

Research summary

Background

This report presents the results of an evaluation of Work-Based Learning for Adults (WBLA) undertaken by the Policy Studies Institute and the National Centre for Social Research. JSA claimants who participated in WBLA during the period January to April 2002 are considered.

Three WBLA Opportunities are assessed: Short Job-Focused Training (SJFT); Longer Occupational Training (LOT); and Basic Employability Training (BET).

The analysis was based on survey data. Summarising the responses provides an understanding of the characteristics of participants, their experience of WBLA and their subsequent labour market experience. The effect of participation on employment, wages and employability was examined using propensity score matching.

Key findings

- The different eligibility criteria for the three Opportunities results in three distinct groups of clients. SJFT participants appear most job-ready and BET participants appear least job-ready. LOT participants are more similar to SJFT than BET participants in many ways.
- There was little recollection of WBLA among survey respondents particularly among those whose period of training was relatively short.
- SJFT had no long-term effects on employment. Its main impact was to accelerate entry into work, especially full-time work. The effects on clients aged over 50 were more enduring. Considering wages, no effect was evident. Participation did improve IT skills and level of vocational qualification. It also increased the chances of being economically active.
- LOT significantly increased the chances of working 30 or more hours a week. No such effect was found for any-hours work, although the trend suggested one might emerge in the longer-run. There was no wage impact. The effects on IT skills and vocational qualifications were greater than for SJFT, while the economic activity effect was less.
- BET had no effect on employment. Again, there was no effect when considering wages. Employability was increased: basic skills were improved as were IT skills, vocational qualifications (to a minor degree) and economic activity.
- The lack of employment effects for BET reflects the fact they are a hard-to-help group. Two-fifths had problems with English.
- Employment effects were not accompanied by income effects. The impact on standard of living may be limited, unless individuals work longer hours.
- There were some signs that jobs found were low-paid and offered few other benefits.
- For those who had not found work, SJFT participants were more confident about their prospects than those who had participated in LOT or BET.
- Some of the employment effects may have had insufficient time to materialise. Further investigation would be revealing.

Executive summary

Work-Based Learning for Adults (WBLA) is a training programme aimed principally at those in England aged 25 years and over who have been claiming Jobseeker's Allowance (JSA) for at least six months. In April 2001, the Employment Service assumed responsibility for the delivery of WBLA, and it continues to be managed by Jobcentre Plus. Previously, it had been administered through the network of Training and Enterprise Councils.

This report presents the results of an evaluation of WBLA undertaken by the Policy Studies Institute and the National Centre. It comprises two broad elements. The first describes the characteristics of participants, their experience of WBLA and their subsequent labour market experience. The second examines the effect of participation on employment, wages and employability.

Methodology

Propensity score matching is means of controlling for important differences in characteristics between participants and non-participants so that any remaining differences in outcomes can be interpreted as the result of participation. The evaluation was based on survey data collected using questionnaires designed with the express purpose of satisfying the information requirements of a matching estimator.

Three WBLA Opportunities were considered: Short Job-Focused Training (SJFT); Longer Occupational Training (LOT) and Basic Employability Training (BET). It was not possible to consider the fourth Opportunity (Self-Employment Provision) due to insufficient numbers of participants. All JSA clients who entered SJFT, LOT or BET in the period January to April 2002 were considered.

Characteristics of WBLA participants

The main distinction was between those in SJFT/LOT and those in BET. Broadly, the latter were more likely to have poor basic skills, poor IT skills, no qualifications and no recent work experience. They also fared poorly in terms of access to basic goods and services. Though SJFT/LOT participants were relatively similar to each other, the former were possibly the most job-ready of participants across all Opportunities.

Participation in WBLA

Many participants had no recall of WBLA. Of those who did, the majority undertook formal training courses. The training was generally regarded as useful, particularly if they had gained a qualification (as many did). A smaller proportion thought that their training had helped them to get a job, often because it had led to increased self-confidence, a qualification or work experience.

Paid work undertaken after WBLA

Since participating in WBLA, more than half of all SJFT and LOT participants had been in paid employment, as had one third of BET participants. These jobs were mostly towards the lower end of the pay scale, particularly for BET participants, over half of whom earned less than £4.50 per hour (net). Few benefited from occupational pension schemes or received financial assistance with expenses from their employer. Few received any training, primarily because their jobs were relatively straightforward or they had done a similar job before. Permanent contract were more common than fixed-term contracts, although less so for BET participants.

Recent job search

Those unemployed and looking for work used a wide range of job search techniques although the most common by far was looking at adverts in the local newspaper. Around three-quarters were receiving help with the job search, mainly in the form of assistance with finding vacancies. BET participants were the least likely to have progressed as far as being invited to interview and more likely not to have found vacancies to apply for. Despite SJFT and LOT participants being similar in terms of their recent job search progress, the former were more confident about their chances; LOT participants were more similar to BET participants in this respect.

The labour market effects of WBLA

The matching appeared to work well which provides reassurance as to the reliability of the results. Furthermore, sensitivity analysis showed the results to be robust. A slightly higher proportion of BET participants than SJFT/LOT participants had to be excluded from the analysis. Those dropped tended to speak English as a second language but have a relatively high level of labour market attachment.

The effects on employment

SJFT appeared to accelerate entry to full-time employment. Participation raised the chances of being employed about five months after enrolling. The size of this effect was in the region of 5-7 percentage points. However, it was short-lived and no impact was evident by the ten-month mark. However, there did appear to be a sustained effect for clients aged 50 years and over.

LOT appeared to increase the probability of working full-time by about seven percentage points. Furthermore, the effect was sustained. The fact that there was no

significant effect on any-hours employment suggests that the main effect is to encourage people to work longer. However, the estimated effect on any-hours work appears to grow with time, suggesting that a positive employment effect could yet emerge.

BET had no effect on employment. This is true regardless of which definition of employment is used and which point in time is considered. This remains true when considering just ethnic minority participants.

The effect on wages

Examining the effect on wages poses difficult methodological problems. Considering those not working as having a wage of zero allows the effect on productivity to be estimated. Considering those not working as having a wage equal to the hourly JSA rate implied by a 40-hour week allows the impact on income to be estimated. In both cases, no effect of participation was found for any of the Opportunities.

The effect on employability

The effect on employability was addressed by considering improvements in basic skills, IT skills, levels of qualifications and attachment to the labour market. Participation in SJFT and LOT improved qualifications levels, IT skills and, to a lesser extent, writing skills. BET participation, on the other hand, had a large impact on the improvement of all basic skills and IT skills. While all Opportunities improved human capital, only SJFT and BET had a significant impact on labour market attachment.

Summary and conclusion

Of the non-BET Opportunities, there is some indication that SJFT participants were more job-ready than those in LOT. SJFT participation served to accelerate entry into work for those who would have found work in any case. There is some indication that there is a more lasting effect on the employment of older individuals. LOT participation had a sustained impact on full-time employment. However, it is disappointing from a welfare point of view there was no corresponding impact on income. With regard to employability, both SJFT and LOT showed positive effects.

BET participants were particularly disadvantaged and their training had no effect on immediate success in finding work. It is likely that encouraging employment entry may be a lengthy process for this group and it is therefore helpful to consider the effect of training on employability. Here, the findings are more encouraging. BET acts to alleviate basic skills problems, raise IT skills and help acquire vocational qualifications.

An important dimension to BET is the high proportion of participants born overseas, many of whom had arrived in England relatively recently. Such individuals may not have a basic skills need as such; rather, they have language difficulties. To be effective, basic skills training must be tailored to the particular requirements of the client group.

It would be interesting to consider longer-term effects of training. For LOT, it appeared that the estimated effects on other hours definition of employment were approaching significance as time passed and it would be revealing to see if this trend continued. For the other Opportunities, longer-term outcomes would help show whether the effects on employability eventually translated into an effect on job entry.