

A quantitative survey of companies supported by European Social Fund Objective 3 (2006)

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Overview

This document summarises findings from a quantitative, telephone survey of 1,174 companies who benefited from ESF-supported training in the period April 2003 to March 2005.

ESF-supported training activity is having a positive effect on the companies who benefit from it. Over 80% of beneficiary companies felt that the training had fulfilled the objective of increasing staff aptitudes in their particular job role. Overall levels of satisfaction were also high: 90% of respondents were satisfied with the training received. The training had led to one or more staff receiving a formally-accredited qualification in three in ten beneficiary companies (29%).

In most cases, ESF-supported training *adds value*. Without the ESF-supported intervention, a third of beneficiary companies would **not** have delivered the training. However, in a quarter of cases, beneficiary companies would have trained a similar or larger proportion of staff to a similar or earlier timeframe.

The majority of companies benefiting from ESF-funded interventions are small, 85% employing fewer than 50 employees. They are most commonly located in the health and social work and primary industry sectors. In the former case – as reported in previous surveys – this is likely to reflect government stimulation and regulation of skills development.

The largest numbers of trainees are employed in personal service and managerial roles.

Relatively few trainees were to be found among staff in elementary and machine operative roles, or among professionals.

ESF-funded training is being at least as successful in developing women's skills as it is in engaging men. Similarly, part-time workers are as likely as full-time workers to be trained. However, ESF-funded training is less successful in engaging older workers, those from ethnic minorities and/or those with a disability.

ESF-funded projects typically offer a range of services, and deliver them in a variety of different ways. 'Training' – in the traditional sense – is the most common, although around a half of beneficiary companies described interventions involving advice or guidance, or instructional presentations, seminars or workshops.

One-off short-courses were the most common format that training took, followed at some distance by one-to-one training sessions and block release courses. It was also common for employees to be asked to study in their own time.

The most common primary focus of the training was IT or computing, followed by Health and Safety, and Business Management. 'Soft' or 'generic' skills such as communications skills, team-working, customer service skills and time management were the main focus of relatively few interventions, but were commonly an additional focus.

Introduction

This document details findings from a quantitative survey of companies supported by European Social Fund Objective 3, under Policy Fields 3, 4 and 5. The survey involved telephone interviews with over 1,100 companies who had benefited from ESF-funded training in the period April 2003 to March 2005.

The aims of the survey were to enhance understanding of:

- The range of ESF-funded provision to companies, and the range of companies that benefit from it.
- How many employees benefit, and what occupations they are employed in.
- The extent to which target groups of individuals are reached.
- The impacts of ESF-funded training, and its value added.

The project was undertaken by IFF Research Ltd.

What services do ESF projects deliver, and how?

ESF-funded projects typically offer a range of services, and deliver them in a variety of different ways. 'Training' – in the traditional sense – was the most common of these, characterising the services that were offered to three quarters of beneficiary companies (77%). Around half of all interventions involved advice or guidance, or 'instructional' presentations, seminars or workshops.

Around a half of companies sent staff on one-off short-courses (54%); two-fifths received one-to-one training (39%); and employees in a quarter of companies (25%) undertook a block release course. It was also common for employees to study in their own time as part of the intervention, this being a component of two in five interventions.

There was a high degree of overlap between different delivery formats, with beneficiary companies usually receiving a number of different forms of intervention.

In most cases, the training/development services were provided free to beneficiary companies, but around a third of beneficiary companies (36%) made some level of financial contribution themselves. The average contribution was around £1,800.

Who benefits from ESF-funded training for companies?

The majority of companies benefiting from ESF-funded interventions are small, 85% employing fewer than 50 employees. However, the proportion of beneficiaries with fewer than 10 staff is lower than in England as a whole.

ESF-funded projects most commonly engage with companies in the health and social work and primary industry sectors. The proportions of ESF company beneficiaries in these sectors are considerably larger than one would anticipate given the size of these sectors in the English economy as a whole.

Around one-fifth (18%) workers in beneficiary companies benefited from the training received under the ESF-funded project.

The health and safety and business services sectors train a greater proportion of their staff through ESF-supported training than other sectors.

The largest numbers of trainees are employed in personal service and managerial roles. The density of trainees was low among elementary, professionals and machine operatives.

What types of 'skills' is ESF-funded training intended to develop?

The breadth of services offered by ESF-funded projects is further highlighted in terms of the subject areas that the 'training' covered. Not only were a wide and diverse range of subjects described as the primary focus of the intervention, but most interventions (65 per cent) covered, or at least touched on, more than one subject.

The most common primary focus was IT or computing (a quarter of companies – 23%), followed by Health and Safety, and Business Management. ‘Soft’ or ‘generic’ skills such as communications skills, team-working, customer service skills and time management were the main focus of relatively few interventions, but were commonly an additional focus.

How is ESF-funded training ‘marketed’?

It is most common for ESF-funded projects to have approached beneficiary companies with an offer of training or development services, rather than these companies actively seeking out the training. A minority of beneficiaries had been informed about the project through a third party organisation.

What were the intended outcomes of ESF-funded training? And how well were these achieved?

In three-quarters of cases (77%), ESF-supported training interventions were intended to improve existing skills. In two in five cases (38%), the training was at least in part focused on developing new skills. Reflecting the focus on skills development rather than acquisition, most training was aimed at the existing workforce, with only 16% of beneficiary companies stating that it was used for new recruits.

The survey assessed the success of projects in driving up the skills and employability of groups which are disadvantaged in the labour market. The proportion of women trained is slightly higher than the proportion of the overall workforce trained, suggesting that ESF-funded training is being at least as successful in developing women’s skills as it is in engaging men. Similarly, part-time workers – whom one might anticipate would be less likely than full-time workers to receive training – are as likely as full-time workers to be trained. ESF-funded training is less successful in engaging older workers, those from ethnic minorities and/or those with a disability.

In many cases, ESF-funded training results in official accreditation of achievement. Training had led to one or more staff receiving a formally-accredited qualification in three in ten beneficiary companies (29%). NVQs of some level were achieved in 57% of ESF beneficiary companies where training led to a qualification.

Generally speaking, beneficiary companies described their interventions as having a positive impact on employee performance, the level of service provided to customers, and employee motivation. They were less likely to see a positive impact on staff retention, their ability to offer new products or services or on the ability of staff to multi-task. Over 80% per cent of beneficiary companies felt that the training had fulfilled the objective of increasing staff aptitudes in their particular job role. Overall levels of satisfaction with ESF-funded interventions were also high, with over 90% of respondents indicating that they were satisfied with the training received.

To what extent is ESF-funded training adding value to the training and development environment?

Companies receiving ESF-funded training are as likely to engage in non-ESF-funded training activity as the general business population of England as a whole. Two thirds of establishments undertook some type of non-ESF training in the same year as they received ESF funded training.

ESF-beneficiary companies do not seem to be particularly challenged in skills terms or in terms of attitudes to training provision than the average UK employer. They were slightly more likely to report that they had internal skills gaps and slightly less likely to have problems filling vacancies due to skills shortages. They were more likely than average to have company policies and plans designed to improve skills levels.

ESF beneficiaries do not tend to be heavily or unusually involved in state-backed skills projects, indicating that there is little concern that the additionality of ESF is being impacted by the deadweight effect of other initiatives.

Without the ESF-supported intervention, a third of beneficiary companies would not have delivered the training. In a quarter of cases, beneficiary companies would have trained a similar or larger proportion of staff to a similar or earlier timeframe; in these cases, it is arguable that the ESF-supported intervention added no value.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84712 043 1. Research Report 361. July 2006).

It is available from Paul Noakes at the address below.

You can also download this report free from:
www.dwp.gov.uk/asd/asd5/rrs-index.asp

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