.   In almost half the employers (45%) O4 had helped to introduce new qualifications and in the vast majority of organisations there were plans to provide further training for the staff involved in the O4 training, to expand the opportunities to other staff and to broaden the breadth of training opportunities available.

There also appears to be a weak positive (but not statistically significant) relationship between prior experiences of training and the extent of additionality. Twenty one per cent of businesses that had previously had low investment in training (involving 25% or fewer of their staff) stated that the O4 training was completely additional, compared with 11% of employers that had previously involved all of their staff in training.

5.4.2.2 Individuals

Table 5.5: Selected indicators of additionality and deadweight

	%
% beneficiaries not involved in training in the twelve months previous to O4 intervention (non-trainees)	40.0
% non-trainees who had undertaken further training following O4 activity	36.8
% employees who suggest that they have gained skills that could help them to change jobs	70.0
% employees gaining a qualification or part qualification	58.8
% employees more interested in training and education	67.5
% employees suggesting that the O4 intervention had helped them extend their role in the workplace or access new technologies	73.0
% of employees who felt more confident at work, more secure in their job or more satisfied	93.0

Source: Survey of individuals (1999, 2000)

O4 has engaged a substantial proportion of employees who had not undertaken training activity in the 12 months prior to involvement. Furthermore one third of these have gone on to undertake further training and development activity.   The vast majority of employees suggest that they have gained skills which could help them to move jobs and increased aspects of employability.   O4 has also supported the attainment (or part attainment) of qualifications over and above what might be expected in the labour market more generally.

5.5   Does Business Size Matter?

Much of the analysis in this report has focussed upon the experiences and impacts of O4 upon the two hundred and eleven organisations that responded to the telephone survey of employers.   However, responding organisations were not a homogeneous group. Employers that were involved in O4 comprise a broad cross-section, within the rules and guidelines of the programme.

In particular, O4 projects have engaged a wide range of employers in terms of their size, measured in this case by the number of employees.   Given that one of the key

objectives of ESF/O4 is to assist smaller organisations to develop their training and development activities, it is important to assess the effect of O4 on different-sized organisations. A number of policy initiatives have attempted to increase the level of formal training activities in SMEs, with mixed success (Johnson 2000). The data collected during the survey of employers provided some opportunity to consider how successful O4 has been in this regard.

In order to address these issues in the context of a relatively small data set (designed primarily for aggregate analysis), three broad groups of employers were identified:

❑ Micro businesses, with fewer than 25 employees
❑ Small businesses, with 25-49 employees, and
❑ Medium to Large businesses, with 50 or more employees

The following analysis highlights some of the issues for which there appear to be differences in the findings for organisations of different sizes. Unless stated, the differences that are mentioned in the text are statistically significant at the 5% level or better.

5.5.1 Adoption of Training Related Activities, Procedures or Policies

There has been, in general, an increase in the adoption by surveyed firms, of a range of specified practices or procedures, subsequent to their involvement with O4. Moreover, more businesses have become involved in policy initiatives such as Investors in People, Individual Learning Accounts or collaboration with the local FE sector.

Figure 5.5, suggests that O4 has had a disproportionate impact upon the training-related activities/procedures adopted by the smallest employers.

**Figure 5.5 Existence of Staff Development Plans Before and
After O4 by Business Size**

	1-24 emp	25-49 emp	50+ emp	ALL
Planned	7.1	5	5.7	6.1
Since O4	25.7	17.5	10	17.8
Pre O4	27.1	55	64.3	47.8

□ Pre O4 ■ Since O4 □ Planned
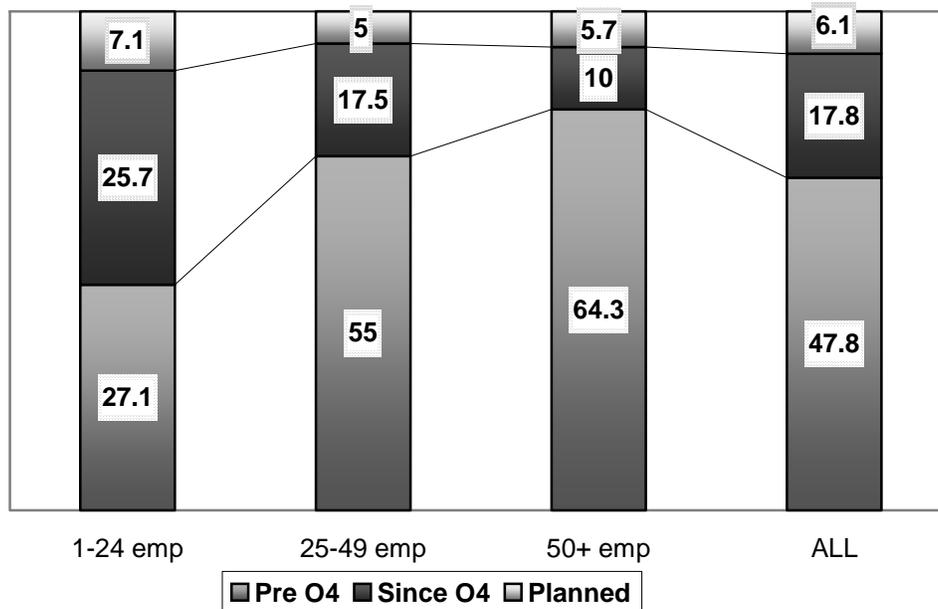
Source: Survey of Employers (1999, 2000)

The proportion of micro-businesses (with fewer than 25 employees) utilising staff development plans, for example, approximately doubled following the implementation of O4 projects. While there is still a gap between the smallest and largest employers in respect of the adoption of such procedures, it appears that O4 has played an important part in encouraging and assisting smaller employers to adopt more systematic approaches to training-related issues. While this finding is most clear in relation to staff development plans, further analysis suggests that the pattern is similar for other specified activities or procedures, for example the use of training needs analyses or appraisal systems.

Figure 5.6 Involvement with IiP by Business Size
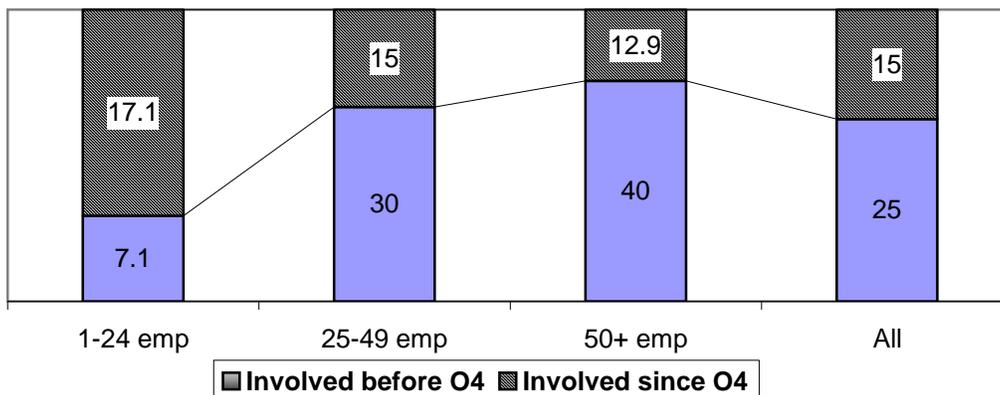
Source: Survey of Employers (1999, 2000)

Another important finding from this analysis is illustrated in figure 5.6 (above). In general the proportionate increase in involvement with initiatives such as IIP was greater among the smallest employers. For example, while there was an across the board increase of sixty per cent (i.e. from 25% to 40%) in involvement with Investors in People, the comparable figure for the smallest employers (with 1-24 employees) was 240%, i.e. from seven per cent to twenty four per cent. While the smallest employers still remain behind their larger counterparts in this respect, the gap has narrowed considerably among businesses involved with O4.

5.5.2   Employment Performance and Impact of O4

The most successful businesses in employment terms over the 1999-2000 period were those that had 25-49 employees in 1999 – forty eight per cent of these were net job generators from 1999 to 2000. Conversely, the smallest employers were less successful than might have been expected with twenty six per cent of businesses with fewer than 25 employees losing jobs between 1999 and 2000.

This report has suggested that, for a number of measures, particularly in relation to changes in training activity, O4 has had a noticeable positive impact. For example, in twenty eight per cent of the organisations in which training had increased, respondents felt that this was due 'to a large extent' to their involvement with Objective 4; a further fifty three per cent said that this had been the case 'to some extent'. Further analysis of the responses to this question reveals that there exists a negative (but only mildly significant) relationship between the size of an organisation and the likelihood of

increased training being a direct result of O4. Forty per cent of micro businesses (1-24 employees) that had increased training felt that this was due to O4 'to a large extent'. This compares with a figure of fifteen per cent for the largest (50+ employees) businesses.

There is some suggestion from the survey that smaller businesses, particularly those in the 25-49 size bracket, are particularly likely to say that the O4 programme had met their needs 'to a large extent' (see figure 5.7).

Figure 5.7 Extent to Which O4 Has Met the Needs of the Organisation
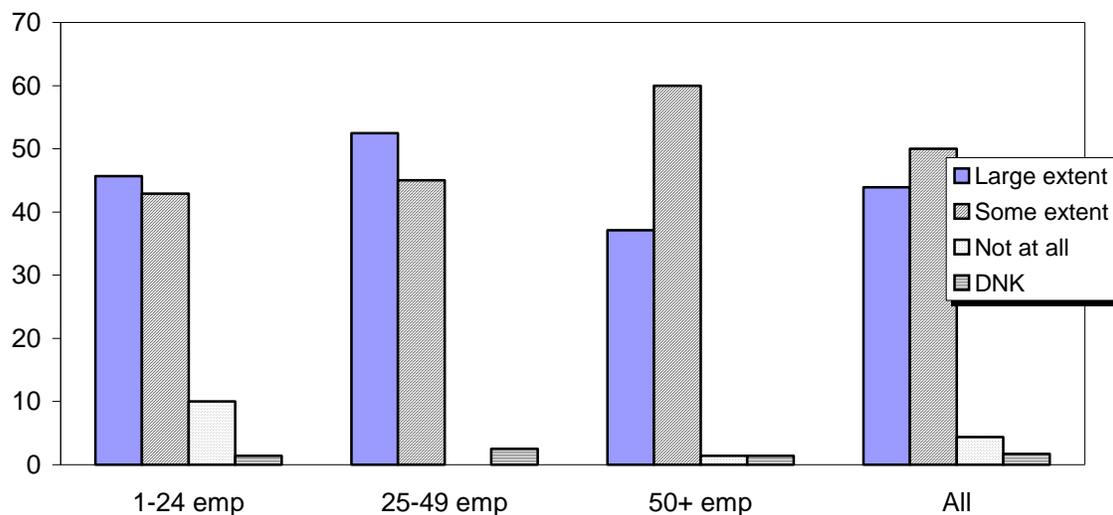
Source: Survey of Employers (1999, 2000)

Moreover, a significantly greater percentage of this group of employers, when compared to micro and medium/large businesses, felt that O4 had had a positive impact upon sales and/or turnover. While the differences between size groups are less significant for other measures of organisational impact, there is a consistent picture that employers in the 25-49 size group report the greatest impacts.

Figure 5.8 Impact of O4 on Turnover, by Employment Size
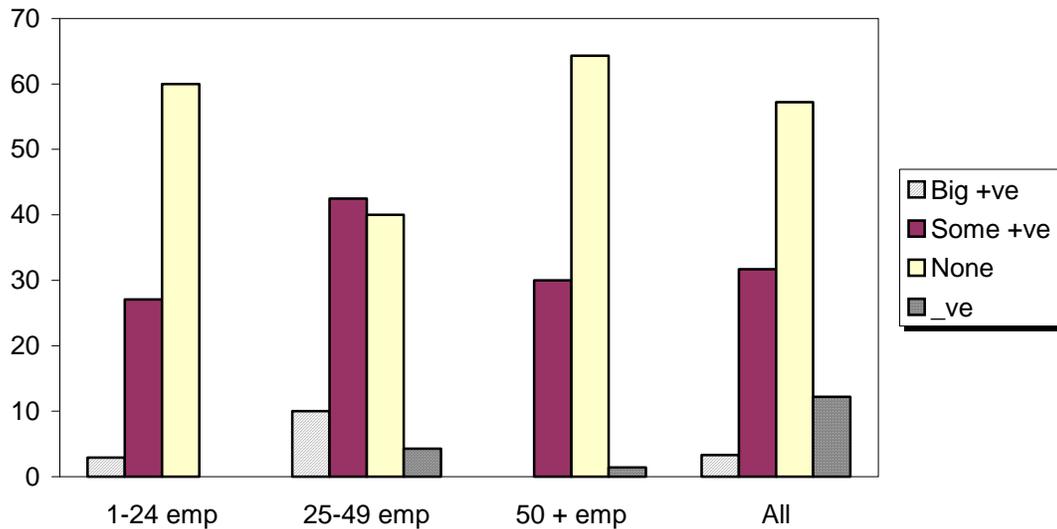
Source: Survey of Employers (1999, 2000)

Finally, there is some evidence from the surveys of employers that the extent of deadweight and/or additionality varies between different types of organisation. For example, twenty eight per cent of the smallest employers (with fewer than 25 employees) stated that they would not have undertaken the same training at all in the absence of O4 funding, compared with six per cent of the largest (50+ employees) organisations.

5.6   Section Summary

An Assessment of Programme Performance: Process

- The effectiveness of the SPD and the Regional Assessments was contested with some stakeholders viewing them in a more positive light and as 'flexible' whilst others refer to them as 'vague'

- There were concerns that the 'pepperpot of projects' funded under O4 did not 'add up' to the achievement of regional priorities as outlined in the Regional Assessments

- Some organisations expressed difficulty in developing bids for ESF funding, in particular, smaller organisations who do not have resources dedicated to accessing ESF funding and organisations bidding for ESF for the first time

- The scoring process was perceived to operate efficiently. However there were some concerns associated with its equity and transparency. There were also concerns associated with the 'lateness' of the decisions to fund projects

- There were concerns at the outset of the programme that O4 would be used to support training in large firms that would otherwise undertake training anyway. This does not appear to have occurred as the vast majority of beneficiaries are drawn from SMEs (employing fewer than 250). However many of these were involved in training activities prior to O4.

- The survey of individuals undertaking O4 supported training suggests that the three occupational groups (unskilled and semi-skilled manual workers, craft and skilled manual workers; clerical and secretarial workers) identified as priorities for support in the SPD accounted for forty per cent of the beneficiaries. A relatively large proportion of managers appear to have been engaged in O4 supported activities. Managers were identified as a priority group in the guidance notes accompanying O4 even though they are less likely than other occupational groups to be subject to redundancy and more likely to be engaged in training activity

- Monitoring and evaluation appears to have been highly variable at both the regional and local level. The extent of regional activity has been influenced by the lack of specific resources for O4 monitoring and evaluation. Local monitoring and evaluation was highly diverse and characterised essentially by financial monitoring and after-the event approaches.

An Assessment of Programme Performance: Outcomes

- The net impact of the O4 programme on the macro economic performance of the economy was always likely to be minimal given the relatively small amount of funds associated with O4 and the impact of other factors such as the stage of the business cycle on macro economic performance.

- Whilst there has been an increase in productivity growth, the UK continues to lag behind its major international competitors. Whilst employers recognise

improvements in their employees' ability the direct attribution of benefit to quantitative measures of productivity remains elusive in most instances.

- Whilst most employers identify the O4 training received as 'company specific' the employees and employers themselves both recognise the positive contribution it has made to the individuals employability in terms of, for example, work performance, motivation and use of technology.

- Overall redundancy rates have decreased from 9% to 7% (Spring 1998 to Autumn 2000)[7]. However, the problem of large scale redundancies remains and whilst public sector responses have emerged in response to the problem (e.g. Job Transition Service, Rapid Response Fund), the largely unpredictable and 'shock' nature of these occurrences and the extent to which they occur in large companies (as opposed to SMEs) have conspired against the use of O4 resources in these circumstances.

- Inequitable access to training would appear to remain a key issue in the economy generally. Generally O4 has reflected the pre-existing broader labour market situation with unequal access to training for sections of the workforce (e.g. women, craft skilled, Part time employees) replicated in O4 projects more generally. O4 has engaged far more men than women in training activities.

- There remains a demand side issue associated with the extent to which SMEs are able to recognise, articulate, source and evaluate training activities. However O4 appears to have encouraged the development of systems to support human resource development and in particular processes such as training needs analysis, appraisal systems and personal development plans.

- O4 appears to have supported the development of interventions which meet the diverse needs of the majority of participants and which have gone some way to addressing policy concerns associated with relevance and flexibility of supply.

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[7] Labour Market Review (1999, 2000) Employment Service

6 POST OBJECTIVE 4

The European Employment Strategy with its Four Pillars and associated guidelines continue to underpin the development of ESF labour market interventions. However there has been a subtle change in emphasis towards the goal of full employment (HM Treasury 2000) and increased commitment towards lifelong learning[8] which has influenced ESF development in Britain post O4.

The new ESF Objective 3 Programme (2000-2006) draws together the previous ESF Objectives 3 and 4. It has five priority areas providing just under £3 billion for a range of employability and human resource development interventions in Britain.   Two of the priority areas which resonate with the current Objective 4 programme are (a) adaptability and entrepreneurship and (b) lifelong learning.

There are three measures associated with the adaptability and entrepreneurship priority:

1. To support companies, especially SMEs to update and upgrade their employees' vocational skills, including basic and key skills
2. Research to identify emerging skills shortages and follow up actions
3. Encourage entrepreneurship of individuals and competitiveness of businesses, particularly SMEs

The Community Support Framework identifies broad target groups for these measures which include

- workers affected by industrial change or changes in production systems
- organisations undertaking research into adaptability, the effects of new technology and/or training needs

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[8] all purposeful learning activity either formal or informal, undertaken on an ongoing basis with the aim to improve skills knowledge and competence(Point 9 Proposal for a Council decision on guidelines for Member States Employment Policies for the year 2001 (EC 2001 Commission of European Communities)

- SMEs; managers, in-house trainers, mentors, key individuals
- New business start-ups, companies creating new employment opportunities

There are two measures associated with the lifelong learning priority:

1. Promoting wider access and participation in lifelong learning (especially for those groups least likely to take part in lifelong learning activities and lacking basic and key skills)
2. Improving the employability of those in work through lifelong learning provision which develops their skills and helps them meet the changing needs of employers such as in the fields of IT, management and the environment

Broad target groups for these measures include

- employees in SMEs less likely to undertake training and development (e.g. unskilled workers, older people, single parents, people with dependent children, disabled)

In common with the previous Objective 4 Programme (1998-2000) the broad and wide ranging target groups identified with the priorities and associated measures of the new Objective 3 Programme, provide significant scope for flexibility for those involved in developing interventions to support workforce and business development.

6.1   National Developments

The National Skills Task Force sets out an agenda which will challenge the capacity of the new infrastructure now taking shape to deliver it. The Task Force propose three priorities for widening access to learning for the adult workforce which chime with the emphasis of the emerging O3 programme, namely (DfEE 2000a)

- low skilled adults
- establishing an excellent foundation learning system up to NVQ level 3
- support for small employers

With these priorities come three specific targets (Boyer 2000)

- To halve the proportion of the adult population with low levels of literacy and numeracy
- To nearly double the percentage of 25 year olds qualified to NVQ level 3
- Increase from 68% to 80% the adult workforce with level 2 qualification.

The development of the National Strategy for adult basic skills includes strengthening learning provision in the workplace. For example, the Union Learning Fund has trained 1300 'learning representatives' who are promoting learning in the workplace and who provide a potential vehicle for workplace ESF O3 interventions. The current approach to workforce development is founded in promoting standards largely through 'an improved' Investors in People standard. The Final Report of the Skills Task Force cite the experiences of Employee-led Development (ELD[9]) programmes such as Ford EDAP as successful interventions. These confirm the essential role that the workplace can play in encouraging adults who have missed out on learning earlier in life to recognise the real value of and participate successfully in work related training. Strengthening the vocational route is emphasised as the means by which young entrants to the labour market will be encouraged to 'stay in learning' through for example reform of Modern Apprenticeships and the introduction of Foundation Degrees[10]. Furthermore employers are encouraged to collaborate through their NTOs and through involvement in Learndirect as well as through the myriad of Learning Centres being developed. Learning in SMEs is to be through targeted interventions and using new learning technologies to lower the costs and improve access to learning for employees. NTOs will play a key role in auditing sector skills needs and designing and implementing initiatives to meet them.

However there are considerable challenges which are yet to be overcome. Whilst the potential of ICT is great, its contribution to workplace learning in smaller employers and their workforce is at an early stage (Devins et al 2000). There are also concerns emerging associated with the extent to which Learning Centres can engage smaller employers (CDF 2000, IES 2000). There is also some concern associated with the effectiveness of vocational standards. For example, it is suggested that employers

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[9] ELD is where organisations provide encouragement and financial assistance to promote *personal* learning and development. See for example Beattie, A. (1997) 'The impact of an employee development scheme', NIACE

remain uninformed or indifferent rather than negative to the Modern Apprenticeship routes (Simms et al 2000). The introduction of Foundation Degrees may ease the transition to Higher Education for some individuals however there is no published evidence advocating a demand for foundation degrees by employers. Furthermore the extent to which NTOs can deliver the skills agenda is contested (Jones 2001) and the relatively low level of union representation in many smaller workplaces may limit the potential of the Union Learning Fund representatives.

6.2 The Challenges Ahead

It is clear that many SMEs have been engaged in O4 in Britain and that the vast majority have had a positive experience as a result of their involvement. The majority of employers recognise benefits both in terms of business performance and employee performance and remain willing to continue to support training and development activity. Employees too have been engaged in a development process which they view positively and which they suggest will continue in the future.

However there is a need to build on these positive experiences to ensure continued commitment to lifelong learning and adaptability. Managers of SMEs who have been engaged in training and development activities need to be encouraged to support not just their own personal development but the development of their employees more generally. The target groups identified by the Skills Task Force Final Report as a priority, namely, low skilled, lone parents, Pakistanis and Bangladeshis, ethnic minority women and disabled people, are a particular challenge given the barriers they generally face in the labour market. The need to encourage risk taking and innovation has been recognised by evaluations of other interventions (GHK 2000) and needs to be taken on board by programme designers. There remains a need to develop and test approaches to reach those at most risk of exclusion which places an emphasis on both providers and funders to create the flexibility required to support innovative intervention approaches which may have 'soft' outcomes which are not easily measured.

The potential of interventions in relation to workforce development based on addressing business problems and opportunities has been recognised (DfEE 2000ab). Technology

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[10] Response to the National Skills Task Force Final Report (DfEE 2000b)

forms the key component of change and business practices such as formal and informal team working, just in time production, total quality management, working towards IIP and better information systems, all link to the formation of new work-specific as well as transferable skills such as problem solving and communication. However there is a need to recognise that training interventions are just one part of a wider development process for both the individual and the organisation. There are often tensions within organisations as the need for training and development competes with other business priorities. The difficulty inherent in organisational change, even for the smallest of employers also needs to be recognised. Influencing change in organisations has to take account of the existing organisational culture, it may need to overcome ingrained resistance to change, and it has to be undertaken at a manageable pace. Policy makers, funders and those involved in the supply of learning opportunities need to ensure that this is recognised in the design and delivery of policy interventions. The presence of supply side rigidities has been the key driver of labour market reform in the last decades (Finegold 1996) and there is a continued tension associated with the need to encourage both competition and cooperation among training providers to improve provision and quality. The high degree of value attributed to O4 is a sound testament to those providers involved in the O4 programme. However many of the projects appear to lie outside mainstream provision and the sustainability of the interventions within their hosting institutions is, as yet, unclear.

There is also a need to recognise the importance of addressing demand side issues exhibited by some employers in their inability or unwillingness to recognise needs, articulate them, source provision, and evaluate their contribution. The Skills Task Force note the 'win-win' of businesses adopting practices which enhance both their competitiveness and increase workforce learning as an opportunity to be seized by the Small Business Service (DfEE 2000a). This highlights the agenda shared by DfEE and DTI. However it remains to be seen if these Departments along with both existing institutions (e.g. Further/Higher Education) and emerging institutions (e.g. Learning and Skills Councils) can integrate their interventions sufficiently to provide a customer centered service whilst simultaneously satisfying the competitiveness and social exclusion agendas. There is a need to shift the emphasis from a product-led/supply-side approach towards employer-led and/or employee-led development based upon the identification of development needs and facilitation of the most appropriate interventions.

There remains a tension between the priority for accredited 'measurable' learning and learning which does not result in the attainment of a qualification. The National Learning Targets ensure that learning associated with recognised standards lies at the heart of government policy. The Skills Task Force suggests that NTOs for each industry sector and the local Learning and Skills Councils should set targets for involvement and the volume of and quality of learning through them. However the importance of informal learning appears to be becoming more widely recognised (DfEE 2000a). Policy discussion on weaknesses associated with workplace learning tend to revolve around the extent of training undertaken in the workplace. There is a tendency to draw upon research adopting a relatively narrow definition of training and as a result recorded statistics underestimate the extent of training activity (Felstead et al 1997). However much of the training in the workplace is relatively informal and includes learning by doing and learning by example. The difficulty of quantifying learning activity is noted in the Skills Task Force Final Report which reports that informal learning is not readily measurable by formal statistical surveys (DfEE 2000a). It is recognised that informal learning is an ill-defined concept which lacks theoretical foundation, however it has the potential to play an important part in widening participation, acting as a bridge between conventional education and employability (Cullen et al 2000). A recent CEDEFOP (2000) report argues that

> *'non formal learning is an indispensable but very often invisible part of modern societies, currently operating in the shadows of formal education and training but with the capacity to play a more active role'*

The importance of informal learning in the SME context has long been recognised (Gibb 1997) and there is an opportunity to use O3 funds to encourage the mainstreaming of innovative approaches to engage managers and their employees in learning activities closely associated with their business experiences.

O4 appears to have engaged a high proportion of employers (75%) who were already 'enthusiastic about training'. Whilst engaging twenty five percent of employers who were not previously enthusiastic is a considerable achievement there still remains considerable opportunity to engage more of those that remain reluctant to become involved and actively support training and development activity in the workforce. The

promotion of the benefits of skills development is seen as a key element in encouraging organisations and individuals to participate in learning activity. However this will need to be matched by a process which engenders a positive 'feeling' in those undertaking the activity if continuous lifetime learning is to be effectively encouraged.

The additionality associated with O4 and business size suggests a need to differentiate activity more clearly. For example the additionality associated with developing more formalised human resource practices appears greater for smaller employers (employing 1-24) than larger employers (employing 25 or more).   There is a need to differentiate interventions more effectively, to recognise that some SMEs are likely to benefit more than others, and in different ways, from policy intervention. However whilst business size itself may be a determinant in undertaking external training activity the *key determining* factor is largely one of individual choice. There has been a recognition over a number of years that there is a need for an approach to dealing with SMEs which reconciles the tension which often exists between the needs and wants of SMEs (and individuals employed in them) and the objectives of policy makers.

Evaluation of the effectiveness of the O4 programme has been restricted to a degree by a degree of lack of clearly specified objectives and measurable performance indicators. The new O3 programme has an increased emphasis on evaluation and the establishment of SMART (Specific, Measurable, Achievable, Realistic, Timebound) Objectives will aid a goal oriented evaluation.   Furthermore the development of information systems to support the collection of data at the regional level and increased emphasis on local systems will aid programme monitoring and review at all levels.

The government's mission to modernise government places a strong emphasis on effective government action informed by reason (Davies et al 1999).   There is an increased emphasis on finding out 'what works' which is being provided through increased research and evaluation programmes in Government departments and greater use of pilot projects to test out new approaches (Martin et al 1999). An argument may be made for strengthening evaluation activity at the national and regional level through the development of SMART Objectives and more sophisticated performance indicators and the adoption of ex-ante and/or external evaluation activity in support of a continuous development process within organisations receiving substantial O3 funds. Furthermore a

process to disseminate lessons learned both horizontally and vertically should be encouraged both as a formative process during the programming period and as part of a reflective process at the end of the programme.

6.3 Summary

Looking ahead to the emerging O3 programme, a number of key challenges have been identified in this section, namely:

- There is a need to ensure that interventions build on the positive experiences expressed by beneficiaries in the O4 programme through encouraging the adoption of both formal and informal approaches to lifelong learning
- At the same time as encouraging further progression for those involved in O4 activities, efforts should be made to extend provision to those in employment most at risk of exclusion (low skilled, lone parents, Pakistanis and Bangladeshis, ethnic minority women and disabled)
- There is a need to develop and differentiate approaches which engage SMEs and reach those most at risk of exclusion. In particular interventions need to move beyond the personal development of managers to encourage wider workforce participation
- Interventions need to overcome (rather than mirror) existing labour market inequalities in order to address equal opportunities issues and target those most at risk of social exclusion
- The development of a customer-centred (SME and employee) approach to ensure that interventions reflect the needs of the customer may help to reconcile the competition/cooperation tension whilst building capacity in the emerging institutional infrastructure
- There are also demand-side issues to address and priority should be given to the development of employer capability to recognise training needs, articulate them, source appropriate training and to evaluate the intervention

- Evaluation is recognised as a key element in the new O3 programme and SMART objectives, realistic and more sophisticated performance indicators

and effective information systems will all help to monitor, review and improve ESF interventions at the local, regional and national level.

These challenges need to be addressed at all levels in the development and implementation of O3 if the programme is to benefit from the experiences of the O4 programme implemented in Britain 1998-2000.

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ANNEX 1: O4 EVALUATION METHODOLOGY

Qualitative Interviews with Key Actors

Survey of Employers and Employees

Survey of Trainers/Case Studies

Analysis of Routine Monitoring Data/Desk Based Research

Analysis of Priority 1 and 3

Supplementary Data

Qualitative Interviews with Key Actors

In order to obtain a view from stakeholders operating at a variety of levels in the policy formulation and implementation process, a series (n=20) of face to face interviews were undertaken with 'key actors' identified by DfEE in the period July to October 1999 .

The aims of the key actor interviews were to:

- Generate an understanding of the objectives of the programme in different localities;
- Clarify the rationale behind the programme;
- Establish the mechanics of the project appraisal process and how it developed in practice;
- Understand the hopes and expectations of the programme.

A semi-structured discussion guide was designed, piloted in Scotland and subsequently amended and agreed with the client. Jo Hutchinson and David Devins of the Policy Research Institute conducted the interviews using this framework. Interview notes were written up and agreed with the interviewee. The majority of interviews were conducted face to face, however a number were conducted by telephone or video conference.

A working paper was produced for DfEE in November 1999 and discussed at the Steering Group.

ESF Objective 4 Stakeholder Interviews

Jeremy Crook, Floyd Millen	Black Training and Enterprise Group, London
Steve Arnott	GO – Y & H, Leeds
John Bedingfield,	GO West Midlands, Birmingham
Thomas Bender	European Commission, Brussels
Trevor Butterworth & Liz Dearden	GO- North West, Manchester
Sarah Eaton	Derbyshire County Council, Matlock
Tom Hadley	CBI, London
Garry Hunt	GO Eastern, Cambridge
Alan Lansdown	Welsh Office, Cardiff
Alan Manning	Trade Union Congress, Liverpool
Martin McCauley	HE ESF Services LTD, Liverpool
Jayne Muir	GO East Midlands, Nottingham
Sue Peel	GONE, Newcastle
Nick Ratcliffe	FEFC, Coventry
Marcus Ryan	DTI, London
Peter Sinclair	BLN,Newbury
Neil Skinner	ICOM, Leeds
David Steed and Anu Kher	GO South East, Guildford
Frank Sullivan	GO-London
Elaine Trewartha	DfEE, London

Survey of Employers and Employees

A two-stage survey of individual and company beneficiaries of support provided through the O4 programme was a key element in the evaluation and informed our view of several aspects of O4 including targeting of the programme, outputs and outcomes. Working papers were produced to inform the sample and questionnaire design. These were discussed at the Steering Group and revised as appropriate.

The Survey Research Centre (SRC) at the Policy Research Institute carried out a survey of 1000 individual beneficiaries and 200 employers during November and December 1999. The questionnaires were circulated to the steering group and agreed with minor amendments. A copy of the final questionnaires are attached. The approach to the work was to work closely with organisations involved in the delivery of Objective 4 funded interventions in order to minimise employer nuisance.

Survey process

A multi stage process was adopted. The DfEE provided a database of projects that had Objective 4 funding. The projects were either funded for 1998, 1999 or multi-annually. The survey concentrated on the 1998 and multi-annual projects in order to maximise the chances of the projects having carried out some training at the time of the baseline survey.

In the light of the quality of the monitoring data, the sample was targeted to be broadly representative of region and size of project. Sample quotas were set up for each region. The sample targeted 3 companies per project and 4 individuals per company.

Region	Actual	Planned
Eastern	7	12
East Midlands	25	18
London	13	15
North East	13	18
North West	23	26
South East	19	24
South West	22	18
West Midlands	19	21
Yorkshire and Humberside	6	6
Wales	29	30
Scotland	27	27
National projects	8	15
Total		

Additional quotas were set to control for industrial sector (employer) and gender (individual). A letter was sent from DfEE to ESF O4 project managers to explain the role of the PRI and to encourage participation in the research. Project managers were contacted and asked to complete a project contact sheet and to provide company and individual beneficiary contact details. Where companies were identified, they were contacted and asked if they would participate in the evaluation. They were asked if they would facilitate the involvement of their employees in the survey. If they agreed they participated in the evaluation. Telephone interviews were then carried out with 1000 people who had benefited from training. Approximately 2500 individuals were contacted to obtain the 1000 individual and two hundred employer respondents. The majority of those who did not contribute to the survey were absent or unavailable at the time of the initial telephone call. Very few refused outright to conduct the survey once personal contact had been made. Once interviewed, the majority of employers and individuals left their contact details for the follow-up study to be completed in the following year.

A follow up survey was completed in November 2000. A questionnaire was designed and employers were recontacted. Eighty five per cent agreed to participate in the follow up survey. Employers were asked if their employees could be contacted to participate in the follow up survey and there was general cooperation. Seventy six percent of the individual beneficiaries participated in the follow up survey.

Survey of Trainers/Case Studies

A survey of up to 100 trainers engaged in O4 was originally planned as part of the evaluation. However an alternative method was agreed with the steering group to ensure that the issue was covered in some depth.

In depth interviews with employers (n=20) were conducted to provide a rich picture of the process and impact of O4. The case studies were used to explore issues associated with deadweight and additionality along with a range of issues associated with the impact of O4. These were targeted using data from the telephone survey and criteria agreed with the steering group.

A discussion guide was developed and agreed with the steering group. The views of various individuals within the case study company and the local project were sought. These included.

- Senior manager (preferably responsible for human resource issues)
- Supervisor responsible for employees undergoing training
- Employees undergoing training (interviewed individually or as a group)
- Training provider (external to the employer)
- Project manager of Objective 4 project

The guide represented a 'check-list' to enable interviewers to judge the extent to which key topics have been covered in discussion.

Case study interviews covered all topics relevant to the individual respondent or group. However, there were times due to workplace constraints when emphasis was placed upon sections 4 (impact of O4) and 6 (lessons for the future).

The case studies were completed by Steve Johnson, Fiona Bolam and David Devins. A standard format for writing up each case study, based on the discussion guide was adopted. A report was produced and the findings presented to the Steering Group in May 2000.

Analysis of routine monitoring data/desk based research

An analysis of applications data and final claims data (1998) informed the evaluation process and interim findings. Information collected through the administrative system for Objective 4 was cleaned and analysed using SPSS (Statistical Package for the Social Sciences). This analysis informed the development of the sampling strategy adopted to ensure that the evaluation survey samples were broadly representative in terms of regions and size of project.

The monitoring data was used to identify the scope, range and geographical distribution of projects funded under O4. The final claims data (1999) supplemented this summary of O4 however the quality of the data has limited the scale and scope of the analysis. Recommendations to improve the quality of the data collected through monitoring and final claims were put forward following the interim report in December 1999.

A literature search was undertaken at the outset of the project and again towards the end of the project. This provided contextual information associated with a range of issues including the policy environment, workbased learning and training and development in the labour market.

Analysis of priorities 1 and 3

Primary research (telephone interviews) was undertaken to gain a view of the nature and contribution of P1 and P3 projects. A semi-structured discussion guide was developed and agreed with the Steering Group. It was piloted and minor amendments were made. A list of organisations with projects spanning more than one priority (n= 129) was generated using the DfEE 'final claims' database.

Researchers in the Policy Research Institute (David Devins, Fiona Bolam, Fiona Walton) undertook thirty telephone interviews with project representatives at the local level in November 1999. This represents a sample of 7% of the total population (n=443) of projects funded under P1 and P3. The representatives were generally those responsible for submitting the application for O4 funds. Where appropriate, further interviews were undertaken with those involved in the implementation of the project to gain a better view of progress. The notes were written up under a common framework by the interviewers and passed back to the interviewee for agreement. Requests were made to view promotional material and evaluation reports (if they existed). The survey sample consisted of two national projects (covering England) and two each from Scotland and Wales. The remainder were drawn from across the English regions with at least one project from each region.

The aim of the research was firstly to obtain a view of the linkage between the project and the objectives of the Priority funding strand and secondly to investigate the linkages across priorities.

Respondents are detailed below:

Case 1, 989397uk4, Licensed Trade Television Networks, Terry Tudor, Bolton College, NW, P3.1
Case 2, 985923uk4, Quinton O'Kane/Lorna Milne, ILT for Key skills development, Bournemouth and Poole College, SW, 3.1
Case 3, 982559uk4, Linda Howel Networks, Bradford and Distrrict TEC, Y&H, 3.2
Case 4, 980853uk4, Sectoral managemnt trainng package for the licensed Trading Industry, City of Sunderland College, NE, 3.1
Case 5, 987647uk4, Virtual Learning - How to use IT in learning, City University, Ln, 3.1
Case 6, 980893uk4, Development of ICT products and materials, Hartlepool College of Further Education, NE, 3.1
Case 7, 984323uk4, Key skills for the textile industry, West Nottinghamshire College, Eastern, 3.1
Case 8, 985129uk4, Key skills in the workplace – Innovative Delivery systems development, The College of West Anglia, East, P3.1
Case 9, 98001uk4, Training materials for technological change, JB Hudson, Forestry Contracting Agency, Scot, P3.1
Case 10, 989374uk4, SME Observatory for training in the automotive sector, Richard Newbold, Loughborough University, ES, 3.1
Case 11, 984212UK4, Changing Attitudes in textiles learning initiative, Hilary Hale, New College Nottingham, EM, P1.2
Case 12, 989303UK4, Development of Company Competitiveness Julia Murphy EMTA ES, P1.2
Case 13, 988402uk4, IT Club for SMEs, Helga Ramsay, University of Wales Swansea, Wa, P3.1

Case 14, 980895uk4, Process Industry Employee Development, Greg Stone, University of Teeside, Ne, P3.1

Case 15, 989315UK4, IIP for Building Products, Gwyn Baker, Refractories and Building Products Training (NTO), ES

Case 16 985043uk4,Research into individual and SME skill needs, Terry Hughes, Bedfordshire Chamber of Commerce and Training, EA, P1.1

Case 17, 985104UK4, EFC4 , Rosemary Green, Epping Forest College, EA, P3.2

Case 18, 980860UK4, Making the business Excellence Model Work, Helen Gardner, Northumberland TEC, NE, P1.2

Case 19, 988432UK4, A Welsh Arts Training Programme, Sarah Harman, Arts Council of Wales, Wa, P3.2

Case 20 985920UK4 Individual Learning Accounts, Janine Mill, Chris Quarrie, Dorset TEC SW, P3.1

Case 21, 983362UK4, Black Country Skills Research in the West Midlands, Ian Gittens, Sandwell TEC, WM, P1.1

Case 22, 986784UK, Skills Analysis for Distribution Sector Companies, Alan Gwyer, Basingstoke College of Technology, SE, 1.2

Case 23, 986891UK4, SME Skills Analysis, Kevin Carrick, Amersham and Wycombe College, SE, P1.2

Case 24, 980048UK4, Benchmarking Skills in Small Businesses, Sandra Linton, Fife Council, Scotland, P1.2

Case 25, 980106UK4, Workforce Training Needs, Celia Carson, Scottish Council of Voluntary Organisations, Scotland, P1.2

Case 26, 984328UK4, East Midlands Company Skills Mapping, Chris Shaw, Leicester City Council, East Midlands, P1.2

Case 27, 980863UK4, Investors in People – Build a Better Business, Iain Wishart, County Durham TEC, North East, P1.2

Case 28, 985041UK4, Workforce 2000 – Assessment for Greater Peterborough, Maggie Magennis, Eastern, P1.1

Case 29, 983364UK4, A Regional Observatory for the Automotive Sector, Bill Fryer, Dudley College of Technology, West Midlands, P1.1

Case 30, 989208UK4, Small Company Skills Analysis, Olwen Ward, Delyn Business Partnership (now Flintshire Enterprise), Wales, P1.2

Supplementary Data

The evaluation methodology was designed to provide an overview of O4 implementation in Britain. However members of the Steering Group expressed considerable interest in the regional dimension and it was agreed that summary statistics would be produced to provide an insight into regional differences. The small sample size (particularly in the employer survey) constrains the statistical validity of the findings. Interpretation of the data should be undertaken with caution and viewed as orders of magnitude rather than measures of exactitude.

Table 1: Employers who were enthusiastic about training prior to O4

	No of employers	% all employers
North East	10	76.9
North West	21	91.3
Y&H	3	50.0
W. Mids	16	84.2
E. Mids	15	62.5
Eastern	5	71.4
South West	17	77.3
South East	14	73.7
London	11	84.6
National	3	37.5
Wales	25	86.2
Scotland	17	63.0
	157	74.9

Source: PRI survey of employers (2000)

Table 2: Employers who would **not** have carried out the training in the
Absence of O4 funding)

	No of employers	% all employers
North East	1	7.7
North West	5	21.7
Y&H	0	0
W. Mids	2	11.1
E. Mids	4	17.4
Eastern	2	28.6
South West	3	13.6
South East	1	5.3
London	4	30.8
National	1	14.3
Wales	6	20.7
Scotland	7	25.9
	36	17.3

Source: PRI survey of employers (2000)

Table 3: Resulted in adoption of 'new'qualification to the employer

	No of employers	% all employers
North East	7	53.8
North West	11	47.8
Y&H	2	33.3
W. Mids	11	57.9
E. Mids	8	33.3
Eastern	4	57.1
South West	6	27.3
South East	9	47.4
London	7	53.8
National	7	87.5
Wales	14	50.0
Scotland	7	26.9
	93	45.0

Source: PRI survey of employers (2000)

Table 4: Employers reporting the implementation of at least one 'new' HR practice

	No of employers	% all employers
North East	8	34.7
North West	7	30.4
Y&H	2	33.3
W. Mids	5	26.3
E. Mids	9	36.0
Eastern	3	42.8
South West	8	36.4
South East	6	31.5
London	1	7.6
National	1	12.5
Wales	15	51.7
Scotland	7	25.9
	72	

Source: PRI survey of employers (2000)

Table 5: Equal Opportunities: Female beneficiaries

	No of female beneficiaries	% all beneficiaries
North East	5330	43.2
North West	9571	51.9
Y&H	3624	40.0
W. Mids	4855	44.3
E. Mids	5752	44.9
Eastern	7176	49.9
South West	7205	44.4
South East	8484	36.5
London	6367	36.7
National	1888	7.31
Wales	669	19.7
Scotland	N/a	
	60921	

DfEE Final Claims Data (2000)

Table 6: Individuals not having undertaken training

in 12 months prior to O4

	No of female respondents	% all respondents (non-trainers)
North East	7	36.8
North West	21	37.5
Y&H	10	66.7
W. Mids	26	65.0
E. Mids	16	76.2
Eastern	4	30.8
South West	20	57.1
South East	12	26.7
London	18	37.5
National	6	31.6
Wales	22	46.8
Scotland	21	63.6
	183	

PRI Survey of individuals DfEE (1999)

Table 7: Change in use of technology or workplace role

	No of female respondents	% all respondents experiencing change
North East	16	41.0
North West	33	44.0
Y&H	12	54.5
W. Mids	27	62.8
E. Mids	24	68.6
Eastern	9	45.0
South West	20	55.6
South East	14	33.3
London	27	37.0
National	7	23.3
Wales	15	27.3
Scotland	30	47.6

PRI Survey of individuals DfEE (2000)

Table 8: Individuals involvement with Learn Direct/ILAs

	No of female respondents	% all respondents involved
North East	3	42.9
North West	10	55.6
Y&H	1	100
W. Mids	2	28.6
E. Mids	6	85.7
Eastern	1	100
South West	5	50.0
South East		
London	9	69.2
National		
Wales	2	28.6
Scotland	11	64.7
	50	

PRI Survey of individuals DfEE (2000)

ANNEX 2: QUESTIONNAIRES

Telephone Survey Questionnaire for Employers (1999 and 2000)

Telephone Survey Questionnaire for Individual Participants (1999 and 2000)

ESF Objective 4 Evaluation

ID NO. [ ][ ][ ][ ][ ][ ]

Telephone Survey Questionnaire for Employers (1999)

The interview should take place with the Human Resource Manager or Managing Director of the company.

PROJECT NAME: _____ REGION: _____

PROJECT MANAGERS:_____ DOSS. NO: _____

You have recently been involved with (PROJECT NAME) funded / managed by ORGANISATION NAME, and we are interested in finding out what has happened as a result of your involvement. This questionnaire is part of a national survey. It will only take 10 - 15 minutes to complete and it will help us to understand what has happened as a result of your activity.

COMPANY INFORMATION

Contact Name: _____   **Contact Number:** _____

1.   What is the name and address of your company? *(or can I check these?)*

_____

_____

County: _____   **PostCode:** _____

2. What is your position within the company? *(or check from records)*	e) Not Sure ρ ρ

6.   Approximately how many people are employed by the company *on this site?*

3.   What does your company make or do? *(SIC Code)*

7.   Approximately how many people were employed by the company 3 years ago *on this site?*

4.   Is the company part of a larger group?

YES   ρ   NO   ρ

8.   Approximately what proportion of your staff are male, and female?

5.   Have you been involved with any of the following public agencies before?

	YES	NO
a) TEC / LEC (Local Enterprise Company)	ρ	ρ
b) Chamber of Commerce	ρ	ρ
c) National Training Organisation	ρ	ρ
d) College / FE / HE Institution	ρ	ρ

Male _____ %   **Female** _____ %

Don't Know	ρ

ABOUT THE TRAINING

Thinking about the XXXXX training / learning activities that we are talking about:-

9. Why did the company get involved (let interviewee answer this *UNPROMPTED* and then code)?

ρ　a) Persuaded by the project manager / an agency

ρ　b) Thinking about it for a while – then this came along

ρ　c) To help us with the future development of the company

ρ　d) It fits our training plans

ρ　e) It is to help us overcome a specific business problem

ρ　f) Don't know / Can't remember

ρ　g) Other (please specify)

_____

10. When did the training start?

Month _____ Year _____

11. When did it finish?

Month _____ Year _____

12. How many of the staff at your company took part in this training?

_____

13. What types of workers were these? (allow the respondent to describe the people, write this down and tick all that apply)

_____

ρ　a) Managers / Administrators

ρ　b) Owner / Manager / Self Employed

ρ　c) Professional Occupations

ρ　d) Associate Professionals & Technical

ρ　e) Clerical / Secretarial

ρ　f) Craft / Skilled Occupations

ρ　g) Personal & Protective

ρ　h) Sales / Buyers

ρ　i) Semi skilled/Plant & Machine Operators

ρ　j) Other Occupations (Unskilled)

14. What proportion of the staff doing the training were full time and what proportion are part time?

a) % of trainees who are full time _____

b) % of trainees who are part time _____

15. Approximately what proportion of the trainees were male, and female?

Male _____ **%** Female _____ **%**

16. Why were you interested in supporting training for the group which undertook the XXXX training?

_____

17. What type(s) of training did the group undertake as part of the XXX project? Was it? *(read all responses – tick one)*

ρ	a) Job specific training for their current job to revise or update skills
ρ	b) Training for a different type of job / vocation to learn some new skills
ρ	c) Training for a completely different job and a new set of skills
ρ	d) Other(please specify) _____

18. What skills did they learn? (*read all responses and tick all that apply)*

ρ	a) Improved literacy skills (reading and writing)
ρ	b) Improved maths
ρ	c) IT / Computing
ρ	d) Training in management, team working, communication, vision and leadership skills & problem solving
ρ	e) Training in wider vocational skills such as marketing, basic accounting etc
ρ	f) New production technology

ρ	g) Other (please specify)
	_____

19. Where did this training take place?
(tick all that apply)

ρ	a) On the job
ρ	b) Off the job – but at the workplace
ρ	c) Off site –colleges/ trainers' premises
ρ	d) At home
ρ	e) On a residential
ρ	f) Other (please specify)

20. How was the training related to the project paid for? *(no prompt)*

ρ	a) All paid for by the company
ρ	b) Part funded through Individual Learning Accounts
ρ	c) All paid for by the project organisers/ training providers
ρ	d) Part paid by employer
ρ	e) Part paid for by employee
ρ	f) ESF / Objective 4
ρ	g) Other (please specify) _____

21. Were you aware that this training was funded partly with the support of money from Objective 4 of the European Social Funds?

YES ρ NO ρ

BEFORE AND AFTER – TRAINING

The next set of questions relate to events before and after involvement with the project.

22. Firstly, thinking about before you were involved with the project: -

		YES	NO
a)	Did your company have a business plan?	ρ	ρ
b)	Did your company have a training plan?	ρ	ρ
c)	Did your company have a policy or budget for training?	ρ	ρ

23. Before your involvement in the project, what proportion of your workforce were involved in some sort of training each year? (record %)

_____

24. What sort of skills did they learn? (read all responses & tick all that apply)

ρ	a) Improved literacy skills (reading and writing)
ρ	b) Improved maths
ρ	c) IT / Computing
ρ	d) Training in management, team working, communication, vision and leadership skills & problem solving
ρ	e) Training in wider vocational skills such as marketing, basic accounting
ρ	f) New production technology
ρ	g) Other (please specify) _____

25. Before you got involved with this project which of the following phrases would have described your attitude to training these groups of staff? *(more than one answer allowed)*

ρ	a) Enthusiastic
ρ	b) Uninterested
ρ	c) Uncertain about its effectiveness
ρ	d) Keen to give them an opportunity
ρ	e) Worried about their ability to learn
ρ	f) Other (please specify)

26. And now turning to thinking about what happens at the moment: -

	YES	NO
a) Does your company have a business plan?	ρ	ρ
b) Does your company have a training plan?	ρ	ρ
c) Does your company have a policy or budget for training?	ρ	ρ

YES ρ   NO ρ

If yes what are they

_____

_____

27. What proportion of your workforce are now involved in some sort of training each year? (record %)

_____

28. Without the project, would you have got involved with this type *(related to the project)* **of training activity?** *(Read out the options and let the respondent chose* **one** *response)*

ρ	a) Would have carried out the same in any event **go to 28b**
ρ	b) Would have carried out the same type but on a smaller scale **go to 28b**
ρ	c) Would have carried out different training. **Go to 28a**
ρ	d) Would have carried out none of this sort of training. **Go to 28b**

28a. How would this have been different?

ρ	a) With a different group of people
ρ	b) A different trainer
ρ	c) Learning different skills
ρ	d) Other (please specify)

28b. If you had not done this training what would the effect have been on your business?

_____

_____

28c. Has the training resulted in new qualifications being adopted in your company?

29. Have you done any formal review / evaluation of the training (related to the ------- project)?

YES ρ   NO ρ

IMPACT AND FUTURE

30. Has your involvement with the training, and the effects that it has had on your staff, had any impact on the company in terms of*: - (in the case of big or some impact then ask whether this impact has been positive or negative*)

	Big impact	Some impact	No impact	D/K	+ ve	- ve
a) Product Development	ρ	ρ	ρ	ρ	ρ	ρ
b) Exporting	ρ	ρ	ρ	ρ	ρ	ρ
c) Staff Retention	ρ	ρ	ρ	ρ	ρ	ρ
d) Going into new markets	ρ	ρ	ρ	ρ	ρ	ρ
e)Competitiveness	ρ	ρ	ρ	ρ	ρ	ρ
e) Buying new equipment	ρ	ρ	ρ	ρ	ρ	ρ
f) Confidence about the future	ρ	ρ	ρ	ρ	ρ	ρ
g) The number of businesses you work with	ρ	ρ	ρ	ρ	ρ	ρ
h) The number of business people you talk to	ρ	ρ	ρ	ρ	ρ	ρ
i) Turnover	ρ	ρ	ρ	ρ	ρ	ρ
j) Sales	ρ	ρ	ρ	ρ	ρ	ρ

31. How useful has the training received by workers in your company been?

In terms of:	Very useful	Quite useful	Not very	Not at all

			useful	useful
a) Their access to new technology	ρ	ρ	ρ	ρ
b) Their progression within the company	ρ	ρ	ρ	ρ
c) Their ability to find other work in the future	ρ	ρ	ρ	ρ
d) Their ability to do their current job better	ρ	ρ	ρ	ρ
e) Motivation	ρ	ρ	ρ	ρ

32. Do you have plans to organise further training for staff who were involved with the project?

YES　ρ　　NO　ρ

33. How would you now describe your attitude to training these groups of staff? *(more than one answer allowed)*

ρ	a) Enthusiastic
ρ	b) Uninterested
ρ	c) Uncertain about its effectiveness
ρ	d) Keen to give them an opportunity
ρ	e) Worried about their ability to learn
ρ	f) Other (please specify)

34. Do you have plans to do *this type of training* with other members of your staff?

YES　ρ　　NO　ρ

35. Do you have plans to do *other types of training* with other members of your staff?

YES　ρ　　NO　ρ

36. In your company is work carried out the same way as 3 years ago?

YES　ρ　　NO　ρ

Go to 37　　　Go to 36a

IF NO: 36a. What changes have occurred?

ρ	a) New machinery and tools / equipment have been incorporated
ρ	b) Work procedures are being altered
ρ	c) Introduction of new Information Communication Technologies (ICT)
ρ	d) Products are new or have been modified
ρ	e) The way we use and organise our staff

36b. Is this the result of:

ρ	a) Increased competition		
	If so is this:	Local	ρ
		Regional	ρ
		National	ρ
		International	ρ
ρ	b) Customer demand		
ρ	c) Need to increase productivity		
ρ	Other (please specify)		

37. Do you think that your company will face increased competition over the next 3 years?

YES　ρ　　NO　ρ
Go to 37a　　Go to 38

37a. Will that competition come from?
(tick all that apply)

ρ	a) Local companies
ρ	b) Regional companies
ρ	c) National companies
ρ	d) International companies

38. In the coming 3 years, do you think that workers will continue to carry out their work in the same way?

YES ρ	NO *Go to 38a* ρ
Conclude	

38a. Where do you think the main changes will occur? (tick all that apply)

ρ	a) New machinery and tools / equipment
ρ	b) New work procedures
ρ	c) Introduction of new ICT
ρ	d) Products will be new
ρ	e) The way we use and organise our staff
ρ	f) Other (please specify)

38b. Do you believe that your workers are prepared for carrying out their work in the new ways envisaged?

YES ρ   NO ρ

THANK YOU

Interviewer	
Date of Interview	

ESF Objective 4 Evaluation

ID NO. | | | | | | |

Telephone Survey Questionnaire for Individual Participants (1999)

Project Name: _____ **Region:** _____
Project Managers: _____ **Doss. No:** _____

You were recently involved in a project NAME funded managed by ORGANISATION NAME, we understand that this finished in MONTH. We are interested in finding out what has happened as a result of your involvement. This questionnaire will only take 15 minutes to complete and it will help us to understand what has happened as a result of your activity.

Name: _____ **Contact Number:** _____

1. Can we firstly check that the training activity has finished? When did you finish the course?

(write in date e.g. 02/99 & tick relevant box) Month: _____ Year: _____

a) One year or more ago	$_1$ ρ	c) Up to 6 months ago	$_3$ ρ
b) Between 6 – 12 months ago	$_2$ ρ	d) Due to finish in one month	$_4$ ρ

If the training is still on going, and has more than one month until completion the interview should be terminated.

A.   About your job

2. Which of the following best describes your circumstances when you started your learning experience/course?

a)	In full time employment (30 hours a week or more)	ρ $_1$
b)	In part time employment (less than 30 hours a week)	ρ $_2$
c)	Self Employed (full time)	ρ $_3$
d)	Self Employed (part time)	ρ $_4$
e)	Other (if so what was this)	ρ $_5$

3. What was/is your job title ?

_____

1 digit SOC code (1-9)	

4. What did/does your employer make or do?

_____

2 digit SIC Code (1-17)	

5. What was/is the name of your employer?

_____

6. How many people do you think are/were employed by that company? (Write down the number then code below) _____

a) More than 250 people	ρ 1
b) Between 50 and 250	ρ 2
c) Less than 50	ρ 3

7. How long have/had you been in the job?

a) Less than one year	ρ 1
b) Between 1 and 5 years	ρ 2
c) More than 5 years	ρ 3

8. In the year prior to the start of the course had you undertaken any *in-house training* **supported by your employer?**

Yes ρ 1   No ρ 2

9. In the year prior to the start of the course had you undertaken any *external training* **supported by your employer**

Yes ρ 1   No ρ 2

> *B.   At the start of the training*

10. What type of training did you undertake?

_____

_____

11. When you undertook the training activity, did you feel that you were:
(tick all that apply)

a) Happy / stable in your job	ρ
b) Ready for promotion	ρ
c) Wanting to change your job but stay with the same company	ρ
d) Wanting to change your job and move to a different company	ρ
e) Worried about losing your job	ρ
f) None of these	ρ

12. Do you currently hold any qualifications? (include anything you did at school, college, work)

[ ]1   Yes
[ ]2   No.... *if NO please go to Q15*

13. Which of these qualifications do you have? (tick all that apply)

[ ]1   CSEs
[ ]2   O Levels/GCSEs
[ ]3   A Levels / Highers
[ ]4   GNVQs / GSVQ
[ ]5   NVQs / SVQ
[ ]6   BTEC
[ ]7   RSA
[ ]8   Pitmans
[ ]9   None of the above.... *go to Q14.*

13.1 If you do have any of the qualifications listed in q13 please tell me the number of passes at each grade of the qualification you obtained:

CSE, how many are: grade 1: ___ grade 2: ___ grade 3:___
O Level/GCSE, how many are: grade A: ___ grade B: ___ grade C: ___   If you were awarded O levels before 1973, how many were graded 1 - 6: __
A Level/Highers, how many are: grade A:___ grade B:____ grade C:___   grade D:___ grade E:____

For the following qualifications, please tick the box which shows the level achieved:

GNVQ/ GSVQ:	[ ]1 [ ]2 [ ]3	Basic Level Intermediate Level Advanced Level
S/NVQ:	[ ]1 Level 1 [ ]4 Level 4 [ ]2 Level 2 [ ]5 Level 5 [ ]3 Level 3	
BTEC:	[ ]1 [ ]2 [ ]3	First Level National Level Higher Level

RSA:	[ ]1	Level I
	[ ]2	Level II
	[ ]3	Level III
Pitmans:	[ ]1	Level I
	[ ]2	Level II
	[ ]3	Level III

14. Do you have any other qualifications?
(Write down response then code)

_____

[ ]01   School Certificate/Matriculation
[ ]02   City & Guilds
[ ]03   HNC/D or ONC/D
[ ]04   Degree
[ ]05   Post Graduate Degree/Diploma
[ ]06   Trade Apprenticeship
[ ]07   Nursing qualification
[ ]08   Teaching/Training qualification
[ ]09   Other professional qualification
[ ]10   Any other, please state

_____

15. Who decided that you should attend the course?

a)	I did	ρ
b)	I was sent by the company	ρ
c)	I was told about the course and volunteered for it	ρ
d)	Other (please specify)	ρ

16. Before you started the training, how interested were you in it?

a) Very	b) A bit	c) Not really	d) D/K
ρ 1	ρ 2	ρ 3	ρ 4

17. What role did your employer play in supporting the learning activity? Did they: (tick all that apply)

a)	Promote training opportunities	ρ
b)	Identify training needs through a development interview	ρ
c)	Identify training needs as part of day to day work	ρ
d)	Provide time off for study in work time	ρ

e)	No role	ρ
f)	Other (please specify)	ρ
g)	Self Employed (do not read this option out but tick if applicable)	ρ

18. What type(s) of training did you do within the XXX project? Was it?

e)	Job specific training for your current job to revise or update skills	ρ
f)	Training for a different type of job / vocation to learn some new skills	ρ
g)	Training for a completely different job and a new set of skills	ρ
h)	Other (please specify)	ρ

19. What skills did you learn / were improved?

h)	Improved literacy skills (reading and writing)	ρ
i)	Improved maths	ρ
j)	IT / Computing	ρ
k)	Training in management, team working, communication, vision and leadership skills & problem solving.	ρ
l)	Training in wider vocational skills such as marketing, basic accounting	ρ
m)	New production technology	ρ
n)	Other (please specify)	ρ

20. Where did this training take place? (tick 1)

g)	On the job	ρ 1
h)	Off the job – but at the workplace	ρ 2
i)	Off site –colleges/ trainers' premises	ρ 3
j)	At home	ρ 4
k)	On a residential	ρ 5

l) Other (please specify)	ρ 6

21. When did this training take place?
(tick all that apply)

a) During normal working hours	ρ
b) Day release and part time	ρ
c) Outside normal working hours – open learning or twilight courses	ρ

22. Did you find the way the training was delivered very different to any other you have been involved with?

Yes ρ 1 No ρ 2 **Go to Q23**

22.1 IF YES: In what ways?

a) Style of teaching	ρ
b) Use of computers	ρ
c) Type of assessment	ρ
d) Other (please specify)	ρ

23. Did you have to pay for the training?

Yes ρ 1 No ρ 2

C. After the training

24. What qualifications have you obtained from your training?

	Full Qual	Part of the Qual
a) NVQ/SVQ level 1	ρ 1	ρ 2
b) NVQ/SVQ level 2	ρ 1	ρ 2
c) NVQ/SVQ level 3	ρ 1	ρ 2
d) NVQ/SVQ level 4	ρ 1	ρ 2
e) NVQ/SVQ level 5	ρ 1	ρ 2
f) BTEC – First Level	ρ 1	ρ 2
g) BTEC – National Level	ρ 1	ρ 2
h) BTEC – Higher Level	ρ 1	ρ 2
i) Professional Qualification	ρ 1	ρ 2
j) None	ρ 1	ρ 2
k) Other (if so, what?)	ρ 1	ρ 2

NB Code for NVQ equivalent

25. How satisfied are you overall with the training you received?

a) Very	b) A bit	c) Not really	d) D/K
ρ 1	ρ 2	ρ 3	ρ 4

26. Did your employer carry out an assessment on the effects of the training activity?

Yes
Go to Q26.1 ρ 1 No
Go to Q27 ρ 2

26.1. If yes, what did they test?

a) Satisfaction with the course	ρ
b) Check if new knowledge is applied in work	ρ
c) Check if productivity has improved	ρ
d) Other (please specify)	ρ

D. Current situation

27. Which of the following best describes your circumstances now ?

a) In full time employment (30 hours a week or more) *go to Q34*	ρ
b) In part time employment (less than 30 hours a week) *go to Q34*	ρ
c) In full time education or training *go to Q34*	ρ
d) Not in employment. go to Q28	ρ
e) Other (please specify) *go to Q34*	ρ

28. For how long have you not been in work?

months

29. Why are you not now in work?

a) Left for health reasons	ρ
b) Left due to pregnancy	ρ
c) Left due to caring responsibilities	ρ
d) Left for other personal reasons	ρ
e) Was made redundant	ρ
f) Other (please specify)	ρ

30. Are you looking for work?

Yes ρ 1   No **Go to Q39** ρ 2

31. If yes, are you looking for a job which is?

a) Same industry	ρ
b) Different industry	ρ
c) Any industry	ρ

31.1 Would that be?

d) Same type of job	ρ
e) Different job	ρ
f) Any job	ρ

32. As a result of having been on the training course are you now? IF so, do you think that it is:-

	No,Not happened	If Yes, is this:		
		Fully due to Obj. 4	Partly due to Obj. 4	Not due to Obj. 4
a) More confident about getting another job	ρ 1	ρ 2	ρ 3	ρ 4
b) Better skilled for the type of job you are looking	ρ 1	ρ 2	ρ 3	ρ 4

for				
c) Doing more training	ρ 1	ρ 2	ρ 3	ρ 4

33. Are there any other ways in which the training helps you with your search for new work?

_____

_____

_____

_____

Go to Section E – Q39

34. Have any of the following happened *since* your training activity finished? IF so, do you think that it is:-

	No, Not happened	If Yes, is this:		
		Fully due to Obj. 4	Partly due to Obj. 4	Not due to Obj. 4
a) I am more confident in the work I do	ρ 1	ρ 2	ρ 3	ρ 4
b) I now feel more secure in my job	ρ 1	ρ 2	ρ 3	ρ 4
c) I got a pay rise above the normal settlement	ρ 1	ρ 2	ρ 3	ρ 4

d) I get more satisfaction from my work	ρ_1	ρ_2	ρ_3	ρ_4
e) I am more skilled for the work I do	ρ_1	ρ_2	ρ_3	ρ_4
f) I have been promoted	ρ_1	ρ_2	ρ_3	ρ_4
g) I have been given more responsibility	ρ_1	ρ_2	ρ_3	ρ_4
h) I am looking for another job	ρ_1	ρ_2	ρ_3	ρ_4
i) I have gone on to more training	ρ_1	ρ_2	ρ_3	ρ_4
j) I changed my employer *(if yes, go to Q35)*	ρ_1	ρ_2	ρ_3	ρ_4
k) I changed my job with the same employer *(if yes, go to Q37 if no, go to Q39)*	ρ_1	ρ_2	ρ_3	ρ_4

35. If j), have you:

a) Started your own business	ρ
b) Got a job in a business in the same industry	ρ
c) Got a job with a business in a different industry	ρ
d) Other (please specify)	ρ

36. Compared with your previous job is this new job:

a) At a higher level	ρ_1
b) At the same level	ρ_2
c) At a lower level	ρ_3

Go to Q39

37. If k) are you:

a) Now working on different machinery	ρ
b) Now using different equipment / IT	ρ
c) Now working in a different part of the company	ρ
d) Now working in a different way but in the same part of the company (e.g. team working)	ρ
e) Other (please specify)	ρ

38. Compared with your previous job is this new job:

a) At a higher level	ρ_1
b) At the same level	ρ_2
c) At a lower level	ρ_3

E. Thoughts on the future

39. Are you more interested in education and training as a result of having undertaken the course?

Yes ρ_1 No **(Go to Q42)** ρ_2

40. Would you like to be involved in further education and training ?

Yes ρ_1 No **(Go to Q42)** ρ_2

41. Would you pay for the training out of your own pocket ?

Yes ρ_1 No ρ_2

42. Have your future training and development needs been identified by yourself or your employer ?

Yes ρ_1 No **(Go to Q44)** ρ_2

Don't Know ρ_3

43. Are steps being taken to meet your needs?

Yes ρ_1 No ρ_2

Don't Know ρ_3

44. Over the next three years do you think that in your job you will be:

	Yes	No	D / K
a) Using new machinery tools / equipment	ρ_1	ρ_2	ρ_3
b) Using new work procedures	ρ_1	ρ_2	ρ_3

c)	Using new Information Communication Technologies (ICT)	ρ 1	ρ 2	ρ 3
d)	Making new products	ρ 1	ρ 2	ρ 3
e)	Be organised with other staff differently	ρ 1	ρ 2	ρ 3
f)	Other form of change	ρ 1	ρ 2	ρ 3

b)	ρ 2	Black – African
c)	ρ 3	Black – Caribbean
d)	ρ 4	Black – Other
e)	ρ 5	Chinese
f)	ρ 6	Indian
g)	ρ 7	Pakistani
h)	ρ 8	Somali
i)	ρ 9	White
j)	ρ 10	Yemeni
k)	ρ 11	Other (please state)

_____

F. About you

45. Are you?

Male ρ 1   Female ρ 2

46. How old are you?

a) Under 25	ρ 1	b) 25-34	ρ 4
c) 35-44	ρ 2	d) 45-54	ρ 5
e) 55+	ρ 3		

47. Which county/city do you live in?

_____

48. What is your post-code?

_____

49. Do you have any illness which limits your capacity to work?

Yes ρ 1   No ρ 2

51. We hope to carry out a follow up survey next year – would you be willing to participate?

Yes ρ 1   No ρ 2

If Yes – could you please let us have your <u>home</u> telephone number so that we can contact you directly? (Stress it is confidential & will not be passed on to anyone else)

Tel No : _____

THANK YOU

Interviewer	
Date of Interview	
Quality Checked	ρ

50.   How would you describe your ethnic origin? (tick one only)

a)	ρ 1	Bangladeshi

ESF Objective 4 Evaluation

Employer Survey – Follow Up (2000)

Introduction

You may recall that, a few months ago, you answered a questionnaire about your organisation's involvement in the training project. Please could you spare a few minutes (10-15) of your time so that we can clarify and update the information that you provided so that the project sponsors can better understand the usefulness and impact of the project.

Can I just check confirm some of the details that we have about your organisation?

1   Name and position of contact

Name   Position

2   Name and address of company (*Q1 from 1999survey*)

3   What does your company make or do? (*Q3 from 1999 survey*)

SIC Code

_____

Employment

4**.   When we last spoke to you, there were people (Q6, 1999 survey) employed on this site. How many people are employer here now?**

5   If the number of employees has changed since the last survey, please explain briefly why the change has taken place.

_____

_____

_____

6   (Approximately) how many of your employees are:

a) Female   _____
b) Part time workers (i.e. working less than 30 hours per week)   _____

During the last interview, you told us that of your staff took part in the training.
We would now like to know a little about what has happened to them since they completed the training.

7   How many of these trainees are still employed in your organisation?

_____ **(*if Zero please go to Q9*)**

8   How many of these are: (enter either an exact number **or** percentage **or** tick D/K if the respondent doesn't know or is unsure)

		Number	Percentage	D/K
a)	Doing the same job as they were before they started the training			
b)	Doing a different job as a direct result of the training			
c)	Doing a different job unrelated to the training that they received			

9   Do you think that the training has helped them to learn new skills that will enable them to adapt to changes such as changes in technology (eg new IT systems) or work organisation (eg new working practices) ?

i. To a large extent   [ ] 1
ii. To some extent   [ ] 2
iii. Not at all   [ ] 3
D/K   [ ] 8
N/A   [ ] 9

10   If ii or iii, how do you feel that the training might have better helped them to adapt to change?

_____

_____

11   Have you noticed any improvement to their job performance: (enter either an exact number **or** percentage **or** tick D/K if the respondent doesn't know or is unsure)

		Number	Percentage	D/K
a)	Yes, improved the performance of their job wholly or partly as a result of the training they received			
b)	Yes, improved their job performance, but not as a result of the training they received			
c)	No, not noticed improved job performance			

12 **Since they completed the training, how many of the trainees have:** (enter either an exact number **or** percentage **or** tick D/K if the respondent doesn't know or is unsure)

		Number	Percentage	D/K
a)	Done more training that is similar to what they did in the programme			
b)	Done further or higher training			
c)	Not done any further training			

13 **In what ways have the skills learned by the trainees been passed on to other workers in your organisation?**

Formally, through meetings or training sessions [ ] 1
Informally, through contact between workers[ ] 2
Not at all [ ] 3
Do not know [ ] 8
Not applicable [ ] 9

14 **How many of the trainees have left the organisation since we last spoke to you?**

_____ (*if Zero please go to Q20)*

15 **Of these, how many:** (enter either an exact number **or** percentage **or** tick D/K if the respondent doesn't know or is unsure)

		Number	Percentage	D/K
a)	Were made redundant			
b)	Left voluntarily			
c)	Dismissed			
d)	Left for other reasons (e.g. family/health/education etc)			

16 **And how many:**

		Number	Percentage	D/K
a)	Went to a similar job			
b)	Went to a different type of job			
c)	Became unemployed			
d)	Left the labour market (e.g. Ill health/ retirement etc)			

17 **Do you feel that any of the trainees that left the organisation did so as a direct result of the training that they received?**

<div align="right">

YES [ ] 1
NO [ ] 2
To some extent [ ] 3
D/K [ ] 8
N/A [ ] 9

</div>

18 (*if YES or 'to some extent'*), **do you feel that this would deter you from participating in future training schemes of this type?**

<div align="right">

YES [ ] 1
NO [ ] 2
D/K [ ] 8
N/A [ ] 9

</div>

19 (*Interviewer – note any comments, but do not prompt*)

_____

_____

_____

20 **Broadly speaking, would you say that since you became involved in the project, the level of training activity in the organisation has:**

Increased [ ] 1
Decreased [ ] 2 **Go to Q22**
Stayed about the same [ ] 3 **Go to Q22**
Don't know [ ] 8 **Go to Q22**
Not applicable [ ] 9 **Go to Q22**

21 **If training activity has increased, to what extent would you say that this is due to your involvement in the project?**

To a large extent – training would not have increased had we
not become involved in the project [ ] 1

To some extent – training would have increased, but not by the
same extent, if we had not become involved in the project. [ ] 2

Not at all – training would have increased anyway, regardless of
whether we had been involved in the project. [ ] 3

Don't know [ ] 8

Not applicable [ ] 9

22 **Before you became involved in the project, was your organisation involved in any of the following initiatives?**

&

23 (*If you were not involved before*), **have you become involved since you were involved in the project?**

	Involved before O4 **22**	Involved since O4 **23**	Not involved	Do not know
	please circle one option per line			
a) Investors in People	1	2	3	8
b) Small Firms Training Loan	1	2	3	8
c) Individual Learning Accounts	1	2	3	8
d) Other ESF/ADAPT or similar projects	1	2	3	8
e) Learndirect / University for Industry	1	2	3	8
f) Other projects with TEC / Local Authority / College or similar organisations	1	2	3	8
g) Any other training projects(s) – specify briefly	1	2	3	8

24 **Before your involvement with the project, were any of the following aspects of your organisation's business or training practices in place?**

&

25 (*If not in place before*), **since your involvement with the project, have any of the following been put into place, or planned for the near future?**

	In place before O4 **24**	Put in place since O4 **25**	Planned in near future **25**	Not in place	Do not know
	Please circle one option per line				
a) Formal or written business plan	1	2	3	4	8
b) Formal or written training plan	1	2	3	4	8
c) Undertake training needs analysis or similar	1	2	3	4	8
d) Employees have staff development and/or personal development plans	1	2	3	4	8
e) Appraisal system for employees	1	2	3	4	8
f) Formal or written equal opportunities policy – general	1	2	3	4	8
g) Regular contact with local schools or colleges	1	2	3	4	8
h) Use of labour market information from TECs, colleges, National Training Organisations, careers organisations etc.	1	2	3	4	8

26 **Thinking more generally about the development of your business over the past 12 months have the following increased, decreased or stayed the same?**

	Large increase	Moderate increase	No change	Decline	Do not know
a) Turnover	1	2	3	4	8
b) Profitability	1	2	3	4	8
c) New technology	1	2	3	4	8
d) Product / service range	1	2	3	4	8
e) Customer base	1	2	3	4	8

27 **And what changes do you anticipate over the coming 12 months?**

	Large increase	Moderate increase	No change	Decline	Do not know
a) Turnover	1	2	3	4	8
b) Profitability	1	2	3	4	8
c) New technology	1	2	3	4	8
d) Product / service range	1	2	3	4	8
e) Customer base	1	2	3	4	8

We are interested to find out how you feel that your involvement with the training has affected the overall performance of the organisation.

28 **In overall terms, to what extent do you feel that the training has met the needs of your organisation (i.e.) as distinct from the needs of the trainees?**

i. To a large extent [ ] 1
ii. To some extent [ ] 2
iii. Not at all [ ] 3
D/K [ ] 8
N/A [ ] 9

29 **If ii or iii, how do you think that the training could have more closely met the needs of the organisation?**

_____

_____

_____

30   Has your involvement with the training, and the effects that it has had on your staff, had any impact on the company in terms of:

	Big positive impact	Some positive impact	Negative impact	No impact	Don't know
a) Product development	1	2	3	4	8
b) Exporting	1	2	3	4	8
c) Staff retention	1	2	3	4	8
d) Going into new markets	1	2	3	4	8
e) Competitiveness	1	2	3	4	8
f) Confidence about the future	1	2	3	4	8
g) The number of businesses you work with	1	2	3	4	8
h) The number of business people you talk to	1	2	3	4	8
i) Turnover	1	2	3	4	8
j) Sales	1	2	3	4	8

31   Do you think that your organisation would be likely to get involved with similar training initiatives in the future?

Definitely   [ ]₁ **Go to Q33**

Probably   [ ]₂ **Go to Q33**

No   [ ]₃

Don't know   [ ]₈ **Go to Q34 32**

If no, why not?

_____

_____**Go to Q34**

33   If yes, what changes would you like to be implemented so that the project will be of maximum benefit to your organisation?

_____

_____

34   Does your organisation have a formal or written equal opportunities policy relating specifically to training and development activities?

YES   [ ]₁
NO   [ ]₂
D/K   [ ]₈
N/A   [ ]₉

35   Does your organisation make any special arrangements for people with childcare or other family responsibilities who participate in training?

YES   [ ]₁
NO   [ ]₂
D/K   [ ]₈
N/A   [ ]₉

36   If yes, please explain briefly

_____

37 **Approximately what percentage of your workforce is from an ethnic minority group?**

_____ *(If Zero please go to Q40)*

38 **Does your organisation make any special efforts to involve ethnic minority employees in training and development activities?**

YES [ ] 1
NO [ ] 2
D/K [ ] 8
N/A [ ] 9

39 **If yes, please explain briefly**

_____

_____

40 **Do you have any more comments or suggestions regarding your organisation's involvement in the training that we have not covered in the questionnaires that you have answered?**

_____

_____

_____

41 Would you like a summary of the research results?

YES [ ] 1
NO [ ] 2

Thank you very much for your assistance.

Completed by: _____

Date: _____

ESF Objective 4 Evaluation	
	ID No:

TELEPHONE SURVEY QUESTIONNAIRE FOR INDIVIDUAL PARTICIPANTS (2000)

- -

If the respondent from the previous year has left the company and has not left a follow up phone number ask the employer or work colleague if they are able to say what happened to them:

1. **Do you know if they**

Got a new job   π 1 **If yes go to Q2**
On long term sick   π 2 **THANK RESPONDENT AND END INTERVIEW**
Were made redundant π 3 **THANK RESPONDENT AND END INTERVIEW**
Was sacked   π 4 **THANK RESPONDENT AND END INTERVIEW**
Are on maternity leave π 5 **THANK RESPONDENT AND END INTERVIEW**
Don't know   π 6 **THANK RESPONDENT AND END INTERVIEW**

2 **Was it for**

A company in the same sector   π 1
A company in a different sector π 2
Don't know   π 3

2b **Was it**

At the same level   π 1
At a higher level   π 2
At a lower level   π 3
Don't Know   π 4   **THANK RESPONDENT AND END INTERVIEW**

- -

IMPORTANT, PLEASE NOTE THAT ANY SHADED BOXES SHOULD BE FILLED IN FROM THE 1999 OBJECTIVE 4 SURVEY OF INDIVIDUALS. INTERVIEWEES TO BE ASKED TO CONFIRM THE INFORMATION THEY GAVE IN 1999.

Last year you took part in a survey about . You said you were happy to be contacted again about this activity. This survey will only take about 10 minutes to complete. Your answers will help us to understand more about what has happened as a result of your training activity.

If the respondent indicates that they are not happy to continue, please ask them why not and record response on contact sheet.

END INTERVIEW

> *Q3* *Please ask the interviewee to confirm the following then ask Q3a (Q1 1999)*
>
> Name of course

3a **Are details different**   Yes π 1   No π 2
    If no go to **Q4**

What was the name of the course? _____

When did the training end?   Month _____ Year _____

153

ABOUT YOUR WORK

4 When you started the course you were? (Q2 1999)

1.00 In full-time employment(30 hours a week or more)	π 1
2.00 In part-time employment (less than 30 hours a week)	π 2
3.00 Self-employed (full-time)	π 3
4.00 Self employed (part-time)	π 4
5.00 Other	π 5

5   Have your circumstances changed?

Yes π1 go to Q5a   No π2 go to Q11

5a   If yes are you now?

In full time employment (30 hours a week)	π 1
In part time employment (less than 30 hours a week)	π 2
Self employed (full time)	π 3
Self-employed (part-time)	π 4
Not working **(Go to Q8)**	π 5
Other (if so, please describe)	π 6

   If not working go to Q8

6   Has the training provided through (PROJECT NAME) helped you to change your work circumstances?

Yes, helped a lot	π 1
Yes, helped a little	π 2
No, did not help	π 3 **go to Q11**
Don't know	π 4 **go to Q11**

7   Could you explain how the training helped? (text then code)

_____

_____

Go to Q11

NOT WORKING

8.   Why have your circumstances changed?

Retirement	π 1
Voluntary redundancy	π 2
Involuntary redundancy	π 3
Dismissed	π 4
Full time caring responsibilities	π 5
Maternity Leave	π 6
Other (please describe)	π 7
_____	

9   How long have you been not working?

_____ Months

10   Are you currently looking for another job?

Yes π1 No π2 **Go to Q55**

10a   Are you currently looking for a job that is in ?

Same industry	π1
Different industry	π2
Any industry	π3

10b   Would that be?

Same type of job	π 1
Different job	π 2
Any job	π 3

Go to Q55

EMPLOYED

Would you describe yourself as
(Tick all that apply)

Happy / stable in your job	π 1
Ready for promotion	π 2
Wanting to change your job but stay with the same company	π 3
Wanting to change jobs and move to a different company	π 4
Worried about losing your job	π 5
None of these	π 6

12   Last year you were employed by? (Q5 1999)

13   Are you still with the same employer?

Yes π 1 No π 2 **Go to Q22**

14   Last year your job title was? (Q3 1999)

1 digit SOC code (1-9)

15   Has your job title changed?

Yes π 1 No π 2 **Go to Q18**

16   Why has your job title changed?

Promotion	π 1
Change of roles at same level	π 2
Other (please explain)	π 3

17   What is your job title now?

1 digit SOC Code (1-9)

18   How long have you been employed by the company?

Less than 1 year	π 1
1-2 years	π 2
3-5 years	π 3
More than 5 years	π 4

19   Last year   people were employed at the company? (Q 6 1999)

20   How many are employed now?

21   Is your current employer committed to or recognised as an Investor in People?

Committed to   π1
Recognised   π2
Not Committed   π3
Don't know   π4
            Go to Q30

DIFFERENT EMPLOYER

22   Are you self employed?

Yes π1 **Go to Q30**   No π2

23   What does your current employer do?

Two digit SIC Code (1-17)

24   How many people are employed at your new company?

25   Last year your job title was? (Q3 1999)

1 digit SOC code (1-9)

26   What is your job title now?

1 digit SOC Code (1-9)

27   Compared to your previous job, is this new job

At a higher level	π 1
At the same level?	π 2
At a lower level?	π 3

28 **To what extent do you feel that the training provided by (PROJECT TITLE) has helped you to achieve your new position?**

Training helped a great deal	π 1
Training helped	π 2
Training slightly helped	π 3
Training did not help at all	π 4

29 **Is your current employer committed to or recognised as an Investor in People?**

Committed to   π1
Recognised   π2
Not Committed   π3
Don't know   π4

Go to Q43

TRAINING (Same Employer/Self

30 **Since the training provided through (PROJECT TITLE) have you become more interested in training and education?**

Yes π 1   Noπ2

31 **Since the training provided through (PROJECT TITLE) have you undertaken any additional training or education?**

Yes π 1 **Go to Q32**   No π 2 **Go to Q35**

32 **What type of training have you done?**

Job specific training for your current job to revise or update skills	π 1
Training for a different type of job / vocation to learn some new skills	π 2
Other (please specify) _____	π 3

33 **Is this training linked to the training you did through (PROJECT TITLE)**

Yes π1   No π 2

34 **Have you paid for this training yourself?**

Yes, wholly funded myself	π	1
Yes partly funded myself	π	2
No	π	3

35 **Would you be prepared to pay for future training yourself?**

Yes π 1   No π 2

35a **If no, can you explain why not? (text then code)**

_____

36 Since the training through (PROJECT TITLE) have you noticed others at work being more interested in training and education?

Yes π1   No π2

37 **Since undertaking the training provided through (PROJECT TITLE) has your employer become more supportive of training and education in general?**

Yes, more supportive	π 1
The same	π 2
No, less supportive	π 3
Not sure	π 4
Don't know	π 5
Other (Please describe) _____ _____	π 6

38 **Following the training has your employer fully funded or partly funded any further training for you?**

Yes π 1 No π 2   Don't know π 3

39 **Since the training provided through (PROJECT TITLE), has your employer supported training by? (Tick all that apply)**

a) Promoting training opportunities	π 1
b) Identifying training needs through a development interview	π 2
c) Identifying training needs as part of day to day work	π 3
d) Providing time off for study in work time	π 4
e) Not supported	π 5
f) Other (please specify)	π 6
g) Self Employed (don't read this option but tick if applicable)	π 7

40 **Have any of the following happened since your training activity, provided through (PROJECT TITLE), finished?**

		If yes, is this		
	Not happened	Fully due to OBJ 4	Partly due to OBJ 4	Not due to OBJ 4
More confident in work	π 1	π 2	π 3	π 4
Feel more secure in job	π 1	π 2	π 3	π 4
I got a pay rise above normal settlement	π 1	π 2	π 3	π 4
I get more satisfaction from work	π 1	π 2	π 3	π 4
I am more skilled for the work I do	π 1	π 2	π 3	π 4
I have gained skills that could be used to help me to change job	π 1	π 2	π 3	π 4

41 **Since the training, have you done any of the following (tick all that apply)**

Used new IT packages	π 1
Used a new machinery	π 2
Used a new technology	π 3
Worked in a different part of the company	π 4
Undertaken any new tasks as part of your job	π 5

42 **To what extent do you think the training funded through O4 helped you with this?**

Training helped a great deal	π 1
Training helped	π 2
Training slightly helped	π 3
Training did not help at all	π 4

GO TO Q 53

TRAINING OTHER EMPLOYER

43 **Since the training provided through (PROJECT TITLE) have you become more interested in training and education?**

Yes π 1   No π 2

44 **Since the training provided through (PROJECT TITLE) have you undertaken any additional training or education?**

Yes π 1 **Go to Q45**   No π 2 **Go to Q48**

45 **What type of training have you done**

Job specific training for your current job to revise or update skills	π 1
Training for a different type of job / vocation to learn some new skills	π 2
Other (please specify _____	π 3

46 **Is this training linked to the training you did through (PROJECT TITLE)**

Yes π 1No π 2

47 **Have you paid for this training yourself?**

Yes, wholly funded myself	π 1
Yes partly funded myself	π 2
No	π 3

48 **Would you be prepared to pay for future training yourself?**

Yes π 1 **Go to Q50**   No π 2

49 **If no, can you explain why not?**

_____

50 **Have any of the following happened since your training activity provided through (PROJECT TITLE) has finished?**

		If yes, is this		
	Not happened	Fully due to OBJ 4	Partly due to OBJ 4	Not due to OBJ 4
More confident in work	π 1	π 2	π 3	π 4
Feel more secure in job	π 1	π 2	π 3	π 4
I got a pay rise above normal settlement	π 1	π 2	π 3	π 4
I get more satisfaction from work	π 1	π 2	π 3	π 4
I am more skilled for the work I do	π 1	π 2	π 3	π 4
I have gained skills that could be used to help me to change jobs	π 1	π 2	π 3	π 4

51 **Since the training, have you done any of the following (tick all that apply)**

Used new IT packages	π1
Used new machinery	π2
Used new technology	π3
Worked in a different part of the company	π4
Undertaken any new tasks as part of your job	π5

52 **To what extent do you think the training funded through O4 helped you with this?**

Training helped a great deal	π 1
Training helped	π 2
Training slightly helped	π 3
Training did not help at all	π 4

QUALIFICATIONS AND SKILLS

53 **Do you have a formal appraisal of your training and development needs?**

Yes π 1 No π 2

54 **Do you have a personal development or training plan?**

Yes π 1 No π 2

55 **Did you obtain either a full or part of a qualification as a result of the (PROJECT TITLE) training ?**

Yes π 1   No π 2 **Go to Q58**

56 **If yes was it**

	Full Qual.	Part of a Qual.
NVQ / SVQ level 1	π 1	π 2
NVQ / SVQ level 2	π 1	π 2
NVQ / SVQ level 3	π 1	π 2
NVQ / SVQ level 4	π 1	π 2
NVQ / SVQ level 5	π 1	π 2
Degree level qualification	π 1	π 2
Other higher education qualification (e.g. PG dip)	π 1	π 2
Professional qualification	π 1	π 2
HNC / HND	π 1	π 2
GCSE	π 1	π 2
SCE Highers	π 1	π 2
A level	π 1	π 2
Other (please specify) _____	π 1	π 2

57 If part-qualification, did you go on to obtain a full qualification?

Yes π 1 No π 2

58 **Would you say that the training helped develop your**

Basic Skills (such as literacy or numeracy)	π1
Generic Skills (such as, time management, communication, interpersonal skills, IT skills)	π2
Work Specific Skills (specifically to job, organisation or bespoke IT application)	π3
Other (Please specify)	π4
Not sure	π5

59 **To what extent has this been due to the training funded through O4?**

Training helped a great deal	π	1
Training helped	π	2
Training slightly helped	π	3
Training did not help at all	π	4

SECTION E - ABOUT YOU

60 **Are you?**

Male π 1   Female π 2

61 **Ethnic Origin**

π 1	Bangladeshi
π 2	Black – African
π 3	Black – Caribbean
π 4	Black – Other
π 5	Chinese
π 6	Indian
π 7	Pakistani
π 8	White
π 9	Other (please specify)

62 **Which County / city do you live in?**

_____

63 **What is your postcode?**

_____

64 **How old are you?**

Under 25	π 1
25-34	π 2
35-44	π 3
45-54	π 4
55+	π 5

65 **Do you have an illness or disability that limits your capacity to work?**

Yes π 1   No π 2

66 **Do you feel that you have had equal access to training and education opportunities through work?**

Yes π 1 **Go to Q68**   No π 2 **Go to Q67**

67 **Can you please explain why you think you haven't had the same access to training as your colleagues have?**

_____

_____

_____

_____

68 **Have you heard of Individual Learning Accounts?**

Yes π 1 No π 2 **Go to Q70**

69 **Do you have an Individual Learning Account?**

Yes π 1   No π 2

70 **Have you heard of Learn Direct**

Yes π 1 No π 2 **Go to Q72**

71 **Have you contacted Learn Direct?**

Yes π 1 No π 2

Any other closing comments

_____

_____

END: THANK RESPONDENT FOR THEIR TIME

Interviewed by:
_____

Date:
_____