Employer Training Pilots

First Year Evaluation Report
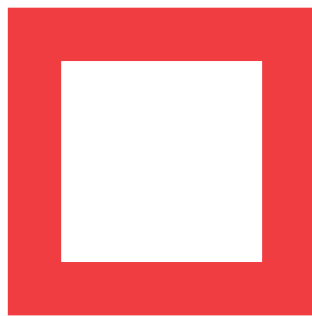
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department for
education and skills
creating opportunity, releasing potential, achieving excellence

HM TREASURY

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Contents

Foreword

The skills of our people are a vital national asset. Skills help businesses achieve the productivity, innovation and profitability needed to compete. They help our public services provide the quality and choice that people want. They help individuals raise their employability, and achieve their ambitions for themselves, their families and communities.

Employer Training Pilots, which are managed by the Learning and Skills Council, were designed to test ways to improve access to training in six local LSC areas. Specifically, we want to tackle the market failures that prevent employers from offering their workers opportunities to train, and deter employees from taking up training that is available. Firms that offer their low-skilled staff paid time off to train are being provided with compensation for wage costs (varying according to pilot area and size of firm) and free training, information and guidance. We set out the full rationale for these pilots alongside Budget 2002 .

We are extremely pleased that the pilots are proving successful at engaging low-skilled employees in training. This evaluation report shows that over 3,000 employers and 14,000 learners have registered to take part in year one. Learners in small firms and those traditionally thought of as hard to reach are also participating – 70% of employers registered to take part in the pilot employ fewer than 50 people and 40% of firms had not had previous contact with a government agency. Both employers and learners are expressing high levels of satisfaction so far with the training, information and guidance being made available.

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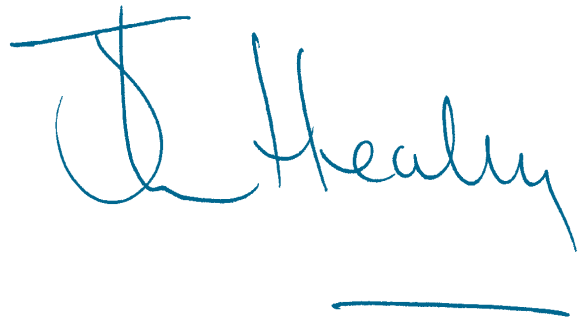
1 'Developing Workforce Skills: Piloting a New Approach', HMT Treasury and Department for Education and Skills, April 2002

We announced an extension of the pilot scheme to six new LSC areas in the 2002 Pre-Budget Report so that we could undertake a more thorough evaluation, Since August 2003 the pilots are covering over one quarter of the country and the number of learners has already grown to over 20,000. This continued evaluation will allow us to draw clearer conclusions on the impact of the pilots.

We look forward to the next phase of the pilots as Government works in partnership with providers, employers, unions and individuals to deliver the right skills for Britain in the 21st Century.

IVAN LEWIS MP
Minister for Skills & Vocational Education
DfES

JOHN HEALEY MP
Economic Secretary
HM Treasury
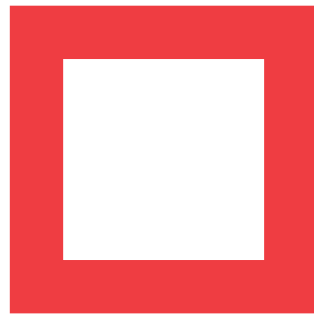
Executive Summary

The Employer Training Pilots (ETP) were established in six Learning and Skills Council areas in September 2002 and were intended to run for one year. Additional funding was subsequently made available to allow to extend the pilots for a second year and to introduce a further six one-year pilots. All pilots aim to provide training to a first level 2 qualification or in basic skills for employees and feature combinations of paid time off work to train; wage compensation for employers; free or subsidised training; and information, advice and guidance for employers and employees.

The evaluation of the pilots runs from September 2002 to March 2005 and involves qualitative surveys of employer and employee participants and case study work with all major stakeholders and quantitative surveys of training provision and take-up in pilot and control areas. This report is concerned with the qualitative evaluation of the first year of operation of the first six pilots – *ie* to end-August 2003.

PARTICIPATION IN THE FIRST YEAR

Over 3,000 employers and 14,000 learners registered to take part. Levels of take-up vary across the pilot areas with some attracting over four times the proportion of the employers in the area than others. 70 per cent of the employers are small (1-49 employees) and two-fifths had not had any previous contact with government agencies, though most do have a positive approach to learning and training. Employers come from a range of sectors, particularly care but also distribution and manufacturing.

ETP learners are typically female, aged over 35, work full-time in a low-skilled job in a small workplace, earning around £6 per hour. Three-quarters left school at or before age 16, only a third had positive experiences of education and most have no qualifications, though most had a positive attitude towards learning and had done some in the previous three years. The vast majority were working towards an NVQ level 2 qualification (or equivalent), most often in health and social care. Around 10 per cent were on basic skills courses.

EXPERIENCE OF THE PILOTS

The pilots have used varied approaches to marketing which have demonstrated that they need to be active in approaching employers. Targeted approaches like telemarketing have worked better than general campaigns. Initial interest is followed up by members of local ETP teams and good communications, clear roles and responsibilities, appropriate skills and providing a quick response are all important in securing maximum engagement.

Employees generally hear about ETP from their employer and their participation is usually voluntary – around 70 per cent of eligible employees in each workplace were taking part. The standard ETP approach is to assess an individual's competence, train to the identified skill gaps, and then conduct a final assessment (*ie* 'assess-train-assess'). However, fewer than half the learners get a comprehensive initial needs analysis and there is a variety of other approaches in operation.

Paid time-off is used by the learners for combinations of formal training inputs, contact with tutors, independent learning and compiling evidence. At least some of the learners study and compile evidence of their competence in their own time at home as well.

Information, advice and guidance models vary considerably between the pilots. Most information and advice comes from the brokers who interact with the employers about their needs and from the providers. More formal provision is less well-developed and, where in place, generally involves some combination of early support to learners (*eg* via a helpline), exit interviews with learners and general workplace-based capacity building, all on a voluntary basis.

MOTIVATIONS, BENEFITS AND SATISFACTION

Employers say they are attracted to ETP mainly by the free and flexibly-provided training, although wage compensation can be important in some circumstances – *eg* to win senior management approval in large companies or to pay for staff to do learning in their own time in small firms. The vast majority of employers saw potential benefits in terms of providing employees with better skills and self-confidence and thought that this fitted well with their business plans. There is no evidence that taking part in ETP displaces other training activity. Most employers saw the pilots as an opportunity to train workers who would otherwise not be trained, though some said they would have done the training without ETP. Using these and other qualitative indicators, 20 per cent of employer participants could be considered deadweight.

Nearly all employers said that they were satisfied with their experience of ETP, particularly with the initial contacts and training arrangements and slightly less so with payment arrangements and provision of information, advice and guidance. There is some evidence that satisfaction with wage compensation varies with the amount paid but little evidence that satisfaction levels are affected by the amount of paid time-off provided.

Learners are attracted to the pilots by the chance to obtain the skills to do their jobs better and to gain a qualification. They were generally very satisfied with their experience and most felt that they had learnt something new that would benefit them in their current or future job.

CONCLUSIONS

At the halfway stage of the pilots, it is inevitable that many questions remain to be tackled, including those on completion rates, robust measures of deadweight, quantitative assessments of the impact of the various elements of the ETP offer, the longer-term impact on learners, employers and providers.

What can be said is that the pilots have been successful in getting substantial numbers of employers involved in training their low-skilled employees to qualifications. Over a fifth of these employers can be seen as 'hard-to-reach' and the learners and the sort of employees ETP was designed to target. Employers and learners express high levels of satisfaction.

There are some challenges which remain to be tackled – to increase the numbers of learners being helped with basic skills (for which a number of new measures have been put in place), to increase the proportion of 'hard-to-reach' employers taking part, and to learn lessons from the best-performing pilot areas to raise standards overall.

Chapter 1

Introduction

This interim evaluation report covers the first full year of the Employer Training Pilots. It provides preliminary findings on the numbers and characteristics of the employers and learners taking part in the first six pilots, and their views on their experience based on completed participant surveys. It also draws out the initial lessons of the first round about how the pilots have sought to engage participants and handle the various issues that have emerged from our interviews in the pilot areas.

In the rest of this chapter, we briefly introduce the purpose of the pilots, explain the structure of the overall evaluation (which will not be completed until the Spring of 2005), and discuss the sources of the data we have used in this report.

1.1 THE EMPLOYER TRAINING PILOTS

Employer Training Pilots (ETP) were established in six Learning and Skills Council (LSC) areas in September 2002, to test their effectiveness in stimulating additional work-based training leading to improved skills and qualifications for low-skilled employees. The aim is to engage with employers or employees who do not normally get involved with qualifications-based training. The pilots are administered by local LSCs in partnership with local Business Links and other agencies, through a network of local brokers or learning advisers, and were originally planned to last a year. They offer training with registered providers to either NVQ level 2 or equivalent or in basic skills, to employees not already qualified to level 2 (*eg* with fewer than five GCSEs at grades A to C or equivalent). There are four elements of the offer:

- free or subsidised training[1]

- paid time off for training (funded for either 35 or 70 hours)

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1   The training is mainly provided free but in some cases, due to EU State Aid rules, employers are required to make a contribution.

- wage compensation (paid to employers for the time employees spend training)

- information, advice and guidance to employers and employees.

In the pre-budget report in November 2002, it was announced that the original six pilots would be extended both in length – to last for two years instead of the original one – and in coverage – an additional six one-year pilot areas were established.

1.1.1 The pilot areas

From September 2003, six more pilots were established, offering a similar (but not in all cases identical) package of support to the first six pilots (Table 1.1). In particular, a 'nil compensation' model was set up in Kent.

Table 1.1: Old and new pilot areas

LSC area	Level of wage compensation (percentage of pay, by size of firm)			Time off (hrs)
	Small (under 50 employees)	Medium (50 to 249 employees)	Large (250 or more employees)	
Old pilots (started September 2002)				
Greater Manchester	150	120	75	35
Derbyshire	130	100	50	35
Essex	110	75	0	35
Tyne & Wear	150	120	75	70
Wiltshire & Swindon	130	100	50	70
Birmingham & Solihull	110	75	0	70
New pilots (started September 2003)				
Shropshire	150	120	75	35
Leicestershire	130	100	50	35
Kent	0	0	0	35
East London	150	120	75	70
Berkshire	130	100	50	70
South Yorkshire	110	75	0	70

Source: DfES, 2003

1.2 THE EVALUATION FRAMEWORK

The evaluation of the pilots is being conducted by IES in partnership with the Institute for Fiscal Studies and MORI.

The initial evaluation plan was focussed on the six original one-year pilots. Constraints on time and budget meant that it was primarily process orientated, concentrating on examining the numbers and characteristics of employer and employee participants and the impact they perceived on their attitudes and approach to training. With the extension of the pilots, we were also able to extend the scope of the evaluation to include a more robust assessment of the additional effect of the policy on employer training provision and employee acquisition of qualifications, as well as examining the longer-term impact of their involvement.

The overall aim of the extended evaluation is to provide the ETP National Steering Group with the information and analysis they require to manage the pilots, and to decide what to recommend about whether and how to implement such a policy on a national basis. To that end, three sets of general objectives for the extended evaluation were agreed:

- To provide an authoritative assessment of the nature and extent of the take-up of the ETP offer in the pilot areas. This includes:

  - providing comprehensive data on the characteristics of pilot participants (both employers and employees)

  - estimates of the **additional** training activity and acquisition of qualifications that have resulted from the pilots (including any 'deadweight' and 'displacement' effects)

  - the influence of the four key elements of the ETP offer (time off for training, free or subsidised training, wage compensation and access to information advice, and guidance) on take up.

This is referred to as the 'take-up' aspect of the evaluation.

- To examine the key issues affecting how the pilots operate in practice, including assessing the different marketing approaches adopted by the pilots areas, the role and value of the broker, employers and employees views on participation, the nature and value of the training provided, the role of information, advice and guidance, and contractual and payment processes. This can be described as the 'process' aspect of the overall evaluation.

- To provide the foundation for a possible longer-term assessment of the impact of the pilots in terms of individuals and organisational outcomes. This final element is therefore about 'impact'.

Below, we look at the various issues that the evaluation is addressing, under these three headings of take up, process and impact, before outlining our overall approach.

1.2.1 Take-up

The policy is aimed at increasing employer-based training for low-skilled employees, resulting in the acquisition of basic skills or level 2 qualifications. To measure its effect in this regard, we have adopted a number of measures of take-up:

- employer measures:

    - the proportion of employers providing ETP training[1] to low-skilled employees[2]

    - the proportion of low-skilled employees in receipt of ETP training in those workplaces providing training

    - the proportion of employers providing ETP training to people in low-skilled jobs[3] (not as accurate as above, but still useful contextually).

- employee measures:

    - the proportion of low-skilled employees receiving ETP training

    - the proportion of employees with an NVQ level 2 qualification.

Taken together, these measures should enable us to answer the key questions about what difference the policy makes to employers and employees. The measures concentrate on the provision of NVQ level 2 training but we are also gathering data on basic skills training, (although this is harder to baseline, *eg* as employers are less aware of employees' basic skills abilities, and there are fewer objective measures, *eg* in the form of qualifications).

At the heart of the extended evaluation is a large-scale survey effort to establish accurate baselines of activity (as measured against the indicators outlined above), and then follow up surveys to determine any change. The first wave of employer surveys have been conducted in:

- four of the new pilot areas (Leicestershire, Berkshire, Kent and East London) – in order to be able to draw a baseline before the policy comes into effect

- four of the existing pilot areas – including three areas (Derbyshire, Wiltshire and Swindon, and Essex) matched with new areas above, plus Birmingham and Solihull

- two control areas (Sussex and Bedfordshire) – chosen for their relevant labour market characteristics. Employers and employees in these control areas will be matched with those in the new policy areas, and their training activity compared. The aggregate difference between the two sets of areas could be attributed to the additional effect of the policy.

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1   *ie* off-the-job training leading to either a basic skills or an NVQ level 2 or equivalent qualification.
2   *ie* employees with a qualification level below NVQ level 2 or equivalent.
3   Simply defined for survey purposes as being in Standard Occupational Classifications (SOC) 4, 6, 7, 8 and 9.

The areas were selected to maximise the chances of comparing different policy models. The data are being analysed and will be reported in 2004. Follow-up surveys will take place in the summer of 2004.

Surveys of employees have also been conducted in two new pilot areas (Berkshire and Leicestershire), and the two control areas (Bedfordshire and Sussex).

This approach gives us two ways of measuring a quantitative ETP 'effect': a before and after comparison in the new areas – both from an employer and an employee perspective; comparisons between existing areas, new areas and control areas through employer surveys.

We can also infer the degree to which the policy has brought about additional activity, by collecting data from existing participants, for instance, by asking them whether they would have trained their low-skill employees in the absence of the pilots. From the answers to this and other questions (eg about their approach to training), we can build up a picture as to what might have happened in any event. It is not as strong an evidence base as the quantitative assessment, but provides an alternative, quicker estimate.

Effect of the offer

Key elements of the offer vary between pilot areas, (see Table 1.1) both in terms of the length of paid time off (either 35 or 70 hours) and the amount of wage compensation (between nil and 150 per cent, depending on the area and the size of firm). We are examining the effect of the offer on participation both quantitatively (eg between the different areas in the surveys) and qualitatively (in interviews with participants and agencies responsible for managing the pilots).

1.2.2 Process evaluation

The process aspect of the evaluation plan was designed to answer a range of questions:

- **Employer-based questions** about how many and what sort of employers participate in the pilots, and why. In particular, we are interested to identify whether participants are new to training low-skilled employees and/or are different from those normally involved in public training schemes. What is it about the initiative that attracted them, and what benefits do they hope to gain?

- **Employee-based questions:** again about who takes part and why, including how individual employees are selected. At this level, we are also interested in the nature and content of the training they are doing, what prevented them from doing it before, what new skills they learn as a result, and what difference they believe these skills will make to their future lives.

- **Delivery-based questions:** including looking at the capacity of training providers to meet employers' and employees' needs, the process of running the pilots, and participants' views on how well they are organised.

- **Other issues:** for example, those related to the links between employer engagement in ETP training and resultant business outcomes; the provision and take-up of the information, advice and guidance element of the ETP offer; and the provision and take-up of basic skills training (in conjunction with, or separate to, level 2 training).

Following the extension of the pilots, the qualitative evaluation carried out in the six existing areas was extended to all the new six areas, and involves:

- **area case studies** – based on regular interviews with ETP personnel plus local stakeholders, providers, employers and employees, on a slightly curtailed basis than proposed in the original evaluation.

- **participant surveys** – in three waves: a survey of 1,000 employers and 2,000 learners involved at an early stage (spring 2003) in the six original pilots; follow-up interviews with those respondents in the autumn of 2003; and a further 1,500 employer interviews and 2,000 learner interviews, across all 12 pilots (with a minimum of 50 employers and employees in each area).

- **a survey of involved training providers** – all areas, in the Autumn of 2003.

1.2.3 Impact

ETP trainees are existing employees, and therefore already have a range of skills to carry out their jobs. It is interesting, therefore, to identify the extent of any skill gain through ETP. As an additional element of the overall evaluation framework, we have examined the feasibility of a separate study to examine in detail the extent and nature of the skill gains made by learners in a selection of NVQs. This element of the overall evaluation is being taken forward separately from the main evaluation.

We are not just interested in the short-term impact on skill acquisition, but also what happens to individuals as a result, and the organisations in which they work. There are various ways in which we could measure longer-term impact, and as part of the evaluation plan, we are considering the feasibility of a number of approaches.

To assess the impact of the ETP training on individuals, we are investigating the feasibility of various options to track their learning and employment behaviour over time, *eg* through the Individual Learner Record or further follow-up surveys. Once the feasibility has been assessed, we will put forward a proposal for taking this issue forward.

On employers, we are investigating the feasibility of collecting information from a range of different data sources and of conducting an employer follow-up survey for the outcome information. There may also be scope for using longitudinal datasets containing information on productivity, aggregated to the industry – LSC-area level. Again, the output will be a more detailed proposal for further work.

This report is, therefore, based on only a selection of the data that will be available by the end of the evaluation (in March 2005). It draws on:

- the Management Information (MI) from the local Learning and Skills Councils (LLSCs) running the projects

- an employer participant survey – a telephone survey conducted by MORI with a sample of over 1,000 employers engaged in the pilots. We refer to this survey as the ETP employer survey.

- a learner participant survey – a separate MORI survey conducted with a sample of 2,000 employees engaged in the pilots, referred to as the ETP learner survey

- case studies of each of the pilot areas, involving interviews with relevant LSC and Business Link personnel, including the ETP project managers, other agencies and intermediaries involved with the delivery of the pilots, training providers, employers, and learners.

1.3.1 Management Information

There are two separate sources of Management Information (MI) data cited in this report:

- **employer MI** – this refers to employers entered on the MI database. The data used in this report covers entries as at the end of August 2003 for some 3,114 employer participants. The database includes various details about the employers involved.

- **learner MI** – extracts from the MI database covering the details of individual learners, as at the end of May 2003. The data cover some 14,095 learners. A further component of the learner data are attendance records, ie the details of the training that learners have received.

Accuracy of the data

The currency and completeness of the MI data has improved markedly over the course of the first year (particularly in recent months). However, there are still some concerns. For instance, only 1,900 workplaces (ie 61 per cent of the total number of employers on the database) have any records of learners. Employer records are generally entered first. The data on learners are entered after they have started their learning (as opposed to having their needs analysed). There have been delays waiting for accurate records from the training provider and entering them onto the MI system, within the LSCs. It may also be the case that, despite their initial intentions, some employers have no learners, and in effect 'dropped out' of or did not start the pilots (for instance a proportion of employers interviewed for our survey said that they had not in fact become involved, see 1.4.2 below). Furthermore, at the end of August, there were only attendance records (and therefore records of their active engagement in the pilot) for around 57 per cent of learners.

Pilots also collect interim data on the number of employers and learners that have signed up to the pilot, and whose details have yet to be entered on the database. At the end of August 2003, there were 3,476 employers reported to be signed up by the pilots, with 16,803 learners. As these data cannot be verified through the Management Information system, we do not include them in this report, although they suggest there may actually be a higher level of participation than captured in the records. The levels of participation reported below may reflect the efficiency of putting records on the database as well as rates of take up.

1.3.2 Employer participant survey

The employer survey started in January 2003 and was completed in May 2003 (with a suspension between mid-March and mid-April for the analysis of an interim dataset). At that point, MORI had achieved a total of 1,069 interviews out of a total sample supplied (from the MI database) of 1,765. Of the sample supplied, some 60 per cent had been interviewed – representing 80 per cent of those who were eligible or possible to interview. For example, 15 per cent of the initial sample were deemed ineligible (eg said that they were not actually involved with the scheme and/or had only expressed interest). Those who had signed up for, but not yet started their training, were included in the survey

The number of survey responses by pilot area is set out in Table 1.2. It shows that we achieved many more employer interviews in Essex, Manchester, and Wiltshire and Swindon than in the other three areas. However, this largely reflects the pattern of overall take-up, as indicated by the MI data. That said, looking at the number of interviews as a percentage of the total number of employers on the MI database suggests that the achieved sample slightly underrepresents employers from Essex and Tyne and Wear.

1.3.3 Learner participant survey

The telephone survey of ETP learners also started in January, and was suspended in mid-March to provide an interim dataset for the last quarterly report. Interviewing resumed in mid-April and finished at the end of April when MORI had achieved the revised target of 2,000 interviews. At the time interviewing was halted, the available sample (from the MI database) was 4,642, of which:

Table 1.2: ETP employer and learner survey 'response' rates

	Employer survey			Learner survey		
	Survey responses	MI*	%	Survey responses	MI*	%
Birmingham and Solihull	91	130	70	111	611	18
Derbyshire	90	129	70	167	765	22
Essex	288	608	47	651	2,143	30
Greater Manchester	298	518	58	484	1,846	26
Tyne and Wear	58	111	52	165	712	23
Wiltshire and Swindon	244	350	70	422	1,592	27
Total	*1,069*	*1,846*	*58*	*2,000*	*7,669*	*26*

* = the MI figures relate to data from the MI database (the source for the survey sample) as at May 2003

Source: IES/MORI ETP employer and learner surveys, 2003

- some 14 per cent were still 'active', *eg* still to call or with appointments in the process of being fixed, and eight had not been used

- four per cent were ineligible (*eg* said that they were not actually involved with the scheme)

- 21 per cent had wrong numbers or were otherwise ineffective

- ten per cent had refused

- some 40 per cent had been interviewed – representing two-thirds of those with whom there had been a definite contact.

The responses by pilot area are also shown in Table 1.2, and show that, based on the most up-to-date MI data, learners from Birmingham and Solihull are underrepresented slightly, but apart from that the sample represents a good cross-section of the learners by area. The profile of our learner survey sample differs slightly in some respects from the whole population of ETP learners (as represented on the MI database), in addition to some areas being under or over represented, *eg* survey respondents are likely to be younger than average, and are more likely to be female. They are more likely to be taking a healthcare-based NVQ than all learners on the database, and less likely to be doing a customer service-based qualification. The sample is therefore not fully, but still broadly, representative.

1.3.4 The case studies

The area case studies in Appendix 1 are based on interviews conducted with LSC, and Business Link and other personnel involved in running the pilots, training providers, employers and learners, in May and June 2003.

1.4 STRUCTURE OF THE REPORT

The report discusses:

- take-up – details of the numbers of employers and learners participating in the pilots

- the characteristics of participants – what employers and employees look like, including their previous approach to, and experience of, education and training

- experience of the pilots – what happens at key points in the ETP process from initial marketing through to doing the training

- the motivations of participants and what they perceive to be the benefits of taking part, and their satisfaction with their experience.

In our conclusions, we also draw out some of the main messages to emerge from the first year of the pilots.

The employer examples in panels throughout the report are drawn from the employer and learner interviews.

We have included two appendices:

- Appendix 1 contains a description of each of the six pilots, including a description of the area, their main approaches, and emerging issues.

- Appendix 2 contains a breakdown of the key characteristics of employer and learner participants in the first round of pilots, drawn from the Management Information database.

Each chapter starts with a brief summary of the key points.

Chapter 2

Participation in the First Year

In this chapter, we examine the available data on participation – or take-up as we also call it – in the Employer Training Pilots, at the end of their first year. We concentrate on the take-up by area, by employers, by learners, and by the type of training (*ie* NVQ level 2 and equivalent, or basic skills). In addition to the numbers involved, we also look at the profile of the employer and learner participants.

2.1 KEY POINTS

The key points that emerge from this analysis are as follows:

- There has been a steady take-up across the pilots by employers and learners, and at the end of August there were over 3,000 employers and 14,000 learners registered as taking part, with more in the process of starting.

- Take-up varies considerably by area – for example, some of the pilots are attracting over four times the proportion of the total number of employers in their area than others.

- Most employers engaged in the pilots are small, stand-alone private sector businesses, operating at full capacity. They are generally growing, and are more likely than average to have experienced recruitment difficulties. Some 30 per cent of employers are from the health and social work sector, and the rest are mainly in distribution or in manufacturing.

- More than two in five employers engaged with the ETPs have had no previous involvement with government agencies such as the Learning and Skills Councils or Business Links.

- ETP learners tend to be female, aged between 26 and 45, in full-time low-skilled jobs, and earn an average of £6 an hour. The proportion of ethnic minorities involved seems broadly to reflect their participation in the working population.

- The vast majority of learners are working towards an NVQ level 2 (or equivalent) qualification (most often in health and social care). Those involved in working towards a basic-skills qualification are more likely to be from an ethnic minority, be younger than average, and have some form of disability.

2.2 EMPLOYER TAKE-UP

2.2.1 Overall take-up

At the end of the first year of the pilots, *ie* 31 August 2003, there were 3,114 employers with records on the MI database (see Table 2.1). While the data from the survey responses suggest that some of these may not actually be actively involved in the pilots, there are other employers with records waiting to be entered who are involved. This figure is fewer than were initially expected when the pilots were being planned in the summer of 2002 (although any forecasts made then were based on a number of unknown factors). Overall take-up was slower than expected in the early months, but has been stronger in the second half of the first year.

Table 2.1: ETP employer participants by size (percentages)

	Pilot Area						
Size (no. of employers)	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
1-49	75.7	72.0	73.3	65.5	62.6	72.2	70.3
50-249	18.2	16.8	17.7	26.3	29.9	19.2	21.1
250+	6.1	11.2	9.0	8.2	7.5	8.6	8.6
N =	181	214	1,209	754	281	475	3,114

Source: ETP MI, August 2003

2.2.2 Employer take-up by area

Table 2.1 shows that the take-up by employers varies considerably between each of the six pilot areas. This shows that take-up has been strongest in Essex, Manchester, and Wiltshire and Swindon.

It should be borne in mind that the size of the pilot areas, and the available 'pool' of employers, varies considerably. For instance, Greater Manchester has three times the number of employers in Tyne and Wear or Wiltshire and Swindon. To take account of the relative differences in the employer base we have calculated provisional 'penetration rates' ie the proportion of local employers engaged in the pilots. Details are set out in the panel. This calculation will be refined as the evaluation progresses.

2.2.3 Take-up by size

Almost three-quarters (70 per cent) of the 3,114 workplaces signed up to the pilots have fewer that 50 employees, a further 21 per cent have between 50 and 249 employees and nine per cent employ over 250 people. Take-up varies considerably by area, both in terms of numbers and profile by size. Birmingham and Solihull has been most successful in attracting small employers, with over three-quarters having fewer than 50 employees, compared with less than two in three in Greater Manchester and Tyne and Wear (Table 2.1).

ETP employer penetration rates

The table shows our initial estimates of ETP employer penetration, *ie* the number of ETP employers as a proportion of all employers in the pilot area.

Method

The rates are calculated in a fairly crude way, which we hope will refine as more data become available. The number of ETP employers is taken from the August MI data. The overall number of employers is taken from the Inter-Departmental Business Register (IDBR). The IDBR is the most comprehensive source of employer data, but includes sole traders and some other employers excluded from ETP participation. We are looking to exclude these in the future. In the meantime, the penetration rate is lower than it should be (because the base is too large). It should also be noted that the rate provided is in effect a 'gross penetration rate', in that it does not take into account that a certain proportion of workplaces do not include employees who are eligible for the ETP, and so these are firms who would not sign up. We cannot correct for this from administrative data, but may be able to do so with data from the MORI surveys in the areas where these are taking place.

Results

While these data do place the take-up rates achieved by the first six pilots in the context of their total employer base, they are not measures of success or failure. They do not look at any other characteristics of the total employer base that may affect their propensity to take part in the pilots (eg past training behaviour), nor do they look at whether these employers would have trained in the absence of the policy. With these caveats in mind, the overall picture emerging from the employer penetration rates is that a higher proportion of large firms in each area have signed up than small firms. Wiltshire and Swindon, and Essex, have the highest penetration rates at all firm sizes. Birmingham and Solihull has the lowest.

ETP Employer Penetration rates, August 2003 (%)				
	Total	**Small**	**Medium**	**Large**
Birmingham and Solihull	0.5	0.4	2.3	4.9
Derbyshire	0.7	0.5	3.6	17.8
Essex	2.0	1.5	13.3	51.9
Greater Manchester	1.0	0.7	7.3	12.7
Tyne and Wear	1.2	0.8	7.6	11.7
Wiltshire and Swindon	2.1	1.6	13.1	32.8
TOTAL	**1.3**	**0.9**	**7.7**	**19.6**

Details of the size of workplaces in our survey sample are set out in Table 2.2 (it should be noted that the proportion of larger workplaces in the survey sample is larger than in the population of ETP employers as a whole). The survey data show that some 22 per cent of ETP employers in the sample have ten or fewer employees, and 40 per cent of the employers have fewer than 20 employees. Again, Birmingham and Solihull has been particularly successful in this regard – which may reflect the marketing strategy of the pilot, which focussed strongly on smaller workplaces. Therefore, the data suggest that the pilots are succeeding in attracting a significant proportion of their target small employers. By way of comparison, only around a quarter of all employers engaged in NVQs are very small (ie with fewer than 25 employees).[1]

Table 2.2: ETP employer participants by size (percentages)

	Pilot Area						
Size (no. of employers)	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
1-10	31.9	20.0	27.8	14.4	5.2	26.6	22.3
11-20	29.7	13.3	20.8	20.5	13.8	18.0	19.8
21-49	17.6	25.6	25.0	30.2	41.4	25.4	26.8
50-249	19.8	27.8	22.9	27.2	37.9	20.9	24.6
250+	1.1	13.3	3.5	7.7	1.7	9.0	6.5
N =	91	90	288	298	58	244	1,069

Source: IES/MORI ETP employer survey, 2003

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1   Spilsbury D, *Learning and Training at Work Survey 2002*, DfES Research Report 399, March 2003.

2.2.4 Take-up by sector

Table 2.3 looks at the ETP employer survey sample by sector. Many of the employers in the survey (almost 40 per cent) come from the health and social work sector, reflecting the regulatory push in the care sector to increase the level of employee qualifications. In addition, 19 per cent are from distribution (which includes retail, hotels and catering, and transport) and a further 18 per cent from manufacturing. The sectoral pattern varies considerably by area. For instance, 30 per cent or fewer of the employers in Manchester and Derbyshire are from the care sector, compared with over two-thirds in Tyne and Wear. This may reflect the policy of the local LSC. Derbyshire, for instance, at least initially avoided sectors where legislation required NVQ level 2 training. By contrast, both Derbyshire and Manchester have above average representation from the manufacturing sector, while Tyne and Wear has relatively few manufacturing employers.

Table 2.3: ETP employer participants by sector (percentages)

	Pilot Area						
Sector	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Primary & construction	1.1	7.8	3.0	3.0	1.7	2.4	3.1
Manufacturing	11.0	32.2	14.9	24.5	6.9	12.7	17.8
Distribution	16.5	18.9	17.4	24.8	17.3	14.4	18.8
Finance & Business Services	5.5	4.4	16.0	8.3	0.0	6.5	9.0
Education & Public admin	0.0	4.4	4.5	5.1	0.0	18.4	7.2
Health & Social Work	57.1	27.8	41.0	30.2	67.2	36.5	38.6
Other services	8.8	4.4	3.1	4.0	6.9	9.2	5.4
N =	91	90	288	298	58	244	1,069

Source: IES/MORI ETP employer survey, 2003

The MI data (see Appendix 2) show a similar pattern – although proportionally fewer participants in health and social care (only 29 per cent) and manufacturing (16 per cent), and more in distribution (22 per cent), finance and business services (12 per cent), and 'other services'.

Across the survey sample, 82 per cent of employers are from the private sector, nine per cent are from the public sector, and nine per cent from the voluntary and not-for-profit sector. The distribution is similar across all the pilot areas, except for Wiltshire and Swindon, where only 72 per cent are private sector employers, with 14 per cent from both the public sector and the voluntary and not-for-profit sector.

2.2.5 Other characteristics of employer participants

The survey of ETP employer participants also shows that:

- **most employers are stand-alone businesses.** Some 55 per cent said that they were the only establishment in the organisation and the rest (45 per cent) indicated that they were part of a larger, multi-site organisation.

- **most employers have business and training plans.** Three-quarters (76 per cent) of the ETP employers in the survey have a business plan – even 61 per cent of employers with ten or fewer employers said that they had a business plan. Furthermore, 68 per cent said that they had a training plan, and 55 per cent said that they had a budget for training expenditure. These results are higher than those in the 2002 Learning and Training at Work survey[1], which looked at a representative sample of all workplaces in England with over five employees. They therefore suggest that ETP employers are, for instance, more likely to plan for training than the employer population as a whole, although this does not mean that they would train low-skilled employees to level 2 qualifications.

- **most employers are operating at full capacity.** Some 59 per cent of the respondents said that they were operating flat out. A few (six per cent) reported that they were 'at overload', while 32 per cent felt they were operating somewhat below full capacity, and four per cent were considerably below full capacity.

- **many are expanding.** Over half the ETP employers in the survey had increased their turnover in the past year, and 45 per cent had increased employment. Only around one in ten had experienced decreases. Most expected further increases in turnover and employment in the coming year.

- **almost one-third experience recruitment difficulties.** Three in ten reported that they had hard-to-fill vacancies, higher than the average levels of around 16 per cent reported in employer skills surveys.[2]

1   Spilsbury D, *Learning and Training at Work Survey 2002*, DfES Research Report 399, March 2003.
2   See for instance, Hillage J *et al., Employers Skill Survey 2002*, DfES Research Report 372, 2002.

2.2.6 Involvement with business support agencies

One of the ways in which the pilots hope to realise their aim of engaging with employers who do not normally train their low-skilled employees, is to reach employers who had little previous contact with government agencies or schemes. In the survey, we asked employers whether they had ever received any support with planning or developing their business, or training from any of a list of agencies *before* taking part in the pilots. The results are set out in Table 2.4.

Table 2.4: ETP employers involved with business support agencies (percentages)

| | Pilot Area | | | | | | |
Agency	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Business Link	45.1	25.6	36.5	41.9	43.1	29.1	36.5
Learning and Skills Councils	24.2	28.9	21.9	23.8	32.8	32.8	26.3
Training and Enterprise Council (TEC)	11.0	22.2	14.9	22.1	24.1	15.2	17.8
Small Business Service	3.3	1.1	4.5	4.4	6.9	3.3	3.9
Other	1.1	5.6	4.2	2.7	8.6	1.6	3.3
None of the above	38.5	45.6	48.3	41.9	27.6	48.0	44.2
N =	91	90	288	298	58	244	1,069

Note: Multiple responses allowed

Source: IES/MORI ETP employer survey, 2003

Around 44 per cent of the sample had no contact with any of the agencies, suggesting that the pilots have been successful in reaching new groups of employers. Around 37 per cent had received support from Business Link, 26 per cent from their local Learning and Skills Council, and 18 per cent from Training and Enterprise Councils (which no longer exist). Employers in Essex, and Wiltshire and Swindon (the two areas with the highest 'penetration rates') were the least likely to have been involved with government agencies before, while nearly three-quarters of those in Tyne and Wear had had some past involvement.

We can compare these results with those from the most recent Learning and Training at Work Survey for 2002.[1] It asks a slightly different question (about the organisations with which respondents have built links or networks to give employee training and development opportunities). The survey found that 11 per cent said that they had relationships with Learning and Skills Councils or TECs. This may suggest a proportion of the employers engaged in the pilots (at least at the time of the survey) are more disposed than average to be involved with government agencies, and therefore not particularly 'hard to reach'.

Hard to reach

Not being involved with government agencies before is one aspect of being a 'hard-to-reach' employer in the context of the pilots. To provide a slightly tighter definition, we have looked at employers who have not only never worked with a public agency, but who are also small (ie with under 50 employees and therefore less 'visible') and who have no legislative imperative to get involved with training initiatives such as the ETP (to take account of, for example, the care sector's need to have 50 per cent of care staff working in homes for elderly people qualified to level 2 by 2005).

Roughly one-fifth of ETP employers fit this tighter definition. However, a further aspect is the extent to which they are interested in training per se, and/or have a past history of training – issues we examine in the next chapter.

Follow-up involvement with government agencies

Around 32 per cent of respondents said that they had received further support from their local LSC or Business Link since they had become involved in the pilots. Responses varied little by area. Interestingly, one-third of those who came to the pilot without any prior engagement had received support in developing their business or training (other than ETP) after they had become involved. This could be seen as an indicator of 'selling on' by the government agencies – considered one of the advantages of accessing previously 'hard-to-reach' employers. However, those already in contact prior to the ETP were significantly more likely to have been in subsequent touch with their local Business Link or LSC about other business or training development matters.

1   Spilsbury D, *Learning and Training at Work Survey 2002,* DfES Research Report 399, 2003.

2.3 TAKE-UP AMONG LEARNERS

We now turn to look at the participation of learners involved with the Employer Training Pilots.

2.3.1 Numbers and profile of learner participants

The MI data indicate that there are 14,095 active learners in the pilots (as at the end of August 2003) see Table 2.5, (which has details of the 13,638 learners for whom there are also employer records). Again, evidence from the pilots themselves suggests that there are more learners 'in the system', but we are taking those on the database as a verifiable figure. Less than two-thirds of these learners have attendance records, and therefore evidence that they are 'active learners'.

Table 2.5: ETP learners by area and size of employers (percentages)

				Pilot Area			
Agency	**Birmingham & Solihull**	**Derbyshire**	**Essex**	**Greater Manchester**	**Tyne & Wear**	**Wiltshire & Swindon**	**All pilots**
NVQ2 learners							
1 to 49	39.3	39.6	41.4	46	36.7	38.2	41.0
50 to 249	26.7	20.4	27.9	34.6	44.4	29.4	30.9
250+	33.9	40.0	30.8	19.3	19.0	32.4	28.1
Total NVQ2 learners	*1,159*	*1,255*	*3,341*	*2,910*	*1,497*	*2,119*	*12,281*
Basic skills learners							
1 to 49	12.6	40.8	73.7	16.2	50.6	10.2	30.9
50 to 249	2.0	36.1	16.4	48.6	49.4	27.2	24.8
250+	85.4	23.0	9.9	35.2	0	62.6	44.4
Total basic skills learners	*342*	*191*	*262*	*210*	*87*	*265*	*1,357*
Total Learners	*1,501*	*1,446*	*3,603*	*3,120*	*1,584*	*2,384*	*13,638**

* excludes learners for whom there are no employer records

Source: IES/ETP MI data, August 2003

Using the MI data, the average number of learners per workplace varies from under three in Essex to over eight in Birmingham and Solihull, averaging around 4.5.

We can obtain a clear profile of the learners engaged in the pilots from the detailed MI data (see Appendix 2), supplemented by data from our ETP learner survey. Together, they show that the majority of the learners are:

- **female** – across the six pilots, 55 per cent of leavers are women, although the pattern is not universal. In four areas, at least 60 per cent are female. In Manchester, there are slightly more male learners (53 per cent) than female learners, while in Derbyshire, only 34 per cent of the learners on the database are women.

- **white British** – 89 per cent of all learners are white British, and seven per cent are non-white (the others are mainly from another white background, including white Irish). One-fifth of all minority ethnic learners are in Birmingham and Solihull, where 20 per cent of learners on the database are known to be from a non-white ethnic group. Of the pilot areas, Birmingham and Solihull has by far the highest proportion of ethnic minorities in its working population – 23 per cent compared with an average of seven per cent in the six pilots as a whole. On the basis of the proportion of minority ethnic people in the working population in each area (according to LFS data), the pilots appear to be attracting an average involvement from this group.

- **aged between 26 and 45** – around 12 per cent are aged between 18 and 25, 27 per cent between 26 and 35, 32 per cent between 36 and 45, 21 per cent between 46 and 55, and eight per cent aged over 55. ETP learners therefore appear to be older than those normally engaged with job-related training.

- **do not have a disability** – data on whether the learner has a disability is only available for 75 per cent of learners on the database. Of those for whom data are available, almost five per cent have a learning difficulty, disability or health problem (most commonly either an 'other medical condition' such as epilepsy, diabetes or asthma, or a hearing impairment). In Great Britain as a whole, around 12 per cent of employees have a disability (using the Disability Discrimination Act definition).

- **work full time** – just over three-quarters of all learners on the database work full time, a pattern broadly repeated across the pilots.

- **employed in lower-skilled jobs** – over three-quarters of the learners on the MI database work in relatively low-skilled jobs, with 35 per cent in personal service occupations (typically care assistants), 19 per cent in process plant and machine operative jobs, 16 per cent in elementary occupations, and seven per cent in sales and customer service occupations. In the middle of the skills scale, ten per cent work in skilled trades, six per cent work in secretarial or administrative occupations, and two per cent are associate professionals. At the top end of the occupational hierarchy, over four per cent of the ETP learners are managers or professionals. In Birmingham and Solihull, 90 per cent of the learners on the database are in low-skilled jobs, compared with 68 per cent in Derbyshire.

- **are employed in small workplaces** – some 40 per cent of ETP learners work in establishments with fewer than 50 employees, a further 30 per cent work in workplaces with between 50 and 249 employees, and the remaining 30 per cent in sites with 250 or more employees.

- **have worked for their employer for between one and five years** – some 25 per cent of learners in the survey had under a year's service, 50 per cent had between one and five years' service, 20 per cent had worked for their employer for between six and 15 years and five per cent had been with the same employer for over 15 years.

- **are not members of a trade union** – only 18 per cent of learners on the database are members of a trade union, although there is marked variation by pilot area. In Derbyshire (where a higher proportion than average of employer participants are in manufacturing), 34 per cent of learners are union members, and in Birmingham and Solihull 28 per cent are union members. In the other four areas, fewer than 20 per cent are members of a trade union.

- **earn around £6 an hour** – the average hourly wage of the learners in our survey was £6.15 an hour – varying between £5.13 in Tyne and Wear and £7.40 in Derbyshire – perhaps reflecting the different sectoral distribution of the employers involved. Male ETP learners (with an average hourly rate of £7.42) in the survey earned an average of over £2 an hour more than women (£5.53 an hour).

Views on their current job

In the survey, learners were asked for their views about their current job, in terms of the extent to which they agreed or disagreed with a series of statements. The results shown in Figure 2.1 demonstrate that:

- Most ETP learners were happy in their current job and thought it suited them well.

- Very few respondents agreed that they sometimes found their job a bit of a struggle, and most thought that they could do a more challenging job than the one they are doing.

- Respondents were fairly evenly split between those who agreed that they were 'keen to get on and find a better job' and those who disagreed. Younger learners were much more likely than older learners to aspire to a better job.

Figure 2.1: Views on current job
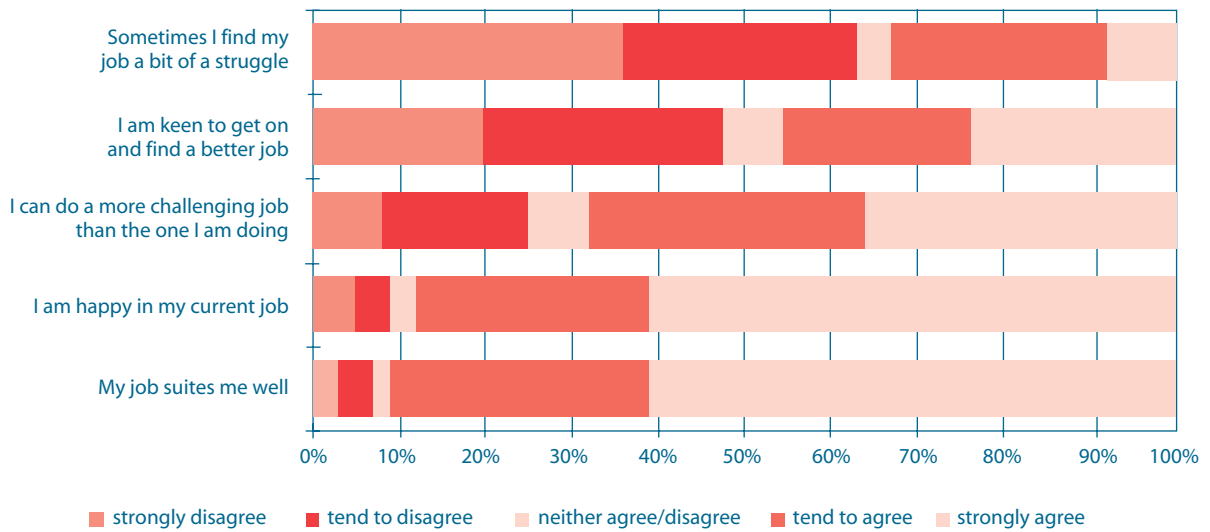
Source: IES/MORI ETP learner surveym 2003

In the follow-up survey that will be conducted after the learners have completed their ETP training, we will ask respondents a similar question to see whether their views have changed during the course of their training.

In another question, respondents were asked to say the extent to which their current skills met the demands of their current job (Figure 2.2):

● most thought that their current skills roughly matched the needs of their job

● a quarter thought their skills were a little higher than those needed in the role they currently performed

● over ten per cent thought their skills greatly exceeded the needs of their current job

● very few (under ten per cent) thought that their skills were short of those required.

While these results suggest that ETP learners do not perceive that they need many extra skills to perform their current job, this does not mean that they could not still do their job better with more training.

Figure 2.2: Skills match to current job
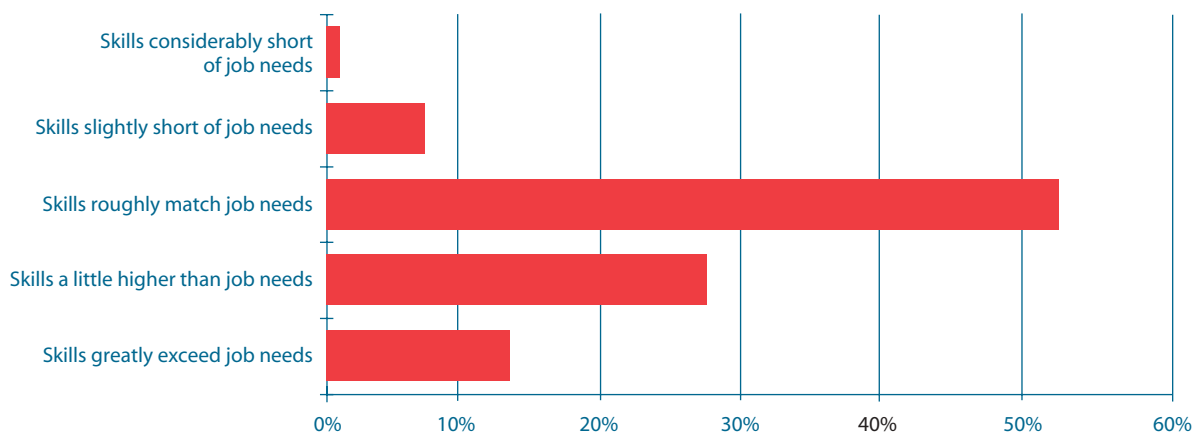
Source: IES/MORI ETP learner survey, 2003

2.4 TAKE-UP BY TYPE OF COURSE

Our ETP employer survey and the MI data on the database, indicate that around 90 per cent of the employers involved with the pilots have employees only working towards NVQs. A further five per cent have some learners doing NVQs and others doing basic-skills courses and the rest have employees just involved with basic skills training.

During the course of the first year of the pilots, it became clear that for some learners, basic skills needs only came apparent during their NVQ learning. In these cases, basic skills support (not necessarily leading to a separate qualification) could be provided. Therefore, in some cases, NVQ learners will be improving their basic skills, although this may not be captured by the data.

2.4.1 Take-up by nature of training

The vast majority of learners (90 per cent) are working towards level 2 qualifications, and around ten per cent of the learners on the MI database are engaged on basic-skills qualifications. The pattern of take-up between basic skills and NVQ level 2 (equivalent) courses is similar across four of the pilot areas (with Birmingham and Solihull having a higher than average take-up of basic-skills training, and Tyne and Wear lower).

Basic skills learners, in comparison to those doing level 2 courses, are more likely to be:

● from an ethnic minority

● younger than average

● someone with a disability

● a member of a trade union – while this might reflect their occupational or workplace profile, it may also indicate that trade union learning representatives are having some success in engaging and/or supporting basic-skills learners.

2.4.2 Type of NVQ

The learner MI database also holds details of the nature of the NVQ qualification being studied (see Appendix 2). The data indicate that 38 per cent are working towards an NVQ in healthcare and public services, 15 per cent towards a manufacturing-based NVQ, 11 per cent in retail and customer service, nine per cent in management and professional-related areas, and eight per cent in engineering. Healthcare and public services qualifications are being studied by 55 per cent of the level 2 learners in Tyne and Wear, but by only 17 per cent in Derbyshire.

Chapter 3

Approaches and Attitudes to Training

A prime aim of the pilots is to stimulate training in workplaces that do not tend to train low-skilled employees. In this chapter, we examine the approaches and attitudes to training and development among ETP employers, and the past experience and views of ETP employees about learning.

3.1 KEY POINTS

- A large proportion of ETP participant employers have a positive approach to training, although that does not mean they would train their low-skilled employees in qualifications. Over one-third are Investors in People, 40 per cent are 'strategic trainers' (according to an accepted definition) and have a training policy and budget, and most have a positive attitude toward training in general. For instance, most said that training and development was a key element of their business strategy, and should be determined by business needs.

- Employers' positive approach is also demonstrated in practice, as nearly all said that they had provided training for their employees in the past 12 months, and over one-third said that at least half of their low-skilled employees had received off-the-job training towards a qualification in the past 12 months. However, we do not know at what level, or the type of qualification. Most of the training that employers provided was for health and safety and induction purposes, as well as developing job-specific skills.

- Three in four ETP learners left school at or before the age of 16, and only one-third had positive feelings about their educational experience. Most have no qualifications. A significant minority – up to 25 per cent depending on the data source – have at least level 2 qualifications, and therefore their participation will not lead to additional qualifications. Where learners are qualified at level 2 or above, the qualifications tend to be old or not relevant to their current job.

- Most ETP learners have engaged in some form of learning over the previous three years – although a quarter have had no learning experiences at all during this time – around the national average. Over one-third have been on a training course leading to a qualification.

- ETP learners have a positive attitude towards learning. They are interested, think learning enjoyable, and also think qualifications are important in the modern labour market. They tend to also think that their workplaces have a positive approach to training and development.

3.2 EMPLOYERS' APPROACH TO TRAINING

We have a number of measures of the way in which participant employers approach training at their workplace: whether the workplace has achieved the Investors in People (IiP) Standard; their overall policy towards training and development; and their general views about training. In this section, we assess the evidence on each in turn, before looking at what we know about ETP employers' past training activities.

3.2.1 Investors in People

Almost one-third of the respondents to the ETP employers survey have achieved Investors in People status (an even higher proportion, 37 per cent, have Investors in People in the MI data, see Appendix 2). However, as we can see from Table 3.1, there is considerable variation by pilot area, with over 40 per cent of employers from Essex and Greater Manchester being Investors in People, compared with less than 15 per cent in Birmingham, and under five per cent in Tyne and Wear. Although larger employers were more likely to be Investors in People, 28 per cent of employers with ten employees or less had achieved the standard. Take-up of Investors in People among ETP employers is much higher than average (currently around 16 per cent of all employers have achieved the award according to data from the LSC's forthcoming National Employers Survey).

This indicates that a significant minority of ETP employers were already positive about training prior to their involvement with the pilots. However, it may be expected that the early take-up would be strong among those interested in training and development. Analysis of the early and late respondents to the employer survey indicates that later employer recruits are less likely to be involved with Investors in People.

Table 3.1: Investors in People status among ETP employers

| | Pilot Area | | | | | | |
	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Investor in People	14.3	23.3	43.4	41.3	3.4	22.5	31.7
N =	*91*	*90*	*288*	*298*	*58*	*244*	*1,069*

Source: IES/MORI ETP employer survey, 2003

3.2.2 Overall training policy

To assess ETP employers' general approach to training, we asked respondents the extent to which a series of statements best described the overall policy in the workplace towards training and learning. Responses to the (paraphrased) statements are presented in Table 3.2.

Table 3.2: Overall training and learning policy among ETP employers (percentages)

| | Pilot Area | | | | | | |
Training Policy	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
No training taken place recently	1.1	0.0	2.1	1.3	0.0	0.0	1.0
Training is a last resort	0.0	1.1	0.0	0.3	1.7	1.6	0.7
Training under-taken as and when necessary	22.0	17.8	23.3	22.5	8.6	15.2	19.8
Take a positive and systematic though informal approach	36.3	37.8	40.6	42.3	34.5	40.6	40.1
Written policy ensuring necessary learning takes place	40.7	43.3	34.0	33.6	55.2	42.6	38.4
N =	*91*	*90*	*288*	*298*	*58*	*244*	*1,069*

Source: IES/MORI ETP employer survey, 2003

Four out of five felt that the statement which best described their policy was either:

● We take a positive and systematic approach to training though this may not be set out in written form.

● We have a written training policy which ensures that the necessary learning and training takes place.

This question is the same as the one asked in a recent survey of training in small firms (among a representative sample of firms with under 50 employees) by Kitching and Blackburn.[1] They used the responses to divide their respondents into three groups:

● strategic trainers – *ie* those giving the positive responses outlined above (and who also had a dedicated training budget). Some 29 per cent of their sample fitted this bill.

● tactical trainers – those agreeing that their policy was best described by the statement 'we undertake staff training as and when necessary but don't have a particular policy on the matter', and did not have a budget. Around 56 per cent of their sample were in this category.

● low trainers – those who have either undertaken no training or only train as a last resort – 15 per cent of the Kitching and Blackburn sample.

We have not made a direct comparison as we have not weighted our data to fit the Kitching and Blackburn sample, which had a representative sample with a high proportion of very small firms. However, just looking at the smaller firms in our sample and including whether they had training budget, ETP employers seem more likely to fall into the 'strategic trainer' category than those in Kitching and Blackburn's study. Some 41 per cent in our ETP sample fit this categorisation, compared with 29 per cent in Kitching and Blackburn's study.

3.2.3 General views on training

Further evidence of the positive approach adopted by ETP employers comes from their responses to another series of statements about training and development. Respondents were asked to reply from the perspective of their organisation as a whole, rather than merely reflect their own views. Their responses are summarised in Figure 3.1, where once again, the statements have been paraphrased.

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1   Kitching J and Blackburn R, *The nature of training and motivation to train in small firms*, DfES Research Report 330, 2002.

Figure 3.1: ETP employers' views on training and development in their workplace
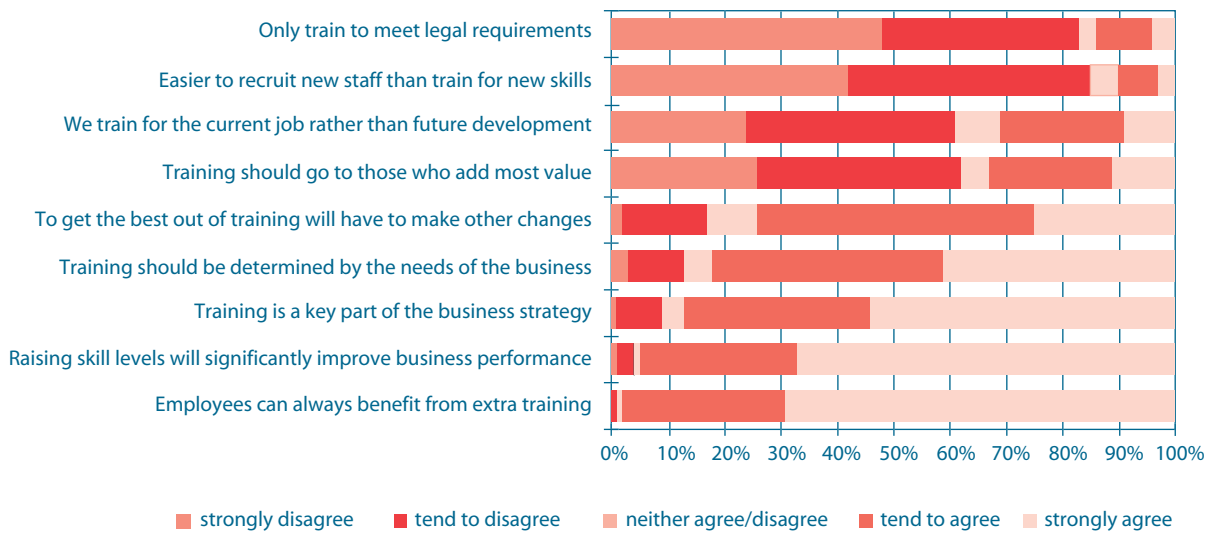
Source: IES/MORI ETP employer survey, 2003

Their generally positive approach is indicated by the fact that most respondents agree that their employees 'can always benefit from extra training and development'. However, they also adopt a very business-oriented approach to training. Most agreed that training and development was a key part of their overall business strategy, and that any training and development provided should be determined first and foremost by the needs of the business. There was also general agreement that raising employees' skill levels will significantly improve their business performance. They also thought that to get the best out of their training and development, they would have to make other changes as well.

Responses to the statement 'training and development should mainly go to people who add most value to the business' were more mixed, with the balance disagreeing.

Further evidence of the commitment to the training and development of their employees can be seen from respondents' general disagreement with the statements 'we train for the current job rather than develop for the future', and 'if we need new skills it is easier to recruit new staff rather than train existing ones'. The majority did not agree that they only trained to meet their contractual or legal requirements.

One company involved with ETP is a medium-sized manufacturer of plastic binders and folders, which has been operating for 26 years. The company is a regular trainer – they have a number of people on modern apprenticeships, they do a lot of NVQs, and have always trained the under 25s.

They were contacted by the LSC regarding ETP, a timely conversation as they were just thinking of creating a group of team leaders. They were specifically attracted by the provision of training in the workplace, the fact they would get funding, and they also liked the provision of personal support. They didn't have the money for the training, having just purchased major new equipment and a new computer system. Although they would like to have done the training even without the support, it would definitely have been later. They found the support of the LSC invaluable, and the wage compensation element was also very important to them as it meant they could give employees time at work to do the qualification.

The HR manager drew up a support plan, and spent a considerable amount of time persuading people to take part and dealing with their concerns over the qualification. They had considered what the benefits might be for the individual and the company – they thought it would demonstrate that they were promoting and encouraging staff, and that it would help break down the 'them and us' divide.

Two employees said the scheme had been daunting and difficult to fit into. They were however, very enthusiastic about their experience, they felt it had opened eyes as to how to deal with people, and they were far more aware of the impact of the way they approach staff. Both were quite keen to go on to other qualifications, and would like to do something in more depth.

3.3 EMPLOYERS' PAST TRAINING BEHAVIOUR

Almost every employer in the survey sample said that they had undertaken some training in the past year, either on or off-the-job.

Most (almost 90 per cent) of the employers in the ETP sample employed people in relatively low-skilled jobs (*ie* sales and customer service, personal service, processing and machine operative and elementary occupations). We asked whether any of these employees who had been trained off the job in the past year were working towards a formal qualification. Most employers said that they had trained at least some of their low-skilled employees in this way, and some 36 per cent reported that over half of the employees in these jobs had received some off-the-job qualification-based training.

Most of the off-the-job training was either related to health and safety, induction, or job-specific skills (see Table 3.3). Only 12 per cent of respondents said that did not provide any off-the-job training.

Table 3.3: Off-the-job training funded or arranged in the past year (percentages)

				Pilot Area			
Form of training	**Birmingham & Solihull**	**Derbyshire**	**Essex**	**Greater Manchester**	**Tyne & Wear**	**Wiltshire & Swindon**	**All pilots**
Health and safety training	76.9	82.2	73.3	78.5	82.8	73.8	76.4
Job-specific training	61.5	74.4	67.0	70.5	70.7	72.1	69.5
Induction training	65.9	74.4	59.7	64.4	74.1	66.4	65.1
Supervisory training	41.8	55.6	45.1	47.3	62.1	49.6	48.3
Management training	42.9	50.0	41.7	48.7	55.2	46.3	46.2
New technology training	27.5	42.2	39.2	39.9	34.5	43.9	39.5
None of the above	12.1	7.8	13.5	11.7	12.1	11.5	11.9
N =	*91*	*90*	*288*	*298*	*58*	*244*	*1,069*

Source: IES/MORI ETP employer survey, 2003

Only around seven per cent of the employers in the sample said that they had not provided any training for any employees at their workplace in the previous 12 months. The main reasons for not providing training were:

● employees were thought to be fully trained on or just after recruitment

● concerns about the cost of training and/or the cost of releasing employees' time

● a view that employees learnt from each other, and therefore any formal training was unnecessary.

One company had no history of training prior to ETP, but had gone through an ISO quality standards programme which prompted them to start thinking about it. The company could not recall receiving any information about ETP, but did recall the visit by the Business Link Business Adviser, which they reported came at 'just the right time'. The company thought there were a number of benefits from taking part in ETP, including:

- free training at the point of delivery

- flexible provision (the employer did not know that training could be delivered on site)

- valuing the workforce and sending a clear message to employees that they were 'worth it'

- improving and updating health and safety practice

- observing improvements in working practice as a result of the NVQ

- beginning to embed more of a training culture within the workplace.

The employer reported that ETP had 'started the ball rolling'. Twelve employees were currently in ETP training across warehousing, customer service and business administration, and the company were already starting to think about aiming for IiP status in the future.

3.4 DO HARD-TO-REACH EMPLOYERS HAVE A POSITIVE APPROACH TO TRAINING?

In Chapter 2, we found that around one-fifth of the ETP employers were 'hard-to-reach'. The data in this chapter suggest that a large proportion of ETP employers have a positive approach to training, although we should point out that having such a positive approach does not mean that they would train their low-skilled employees in ETP-equivalent qualifications.

Interestingly, further analysis indicates that there is a statistical relationship between how easy employers are to access, and their approach to training – *ie* the most hard to reach tend not to have a positive relationship to training.

The data indicate that there are three main groups of ETP employers in this respect:

- About one in five employers have a very positive approach to training – defined in this instance as those having a strategic approach in principle (see section 3.2.2) and who back that up in practice by saying they train at least half of their employees in low-skilled jobs and do not fall into our tight hard-to-reach definition.

- Around three in five are in the middle – *ie* are not hard to reach, but while having a generally positive approach to training, do not exhibit the policy and history that would suggest that they would train employees to level 2.

- A further fifth fall into the hard-to-reach category, and do not have a very positive approach to, or track record on training. They could be seen as the prime target group for the pilots.

Very few (only around two per cent) are both hard to reach and have a positive training approach and record.

3.5.1 Educational experience

As we would expect, given the target for the pilots, learners appear to have a limited experience of education. Three-quarters of learners in our survey left full-time education at or before the age of 16 (almost a quarter left before the age of 16, and 52 per cent at 16). Of the rest, ten per cent left at the age of 17, seven per cent at 18 and the remainder, six per cent, left when they were older than 18. Most of those who left school before the age of 16 are now aged over 45 and more likely to be female, while those who left school at 16 are mainly aged between 26 and 45, and are more likely to be male.

One ETP learner has worked at the company involved with the pilot as a receptionist for 12 years. She is 53 years old and left school when she was 15. She is doing an NVQ level 2 in customer service. The training provider suggested she do the training. She was a bit anxious since she had left school a long time ago, and was concerned that she would not be good enough to collect all the needed evidence. She really enjoys doing it, says it makes her more aware of what she is capable of doing, and it has boosted her confidence. She realised how customers valued her work, how her workmates valued her, and it makes her feel positive towards the company. She received a lot of positive feedback.

Our learners sample had mixed views on their educational experience; one-third said that they had generally positive feelings about education, one-third had negative views and one-third said they were not bothered either way, *ie* were indifferent. The later people left school, the more positive they felt about their education.

Prior qualifications

Learners' educational attainment prior to the involvement with the pilots is of obvious interest, as the programme is designed for low-skilled employees, *ie* those with qualifications below level 2 or equivalent. We have two sources of information here:

- the MI data, which originates mainly from employers and training providers

- the self-reported information from the learners' survey, which we have coded using the standard Labour Force Survey (LFS) conventions.

The two sources tell different stories.

For ease of presentation, we have divided people's qualifications into those with level 1 qualifications or below and those with level 2 qualifications or higher. The data from the two sources are presented in Tables 3.4 and 3.5.

Table 3.4: Prior education attainment, MI data (percentages)

				Pilot Area			
Highest prior qualification	**Birmingham & Solihull**	**Derbyshire**	**Essex**	**Greater Manchester**	**Tyne & Wear**	**Wiltshire & Swindon**	**All pilots**
Level 1 and below (incl. no qualification)	90.4	79.0	87.8	77.2	84.8	72.3	81.7
Level 2 and above	3.0	9.5	2.2	8.2	1.6	4.4	4.7
Other qualification (level not known)	6.6	11.4	10.0	14.6	13.6	23.4	13.6
N =	*845*	*1,045*	*3,038*	*2,011*	*770*	*1,714*	*9,418*
No data on prior quals	*682*	*426*	*828*	*1,170*	*881*	*690*	*4,677*

Source: IES/ETP MI data, August 2003

Details about their prior qualifications are only available for two-thirds of the learners on the database (in some areas it is fewer than this). Where we have data, they show that around five per cent of learners on the ETP database are qualified at level 2 or above, and 14 per cent have a qualification the level of which is not known. Therefore, some 80 per cent of learners are recorded as having either no qualification or a level 1 qualification.

Table 3.5: Prior education attainment, learner survey data (percentages)

				Pilot Area			
Highest prior qualification	**Birmingham & Solihull**	**Derbyshire**	**Essex**	**Greater Manchester**	**Tyne & Wear**	**Wiltshire & Swindon**	**All pilots**
Level 1 and below	82.4	69.9	78.5	76.2	72.7	72.7	75.7
Level 2 and above	17.6	30.1	21.5	23.8	27.3	27.3	24.3
N =	*108*	*163*	*636*	*475*	*161*	*418*	*1,961*

Note: excludes don't knows

Source: IES/MORI, ETP learner survey, 2003

On the other hand, just under a quarter of learners say that they had qualifications at level 2 or above in the ETP learner survey, but as Table 3.5 shows, the results appear to vary considerably by pilot area. For example, there is a higher than average proportion of learners in Birmingham and Solihull, and in Essex, with low or no qualifications, while in Derbyshire, some 30 per cent of learners were nominally 'over-qualified' at level 2 or above.

There is obviously a mismatch between the data on the MI database and that coming from the learners through the survey. This may be accounted for by the missing data on the database or the different source of information – from the area interviews it seems that most of the learner data are supplied by the employer, who may not have an accurate idea of their employees' prior educational attainment. We have checked our own procedures and are reasonably confident about the coding of the data from the survey. However, there may be some discrepancies in the accuracy of people's responses.

Ineligible employees could be seen as an element of deadweight, in that any level 2 qualifications they obtain as a result of their participation would not be additional to the number of level 2 qualifications that already exist among the population at large.

One point worth noting is that the proportion of learners in the survey with level 2 qualifications or greater, declined as the survey progressed. The final survey is based on a larger sample, which included more recent recruits. This may suggest that the later ETP entrants are more likely to fit the required qualification profile. We know from our visits that some of the pilots have been concerned about the eligibility of some of their ETP learners, *eg* those recruited by training providers for instance, and are tightening up their procedures in this regard.

We have more detail on the qualifications that learners say they have. Those with qualifications below level 2 can be further divided into:

- those with no qualifications (55 per cent of all learners)

- those with a level 1 equivalent qualification (21 per cent of all learners).

Similarly, the 24 per cent of all learners at level 2 or above comprise:

- people with a level 2 qualification (16 per cent) – generally those with either five or more GCSEs (A* to C) or 'O' levels, or with an NVQ level 2 qualification (it is not clear whether these are full or partial NVQs)

- people with a qualification above level 2 (eight per cent), eg 'A' levels, HNC/Ds, or higher level BTEC, RSA or, particularly, City and Guilds qualifications (*eg* Part 3 or Part 2).

It was apparent from the interviews that some pilots were, at least initially, taking a fairly relaxed view about the previous qualification rule. Where the past qualification was either old (*eg* 30 years ago) or irrelevant (*eg* Art 'A' level) to their current job, or where there were extenuating circumstances, the learner was allowed into the pilot. In one example, a qualified nurse was working as a sales assistant and taking a customer service NVQ.

> One employer was particularly impressed by the flexibility of the scheme and its ability to use common sense. For example, there was one learner who was not eligible for the scheme because he already had a degree. However, since then he had suffered a debilitating psychological illness and was now retraining in care work. The pilot allowed him to enter the scheme.

By contrast, we also met a number of employers who had found some of their staff excluded because they held qualifications at level 2 or above. For example, a shop assistant had been excluded because she had a chiropody qualification, and in another case, an ex-hairdresser who was now working in a customer service role in a call centre, operating in a farming environment, was excluded because she had an NVQ level 2 in hairdressing.

In some cases, employers were using the wage compensation to pay for the training for ineligible staff.

> A large manufacturing organisation saw NVQs funded by ETP as a way of piloting the value of the NVQ approach as a support to the company's approach to continuous improvement. The assessment-focussed approach was felt to be a way of embedding the continuous improvement and lean manufacturing cultures in the company, with benefits in terms of productivity, motivation, retention and staff satisfaction.
>
> The training provider worked with the training manager to put together an NVQ in Performing Manufacturing Operations, with modules that were relevant to the company's processes. A total of 50 employees in five manufacturing cells, who had already received continuous improvement training, were selected to take part. Those who did not meet the criteria for ETP (five people) were funded by the company. Six different groups were organised, each with an hour a week away from work in the classroom. The company is a 24-hour operation, and sessions were timed to enable the participation of staff on all the shifts.
>
> Benefits from the early modules, as indicated from the staff surveys, were: increased confidence; a sense of achievement arising from completion of the module on IT; improvements in teamworking and communication and a greater understanding of continuous improvement requirements.

3.5.2 Previous experience of training

In the survey, we asked learners whether in the past three years (or since they had left full-time education if more recent) they had been on any training or education course, with a teacher or facilitator, which led to a qualification, even if they did not obtain the qualification. We also asked whether our ETP learners had any other learning experience in the last three years including:

- non-qualification based vocational learning

- non-qualification based non-vocational learning

- evening classes

- distance learning

- other learning experience.

This is the same question used in the National Adult Learning Survey (NALS)[1] and which is used to calculate experience of 'taught learning' and other forms of learning. We have used a slightly different categorisation, which is more relevant to our purpose here. The results are summarised in Table 3.6. It distinguishes between those who had experience of learning for a qualification (39 per cent of ETP learners), those with some other skills-based learning experience (54 per cent), those with experience of some other form of learning (evening classes *etc*.), and those with no experience of learning (as defined by NALS) in the last three years (23 per cent).

Table 3.6: Experience of learning activities in previous three years (percentages)

Experience of learning in the last three years	Pilot area						
	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Qualification-based learning	34.2	40.1	39.3	32.6	46.1	39.1	38.0
Skills-based learning	48.6	47.3	59.1	46.7	72.1	53.1	54.4
Other learning	55.0	52.7	55.8	43.8	52.1	50.9	51.3
No learning experience	27.9	31.1	18.1	29.1	13.9	24.2	23.4
N =	*111*	*167*	*651*	*484*	*165*	*422*	*2,000*

Source: IES/MORI, ETP learner survey, 2003

1   Fitzgerald R, Taylor, R and La Valle, I *National Adult Learners Survey (NALS) 2002,* DfES 2003.

The simplest comparison with the NALS 2002 data is at the level of the non-learners. Three-quarters of the people in our sample had engaged in some form of learning over the past three years – almost the same percentage as reported in NALS (although we should take care in making such comparisons, as we have not controlled for differences in the make-up of the sample).

3.5.3 Attitudes to training

Our sample of ETP learners have a generally positive attitude to learning in general. Survey respondents were asked their views on a series of statements about training, and the results for the whole sample are set out in Figure 3.2, below.

The results suggest that:

- Most ETP learners think that learning is enjoyable, and few say that they are not interested in doing any learning or training.

- There is a strong underlying demand for taking part in learning (at least among our sample) with most respondents agreeing that they would be willing to pay to learn things that really interested them. Another indication of latent demand can be seen in the 70 per cent of respondents who agreed that they had often wanted to learn new skills, but had never had the opportunity (although interestingly, a quarter disagreed).

- ETP learners think that qualifications are important, although on-the-job experience may be more valuable. Over three-quarters agreed with the statement that 'you need qualifications to get anywhere these days'. However, most also value on-the-job learning as well. A majority thought that you can generally learn more by doing than by going on a course, and that the right experience was more important than qualifications.

Figure 3.2: Views on learning in general
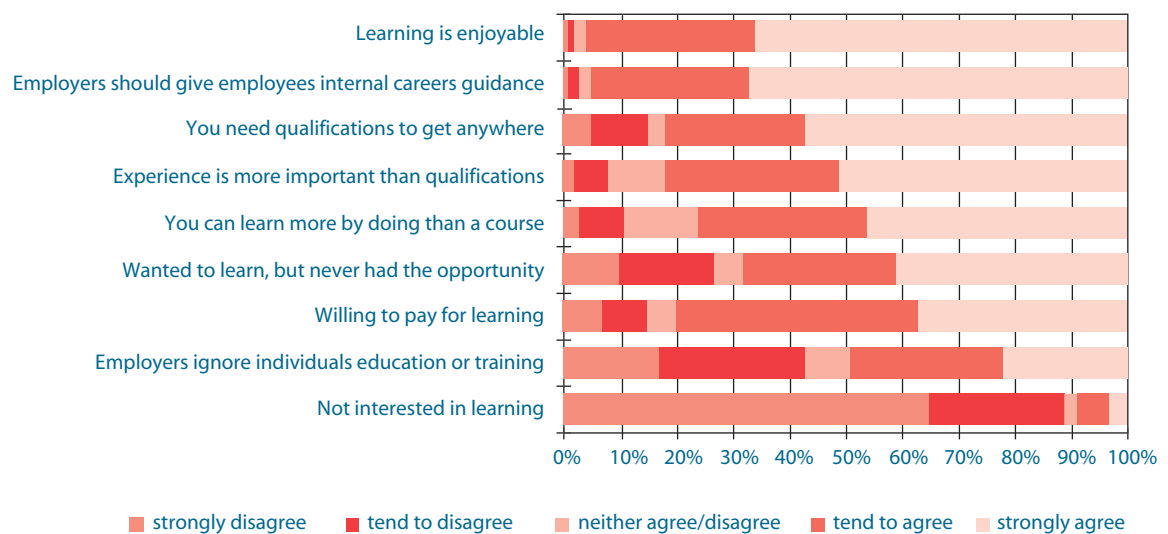
Source: IES/MORI ETP learner survey, 2003

- While nearly a half of the sample agreed that employers seldom took notice of people's learning, education or training, almost as many disagreed.

- Nearly all the sample thought that employers should give employees guidance on their career development within the organisation.

These positive views are not totally surprising, as the ETP learners had generally made a choice to take part in the training. As with other questions about ETP learners' views, it will be interesting to see if there is any change as a result of their ETP experience.

Finally, we also asked our respondents for their views on a series of statements about learning in their workplace. The results are set out in Figure 3.3. The data show that respondents generally had a fairly positive view about training and skill development at their place of work:

- most felt that they were encouraged to develop new skills and had equal access to training and development opportunities as any-one else in the workplace. A majority agreed with the statement that 'it is always easy to get training' in their workplace, and that most of the skills they needed they learnt from their colleagues.

- few felt that their employer was not keen on training

- a majority disagreed that there was never enough time to get any training.

Most (two-thirds) of the respondents to the ETP learners survey said that they had regular appraisals with their manager or employer.

Figure 3.3: Views on learning in the workplace
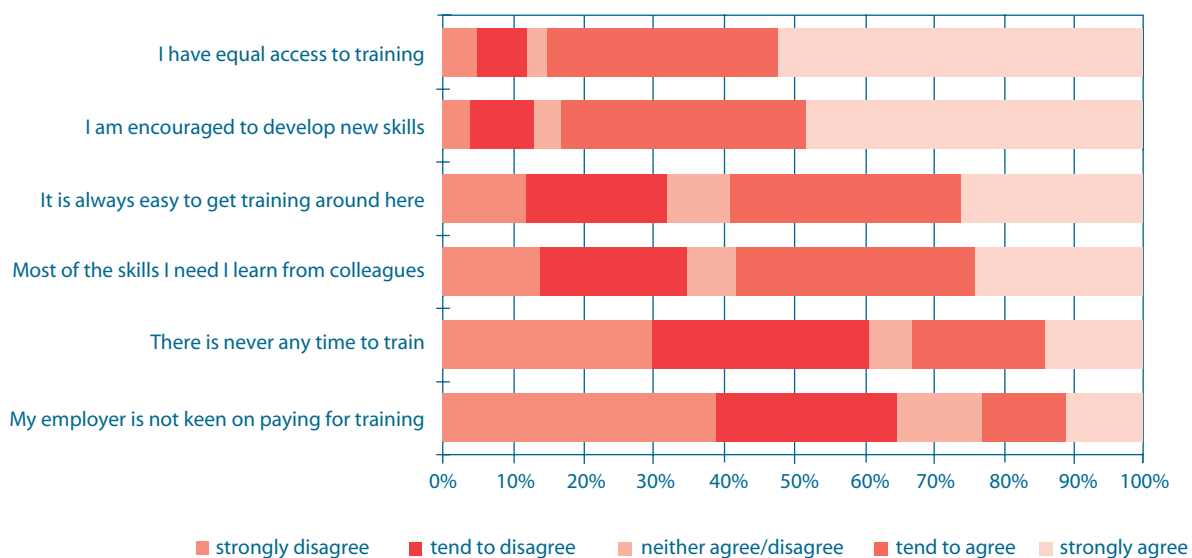
Source: IES/MORI ETP learner survey, 2003

Chapter 4

Experience of the Pilots

In this chapter, we look at how the pilots work in practice, drawing on evidence from the employer and employee surveys and our interviews in the pilot areas. The chapter traces the line of engagement from initial marketing through to employers' and learners' experience of the training itself. Specifically, we examine:

- the marketing approaches adopted by the six pilot areas

- where employers and learners first heard about the pilots

- how employees were chosen to take part and their training needs identified

- the proportion of eligible employees in a workplace taking part in the training

- what the training involves and how it is provided.

4.1 KEY POINTS

- The approaches taken to marketing varied across the pilots. The main lesson that emerges from the experience in the first year is that pilots have to actively seek out employers to participate rather than wait for them to come forward on their own. Thus, general marketing measures appear to have had little impact; specific and active marketing (*eg* telemarketing) appears to be successful. Networking, *eg* through employer affinity groups, is thought to be useful. Working through union learning representatives may work but can take time due to nature of the decision-making processes in the employers they deal with.

- Around one-third of ETP employers first heard about their pilot through a training provider. Direct contacts from the LSC or Business Links accounted for a quarter of the employers recruited. Employees generally became aware of the pilot through their employer.

- Initial interest is followed up by members of the local ETP teams. Interviews in the pilot areas highlight the importance of:
  - good communications and relationships within the teams
  - clear roles and responsibilities within the teams
  - capacity – ensuring there are appropriate levels of skills and resources among learning advisers
  - linking in with host organisations to maximise cross-referrals
  - responding quickly to maintain employer interest.

- Once an employer signed up to the pilot, participation by eligible employees was generally voluntary. Most learners felt they had a lot of choice over whether they could take part.

- Approaches to identifying training needs varied, with some confusion over whether the term applies to organisational training requirements, individual eligibility to take part in the pilot, or individuals' skill development needs. We estimate that individuals' skill needs were assessed in fewer than half the cases. There is some evidence to suggest that the greater the number of employees who have a systematic needs analysis, the fewer ineligible learners end up in the pilots.

- Around 70 per cent of eligible learners in each workplace were taking part in the pilots – providing some scope for 'selling on' participation to more employees in involved firms who did not take part first time around.

- Employees felt they had less choice about what course they did as opposed to whether they did a course at all. In general though, learners were very keen to take part.

- Most of the training is NVQ based. Take-up of basic-skills training continues to be low despite various efforts in the pilots.

- The standard ETP approach to NVQs is to assess an individual's competence, train to the identified skill gaps, and then conduct a final assessment, *ie* assess/train/assess. However, fewer than half the learners get a comprehensive needs analysis. Other approaches also appear to exist, including:
  - train/assess/train/assess/train/assess – whereby the provider and the learner work through the full NVQ (regardless of the learner's areas of competence) through a combination of off-the-job inputs and on-the-job compilation of evidence and assessment
  - train/assess/assess/assess – where the provider gives the learner a major training input up-front and the rest of the 'training' is in effect assessment, *ie* the compilation of the portfolio

- assess/assess/assess/assess – as above, without the initial training input, and where the provider spends their time supporting the learner in collecting evidence, *eg* through providing *proformas* and support material. An example of this approach was found in the retailing sector.

- train/train/train/assess – where most of the work involves formal training inputs, with an assessment or test at the end (this appears to be standard practice in basic skills courses).

● The paid time off is generally used for some combination of formal inputs, contact with tutors, and independent learning and compiling evidence. In the interviews, a number of learners said they spent time compiling evidence and in independent study at home. The overall elapsed time required varied with the type of course, the approach adopted by the training provider, and the learner's own competence.

● There is, as yet, little reliable evidence on completions or early leavers, although the latter are anecdotally thought to be low because of the degree of employer support, and enthusiasm by the learners.

● Information, Advice and Guidance models vary across the pilots. Most information and advice is provided informally by brokers and training providers. More formal provision generally involves some combination of early support to employers, help with training needs analyses, ongoing support to learners (eg through a helpline), exit interviews with learners, and general workplace-based capacity building. These elements are generally provided to employers and learners on a voluntary basis, and take-up is reported to be low.

4.2 MARKETING APPROACHES

The six pilots adopted different approaches to marketing their ETP offer to their local employers, although the strategies have changed over the course of the pilots in the light of lessons learned. The methods used are summarised in the case studies in Appendix 1.

Although we have not evaluated marketing approaches (and few of the pilots had any hard data on what has worked and what had not), a number of clear lessons appear to have emerged over the course of the first year:

● **General marketing has limited impact.** A number of pilot areas appeared to have spent considerable resources, at least initially, on general awareness and establishing a 'brand identity', with at best only a limited effect. Five of the pilots have clear (and different) brand names (Greater Manchester does not). In one area (Tyne and Wear) less emphasis is being given to the branding in the second year.

- **Specific and active marketing appears to work.** The most effective method to emerge from the area visits is to go directly to employers by either following up 'warm' leads, or cold calling. Some of the pilots had engaged marketing companies to undertake this task (eg Manchester) while others had tried to do the job themselves (although resources in terms of numbers and skills were a constraint in some cases). Marketing the pilots through training providers also appeared to work well (see next section), and many of them also adopted a direct approach. For example, in one pilot area, a training provider was having success taking the ETP offer to pubs and clubs in the area, offering an NVQ in doormanship.

- **Networking can work.** Working with and through affinity groups appears to be effective.

- **Union learning representatives.** These may work, but their impact in the participation figures has yet to be seen. This is at least partly because most learning representatives are either playing a supporting role, particularly with learners, or working with large employers who appear to take a long time to agree to sign up. Four pilots are actively involved with union learning representatives. Those that are not have had difficulty identifying representatives in their areas.[1]

4.3 SOURCE OF INFORMATION ABOUT THE PILOTS

In the survey, employers were asked how they had heard about the pilot in their area (Table 4.1). There is also data on the MI database regarding the source of information about the pilot, which shows very similar results. Employers heard about the pilots through four main sources:

- **training providers** – almost one-third of employers come through this route

- **direct contacts/telemarketing** – from Learning and Skills Councils or Business Links, accounting for over a quarter of employers recruited

- **other marketing activities** – mainly mailshots, but also newspaper or radio advertisements and launch events – the way into the pilots for almost a quarter of employers

- **employers or employees or their representatives** – not a category on the MI database, but accounting for almost one-fifth of the employers in the survey.

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1   The role of union learning representatives has been examined in a separate study by Bert Clough from the TUC, (Clough B, *The Role of Trade Unions in Phase One of the Employer Training Pilots, TUC, 2003*).

Training providers are the most frequently cited source of information about the pilots (31 per cent of cases overall) and appear a particularly important source in Tyne and Wear and Wiltshire and Swindon, and less important in Birmingham and Solihull, and Derbyshire (which is slightly surprising as they operate a model of 'recruitment providers', see Appendix 1). Employers who came through this route were less likely than average to have been in contact with government agencies before, and tended to be concentrated in particular sectors (presumably related to the expertise of the provider) *eg* retailing, hospitality, and the primary and construction sectors.

Table 4.1: Source of information about ETP (percentages)

				Pilot Area			
Source	**Birmingham & Solihull**	**Derbyshire**	**Essex**	**Greater Manchester**	**Tyne & Wear**	**Wiltshire & Swindon**	**All pilots**
Training provider	13.2	21.1	34.4	30.5	39.7	36.1	31.1
Direct approach by LSC or Business Link	35.2	23.3	26.0	28.2	36.2	22.5	26.9
Marketing:	**31.9**	**25.6**	**26.7**	**11.1**	**12.1**	**28.3**	**22.3**
Mailshot	26.4	17.8	19.1	9.1	12.1	22.1	17.1
Newspaper/ radio/TV advert	5.5	5.6	6.6	1.0	0.0	6.6	4.5
Launch event	1.1	4.4	1.7	1.0	0.0	1.2	1.5
Employer or employee:	**14.3**	**24.4**	**9.0**	**23.5**	**15.5**	**16.4**	**16.8**
Another employer	2.2	2.2	1.4	3.7	1.7	2.5	2.4
Employer body	9.9	20.0	4.2	14.8	1.7	8.2	9.7
Employee	2.2	2.2	3.8	4.4	12.1	4.5	4.3
TU representative	0.0	0.0	0.0	1.3	0.0	1.2	0.7
Other	**0.0**	**1.1**	**1.4**	**1.3**	**0.0**	**2.0**	**1.3**
N =	*91*	*89*	*281*	*292*	*56*	*242*	*1,051*

Source: IES/MORI ETP employer survey, 2003

Direct approaches from the LSCs and Business Links were the route through which just over a quarter of the employers in the sample said that they had heard of the pilots (over a third in Birmingham and Tyne and Wear).

Marketing activities appear an important source in most areas, except Manchester, and Tyne and Wear. Over a quarter of the employers in Birmingham and Solihull first heard about the pilot through a mailshot, where they had a mass mail-out which generated 500 to 600 leads (see Appendix 1). This approach appears to work well with small employers.

Other employers, employer bodies, employees, and trade union representatives accounted for how some 17 per cent of employers heard about ETP. Employer groups were an important source in Derbyshire and Manchester, and in Tyne and Wear some 12 per cent of employers were alerted to the pilot by their employees.

4.3.1 How did employees hear about ETP?
Nearly all learners (89 per cent) first heard about the opportunity to do their ETP training through their employer. Six per cent first heard through a training provider. The remainder heard about ETP from other sources including general publicity and their trade union representative.

4.4 ENGAGING WITH EMPLOYERS
The process of following up initial interest among employers to agreeing providers and signing up learners varied across the pilots, but generally pivots around the role of an ETP 'broker'. According to the pilot managers and the employers we interviewed, regardless of the route through which they approached the pilot, most (but not all) employers received a visit early on in the process from an ETP business/learning advisor (called different things in different pilot areas). This broker role is an important axis in the ETP process. In three of the pilots, the advisers were all employed by the local Business Link, and in three cases, those dealing with small firms were employed by the Business Link and those with larger firms by the local LSC. The purpose of the initial visit was generally to explain the scheme, discuss training needs in general (often in the context of general business needs), and to discuss the issue of eligibility.

The area case studies (see Appendix 1) highlight issues around:

- the importance of good communications and smooth relationships between LSCs and Business Links

- clarity of roles and clear contractual relationships

- capacity among the pilot agencies (*ie* LSCs and Business Links) to engage with employers, and in particular, ensuring there are appropriate levels of skills and resources among learning advisers

- linking in with host organisations to maximise cross-referrals

- responding quickly to maintain employer interest.

4.5 HOW WERE EMPLOYEES IDENTIFIED?

In the survey, we asked employers how they identified the employees to take part in the training. According to the results, employers generally used more than one approach. The most common single way was for employers to put people forward. Some 43 per cent of our employer respondents said that they had adopted this method (among others), a response largely repeated across the six pilot areas. Other common methods used to identify ETP learners included:

- individuals putting themselves forward (40 per cent overall and almost 50 per cent among employers in Wiltshire and Swindon)

- asking for volunteers (38 per cent of all employers and 50 per cent of those in Derbyshire). This approach was least common in Birmingham and Solihull.

- surveying all employees (29 per cent) – particularly popular in Birmingham and Solihull

- prioritising certain groups of employees (29 per cent).

In about 16 per cent of cases, the learning adviser identified appropriate employees. Among the other methods adopted, 13 per cent (20 per cent in Birmingham and Solihull) said that the trainees were new recruits, and five per cent said all eligible employees were taking part.

In the survey and the face-to-face interviews, we found no reason to suppose that learner participation in the pilots was in any way related to the 'distance they had to travel' to achieve a level 2 qualification. Participation was primarily learner driven, and those taking part appeared to reflect the competence levels of all those eligible.

There was some differences among respondents to the learners survey as to how they said they were chosen to take part (see Table 4.2). Half said that their employer had asked them whether they would be interested. The remainder were fairly equally divided between those who said that:

- they had put themselves forward

- their employer had told them to take part

- their employer had asked for volunteers.

Table 4.2: How chosen to take part in ETP training (percentages)

	Pilot Area						
Method of selection	**Birmingham & Solihull**	**Derbyshire**	**Essex**	**Greater Manchester**	**Tyne & Wear**	**Wiltshire & Swindon**	**All pilots**
Employer asked if anyone was interested	43.8	50.3	49.6	52.8	49.0	53.7	50.9
Learner put themselves forward	17.1	16.1	19.5	17.4	17.0	14.4	17.3
Employer told employees to take part	23.8	11.2	16.1	15.6	26.1	17.4	17.1
Employer asked for volunteers	15.2	22.4	14.8	14.2	7.8	14.4	14.7
N =	*105*	*161*	*601*	*443*	*153*	*367*	*1,830*

Note: Only includes responses from learners who had started training at the time of the survey

Source: IES/MORI, ETP learner survey, 2003

4.6 HOW WERE TRAINING NEEDS IDENTIFIED?

A key element of the ETP process is to analyse the precise training needs of the learners prior to embarking on their course, so that they can be 'trained to the gaps'. How training needs were identified was an issue discussed in the qualitative interviews with employers, employees and providers. There are also some data on the matter in both the learner and the employer surveys.

4.6.1 Approaches in the pilots

The term 'training needs analysis' appears to cover at least three different activities in the context of the pilots:

1. identifying an organisation's overall training needs, *ie* the business needs and what training, to which employees, would help them

2. confirming individuals' eligibility – whether they fit the business needs and whether they conform to the ETP rules (*eg* are not qualified to level 2)

3. identifying individuals' skills gaps – *ie* assessing their existing competence against the NVQ (or equivalent) standards, and identifying gaps that could be filled by training inputs.

The pilots have adopted different approaches to all three. In most, the learning advisor performs task 1 and (often) task 2 (although where the employer enters the pilot via a training provider, they might identify general needs and confirm eligibility). Individual training needs analysis varies more widely. In Birmingham and Solihull for instance, the individual training needs analysis (which also covered eligibility) was kept separate from the provision of training, and supplied by separately contracted providers before any training provider was contracted. However, the process has subsequently been simplified, and the same provider can now identify needs and then start the training without going back to the LSC (see Appendix 1).

4.6.2 Learners' views

We asked learners whether they had discussed (individually or in a group) whether they needed any training before they started their ETP training. The purpose of this question was to get some information about whether learners had been involved in some form of training needs analysis. Across the pilots, 42 per cent of learners said that they had had such a discussion (Table 4.3), with learners in Birmingham and Solihull, where training needs analysis has been given a particular priority, exceeding the average. Over half of the learners from this pilot said they had discussed their training needs prior to starting ETP training. In Greater Manchester and Derbyshire, the proportion was around one-third.

Table 4.3: Whether learners had a training needs discussion (percentages)

	Pilot Area						
	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Yes	56.7	31.9	45.3	33.8	48.4	43.7	41.9
No	43.3	68.1	54.7	66.2	51.6	56.3	58.1
N =	104	160	612	456	155	375	1,862

Note: Only includes responses from learners who had started training at the time of the survey

Source: IES/MORI, ETP learner survey, 2003

In most cases, learners reported that these training needs discussions took place between the employee and their manager or supervisor (see Table 4.4).

Thus the survey data suggest that just over four in ten learners received some form of training needs analysis. Given the possibility that learners had some form of assessment at the start of their training programme (which they did view as a 'discussion' as referred to in the survey question), we cannot be totally confident about saying that this is the extent of training needs analyses.

4.6.3 Employers' views

In their survey, employers were asked how they decided what training to give the trainees they had identified to take part in the pilot. The results are summarised in Table 4.5. Just over a quarter of employers said that their learners' training needs had been identified in their appraisals, and a further quarter said that their needs had been identified through their business plan. Almost one-fifth said that the training was required by law (over 30 per cent in Tyne and Wear, where there is a high proportion of employers from the care sector involved). The ETP learning advisor was responsible in around 17 per cent of cases, and the training provider in 16 per cent. Some 15 per cent of employers said that employees identified their own needs.

Table 4.4: Person discussing training needs with ETP learner (percentages)

	Pilot Area						
Method of selection	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Manager/ supervisor	71.0	65.4	71.9	71.5	81.3	68.5	71.5
Training provider	29.0	34.6	19.5	17.7	20.0	17.9	20.5
HR/training manager	9.7	13.5	8.2	13.9	11.3	12.5	11.0
Someone else from outside the organisation	4.8	15.4	6.5	4.4	3.8	6.5	6.3
Someone else from inside the organisation	3.2	3.8	6.2	5.1	8.8	3.8	5.3
Other	0.0	0.0	1.4	1.9	0.0	0.5	1.0
N =	62	52	292	158	80	184	828

Base = ETP learners who had training needs discussion

Note: Multiple responses allowed

Source: IES/MORI, ETP learner survey, 2003

Table 4.5: How training needs were identified (percentages)

Method of selection	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Pilot Area							
Needs identified in appraisal	23.1	34.4	25.0	24.5	36.2	25.8	26.3
Needs identified in business plan	24.2	24.4	22.9	26.5	24.1	28.7	25.5
Training required by law	24.2	11.1	23.6	15.1	31.0	18.0	19.4
Agreed with learning adviser/learning adviser interviewed employees	28.6	21.1	15.7	19.1	12.0	13.5	17.5
Training provider identified needs	25.3	22.2	14.9	14.1	12.1	15.2	16.1
Employees identified own needs	7.7	16.7	14.6	16.4	12.1	16.8	15.1
Other	7.7	4.4	11.0	13.4	5.1	7.4	8.7
N =	*91*	*20*	*288*	*298*	*58*	*244*	*1,069*

Note: Multiple responses allowed

Source: IES/MORI, ETP employer survey, 2003

4.6.4 Conclusions

We conclude, on the basis of the evidence available, that individual training needs analyses (*ie* skills gaps assessment, task three above) are conducted in no more than 50 per cent of cases, at least during the early stages of the pilots. The point is important because the ETP is based around a model of 'assess, train, assess' in which assessing skill gaps, against a recognised standard, forms the first element. Most of the pilots have received, or are reviewing this aspect of the process, and are committed to maximising the existence of the assess, train, assess model this issue is discussed further in section 4.7.2).

There are indications that the more that training needs analyses were undertaken, the lower the proportion of 'ineligible' employees that were getting onto ETP. Thus in Birmingham and Solihull, where there is evidence from the interviews and the learner and employer surveys (Tables 4.4 and 4.5) that there were more needs analyses undertaken than in the other pilots, the number of learners with qualifications at level 2 or greater was the lowest (see Table 3.5).

From the ETP employer survey, we can estimate the proportion of eligible learners involved in ETP training in workplaces taking part in the pilots, and the results are summarised in Table 4.6. In just over a quarter of workplaces, fewer than half the eligible employees (as defined by the employer) were taking part in ETP training. In 38 per cent of cases, the proportion was between 50 and 99 per cent, and 35 per cent of workplaces reported that all eligible employees were taking part. The 'average' (median) proportion was 70 per cent – higher in Birmingham and Solihull, where there are a large proportion of small employers, at 85 per cent.

Therefore, in most participating workplaces, most eligible employees were taking part in the pilots, although there is scope in some cases for signing up more learners in existing workplaces. However, a proportion of those not involved had chosen not to participate, although there was some anecdotal evidence that they might like the opportunity to change their mind having seen the training in practice among their colleagues.

Table 4.6: Proportion of eligible learners taking part in ETP (percentages)

| | Pilot Area | | | | | | |
Proportion	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
0-49 per cent	18.7	32.9	25.1	30.0	25.5	28.6	27.3
50 to 99 per cent	33.0	43.9	39.0	35.4	45.5	37.1	37.8
100 per cent	48.4	23.2	36.0	34.7	29.1	34.4	34.9
N =	91	82	267	277	55	224	996

Source: IES/MORI, ETP employer survey, 2003

4.7.1 Choice about taking part

Most learners felt that they had a lot of choice over whether they did any training at all, although much less over what particular training course they did. In the survey, respondents were asked two separate questions:

● How much choice did you have over whether you should do any training at all?

● How much choice did you have over the particular training course you are doing?

The results are summarised in Figure 4.1.

Two-thirds of learners said that they had a lot of choice as to whether they did any training at all, although 15 per cent said that they had none at all – a similar proportion who said that the reason they were involved with the pilot was because their manager had told them to (see above).

Figure 4.1: Degree of choice over ETP training
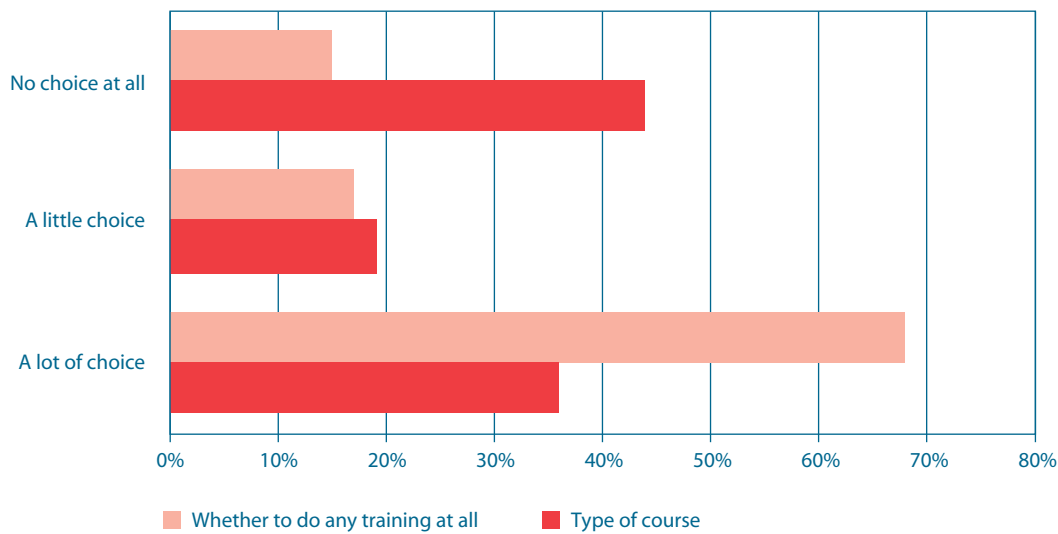
Source: IES/MORI, ETP learner survey, 2003

However, learners appear to have less choice over the actual training in which they are engaged, and the employer determines what they would learn. Approaching half (44 per cent) said that they no choice at all, over one-third (36 per cent) said that they had a lot of choice and one-fifth (19 per cent) said that they had a little choice over the course they are doing. There appears to be little variation by pilot area or by the main characteristics of the learners.

4.7.2 Appropriateness of the course

Despite the lack of choice over what training they are doing, the majority of learners think that they are doing an appropriate course. Three-quarters of respondents agreed that the training they are doing is appropriate for them, and only seven per cent disagreed (see Figure 4.2). Again, there was little variation by pilot area or any of the main learner characteristics.

Figure 4.2: To what extent do you agree or disagree that the training is appropriate for you?
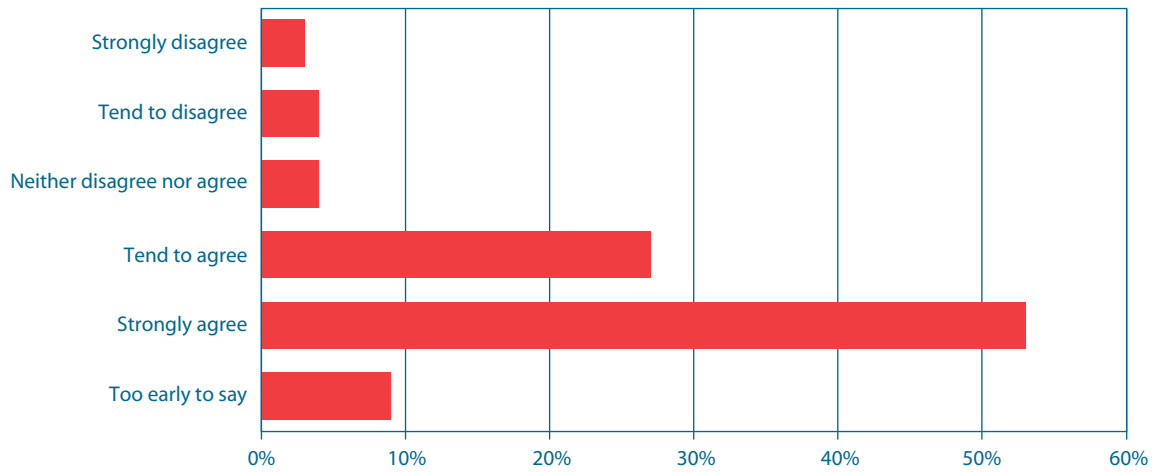
Source: IES/MORI, ETP learner survey, 2003

4.7.3 How keen were learners to take part?

Learners were also enthusiastic about taking part in the training. Over half (56 per cent) said that they were very keen, and a further third (34 per cent) said that they were fairly keen to take part in the training. Only eight per cent said that they were not very keen, and two per cent were not at all keen. Younger learners and those from minority ethnic communities were generally keener about taking part than older ones.

The main reason why learners had not done this sort of training before is that they had not been given the opportunity (see Figure 4.3). Men, and learners in larger workplaces were most likely to provide this explanation. Other reasons given in the survey included:

● they had not needed the skills in which they were being trained before

● that they did not know that the training they were doing was available.

Figure 4.3: Why have you not done this training before?
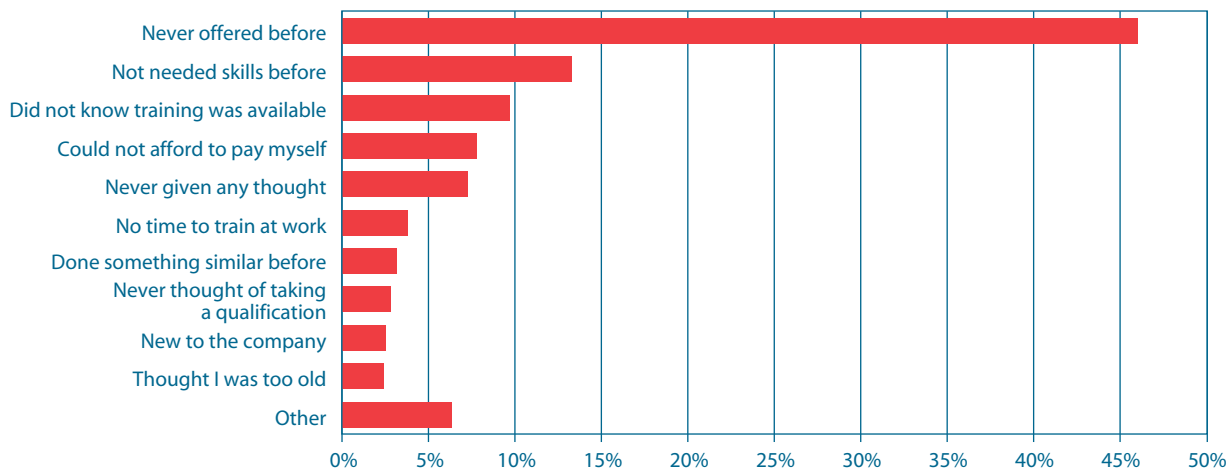
Source: IES/MORI, ETP learner survey, 2003

These answers provide further evidence of the latent demand among learners for the training they are doing through the pilots, *ie* they are generally keen to take part and probably would have done so in the past if they had been given the opportunity.

4.8 THE TRAINING

In this section we draw on our interviews with employers, learners and providers, to examine how the training works in practice.

4.8.1 Basic skills

As we saw in Chapter 2, the vast majority of learners are engaged on NVQ (or equivalent) courses. Relatively few (around ten per cent) are involved in stand-alone basic skills courses. The problems appear to centre on:

● a lack of concern among employers (who do not admit that they have employees with skills needs at this level and/or do not believe it is their role to provide it)

● difficulties in identifying need (among employees who are worried or embarrassed about admitting any deficits)

● some problems with organising provision in a sufficiently flexible form (in terms of location, time and content).

The pilots have tried various ways to increase the take-up of basic skills including:

● branding them under different names, *eg* 'Essential Skills'

● offering tailored provision related to workplace needs

● using union learning representatives to support and reassure learners

- linking basic-skills training to NVQ level 1 provision

- providing basic-skills support in the delivery of NVQ level 2 courses – *eg* where basic-skills needs become apparent during the course of an NVQ.

In conjunction with the Adult Basic Skills Unit, a range of further initiatives have been developed and are currently being implemented.

4.8.2 Assessment versus training

NVQs are awarded on the basis of an assessment of competence over a range of tasks to an agreed standard. The training takes place through some combination of formal training inputs (*eg* provision of underpinning knowledge or specific skills training) and work-based practice. Assessment is normally done through a combination of reviewing evidence (often in the form of a portfolio) and work-based observation (by approved assessors).

The standard approach within the pilots is to 'assess/train/ assess'. In practice, this means: an initial assessment of an individual's competence against the standard; providing them with inputs (off-the job or through their job, in agreement with their employer) to fill any skills gaps; and then making a final assessment that competence has been gained.

A learner had been working for a small manufacturing company for two years as an administrator. She is doing the NVQ level 2 Customer Services through ETP. She thinks it is a good thing to be a bit more aware of how she is dealing with customers. The training is mainly assessment – collecting information to prove that you are capable to do the job. The training is useful for the job since a lot of her work is related to customers. By doing the course, she started to think a bit differently about her job, trying to find ways to become more proactive. She felt it made her more aware of what she was capable of. She had not found the training difficult. She sees her trainer once a month and that was sufficient. She might be interested in doing an accounting course, she would like to grow into a more finance-related work area.

In the employer-based interviews, we found some examples of this model in practice. For example, at the outset, the provider would discuss the framework of the NVQ with the learner, identify the elements (or units) that they needed to work on (and others where they were already competent and could be accredited), and work through the required units.

One learner had worked for a large distribution company for five years in telesales. She is doing the NVQ Customer Services level 2. She decided to participate in the scheme because it will give her a job- related qualification. The training consists of mainly assessing how she is performing her job. She says she has hardly learned anything new so far, but it is useful to receive good feedback on how to improve her performance. An extra workshop on how to cope with difficult customers was helpful to her. She is now more aware of how she does things. She is quite happy how things are going, and doesn't find the training particularly difficult. The only problem is finding time to do the training and collect evidence, since it is extremely busy at work at the moment. She is also in training to become an assessor. She is definitely interested in doing more training to get to a higher level within the company, for example a management course.

However, there were a number of other models in operation including:

- **train/assess/train/assess/train/assess** – whereby the provider and the learner worked through the full NVQ (regardless of the learners areas of competence) through a combination of off-the-job inputs and on-the-job compilation of evidence and assessment. This model appeared in a number of interviews in the care sector.

- **train/assess/assess/assess** – where the provider gave the learner a major training input upfront and the rest of the 'training' was in effect assessment, *ie* the compilation of the portfolio.

- **assess/assess/assess/assess** – as above, but without the initial training input, and where the provider spent their time supporting the learner in collecting evidence – *eg* through providing *proformas* and support material. An example of this approach was found in the retailing sector.

- **train/train/train/assess** – where most of the work involves formal training inputs, with an assessment or test at the end (this appears to be standard practice in basic-skills courses).

While some providers appeared to adapt well to the 'train to the gaps' approach behind the pilots, others found the concept new and challenging. It can also be difficult to operate in practice, for instance, a provider with a few learners in a number of separate organisations all doing the same course (*eg* in care). In these circumstances, it may be more efficient to run through one standard training programme than devise specific programmes for each learner.

In one small retail outlet, two learners are doing an NVQ level 2 in Customer Services. The training provider comes to the shop around once a month, and goes through with the learners what are the next steps in completing their portfolio. They had received little formal training inputs, and most of the work involved compiling evidence. The trainer spends around an hour (in total) with the learners, but some would have liked more time and input, especially with understanding the NVQ process and what counted as evidence. There had been no workplace observation. One learner was able to do the work in work time, but another who worked in a busier part of the shop, did some of the work at home. Both the learners were very enthusiastic about the training and are looking for ways to progress. One said 'I have definitely got the learning bug now'.

It is impossible to quantify the distribution between the various models (and there may be others too) on the basis of the available evidence.

4.8.3 Time off

The pilots provide for either 35 or 70 hours paid time off. As we saw above, a lot of the time a learner spends on the course, especially NVQ courses, is involved with the compilation of evidence. Sometimes this activity was undertaken at work, and in some cases, learners spent their own time completing their portfolio.

One large production company had 55 ETP learners, most doing basic- skills courses and a few doing a course in computer literacy and information technology (CLAIT). The basic-skills training took around four hours per week for 10 weeks in work, and the CLAIT level 2 took around 70 hours in total, and is run at the local college. Both consist of a mixture of basic training, assessment and exams.

Where there were formal training inputs, these tended to be in work time, although in some cases these were being arranged in non-work time (eg on part-timers' days off) and the employer was intending to pay the learner for their time out of the wage compensation.

The elapsed time taken to complete the training varied with:

- the type of course – for example, engineering courses were thought to take longer than a customer service course. Basic-skills course, were thought to take less time than NVQ courses

- the method adopted by the trainers and whether they went through the whole course or just the units necessary to ensure the learner was competent, and what they required in the form of evidence

- the skills of the employee, whether they had any skill gaps, and the speed at which they were able to compile the evidence.

As yet, we do not have any comprehensive data on the time it is taking, or expected to take, for learners to complete their ETP courses. The information we do have comes mainly from the interviews with employers, learners and providers, and is therefore primarily anecdotal. Most of these interviewees estimated that it would take in the region of five to six months to complete their (mainly NVQ) course, *eg* starting in February/March and finishing in July/August.

However, these are not definitive data and should be treated with caution.

In one large distribution workplace, the ETP (basic-skills) training consisted of a two-hour session once a week; one of these hours was allocated to the employees lunch hour. The idea being that the organisation gave an hour of its time and the employee also gave an hour of their time. The organisation also provided lunch on the day of training. All training took place on site in a specially provided training room, in a very school-like manner.

The time taken was used for:

- formal training inputs – attending 'classes'

- contact time with tutors – discussing evidence *etc*.

- working through worksheets and background reading

- compiling evidence on their own.

Providers keep records of the first two, but not of how much time learners spend on their own (at work or at home *etc*.) in personal study, or putting together their portfolio.

A learner in a care home was doing the NVQ level 2 in Care. She worked part time but went once a week on a day off to a local community centre with other care learners, for a training session. She was going to be paid for her time when the wage compensation came through. During the week, time was spent compiling evidence and going through worksheets from the course. This was done in both work time and at home.

4.8.4 Trainer flexibility
We found generally very positive feedback on the flexibility displayed by providers in terms of the timing and the location of their formal training provision. In many cases, training providers visited the workplace, and fitted in such visits with production schedules *etc*.

A large production company had organised its ETP trainees into six different groups. Each group had an hour a week away from work in the classroom. The company is a 24-hour operation and the training provider, an FE college, timed sessions to enable the participation of staff on all the shifts.

Capacity

A number of pilot managers and brokers expressed concern about the capacity of providers to meet employer demand. In most areas, initial fears were not borne out, although there were incidences where:

- local providers could not run the courses employers wanted (in some cases this demand was met by out-of-area providers)

- some (mainly small) providers had difficulties meeting pockets of high demand (*eg* from the care sector)

- some providers (*eg* colleges) found it difficult to be as flexible in terms of the location and timing of provision as employers would have liked.

4.8.5 Completions and early leavers

The general perception gained from interviews with pilot managers and providers is that few learners had so far completed their training, but that any drop-out from the courses is thought to be low.

Early leavers

The pilot interviews suggested that there have been few early leavers from the courses to date. According to the MI data, at the end of August, five per cent of learners had left their course early. Where there have been learners leaving their courses early, this has been mainly due to:

- changing learner circumstances – for instance, leaving their job, or illness

- changing in employer circumstances – where the employer has had to leave the pilot (very few examples)

- difficulties with the NVQ format – where learners have found the effort of completing a portfolio too time consuming (especially where it involved an element of work in their own time) and/or difficult (perhaps where there were underlying basic-skills issues).

> One learner had started an NVQ level 2 in Care but had stopped because she felt she did not have the time. 'It is normally 18 months work to do the NVQ and we are expected to do it in nine. I have a 14- month old boy and have no time at home to sit down and do it'.

The main reasons why the 'drop-out' rate was felt to be low were that:

- employers supported the learning and it was mainly done in the workplace

- learners were enthusiastic about the learning and generally found it easier and more relevant than they had feared

- providers were aware of the higher vulnerability of ETP learners, and were giving extra support in a number of ways (more help with portfolio, more time *etc.*).

Completions

Data on completions is still coming through. At the end of August, 16 per cent of learners with attendance records had successfully completed their course – however, four in five are still in training.

4.8.6 Information, advice and guidance

One of the four elements of the ETP package involves the provision of information, advice and guidance (IAG). However, the general impression is that this is the least developed (and least taken-up) aspect of the pilots.

In practice, there is a range of informal information and advice provided to employers and learners from the ETP brokers and from training providers. In terms of formal IAG, *ie* provided by a specialist agency, there is generally no consistent approach to either the purpose of IAG within the pilot, or the way it is provided. In some areas it is centred mainly on the individual learner, and in others it is more employer focussed. In some areas the information and advice provided is more about the availability and suitability of training, others offer more wide-ranging advice (and in some cases, but not all, guidance). In all cases, the evidence from the pilot interviews is that the take-up of this element of the offer is low.

Models

Brief information on how the pilots are delivering the IAG element is set out in Appendix 1. In all cases, employers and learners access IAG on a voluntary basis. While they are all adopting different models, they generally contain some (but not all) of the following elements:
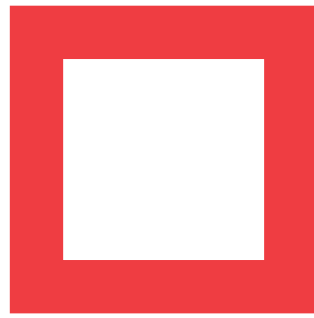
- **early support to employers** (*eg* Wiltshire and Swindon) – *eg* with identifying appropriate training and/or providers, perhaps working with the local learning adviser

- **training needs analysis** (*eg* Tyne and Wear) – working with individuals at the start of their training, including confirming their eligibility

- **ongoing support to learners** during the course of their learning (*eg* through a helpline as in Birmingham and Essex, and/or through personal support, *eg* with people finding the learning a struggle, as in Derbyshire)

- **exit interviews** (*eg* in Derbyshire and Tyne and Wear) to help learners identify what they could do next, mainly in terms of learning. The pilots are generally concerned not to give the impression to employers that they are facilitating their learners moving on to different jobs.

- **capacity building** – *eg* helping train support workers in the workplace (*eg* Birmingham and Solihull) to provide ongoing learner support and IAG after the pilot has finished.

In one area (Essex), an explicit decision was made not to promote guidance to learners, as it was felt this could deter employers who would be concerned that learners were being provided with help with the next step in their career. In all pilots, the provision of IAG is voluntary, *ie* it is made available to employers and/or learners as appropriate, and they can call on it if required.

In one company providing basic-skills training, learners were given as much information as possible at the start of the course. The IAG adviser spoke to the learners about their expectations, and with the tutors, provided constant support and talked through any problems with the learning.

The formal IAG element in the pilots is provided either by the local Connexions or Careers Service, or through the local IAG Partnership.

Chapter 5

Motivations, Benefits and Satisfaction

In this chapter we concentrate on the reasons why employers and learners took part in the pilots, the benefits they hoped to gain and/or have gained, and their overall views on, and satisfaction with, their experience.

5.1 KEY POINTS

- The most attractive elements of the ETP offer for employers are the free and flexibly provided training, although the wage compensation is important in some circumstances, *eg* to win senior management approval in large companies or to pay for staff to do the learning in their own time in small ones.

- The main reasons employers had not provided the ETP training before were because the trainees were new (especially in small workplaces), they could not afford it, or they had not needed to do so before for business reasons.

- The vast majority of ETP employers saw potential benefits from the training in terms of providing employees with better skills and more self-confidence, thereby improving their proficiency and improving the quality of their services and products, and providing them more efficiently.

- Most employers thought the ETP training fitted well with their business plan, although fewer thought it would have a major impact.

- There is no evidence of any displacement effect, *ie* employers do not appear to have cut down on other training to do the ETP training.

- Most employers see the pilots as an opportunity to improve the skills of employees who would not otherwise get trained. However, a substantial number also said that they would have provided the ETP training in any event. Close analysis of the data suggest that 15 per cent of employers in the pilots may be 'deadweight', *ie* they would have done the training in the absence of the policy.

- Nearly all employers are very or fairly satisfied with their experience of the pilots, and particularly with the initial contact and arrangement for the training. Employers are less satisfied (but still positive) about payment arrangements and the provision of IAG.

- There is some evidence that satisfaction with the wage compensation varies with the amount paid, but little evidence that satisfaction with the amount of time off changes between the areas providing for 35 or 70 hours.

- Learners are attracted to the pilots by the opportunity to obtain the skills to do their job better, and to gain a qualification. Most learners felt they had learnt something new and that the training would significantly help them do their job better. Overall, learners are very satisfied with their experience.

- Despite their positive views, most employers thought some aspects of the pilots could be improved, including:

  - providing clearer information about what was involved

  - speeding up the process from initial contact to starting training

  - better communication

  - opening up the training to higher than level 2

  - providing a wider range of courses.

5.2 WHAT ATTRACTED EMPLOYERS TO THE PILOTS?

We asked employers what aspects of the ETP first attracted them to the programme. The overall results by pilot area are summarised in Table 5.1. The most popular elements were thought to be:

- free or subsidised training

- flexibly-delivered training.

In a separate question, we asked respondents which of the elements listed was the most attractive; 44 per cent said the free training and 22 per cent pointed to the flexibly-delivered training. Other attractive elements were the wage compensation (nine per cent of cases) and the help with linking training to business needs (seven per cent).

Table 5.1: Key elements of the offer for ETP employers (percentages)

				Pilot Area			
Offer	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Free training	74.7	80.0	77.8	79.2	74.1	85.2	79.6
Flexibly delivered training	67.0	60.0	52.8	62.8	60.3	69.7	61.6
Free IAG	51.6	43.3	44.1	54.7	53.4	61.5	52.1
Help linking training to business needs	51.6	44.4	49.0	54.7	51.7	51.2	51.1
Wage compensation	51.6	54.4	38.9	48.3	53.4	56.6	48.7
Help with identifying training needs	48.4	43.3	38.9	44.6	53.4	43.0	43.4
Links to business services	25.3	16.7	19.1	21.8	20.7	23.4	21.2
Other	2.2	0.0	1.7	3.0	0.0	2.5	2.1
N =	*91*	*90*	*288*	*298*	*58*	*244*	*1,069*

Note: Multiple responses allowed

Source: IES/MORI, ETP employer survey, 2003

We have examined the data in some detail, but there seems to be no strong relationship between the level of interest attached to a wage compensation and the level of compensation offered. Interest in the 'high' compensation areas (Manchester and Tyne and Wear) in the wage compensation element does not appear to be very different to the average. However, while interest in one of the low compensation areas (Birmingham and Solihull) is marginally above average, that in Essex – the other low compensation area (with the lowest number of hours of free training, and therefore the lowest sums available) – is significantly below average. It is interesting to note from the case studies (see Appendix 1) that Essex no longer actively promote the wage compensation element of the overall offer.

5.3 WHY NOT TRAIN THEIR ETP EMPLOYEE BEFORE?

Our survey respondents were asked why they had not trained their employees before they became involved with the pilots. Those with NVQ learners gave a number of reasons, most commonly to do with:

- employees' length of service – 20 per cent of respondents said that they had not trained their employees before because they were new – particularly in smaller workplaces

- cost – 16 per cent said that they could not afford the cost of training before. A further five per cent said that they could not afford to give employees time off work to train, and the same proportion said that qualifications were too expensive for them to provide. Interestingly, it tended to be larger workplaces (with over 20 employees) and employers in the care sector who were most concerned about costs

- new business needs – some ten per cent said that there had been no business need to have the skills or qualifications before.

Employers of basic-skills learners gave similar reasons for having not provided the training already, although the emphasis was slightly different, with over a quarter saying that the main reason that employees were new, or their skill needs had just become apparent.

5.4 EMPLOYERS' VIEWS ON THE BENEFITS OF ETP

All (99 per cent) of the employers in the survey saw benefits in participating in the pilots, the main ones being:

- providing employees with the skills important for the business – 96 per cent of employers said this was a benefit for their organisation from taking part in their ETP

- boosting employees' self-confidence – 96 per cent

- improving the quality of services and products – 93 per cent

- helping employees become more proficient at the job – 93 per cent

- providing products and services more efficiently – 93 per cent

- improving employee commitment – 91 per cent

- improving productivity – 82 per cent.

Fewer employers saw benefits in terms of compliance with the law (73 per cent overall, and higher among small employers and those in the social care sector), improved employee retention (71 per cent), or improving their ability to provide new products or services (50 per cent, higher among smaller employers and those in hospitality and retailing). Only one per cent said that there were no business benefits.

A medium-sized manufacturer engaged in ETP had a very high turnover of staff, about 16 per cent at the manufacturing site. Investing in people through ETP appears to be having a positive effect. Labour turnover is now 1.5 per cent. Absence levels were also very high, and are now down to three per cent. Part of the improvement is thought to be due to the supervisory training funded under ETP. Team leaders have learned how to conduct disciplinary hearings and how to monitor people's performance. The company believe the training will definitely have a positive effect on the business.

5.4.1 Concerns

Some employers (21 per cent) had concerns about taking part in the pilots. A range of issues were identified including:

- managing the time off employees would take for training (25 per cent of those expressing concerns)

- the timescale for undertaking the training was too unrealistic (15 per cent)

- the paperwork and the bureaucracy involved (14 per cent)

- the costs of organising the training would outweigh any of the benefits (13 per cent).

Another 12 per cent were concerned that the offer sounded 'too good to be true', and wanted to know 'what was the catch?'

5.5 EMPLOYERS' VIEWS OF ETP

Employers were asked whether they agreed or disagreed with a number of statements about the pilots. The results are reported in Figure 5.1.

Figure 5.1: Employer views on the ETP training
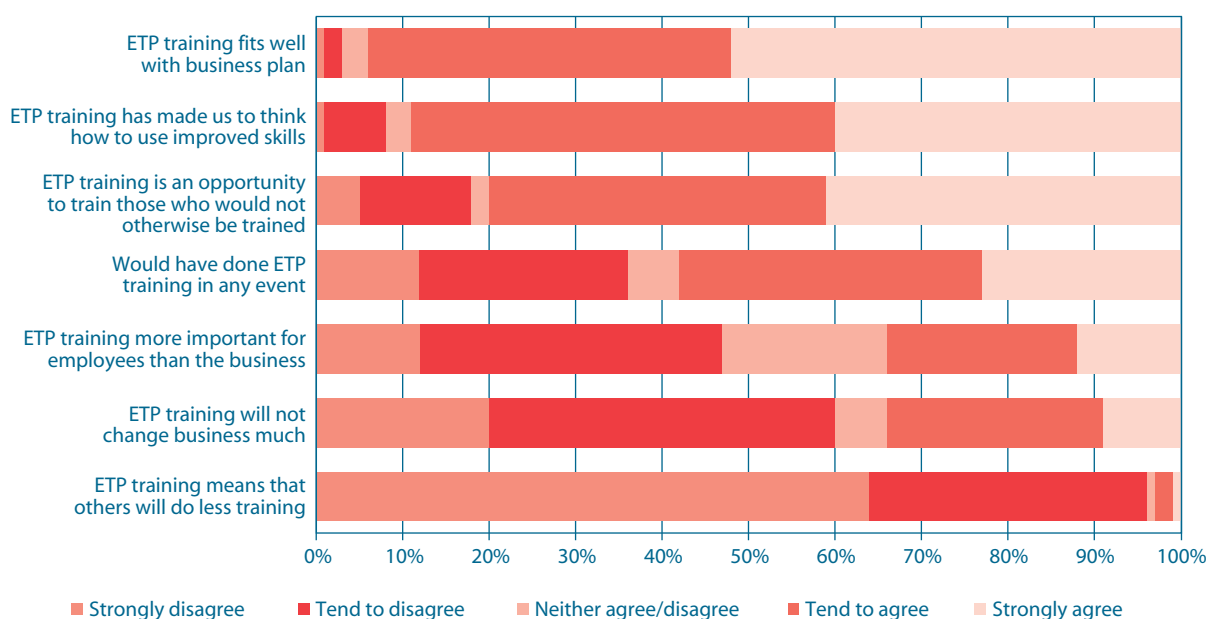
Source: IES/MORI, ETP learner survey, 2003

- The vast majority of respondents felt that the training fitted well with their business plan (*ie* 94 per cent strongly agreed or tended to agree with the statement). However, fewer thought it would have a major impact – 60 per cent disagreed with the statement that 'the training will not change the business much', and one-third agreed.

- Very few employers (three per cent) thought that the ETP training would mean that other staff would receive less training, indicating no evidence of any 'displacement effect'. There was no qualitative evidence from the employer interviews either. Indeed, if anything, the reverse was the case as employers were planning to use the wage compensation to train non-ETP staff (*eg* those who were in similar jobs but ineligible).

One small care home's annual training budget was only sufficient to provide a limited amount of training each year. Previously, they had only been able to afford for three employees a year to do NQV level 2. This was bad for two reasons. Firstly, it would mean it would be difficult to train enough employees to meet the national standards soon to be introduced, and it was difficult to choose which employees should receive the training; some would always be disappointed that they had to wait their turn. This year, not only have they have been able to put nine employees through NVQ level 2, they have also been able to spend the training budget on other types of training that they would not normally have been able to afford.

- Most (80 per cent) thought that the ETP training provided an opportunity to improve the skills of employees who would not otherwise get trained.

- Nearly 90 per cent agreed that the training would make them think how they could best use their employees' new skills.

- While one-third of employers agreed that the training was more important for employees than the business, almost half disagreed.

- Some 23 per cent strongly agreed and 35 per cent tended to agree that they 'would have provided the ETP training in any event', perhaps indicating a degree of deadweight (although we cannot be sure that they would have provided the training). Over one-third strongly disagreed or tended to disagree.

Not all employers expressed consistent views, *ie* some felt that ETP provided them with an opportunity to train people who would not otherwise get trained *and* agreed that they would provide the training in any event. However, this apparent inconsistency may mask the extent and timing of any training they would have provided in any case, with ETP enabling employers to train more people more quickly.

One large employer with 20 basic-skills learners said that training would not have otherwise been done, mainly due to commercial pressures of not being able to have time off, and also because it was not directly linked to the business needs. However, it was recognised that if employees lower down in the organisation could improve their basic skills, then maybe less mistakes would occur.

5.5.1 Deadweight

We have examined this last group of respondents who agreed with the statement about providing the training in any event, in more detail, to see whether they throw any more light on the issue of deadweight. We found that statistically they were significantly more likely to:

- have a training plan and a training budget

- have offered off-the-job training to low skilled staff in the past 12 months

- adopt a strategic approach to training (using the Kitching and Blackburn definition, see section 3.1)

- think that training and development is a key part of their overall business plan, and that raising employee skill levels will improve business performance

- agree that they only train to meet legal or contractual requirements, and that they selected employees for ETP training because the training was required by law.

Interestingly, the employers who are primarily motivated by legal requirements are statistically most likely to adopt a strategic approach to training. They therefore do not just feel that they have to train to meet the law, but also have a positive approach to training, and are therefore inclined to train in any event. This group, amounting to some 15 per cent of the sample, fits the description of 'deadweight', as the chances are they may well have been engaged in ETP-type training in the absence of the policy.

We have also looked at the relationship between the various statements to see whether we can understand further employers views on the value of the pilots. We have identified a statistical relationship between employers who agree that they would have done the training in any event, and those who disagree that the pilots offer an opportunity to train employees who would not otherwise be trained. Both groups therefore suggest that they would have trained their ETP learners in the absence of the pilot. The combined group again forms some 15 per cent of the overall sample, and could also be seen as deadweight. There are two different, but not dissimilar groups, and together they form some 20 per cent of ETP employers.

It should be stressed that this measure is only indicative, and does not give us an indication of the number of learners who would have trained (and/or gained qualifications) in the absence of the pilots. The quantitative element of the evaluation (through the random surveys of employers and employees) should provide a more robust measure of deadweight.

5.6 EMPLOYER SATISFACTION

Employers were asked how satisfied they were with various aspects of the pilots and with their overall experience. Generally, the responses were very positive. Some 47 per cent of respondents said that overall they were very satisfied, and a further 41 per cent said that they were fairly satisfied (see Figure 5.2).

Figure 5.2: Employer satisfaction with ETP
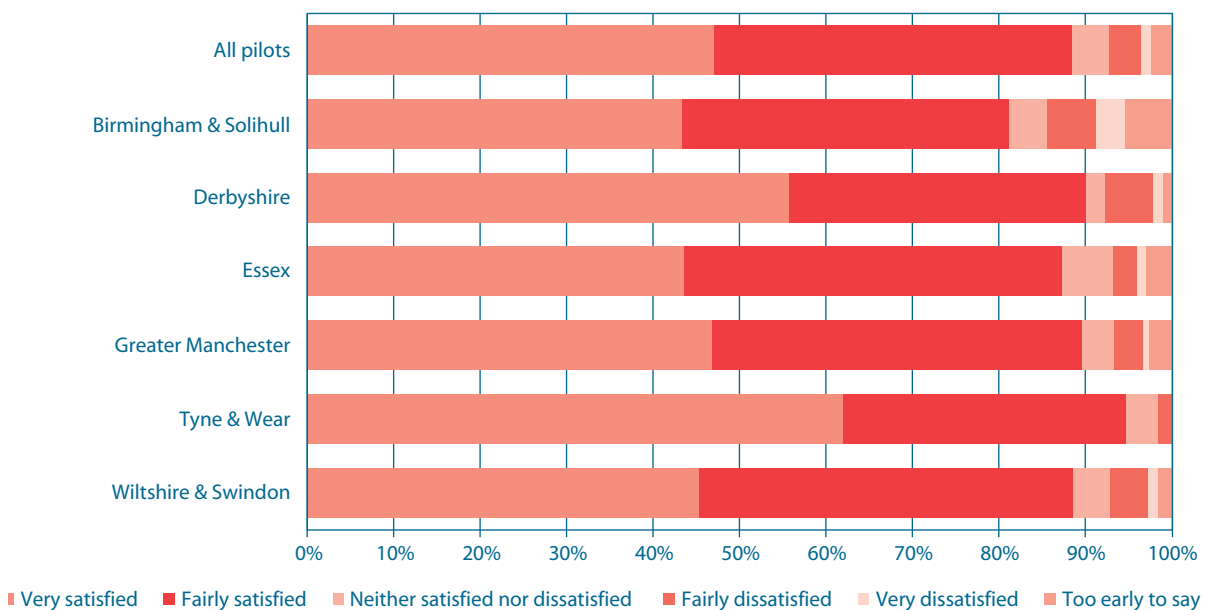
Source: IES/MORI, ETP employer survey, 2003

Overall satisfaction appeared to be highest in Tyne and Wear, and Derbyshire, and lower in Birmingham and Solihull. Otherwise, levels of satisfaction varied slightly, although respondents who had agreed strongly that they would have provided the training in any event were, perhaps not surprisingly, more satisfied than average.

Figure 5.3 looks at employer satisfaction with particular elements of the pilots. The initial conclusion to be drawn from the data is that satisfaction is again high, perhaps declining with the aspects of the scheme with which employers have had least contact. Thus, there are strong levels of satisfaction with initial contact and contracting arrangements, and less with payment arrangements (many employers would have not received any compensation at the time of the survey) and IAG provision (which the pilot interviews suggest has had little take up as yet).

Figure 5.3: Employer satisfaction with the main elements of ETP
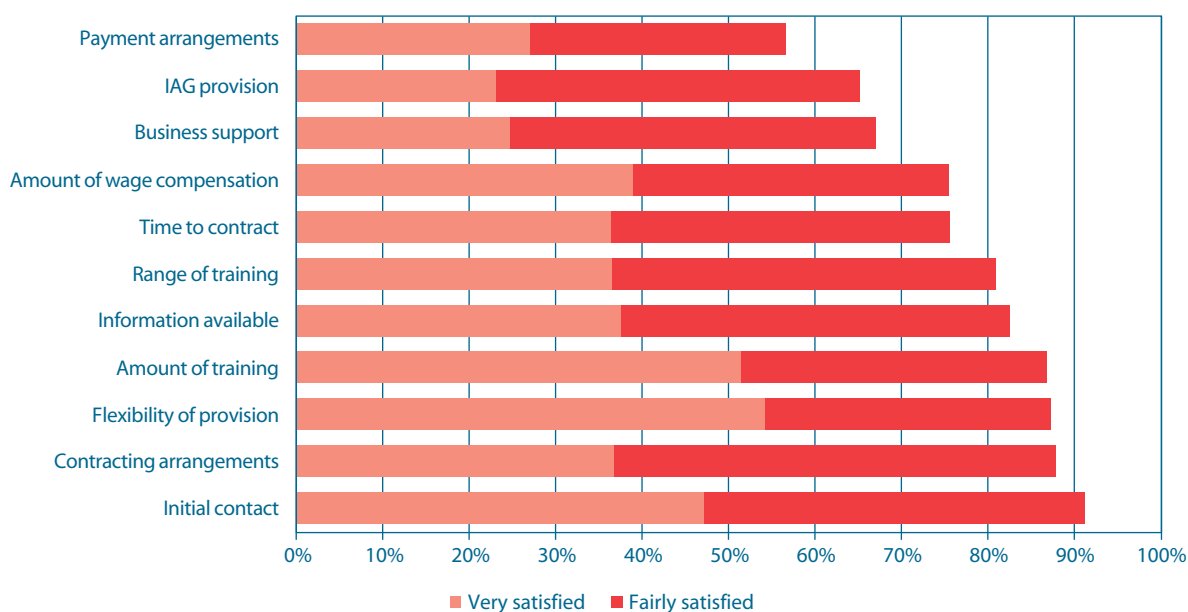
Source: IES/MORI, ETP employer survey, 2003, interim results

Finally, we have looked at two key aspects of the pilots that vary between pilot areas to see whether we can detect any relationship between the level of satisfaction and the level of the offer.

5.6.1 Wage compensation

Figure 5.4 looks at the level of satisfaction with wage compensation, by area. It shows that there is some statistical correlation between the level of the offer and employers' views. Thus, satisfaction is highest in the two areas with the highest levels of compensation: Tyne and Wear and Greater Manchester, about average in the areas with middle levels of compensation (Derbyshire and Wiltshire and Swindon), lowest in Essex, and Birmingham and Solihull – where the compensation is lowest.

Furthermore, the actual amount that employers receive is related not only to the level of compensation, but also the amount of time off. Tyne and Wear (with 70 hours) offers the most compensation in terms of cash and is the area with the highest satisfaction with this element of the offer. At the other end of the scale Essex, with 35 hours, offers relatively little monetary compensation, and records the lowest level of compensation. However, this relationship does not hold for the other areas.

We will continue to explore the relative attraction of the different levels of compensation. The quantitative evaluation work (ie the random employer and employee surveys) may be able to shed more light on this important question.

Figure 5.4: Satisfaction with amount of wage compensation
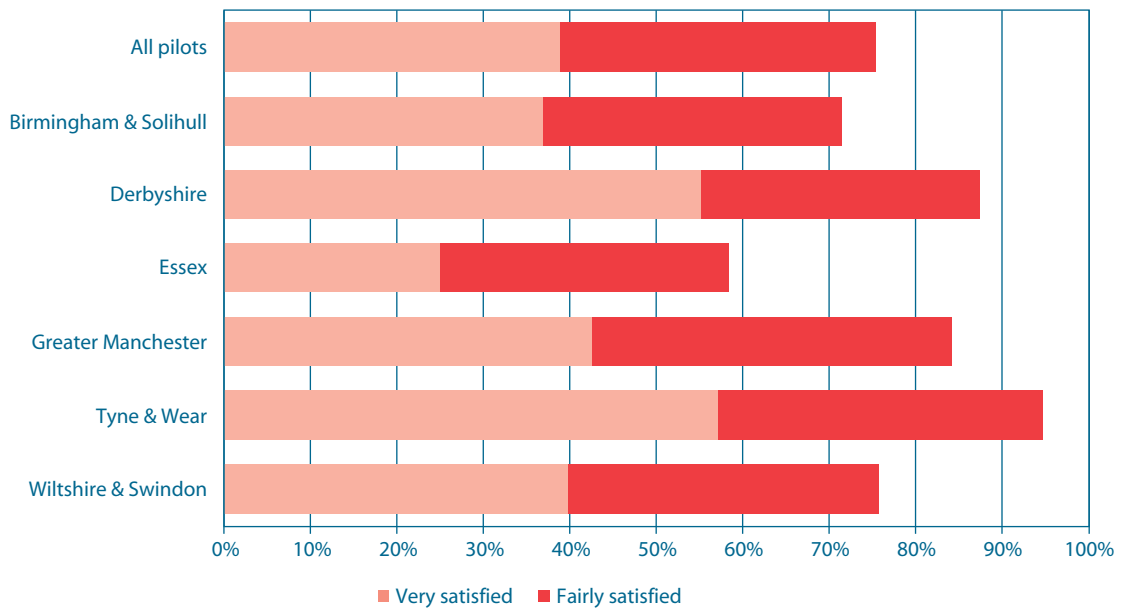
Source: IES/MORI, ETP employer survey, 2003

5.6.2 Time off

Figure 5.5 shows the level of satisfaction with the amount of free training by area. There is a weak relationship between an area's satisfaction and the time off provided. For example, once again, satisfaction in Tyne and Wear (with 70 hours time off) is highest, but Birmingham and Solihull (also with 70 hours) is the lowest, and Derbyshire (with 35 hours) is second highest. However, the data are not conclusive.

Figure 5.5: Satisfaction with amount of free training provided
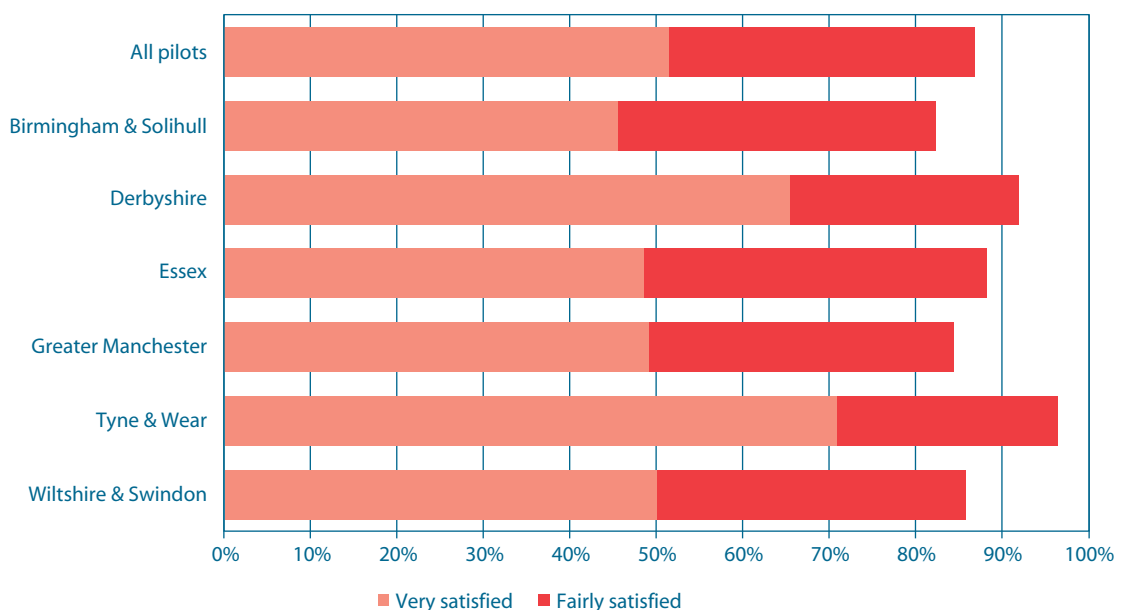
Source: IES/MORI, ETP employer survey, 2003

As with the level of wage compensation other aspects of the evaluation may be able to tell us more about the relative attractiveness of the different amounts of time off.

We now turn to the ETP learners' views on the benefits of taking part in the pilots, and their experience of and satisfaction with the training.

5.7.1 Benefits for learners

Most learners (70 per cent) think that the training they are doing will benefit both themselves and their employer in equal measure. One-fifth said that they thought the training would mainly benefit themselves, and seven per cent felt the balance of any benefits would lie with the employer. Less than two per cent said that it would benefit neither them nor their employer. There appeared to be little variation in these results by pilot area.

The main benefits that learners hoped to gain from the training are set out in Figure 5.6. Respondents were able to give more than one reason, and the most popular were to gain a qualification and to gain the skills needed to do their current job better. More general benefits including the chance to learn something new, and improved self-confidence were also cited by a majority of respondents.

> One learner had been a production supervisor for more than ten years. He participated in the team leader training through ETP. He was very nervous about participating, as it had been a long time since he went to school. However, once he started doing the training, he really enjoyed it. He learnt a lot about how to manage people, including how to hold a disciplinary hearing, how to boost morale, and how to organise team shifts. As a result he feels he is more understanding, and better at listening to employees in his team. It was a very big surprise to him that he actually enjoyed the learning.

Respondents were also asked to say which of these benefits was the most important, and the order changed slightly. The most important reason (for 38 per cent of respondents) was to obtain the skills needed to do their current job better. This makes an interesting contrast to the responses to the earlier question, which showed that most thought that their skills at least matched, if not exceeded their capability to do their current job. The next most important reason was to gain a qualification (27 per cent). Younger ETP learners placed a higher priority than older learners on qualifications. The third most important reason was to improve their self-confidence (11 per cent). Relatively few learners thought that the main benefits to be obtained from the ETP training were in terms of helping them move on either to a better job within the same employer, more money, or a new job elsewhere.

Figure 5.6: Gains hoped for from ETP training
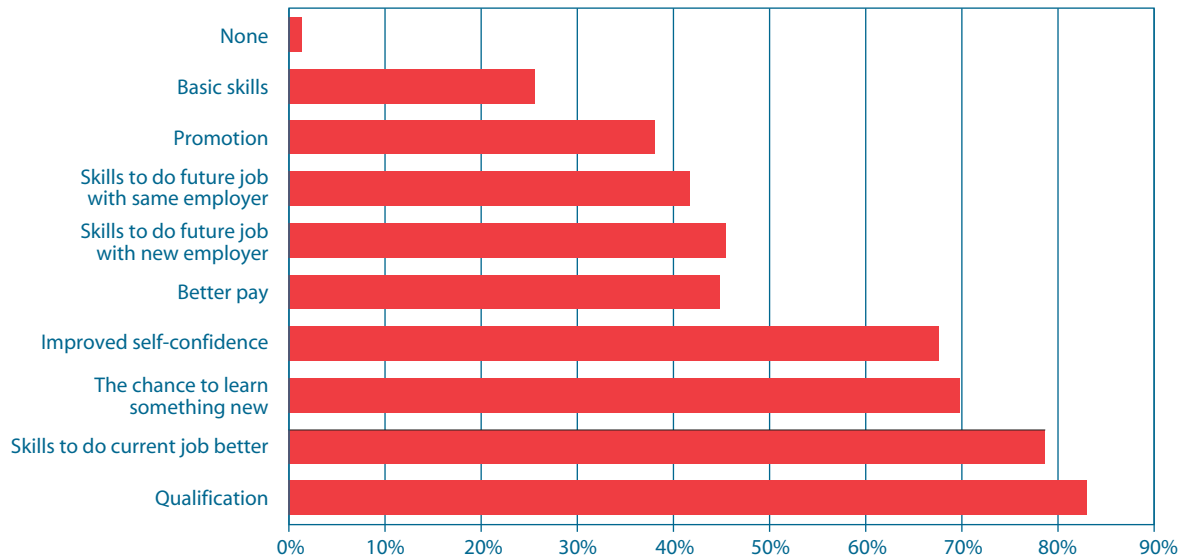
Source: IES/MORI, ETP learner survey, 2003

5.7.2 Experience of the training

We asked those who had started their training whether they had learnt anything new as a result:

● 50 per cent said that they had learnt something new that they could apply in their current job

● a similar proportion (49 per cent) said that they had learnt something new that they could apply in a future job – particularly younger learners

● two-fifths (41 per cent) felt that they had not learnt anything new – at least so far.

In one company, training in basic skills in business English has lead to better letter writing, and indirectly benefited the organisation as employees are more motivated and satisfied. There had been a lot of change within the organisation recently which meant lots of redeployment. ETP is seen as the organisation 'giving a bit back.'

The learners who had started the earliest were most likely to say that they had learnt something new. Some two-thirds of learners who had started their training three months before the survey said that they had learnt something new, compared with around one-third of those who only started within the last month.

The vast majority thought that the training would help them either a lot (57 per cent) or a little (33 per cent) to do their current job better (see Table 5.2). Female learners, those from an ethnic minority, and learners from smaller workplaces were more likely than older learners to think that the training would enable them to improve the way they did their job.

Table 5.2: Extent to which ETP training will help learners to do their current job better (percentages)

| | Pilot Area | | | | | | |
	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
A lot	63.3	47.9	54.4	57.9	60.1	58.6	56.5
A little	33.9	37.9	33.6	33.0	26.4	33.0	33.1
Not at all	2.8	14.5	12.0	9.1	13.5	8.4	10.4
N =	*109*	*165*	*640*	*482*	*163*	*418*	*1,977*

Source: IES/MORI, ETP learners survey, 2003

5.7.3 Impact on the workplace

In terms of the effect on their workplace, most learners thought the training would contribute to improvements in the quality of the work they do, and enable them to become more efficient (see Figure 5.7). A majority also thought it would mean that they would work better together as a team and enable the workplace to comply with the law.

Figure 5.7: Gains for the workplace
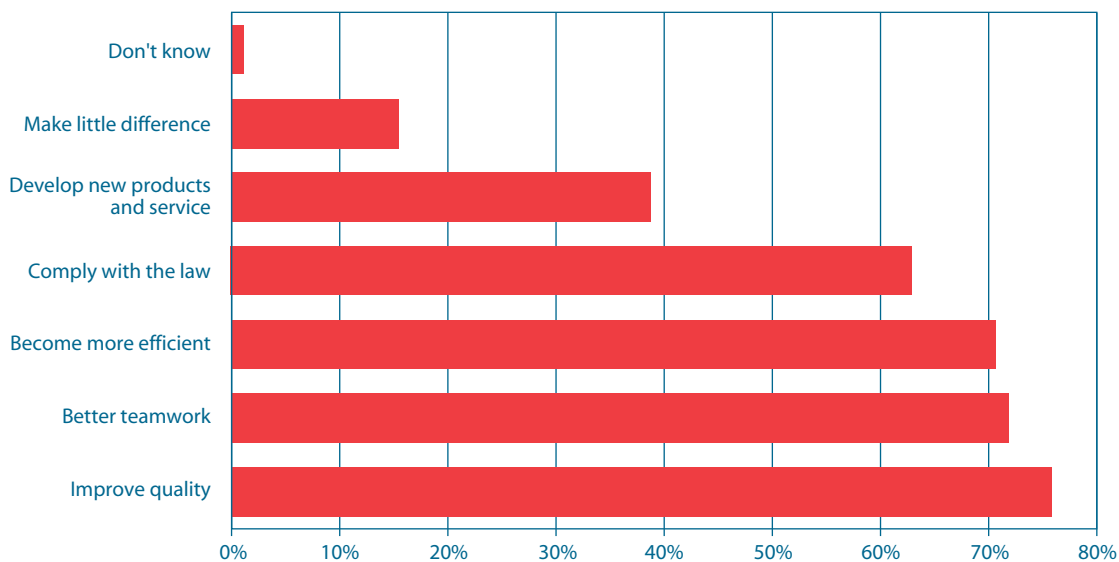
Source: IES/MORI, ETP learners survey, 2003

5.7.4 Learner satisfaction

Finally, learners were generally satisfied with their training experience so far. As the data in Table 5.3 show, over four in five learners said that they were at least fairly satisfied with their experience to date, and 15 per cent said that they were extremely satisfied. Only some six per cent expressed any degree of dissatisfaction. Satisfaction levels were marginally higher among younger learners.

Table 5.3: Learner satisfaction with ETP training (percentages)

Satisfaction with ETP training	Pilot Area						
	Birmingham & Solihull	Derbyshire	Essex	Greater Manchester	Tyne & Wear	Wiltshire & Swindon	All pilots
Extremely satisfied	10.8	16.8	10.1	18.0	11.5	17.1	14.2
Very satisfied	42.3	37.7	29.5	40.5	39.4	41.9	37.0
Fairly satisfied	30.6	31.7	36.6	29.8	31.5	27.5	31.9
Neither satisfied nor dissatisfied	2.7	3.0	5.1	3.1	4.8	3.1	3.9
Fairly dissatisfied	3.6	4.2	4.0	2.3	6.7	3.3	3.7
Very dissatisfied	0.0	0.6	1.8	0.4	1.2	1.4	1.2
Extremely dissatisfied	0.9	0.6	2.0	1.2	0.6	0.2	1.2
Too early to say	9.0	5.4	10.9	4.8	4.2	5.5	7.2
N =	*111*	*167*	*651*	*484*	*165*	*422*	*2,000*

Source: IES/MORI, ETP learners survey, 2003

The scale we used for this question is the same as the one used in the LSC's national learner satisfaction survey[1], which examines the views of 10,000 further education participants in various forms of provision. We have not systematically compared the ETP data with the LSC survey, *eg* by controlling for factors such as age. However, a cursory comparison suggests that our ETP learners have similar levels of satisfaction with their learning experience compared with all further education learners and those in work-based learning – probably the nearest equivalent. In the LSC 2002 survey, some 90 per cent of all learners said that were at least fairly satisfied, and seven per cent expressed a degree of dissatisfaction. If we exclude the people who thought it too early in the process to offer an opinion, the proportion indicating some level of satisfaction with ETP is 89.6 per cent.

1   LSC, *National Learner Satisfaction Survey*, 2002.

Satisfaction levels vary by area – not by much in percentage terms, but still statistically significant. Levels are lowest in Essex, and highest in Manchester and Wiltshire and Swindon.

5.8 WHAT COULD BE IMPROVED?

Employers were asked whether any aspects of the pilots could be improved, and 55 per cent said that they could. The most popular suggestions were:

- providing clearer information about what was involved (suggested by 29 per cent of those who said that the pilots could be improved)

- speeding up the process from initial contact to starting training (29 per cent, and the most common suggestion among respondents from Birmingham and Solihull, and Wiltshire and Swindon)

- better communication (ten per cent)

- opening up the training to higher than level 2 (ten per cent)

- providing a wider range of courses (seven per cent)

- providing more support and feedback (five per cent)

- advertising the scheme more widely (four per cent)

- providing more reliable or better quality assessors (four per cent)

- reducing the paperwork involved (four per cent)

- allowing more people to take part (four per cent).

Chapter 6

Conclusions

In this last chapter, we briefly identify some of the positive points to emerge from the first year of the pilots. Inevitably, at this interim stage, many more questions remain to be answered. We also highlight some of those issues that are still to be resolved.

Across the six areas, the pilots have been successful in getting substantial numbers of employers involved in training low-skilled employees to qualifications. There is evidence that the pilots are reaching some of their target groups. The employers involved are generally small, and a significant proportion – over one-fifth – can be described as 'hard-to-reach' – having not been involved with government agencies before, nor having had a legislative reason for upskilling their employees. The learners too, tend to be those at whom the pilots are aimed. Many had left school at 16, having not had a positive educational experience. Although they had participated in training before, the pilots have given them the opportunity, for the first time in years, to study for qualifications they are keen to obtain.

The evaluation has also identified high levels of satisfaction with their experience of the pilots among employers and learners alike. Employers think their involvement with the pilots will benefit their business. The broker model of learning advisers engaging with employers about their business needs and how ETP can help, and then helping to source training providers and manage contractual issues, is generally thought to be very effective. Employers certainly seem to respond well to the support and advice in helping identify their training needs and come up with solutions.

However, a number of challenges still remain. Most of the learners are engaged in studying for an NVQ level 2, rather than basic skills. A number of measures have been put in place in the existing and new pilots to increase the engagement of employers and learners in basic-skills training towards a qualification. We will be looking to see the effect of these measures on overall participation. Many basic-skill deficiencies only come to the surface during the course of studying for an NVQ, and in many cases, support is now being provided along side the NVQ training. This may be a more effective form of provision, although the issues involved may not be picked up in full by the evaluation as it is currently structured (as we currently have no quantitative way of measuring basic-skill support provided in this way).

In Chapter 3 we found that around 20 per cent of the current employer participants were in the target group of hard-to-reach workplaces, without a particularly positive track record on training low-skilled employees. While many of the remainder meet the 'hard-to-reach' definition in some way (*eg* by being small), a substantial proportion (30 per cent of workplaces employing some 40 per cent of ETP learners) are from the care sector, where there is a legislative requirement to increase the proportion of qualified staff. They could, therefore, be assumed to be looking for training in the absence of the scheme. Our evaluation also shows that the large proportion of the employers so far involved have a relatively positive approach to training – thus, although they may not be actively training their low skilled employees and are hard to reach in some ways, they are not altogether hard to convince about the value of the initiative. Increasing the proportion of hard-to-reach employers and those without a history of training will be important if pilots are to truly transform training cultures and minimise deadweight.

There is also an element of deadweight among the employees. In Chapter 3 we also found that around one-fifth of ETP learners already had a level 2 qualification or higher, and were therefore technically 'out of scope' of the initiative. Any further qualification they obtained would not increase the proportion with level 2 qualifications in the population as a whole, and therefore would not contribute to one of the overall aims of the programme. However, this is not a clear cut issue. Avoiding any ineligible participants may require disproportionate levels of bureaucracy and controls, which may easily put off exactly the sort of employers and learners that the pilots are designed to engage. In other words, a degree of ineligibility may be inevitable and could be seen as 'noise in the system'. Furthermore, the qualitative evidence suggests that those involved who have already qualified at level 2, tend to have either obtained their qualification many years previously and/or been involved in a change of career direction, and therefore could benefit from further skill acquisition. However, training those who already have level 2 qualification inevitably lowers the net effect of the pilots on reducing the proportion of low-qualified people in the workforce. There is a difficult balance to be struck between ensuring a smooth and efficient process, and the short and long-term impact of the pilots.
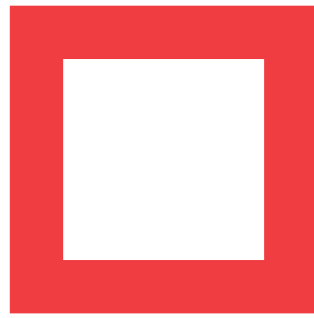
Participation in the pilots varies markedly by area. As far as we can tell at this stage, the variation has little, if anything, to do with the level of the ETP offer in the area or the state of the local labour market. It has probably more to do with the effectiveness of the approach adopted by the pilot, certainly in the early stages. Learning the lessons about how best to market the scheme to and engage with employers, and how best to manage effective partnerships between the various agencies involved, is another challenge for the old and new pilots alike.

Many unknowns remain about the effectiveness of the pilots. Some issues will become clearer as we complete the evaluation of the first year (and, for example, analyse the follow-up surveys of employers and learners) and others will ultimately await the completion of the full evaluation (or even any longer-term study) before we can address them in full. These issues include:

● completion rates – data on the completion of the courses is still coming in, and we cannot confirm the anecdotal evidence from the pilots that completion rates are relatively high and the level of drop-out by learners is low.

● net take-up – a crucial question involves the net additional effect on the number of qualifications gained. Only when we have completed our quantitative assessment will we be able to draw any definitive conclusions about the level of deadweight and additionality.

● influence of the offer – while we can draw some initial largely indicative conclusions about what drives employer involvement, the full evaluation and the second year of the pilots will provide a clearer indication about the relative importance of the various elements of the offer. Particularly interesting questions involve the value of the wage compensation element of the pilots. There are also issues about how pilots can effectively operationalise the information, advice and guidance element.

● impact on learners – we do not know as yet what the effect of the training will be on the learners involved, and in particular what they have gained in terms of skills and motivation as a result of their participation. To what extent have the pilots effectively accredited current competence or resulted in measurable skill gains? In particular, it will be interesting to see the extent to which their involvement leads to further learning, and acquisition of qualifications.

● impact on employers – it will also be interesting to assess the extent of the impact on the workplaces involved, both in the short term, for example on their attitudes and approaches to training, and long term, on their business strategies and performance.

● impact on providers – there may also be a wider impact on providers if they adopt a more employer-oriented approach and/or 'train to the gaps', and therefore improve the efficiency of skill development as a result of their engagement with the pilots.

It is, therefore, too early to draw any definitive conclusions about the pilots. The pilots have made significant progress in a number of areas, but an assessment of their overall effect on the levels of training for low-skilled employees, and the impact of such training, cannot be made for some time to come.

Appendix 1

The Pilot Case Studies

In this section, we briefly set out the main ways in which the pilots were set up and delivered in the first year of the six initial pilots. Some of the detail of the approaches adopted have been changed for the second year in the light of experience.

BIRMINGHAM AND SOLIHULL

The Birmingham and Solihull offer

In Birmingham and Solihull, the offer is marketed under the brand name **'train2gain'**, and provides:

- up to 70 hours training leading to a full NVQ level 2 in a range of vocational areas, or basic-skills training

- free information, advice and guidance (IAG) at the end of the training.

Employers are offered wage compensation on the basis set out in the following table.

Wage compensation in Birmingham and Solihull

Company size	Wage compensation (% of 'basic' pay*)
under 50 employees	110
50–249 employees	75
250+ employees	0

* subject to EU 'State Aid' rules

Main features of the approach

Marketing and employer engagement

The first year marketing strategy mainly comprised:

- an initial mass mail-out to companies in the area to over 25,000 businesses

- a targeted follow-up telemarketing exercise to 2,000 employers (from key sectors) who had not responded to the mass mail-out.

- *ad hoc* marketing initiatives, including: business breakfasts, attending conferences and other events (eg the NEC motorshow), e-mailshots, radio articles, and articles in local press

- a telesales team cold calling businesses in the area to generate more leads.

Division of responsibilities

The pilot is being delivered by the LSC (who are lead contractor), Business Link, local providers, and the IAG Partnership. Business Link business advisers are responsible for engaging employers with up to 249 employees, whilst the LSC's Sector Co-ordinators have responsibility for large employers, with 250+ employees. IAG is delivered by providers within the IAG partnership. Attempts have been made to engage with the TUC and local unions.

Signing-up process

Interested employers are identified in the 'marketing' phase, *ie* as a result of a mailshot/return card, an event or conference, cold calling, provider referral *etc*. Organisational eligibility is checked at this stage, with a referral being made to a Business Adviser (BA) or Sector Co-ordinator (SC) who follows up with a visit to the employer.

Employers are asked to nominate staff who would be eligible for **train2gain** (either NVQ or basic skills), and to select the vocational area in which training would be carried out. Employers choose a training needs analysis (TNA) training provider from an approved list, and a **train2gain** NVQ/basic skills provider (if employers do not have a preferred provider, the BA/SC assist them, although the choice rests ultimately with the employer). Once the number of learners and type of training is established at an organisational level, an employer agreement is drawn up. This is not a contractual document, more an indicator of intent to go through with the training. The BA/SC then send a referral to the TNA provider.

During the first year, the TNA process has been simplified. The TNA provider checks eligibility to ensure that individuals do not already hold NVQ2 or higher and also ability, competence and interest in carrying out NVQ training. The results of the TNA are then passed back to the LSC to confirm details and notify the training provider. This process caused some significant bottlenecks. As a result, providers can now undertake the TNA and then start training immediately, without needing to come back to the LSC and the BA/SC.

Information, advice and guidance

The IAG offer in Birmingham and Solihull concentrates on:

- providing free IAG at the end of the training programme for individuals

- identifying an individual within the company who could act as a learning champion to build learning capacity and infrastructure

- a training helpline (accessible by phone and e-mail) has been set up to offer ongoing IAG to trainees, but also to guard against early leaving.

Emerging issues

- The LSC and Business Link operate from two different sites, which has caused some problems.

- There has been a slower than expected take-up of basic-skills training.

- There is significant take-up in the care sector.

- Although employers understand the value of training, they seem to lack the time to plan for training and/or the resources to fund such training, and have little understanding about what training is available.

- The wage compensation offer is felt not to be the main draw for employers. In most cases, employers have reported that it is the offer of free and flexible training that has attracted them to **train2gain**.

- Undertaking the TNA was slower than expected due to a lack of urgency among some providers, where **train2gain** is only a very small element of their business. Also, the process is taking longer than expected, especially where there are a large number of employees.

- The TNA is seen as an absolute necessity. The LSC believe it is invaluable in identifying needs, establishing whether there is prior learning to be accredited and whether basic skills should be a precursor to NVQ training. It is one of the unique selling points of the pilot, and should be maintained.

- Approximately one-eighth of employers drop-out between the initial sign-up visit and completion of the TNA process. This is due to a number of reasons including: employees have level 2 and above qualifications; the provision on offer is inappropriate (either too high, where individuals need level 1, or too low *eg* where NVQ 3 has been identified as more appropriate to meet employee needs). There have been some occasions where employers have been unwilling to release their employees, despite training needs being identified, due to difficult shift patterns, changes in business priorities, and increased or decreased workloads.

- Employees are reporting many benefits from taking part in **train2gain**. These relate to vocational skills, but also soft skills: employees report that they are more confident in their work, feel more valued, and have higher self esteem. In many instances, the NVQ is not necessarily teaching them anything new, but is offering the opportunity to reflect on skills that they already possess and accredit them.

- A lot of the employers coming onto **train2gain** are new to training. They are often confused about NVQs, or have no real understanding of them and how they are delivered. Business Advisers are finding that some employers need more 'hand holding' through the ETP process, often requiring more than one visit.

- Demand was high in the early stages of the pilot, but there were not enough BAs to carry out the visits, which resulted in many of the leads going cold.

Changes for 2003/04

The key changes made for the second year of the pilot are:

- The merging of the TNA process and training provision. Providers who were previously unable to carry out the TNA (because they were not contracted to do so) can now carry out the TNA, and begin the training process immediately.

- A considered approach to marketing **train2gain** in Phase II. A member of the marketing team will be working specifically with the workforce development team at the LSC to promote **train2gain**. They will gather intelligence on what worked in Phase I and what did not. Providers will also be able to actively market **train2gain** in Phase II.

- New dedicated posts are now being created within most colleges to establish a network of individuals who will work closely with an increased number of BAs to market **train2gain** more widely (Employer Engagement posts). It is envisaged that this will benefit both BAs (who will increase their NVQ product knowledge) and also college staff (who will have a greater appreciation of the **train2gain** product, and should establish better and more responsive relationships with employers).

- Virtual HR personnel are being recruited to the **train2gain** team to provide a much more enhanced level of support to a smaller caseload of employers.

- A larger LSC-based team is planned for Phase II, to co-ordinate the pilot activity more effectively. An employer liaison post is being created, who will work alongside the project manager but who will have a much greater interface with employers.

The Derbyshire offer

The pilot in Derbyshire operates under the brand name of Valu£able Skills. The offer comprises: the provision of free (in most cases) training for up to 35 hours per week; wage compensation – calculated as a percentage of wage costs varying by the size of employer (see table below); and free information, advice and guidance.

Wage compensation in Derbyshire

Company size	Wage compensation (% of 'basic' pay*)
under 50 employees	130
50–249 employees	100
250+ employees	50

* subject to EU 'State Aid' rules

Main features of the approach

Marketing and employer engagement

Marketing was contracted out to an external marketing team. The initial approach was based on building a strong brand, and targeting 'hard to reach' employers and those with identified training gaps. Derbyshire also initially avoided sectors where legislation required NVQ level 2 training (eg care or construction). Their initial, and to a large degree, their ongoing approach has been 'pure', *ie* close to the initial vision of the pilot.

The main marketing methods used were leafleting, letters, radio ads, direct mail, and events held prior to the launch (but these were poorly attended). Subsequently, the LSC and Business Link have found face-to-face contact and/or telesales works better. There is a Valu£able Skills helpline run by the Business Link office in the north of the county, which fields all initial expressions of interest.

The LSC initially contracted with 13 providers (four colleges, one adult community learning provider and eight private work-based learning providers) that each had a geographic 'patch' in which to directly recruit employers. For the second year of the pilot, the number and range of providers have been expanded and the geographic demarcations have been relaxed. Union learning representatives are engaged to build capacity and support workplace engagement.

Division of responsibilities

In the first year, Business Link (BL) and the recruiting providers (RPs) had lead responsibility for recruiting private sector employers with less than 50 employees. The results indicated about 60 per cent of sign-ups came through Business Link, and around 40 per cent through the recruiting providers.

The LSC had lead responsibility for recruiting employers from the public sector, voluntary sector and charities, irrespective of size, as well as private sector employers with more than 250 staff. It also had one staff member working as a learning adviser (who has now taken over as overall project manager).

In the second year, a cohort of 30 recruiting providers now compete with BL for business across all sectors and sizes.

Signing-up process

Employers contacting the helpline are visited by an adviser, who explores general business issues before discussing training needs and ETP. Interested employers then work with BL, the RP and/or the LSC (and occasionally the Information Advice and Guidance [IAG] partnership) to identify eligible employees, and to determine appropriate qualifications. If not a RP, the adviser helps the employer choose an appropriate quality-assured provider from the approved provider directory. The employer can choose one, or ask to see several. The adviser also contracts with the employer for the appropriate level of wage compensation, and with the provider (if not an RP) for the delivery of the agreed training provision.

The BL/LSC adviser organises for the chosen provider to undertake training needs analysis to determine what training would be most suitable to the employer/employee, and to confirm eligibility.

The RPs can determine eligibility, training needs, and the appropriate qualifications to meet employer and learner needs, with support from the IAG staff. The only intervention from the Business Link or LSC advisers was initially to conclude the contract, but now RPs have full responsibility for the employer contracting process, including the calculation of the value of the offer.

The pilot has found that organisations need considerable help to identify the best training. BL/LSC advisors were doing detailed training needs analyses initially, but have passed these over to providers to complete. Derbyshire do not pay separately for training needs analyses.

Information, advice and guidance

Once training is complete, it was envisaged that an employee will undertake an exit interview with a member of the IAG partnership, who will also offer support to the employee to continue learning. It was envisaged that IAG could also support early leavers, but this has not gone as hoped, as the IAG partnership have not necessarily been kept informed.

Emerging issues

Derbyshire LSC has been concerned about the slow progress of the pilot to date. Their own analysis has identified a number of barriers to performance:

- too strict an application of the pilot in terms of sectors, size and hard-to-reach employers

- the need to be more targeted with marketing efforts

- the lack of business-focused case study material to support engagement in basic skills in the workplace

- providers have insufficient resources targeted at engaging employers in the pilot

- the contracting and claim process has been over-engineered, making it too complex to sign employers up

- communications with providers have been too *ad hoc*

- some providers have delivered extremely well, whilst others have not. The good practice displayed by those who are performing well has not been exploited sufficiently.

- the time to engage employers (especially large ones) has been underestimated.

Other issues to emerge in the first year include:

- some communication problems with and between the two separate Business Link organisations, *eg* they operated different client management systems across the partners. The current merger of the two organisations may resolve any outstanding problems.

- The LSC believes that employers are attracted by free training, also the single broker role is thought to be vital for getting ETP concept embedded in the organisation. Smaller employers tend to need the incentive of wage compensation.

- Training in the care sector is typically considered pure 'deadweight' (as they would have to train in any case), but some homes would have made staff contribute to the cost of their own NVQs or have done more than they would have done anyway.

Changes for 2003/04

Plans have been made for the second year of the pilot, and some have already been introduced.

- These include models of learning that suit smaller employers, that are now being piloted.

- Derbyshire has introduced out-of-county providers, especially where they offer a more flexible service (or courses not available within the immediate area). Some have a specific remit to engage ethnic minority sectors and industrial sectors not previously engaged.

- Recruiting providers are now determining wage compensation and drawing up the contracts for their employers.

- The number of recruiting providers has risen from 13 to 30, and the proportion of contracts coming from providers now represents 60 per cent of contracts.

- Derbyshire have introduced a better system ('factfind') for tracking employers from initial enquiry to engagement, and in particular identifying the route through which they joined the scheme. The scheme provides the project team with an overview of recruiting activity, and allows brokers to stake their 'claim' on employers, thus reducing any overlap of activity. This system also helps the project team to see the number of actual commitments gained during the month compared to the number of contracts on Xansa.

- A telesales campaign in conjunction with Business Links was trialled, to look initially at specific sectors such as construction. The trial was concluded in late July, and a similar campaign is to be run for recruiting providers to enable evaluation of which approach is more successful in getting actual commitments.

- The contract with union learning representatives will change to emphasise conversions and the numbers of employers bought into Valu£able skills.

- Plans include tightening-up eligibility checking, including when recruiting providers take over this role.

- While not moving to a sector-driven approach, plans include increasing promotion to certain sectors while trying to ensure that the scheme is not carrying deadweight.

- There are a number of initiatives proposed to use some of the opportunities offered by new technology. Derbyshire are looking at trialling paper-free assessment systems to build assessor capacity in certain key sectors, and an IT system that produces basic-skills learning plans automatically, and which can be updated on a 'realtime' basis.

ESSEX

The Essex offer

The Essex offer has been branded Profit from Learning (PfL). PfL was originally marketed as providing free, flexible training in essential (basic) skills, or to NVQ level 2, to employers. The effect of the State Aid rules means that the offer is now marketed as heavily subsidised, flexible training. The offer provides small- and medium-sized employers with some compensation for up to 35 training hours per employee. Wage compensation is being paid on the basis of calculating the learners hourly rate by the number of hours training undertaken:

Wage compensation in Essex

Company size	Wage compensation (% of 'basic' pay*)
under 50 employees	110
50–249 employees	75
250+ employees	0

* subject to EU 'State Aid' rules

The wage compensation aspect of the offer is no longer promoted strongly by Essex. The effect of the State Aid rule is that actual compensation payment for small employers with employees who have undertaken an NVQ, were amounting to around a total of £90 per learner.

Main features of the approach

Marketing and employer engagement

PfL has involved three employer engagement approaches:

- marketing by the LSC

- cold calling by Business Link Business advisors

- direct contact via the training providers – it is estimated that around 30 per cent of employers participating in PfL were recruited by providers.

The LSC has used a wider range of marketing approaches, which fall under two headings: those designed to raise awareness – PR exercises such as press articles and radio and speaking events; and those designed to generate leads. This second group includes targeted direct mail and e-mail, followed by telemarketing; radio advertisements; press advertisements; and a promotional tour around industrial estates in Smart Cars bearing the PfL logo, followed-up by business adviser visits. Earlier campaigns placed greater emphasis on the value of NVQs, later campaigns focused on the essential (ie basic) skills.

The telemarketing approach has proved the most successful, generating 41 per cent of all calls to the telephone information line in a two-month period. Radio advertising, the second most effective marketing approach, produced 13 per cent of leads over the same period.

Division of responsibilities
The PfL team at Essex LSC has the role of co-ordinating the involvement of all the parties in the process. It manages the telephone information line, which has been sub-contracted to a specialist agency. It matches employers to training providers, and has dedicated members of staff in employer co-ordinator and training provider co-ordinator roles. The team also has responsibility for the MI system for the project.

The information line collects the details of employers interested in PfL and arranges appointments for Business Link advisers or Skills Brokers to make an initial visit to the workplace.

The LSC has an in-house team of Skills Brokers who follow-up leads in relation to organisations with 250 or more employees. Advisors from Business Link have a similar role in respect of smaller employers. In addition, they are expected to generate leads by cold calling employers.

Signing-up process
The broker or adviser conducts an initial visit to establish interest and establish the eligibility of employees. At this stage, or in a second meeting, the employer is 'signed-up' to PfL and the advisor or broker should then contact the PfL team to identify an appropriate training provider.

Some training providers also recruit to the scheme, in which case Business Link is not involved. In all cases, the training provider has responsibility for conducting a training needs analysis (although this is not always undertaken, and not all providers have contracted to provide this service). The provider should also determine the individual learning needs and a learning plan for each learner.

The finalisation of the package of support is undertaken by the adviser or broker.

During the first year of the pilot, Skills Brokers maintained regular contact with employers contracted under PfL, and reviewed progress over the training period. This review role was not adopted by Business Link advisers, but will be part of their role for the extension.

Information, advice and guidance

The Essex IAG offer run by Careers Essex is limited to information and advice, which is being provided to learners by providers as well as via a freephone learner helpline and employer/learner focus support groups. This phoneline offers learners an ongoing support line during the period of training. Essex has decided not to provide an end-of-training guidance service to learners.

Emerging issues

- Most of the parties involved in PfL have a very positive view of the scheme:

  - Employers welcome the free and flexible training. Their employees particularly value the opportunity to obtain a qualification, and are often cited as having gained in confidence as a result of involvement in the scheme.

  - Training providers feel that the pilot has been successful in reaching new learners, particularly those aged over 25, and are pleased to have the opportunity to work with new employers. Drop-out has generally been lower than they would expect from NVQ level 2 courses.

  - Business Link advisors say that PfL has proved to be a popular product, and there is evidence that it is opening employer doors to other schemes such as Modern Apprenticeships and IiP.

- Where concerns are expressed they most commonly take the form of:

  - a misunderstanding of what an NVQ involves, and so an initial expectation that there would be a higher-skills training component (employers; learners)

  - frustration at the limits posed by the qualifications criteria for eligibility for the scheme (training providers; employers; Business Link)

  - concerns about the delays in getting the pilot underway and formalising contract arrangements (training providers; employers; Business Link)

  - issues around funding and funding delays (training providers)

  - problems with some of the bureaucracy around the scheme, in particular that relating to learner hours (training providers).

- Having a dedicated Business Link team is seen as one of the reasons for the success to date of PfL.

- Most parties (LSC and training providers in particular) do not see the compensation part of the offer as an important one. Some employers appeared to have little or no interest in receiving compensation, and one of those interviewed had decided not to claim it. However, some of the original team of Business Link advisors still see it as a selling point for the scheme.

- It has been easier than expected to recruit small employers to the scheme, but more difficult to recruit learners from large employers. This is primarily because the decision-making processes of a large organisation can inhibit quick decisions.

- Basic skills take-up has been particularly disappointing. Targeted marketing since January 2003 has had some marginal success, with the proportion of learners undertaking Essential Skills increasing from three per cent to five per cent between January and May. Other measures to increase take-up are planned for the extension.

- Some of the learners doing NVQ level 2 have basic-skills needs which are now being addressed.

Changes for 2003/04

The main changes to the Essex approach for year two include:

- the recruitment of a new team of Business Link advisors, with a stronger marketing background, and who have received training which draws on the lessons from the first year. A revised role and higher profile for Business Link advisors will include a duty to monitor progress once training arrangements are in place.

- measures to increase basic skills take-up. Approaches under consideration include a basic-skills assessment for all learners entering PfL, with basic-skills support provided for those that need it.

- the public sector will be targeted for basic skills only. There will be 100 per cent subsidy for all learning and accreditation, and employee incentives for completion.

- returning to existing employers already involved in the scheme to recruit additional learners.

- increasing the proportion of medium-sized and large employers involved.

GREATER MANCHESTER

The Greater Manchester offer

The Greater Manchester offer is not branded or heavily marketed. Instead they have focused on 'relationship' marketing. The offer provides employers with varying levels of compensation for up to 35 training hours per employee, as set out in the following table, plus free access to information advice and guidance.

Wage compensation in Greater Manchester

Company size	Wage compensation (% of 'basic' pay*)
under 50 employees	150
50–249 employees	120
250+ employees	75

* subject to EU 'State Aid' rules

Main features of the approach

Marketing and employer engagement

Greater Manchester has used a number of employer engagement approaches. At the start of the pilot, there was an initial mailshot to employers, and telemarketing. Three subsequent mailshots have been undertaken, and work has continued to refine the telemarketing process. The quality of leads from telemarketing varies, but Business Link advisers estimate that between 50 and 80 per cent of referrals result in a new contract. An additional advantage to the telemarketing is that it is now focused on the sectors they really want to reach, and nearly 50 per cent of companies who make appointments are new to Business Links.

During the first year of the pilot, the response varied by sector and as with many other pilots, response from the care sector was very swift. The pilot quickly became oversubscribed for NVQ level 2 in care. As a result, there was a freeze on recruitment from that sector, and telemarketing focused on other sectors to try and boost applicants from underrepresented sectors.

Other employer engagement strategies used at the start of the pilot included encouraging training providers to sign up companies, and cross marketing from the Business Link teams. Both of these have provided access to employers who had not been contacted previously.

A final source of marketing has been through the Manchester Evening News website, where they have an 'ask the expert' slot. This had an ETP focus for two months during the first year of ETP. There has also been press coverage in local papers (non- commissioned) covering the activities of local employers involved in ETP.

Division of responsibilities

The Employer Training Manager at Greater Manchester LSC has the role of co-ordinating the involvement of all the parties in the process, and administering the programme. Sixteen training advisers have been employed, across the two Business Links organisations in the area, to sign up local employers. Two posts have been funded with TUC learning services to raise interest through the local network of Union Learning Representatives.

Signing-up process

Business Link are responsible for signing up employers initially. When a referral is received from the telemarketing company, the Business Link advisers conduct a follow-up telephone call to check eligibility. They then visit to discuss the employers needs, how many employees will be involved in the training, and to discuss training providers. Employers will normally be signed up at this visit and the Business Links adviser will then continue to manage the account, monitoring and checking that the training provider has been in touch, and that the employer has provided all details (*eg* date of birth for all relevant employees *etc*.). The Business Link advisers also supply basic employer information to the LSC on a monthly basis, and deal with employment contracts.

Some training providers recruit to the scheme, in which case they have to refer through Business Link in the same way. The provider is the one who conducts the assessment, determines the individual learning needs and a learning plan for each learner.

The finalisation of the package of support is undertaken by the adviser or broker.

Information, advice and guidance

IAG was originally provided by six separate centres, and revolved around an IAG exit interview on completion of training.

Emerging issues

- Response to the pilot has been positive:

    - Business Link advisers have spoken in very positive terms about employers and employees responses to the offer. One Business Link adviser described ETP as a phenomenal package, and said companies were grabbing at the opportunity. Likewise, employees were really enthused by the opportunity to train and gain a qualification.

    - Business Link advisers said repeatedly that ETP had really opened employers eyes to the possibilities of training, and that many were interested in taking it further.

    - Employers on the whole were very pleased with their experience of ETP, and in many examples were clear that it had enabled training that otherwise would not have taken place.

- A few concerns were identified including:

    - frustration at the inflexibility around the qualifications criteria for eligibility for the scheme (training providers; employers; Business Link)

    - frustration that the scheme did not extend beyond level 2 NVQs (employers; learners; providers; Business Links).

- Having dedicated Business Link teams is seen as one of the reasons for the success to date. Employers particularly remarked on the benefits of having the administration done for them and having Business Links administer the contract. It was clear this was a highly valued service.

- Compensation is an interesting issue that splits employers. In the main, it is not the wage compensation, but payment of course fees which makes the training accessible. For several small employers, payment of course fees for one employee was beyond their means, a huge benefit of ETP was that they could have several employees do the training at the same time. This was felt to both enhance workplace learning, and help keep people motivated. For some organisations visited, wage compensation was an essential part of the deal. This seemed to be for one of two reasons: to pay for staff cover so that employees could have time away from work to do their course work (*eg* in care settings); or to convince senior managers to agree to training.

- Feedback to date from marketing exercises is that the main attraction for all employers appears to be the ease of accessing level 2 training for over 25s. The face-to-face element of the process in particular is highly valued by employers.

- Contrary to initial expectation, it has been easier to recruit small employers to the scheme, but more difficult to recruit learners from large employers. This is primarily because despite having an HR department, the decision-making processes of large organisations can inhibit quick decisions.

Changes for 2003/04

The main changes to the Greater Manchester approach for year two include:

- increasing the central dedicated staff commitment to the project

- changes in the way that they contract with training providers. Some providers did not have sufficient capacity on their contract for employer needs. In the extended pilot, contracts will be conducted on more of a roll on roll off basis or as a call-off contract

- measures to improve the take up of IAG by participants by merging the six IAG partnerships into one for ETP, producing a leaflet around IAG for ETP and trying to stimulate employee/employer demand for IAG. A second approach is to hold another event to promote IAG to providers.

- measures to increase basic skills take-up. Approaches already tried include sending the training advisers on basic-skill brokerage courses, and using computer-based assessment in some large employers. Future plans are currently being considered, and the LSC have just appointed a basic-skills project manager. However, it is also apparent that there is potential conflict for training providers to provide basic-skills training under ETP when they have standalone contracts for the provision of basic skills in their own right.

The Tyne and Wear offer

The Tyne and Wear offer is branded under the name EQ8 (Equate). It offers a relatively high level of wage compensation, as set out in the table below, and the paid time off for training is a maximum of 70 hours.

Wage compensation in Tyne and Wear

Company size	Wage compensation (% of 'basic' pay*)
under 50 employees	150
50–249 employees	120
250+ employees	75

* subject to EU 'State Aid' rules

Main features of the approach

Marketing and employer engagement

Initial marketing aimed to raise general brand awareness – using an image of pencils and the strapline 'make your business sharper'. The LSC believes that while they achieved strong brand recognition, there is less understanding about what the brand stands for. There was no initial targeting on local areas or sectors.

The most successful approach so far has been through providers, accounting for some 60 per cent of take-up according to the LSC. Other approaches have been less successful. An initial direct mailshot to 500 firms on the Business Link database with whom there had been no previous contact, only generated one direct lead. There have been few leads from within the LSC, but some cross-referral from within the Business Link.

Other leads have been generated from events in particular sectors, and meetings with affinity groups (eg in construction and childcare).

Division of responsibilities

There is a central team in the LSC consisting of two operational and one administrative persons. The Business Link has a team of five, consisting of a team leader, three learning advisers (known as champions) and an administrator who picks up calls and transfers them to the learning champions. Business Link follow up all leads from whatever the size of employer. The champions have developed their own approaches, and have gradually begun to focus on different sectors and/or areas. Two worked mainly through providers, and one concentrated on telesales.

There is a strong relationship with the local TUC Learning Services organisation, and three Learning Services staff have been working to secure engagement from major employers, *eg* in the public sector.

Signing-up process

Every employer receives a visit from a learning champion, who confirms eligibility and discusses potential providers. The contract is with the employer.

Around half of the employers engaged so far have had a training-needs analysis – supplied by specialist providers or the training provider (for which they are paid an additional amount).

There are some 60 training organisations that have registered with the LSC to provide training, although only around one-third have actually become involved, and half of those (*ie* around ten) are strongly engaged. Providers generally receive ten per cent of their payment at the start of the training, 70 per cent over the lifetime of the course, and ten per cent on achievement.

Employers choose the provider they want in conjunction with the learning champion. There are no contracts with providers. They receive a letter from the LSC notifying them when an employer has 'selected' them. The provider then waits for the employer to contact them to start the training.

Payments are handled by the LSC.

Information, advice and guidance

The IAG network is hosted by Connexions, and the model of delivery was put together in discussion with the ETP project manager. The IAG team is new in post (started April 2003), and the model is still being developed in practice.

The advice or guidance worker will work with the learning champions, and the team will decide who goes where. Referrals come from the Business Link learning champion or from the TUC, and the intention is that IAG and the advisor will go in together to deliver the initial IAG. There are three options for the delivery of IAG:

- conduct introductory basic-skills assessment

- look at potential barriers to learning

- training needs analysis for individuals upon request.

The idea is that IAG would go into the organisation before the provider and talk to the employer on how IAG can help, *eg* can help individuals with study skills, can offer advice on choice of training.

Plans for the future include various meetings, buddying up with learning advisors, shadowing each other, visits to providers, marketing to individual employers via TUC, providers and learning champions. It is intended that the IAG team could deal with non-completion, possibly by self-referral, from employers or from providers.

It is also intended that IAG will provide guidance on exit. All learners will receive a pack, and will have a named advisor available to them to discuss what other training is available to them, in an exit session.

They felt that there were a number of barriers to the take up of IAG:

- some companies lack the physical space

- some cannot release staff

- individuals may not want to do training or may have had bad learning experiences.

Their experience has been that it has been difficult finding business levers to sell what they can offer, but once they have 'a foot in the door' it is fine.

Emerging issues

- It has proved difficult to generate employer interest in basic-skills training and providers have been reluctant to push the qualification. In some cases, providers have proved inflexible in the what or when they can deliver.

- Accessing the public sector, through the learning representatives, has proved slower than expected as they have had to work through a number of layers of management to gain agreement.

- General marketing approaches have not proved very effective.

- Some providers have proved to be very proactive in promoting ETP training, but others (including some colleges) have not.

- Some training providers are taking time to adapt to the ETP system of contract arrangements and payment. One said it was difficult to reconcile payments with the training provided.

- The central staffing at the LSC has been very tight to deal with all the issues that have arisen (see below). Also, entering management information has proved difficult, partly as the system has been developed over the course of the pilot, partly because of inaccurate data provided by providers and others, but also because it takes time (*eg* an average of five minutes for each learner attendance record, compared with two minutes for the initial individual learner record).

- Some employers (and providers) estimate that it will take over 70 hours to provide the required training and collect the required evidence.

- The LSC argues, on the basis of feedback from employers, that the wage compensation is of secondary importance to the payment for tuition, although some of the employers interviewed stressed the importance of the wage compensation.

Changes for 2003/04

- The overall targets for 2003/04 are between 600 and 1,200 (high performance) employers, and 7,400 and 14,400 (high performance) learners.

- The marketing will be focused on nine sectors, each with their own learning champion. The sectors include: retail; education; health; social care; manufacturing and engineering; leisure and hospitality; construction; and public administration.

- The team leader in the Business Link will be dedicated to EQ8, and a larger learning champion team will be better integrated within the overall advisory team (*eg* based in the same building). Each sector will have a specialist learning champion, and in addition there will be a team of 'generalists' who will work across other sectors, plus a basic-skills and an NVQ specialist. Business Link will take over the day-to-day queries, *eg* from employers or providers, from the LSC who have little capacity for such tasks.

- Central staff in the LSC will also be expanded to include more data entry people and a contracts administrator.

- The provision of training needs analysis and the accreditation of prior learning will be improved to ensure efficient provision of required training. The aim is for every participant to undergo a training-needs analysis.

- Employers will be provided with more information about potential training suppliers to increase the opportunities for them to make an informed choice of provider.

- The pilot aims to work more closely with third party intermediaries such as banks and accountants.

WILTSHIRE AND SWINDON

The Wiltshire and Swindon offer

The offer in Wiltshire and Swindon is marketed under the brand name 'Free2Learn', and provides:

- free training and up to 70 hours compensation for time off for free training at NVQ level 2 (equivalent) or basic-skills level

- free information, advice and guidance

- wage compensation on the basis set out in the following table.

Wage compensation in Wiltshire and Swindon

Company size	Wage compensation (% of 'basic' pay*)
under 50 employees	130
50–249 employees	100
250+ employees	50

* subject to EU 'State Aid' rules

Main features of the approach

Marketing and employer engagement

ETP was initially launched to local businesses and training providers through briefings held at prestige events. There was a local press release, and a leaflet was developed. There has also been a steady flow of radio interviews and newspaper articles.

The main marketing has been through affinity groups, for example, local business groups, the Small Business Federation, and various sector groups. Initially, the LSC Partnership Development Manager and the ETP project manager gave around ten presentations, each of which was attended by around 80 employers. This generated significant interest.

Training providers have proactively been doing their own publicity. According to the local evaluation, 60 per cent of employers engaged have resulted from leads generated by providers, mainly smaller companies. This figure is slightly misleading due to the marketing activity of a single provider to the care industry.

The use of affinity groups continues, including sector and local groups. Programme Advisers (PAs) have also used their own contacts and leads from other employers to generate further interest. When a large employer signs up, a couple of models are adopted, including working with their supply chain and generating interest internally.

Division of responsibilities

The ETP team was recruited from the external labour market to work just on this programme. The county is divided up among the programme advisors. Three are based in Business Link offices around the county and deal with companies employing less than 250 in their area. The other three are based at the LSC, and deal with the larger companies. One PA is responsible for working with companies with trade union learning representatives. Each PA also manages some training providers.

Signing-up process

All employers have to ring the free phone number based at Business Link, to register interest in the programme. At this point, the eligibility of an employer and proposed learners is checked. If they are eligible, a basic information form is completed and they are recorded on the ETP database. If not, they might be referred to other services.

A PA then visits each employer. They usually make their own appointments so that an initial discussion is possible and they can ensure they get to see the right person. They aim to talk to someone at a senior level so that decisions can be made quickly – normally the HR Director or an owner/manager. An exception to this is the work of the PA who is working through trade union learning representatives. The PA emphasises the business case for involvement with ETP, rather than personal development for employees. A training profile is completed. This looks at company background, attitudes to training, previous training, if they have been or are interested in IiP, if they are interested in IAG, *etc*. Most employers are clear which employees should be trained. If a company is interested in an organisational training analysis, they are referred to an external company who deliver TNA on behalf of ETP. Many have such an interest.

The PA explains eligibility criteria, the employer responsibility (*ie* to make sure the training happens, and that they must be prepared to be involved in any evaluation), asks which training provider they would like to use, and answers any questions. If the employer does not know which training provider to use or wants a change from their usual provider, the PA will suggest two or three alternatives. The emphasis is on employer choice. It is then up to the employer to select a training provider in the way they think most suitable.

If a decision cannot be reached about an employer engaging with ETP at the first meeting, the PA will arrange to revisit or contact the employer again. Some employers want to think about which training provider to use or about which employees to involve. The PA will usually leave an agreement with the employer about the next steps to be taken.

The training profile is sent to an ETP contractor co-ordinator at the LSC. The PA who is responsible for the provider the employer wants to use, checks that the provider can do the training for the number of employees involved and sends the training profile to this provider. The training provider will then visit the employer to discuss the training needed. They should do an initial assessment of each learner, set up a learning plan and an Individual Learning Record that demonstrates eligibility.

In organisations where a trade union is recognised, the TUC PA may get involved, either alone or with another PA. If there is no TU learning representative there is an opportunity to establish one.

Contracting is only with a training provider. Once one or more employers are on board with a provider, a contract is issued with them. This names employers and numbers of trainees, and variations are issued as more become engaged.

Information, advice and guidance
When the PA visits an employer, they introduce the idea of IAG as part of their initial interview. This is usually introduced when asking the employer about their current training provision. If an employer is interested in taking this further, they will be referred to an external IAG provider.
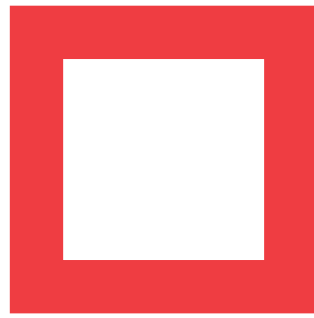
Emerging issues

- Evidence shows that wage compensation is very important in encouraging employers to participate.

- ETP is generating interest amongst employers in training. Employees who have received little, if any, training in the past have been trained through ETP, and employers are beginning to see the business benefits. A number are putting the wage compensation payment into their training budget, and are thinking about what additional training they will look for. Some have asked if they can use the money to open an account with a training provider.

- Employers who are already engaged are keen to put more employees on ETP in year two. Interest amongst both employers and employees is increasing as they see the programme working.

- There have been difficulties over the eligibility of employees, in particular relating to the eligibility of historical qualifications, and defining what is level 2. The management information system is being tightened up.

- Some training providers are becoming more flexible, for example, in scheduling training, hours, and introducing paper-free systems. For example, an assessor has been going into a taxi firm in the early hours of the morning to see employees during their shift.

- A number of LSC processes have been refined for ETP. For example, the process of authorising training providers has been speeded up by the LSC's quality section.

- There is a lack of basic-skills training provision in the county. This is now being addressed as more providers gain approved status, and more learners trained to achieve the qualification. More private providers are still needed to deliver basic skills, and ETP is allowing them to develop this new capability.

- The pool of approved training providers and the capacity of the assessor network locally, has been increased considerably.

- Those employers participating in ETP include many who have had no contact with Business Link or the LSC in the past. Groups of employees who have previously been given little or no training, are receiving training under the programme.

- Employers like the programme because it does not involve them in a lot of bureaucracy and paperwork. There were some initial teething problems, but these have now been sorted out.

Changes for 2003/04

- A company has been contracted to conduct telemarketing.

- There is more cold calling in year two. The top 200 employers, and many small employers who have not been involved in the first year, are being contacted.

- A much more proactive approach will be adopted by the PAs, building on their experience over the past nine months. They are more actively following leads through employers, suggesting alliances.

- A brokerage model that will integrate general business support with workforce development for employers is being discussed with Business Link.

- It is anticipated that there will be a lot of repeat business. PAs are proactively working with organisations already engaged in ETP to promote take-up internally.

- Best-Practice events will be held for training providers, *eg* to encourage them to look at bundling qualifications to meet the needs of employers.

- The training of agency workers through ETP will be promoted.

- Case studies in a range of sectors will be put together to use as publicity material.

Appendix 2

ETP MI Data
(31 August 2003)

Table A2.1: ETP Employers by sector

Area	Primary		Manufacturing		Distribution		Finance & Business Services		Education & Public Services		Health & Social Care		Other		All	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Birmingham & Solihull	1	1	25	14	33	18	15	8	1	1	92	51	14	8	181	100
Derbyshire	16	8	60	28	40	19	11	5	7	3	68	32	12	6	214	100
Essex	66	6	185	15	264	22	235	20	98	8	245	20	114	9	1,209	100
Greater Manchester	39	5	148	20	177	24	67	9	48	6	229	31	45	6	754	100
Tyne & Wear	3	1	22	8	94	34	8	3	1	0	109	39	41	15	281	100
Wiltshire & Swindon	12	3	57	12	77	16	42	9	79	17	148	31	59	12	474	100
All Areas	137	4	497	16	685	22	378	12	234	8	891	29	285	9	3,113	100

Source: ETP MI data 29 August 2003

Table A2.2: Further details of ETP employers

Area	Not known		NVQ2		Basic skills		Both		IIP		BL/LSC		Direct mail		Tele-marketing		Provider		WoM		Other	
	Type of Training								**Investors**		**Source**											
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Birmingham & Solihull	24	13	144	80	2	1	11	6	19	11	15	8	16	9	147	81	1	1	2	1	0	0
Derbyshire	42	20	149	70	12	6	11	5	69	32	57	27	38	18	0	0	75	35	31	15	13	6
Essex	514	43	608	50	51	4	36	3	570	47	544	45	89	7	183	15	352	29	17	1	24	2
Greater Manchester	255	34	467	62	7	1	25	3	295	39	126	17	325	43	44	6	247	33	10	1	2	0
Tyne & Wear	71	25	200	71	3	1	7	3	107	38	280	100	0	0	0	0	1	0	0	0	0	0
Wiltshire & Swindon	144	30	301	63	11	2	19	4	95	20	42	9	22	5	2	0	358	75	35	7	16	3
All Areas	1,050	34	1,869	60	86	3	109	4	1,155	37	1,064	34	490	16	376	12	1,034	33	95	3	55	2

Source: ETP MI data 29 August 2003

Table A2.3: Details of ETP Learners

Area	Gender				Ethnic group								Age									
	Female		Male		White British		Non-White British		Other		Not Known		18-25		26-35		36-45		46-55		56+	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Birmingham & Solihull	914	60	613	40	1,126	74	307	20	7	1	86	6	178	12	346	23	474	31	349	23	180	12
Derbyshire	501	34	965	66	1,302	89	104	7	19	1	41	3	144	10	371	25	515	35	317	22	119	8
Essex	2,338	61	1,528	40	3,475	89	206	5	31	1	154	4	538	14	972	25	1,170	30	853	22	331	9
Greater Manchester	1,495	47	1,686	53	2,845	89	208	7	21	1	107	3	239	8	1,077	34	1,159	36	555	18	150	5
Tyne & Wear	1,037	63	614	37	1,583	96	45	3	9	1	13	1	221	13	440	27	506	31	379	6	105	6
Wiltshire & Swindon	1,517	61	887	37	2,202	92	90	4	19	1	93	4	305	13	668	28	751	31	448	8	191	8
All Areas	7,802	55	6,293	45	12,533	89	961	7	107	1	494	4	1,625	12	3,874	27	4,575	32	2,941	21	1,076	8

Source: ETP MI data 31 August 2003

Table A2.4: Further details of ETP Learners

Area	Type of Training				NVQ Course													
	Basic skills		NVQ		Engineering		Health, Care and Public Services		Hospitality		Management		Manu-facturing		Retailing & customer service		Other	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Birmingham & Solihull	342	22	1,185	78	4	0	534	45	17	1	36	3	426	36	102	9	67	6
Derbyshire	197	13	1,269	87	119	9	213	17	21	2	205	16	221	17	128	10	365	29
Essex	383	10	3,483	90	591	17	1,454	42	176	5	259	7	266	8	343	10	398	11
Greater Manchester	210	7	2,971	93	263	9	926	31	363	12	276	9	560	19	228	8	370	12
Tyne & Wear	87	5	1,564	95	108	7	865	55	227	15	25	2	140	9	148	9	54	3
Wiltshire & Swindon	265	11	2,139	89	25	1	816	38	37	2	296	14	281	13	423	20	276	12
All Areas	1,484	10	12,611	90	1,110	8	4,808	38	841	7	1,097	9	1,894	15	1,372	11	1,521	12

Source: ETP MI data 31 August 2003

Table A2.5: Further details of ETP Learners

Area	Full-time		Part-time		Member of a trade union	
	N	%	N	%	N	%
Birmingham & Solihull	1,052	69	475	31	421	28
Derbyshire	1,321	90	145	10	503	34
Essex	2,918	76	948	25	359	9
Greater Manchester	2,569	81	612	19	535	17
Tyne & Wear	1,288	78	363	22	214	13
Wiltshire & Swindon	1,764	73	640	27	433	18
All Areas	10,912	77	3,183	23	2,465	18

Source: ETP MI data 31 August 2003