

In-house Report 143

**SURVEY OF COMPANIES IN ENGLAND
SUPPORTED BY ESF OBJECTIVE 3**

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Summary

The overall aims of the survey were to assess the

- The scale and nature of ESF Objective 3 support for companies in England;
- The characteristics of companies receiving such support; and
- The effects of ESF support, including impact on business performance.

The survey comprised interviews with 663 companies that had received ESF support during the latter part of 2002. A further 500 interviews were carried out with non-supported companies for comparison purposes ('non-ESF' companies).

Companies that received ESF support were more likely to have fewer than 50 employees and be independent, single-site organisations where decisions were taken at that site. Supported companies were from most sectors although 'Health and Care' was the largest single sector represented, accounting for 35% of the overall sample and half the sample of companies in the 11-49 employee size range.

Companies in the south and east of the country (principally the South East, Eastern and East Midlands regions) accounted for 60% of the sample, while four regions, North East, London, South West and Yorkshire and Humberside provided just 15% of the overall sample. Numbers in the latter two regions may well be lower because of their eligibility for Objective 1 funding. The North West provided, in proportionate terms, twice as many companies within the 250+ employees (30%) than it did overall (13%), and the South West provided proportionately twice as many micro-firms i.e. those with fewer than 10 employees, than average (17% vis-à-vis 8% overall).

The three largest occupational groups employed by ESF-supported companies in the sample were managers and supervisors, skilled manual workers and semi- and lower skilled manual workers – these three groups together accounted for around two-thirds of total employment. Micro-firms employed a greater proportion of managers and supervisors, accounting for 40% of employees. Nearly a fifth of all employees were employed part-time and 60% in the sample of ESF companies were female – possibly because of the large health and care sector making up project beneficiaries.

Attitudes to training and training policies differed greatly amongst ESF companies, mainly depending on company size. ESF companies were overall more likely to train than non-ESF companies (20% of which said they had done no training in recent years), but amongst those that did train, a significantly higher proportion of ESF companies said they tended to train "as and when necessary" i.e. they undertook short-term training not generally part of a longer-term strategy. This finding about the training policies of small companies in receipt of ESF support is consistent with the findings of recent surveys of training in companies more generally¹.

¹ See, for example, 'The Relationship between Training and Business Performance'. Andy Cosh and Alan Hughes. (DfES Research Brief No. 454 July 2003)

The main stated reason why companies sought ESF support was to improve employees' skills for their current job (57%) – a reactive response to skills needs and in line with the responses of non-ESF companies (54%) – confirming the rather general short-term approach discussed above. At the same time, however, the ESF-supported companies were also significantly more likely than non-ESF companies to train in order to prepare employees for a future job (23% vis-à-vis 9%). They were also much more likely to use the training to improve business performance or help business survival (26% against 6%) and to cope with business growth (12% against 1%). Further to this, non-ESF companies were much more likely to use training to meet minimum or imposed requirements, such as legal obligations and providing staff with necessary skills.

The findings showed that nearly two thirds of companies used ESF support to train managers and supervisors. A fifth of companies trained skilled manual workers, while lower proportions (around 15%) trained employees in professional/associate professional and semi and lower skilled manual occupations. Fewer than 10% trained employees in clerical/secretarial and sales occupations. There is thus an apparent weighting in ESF provision towards the training of higher-level professions. At the same time, it is important to more fully understand the content and motivations of the training – it may well be that much ESF-supported training is directed towards ultimately benefiting other employees or individuals outside the company.

The pattern of training by its content was consistent with the pattern of training across occupational groups described above. Nearly 40% of companies reported that the training was used for management training (a finding that differed greatly with that for the non-ESF companies (18%)). Around a third of ESF companies reported what was probably company-specific training in working methods, while a quarter undertook, again what was probably company-specific, skills-related training. ICT training was popular across the ESF group (30%) and especially with micro-firms (35%). Around a quarter of companies undertook generic, 'soft skills' training, such as team working, time management and communication skills. Interestingly, over a third of companies used the training for health and safety issues, while 15% sought support for induction training. Micro-firms had relatively low levels of participation in many of the various types of training identified (except ICT), contrasting markedly with the relatively high proportions of companies with 11-249 employees especially. These findings suggest that micro-firms used ESF to undertake specific or dedicated training, rather than general, multi-faceted training.

Nearly 80% of companies reported delivering training off-the-job. This contrasts with the non-ESF companies, 55% of which reported undertaking training off-the-job. Analogously, a significantly lower proportion of ESF-supported companies (40%) than non-ESF companies (70%) reported carrying out training on-the-job. This again suggests a relatively more prevalent use of ESF support for specific, formally-delivered training.

The overwhelming majority of ESF companies (81%) said that they were wholly or largely satisfied with the training, with three quarters of micro-firms expressing these levels of satisfaction. Over half of companies said the training has led, or will lead to employees being awarded formal qualifications. Companies employing between 11 and 250 staff were the most likely to be pursuing formal qualifications using the ESF support.

Nearly 45% of the company beneficiaries and a third of micro-firms reported positive effects on their bottom line performance as a result of the ESF training. The most widespread benefit reported was enhanced employee productivity, which was reported by three quarters of the beneficiaries. Also reported by a good number of companies were positive effects on the financial aspects of their operations such as on profitability (31%) and increased assets/market value (11%). Larger companies were more likely to have said that employment had increased due to the training (43%). Small numbers of companies also reported other positive impacts such as on employee satisfaction, management efficiency and workplace safety

Four in ten beneficiary companies said that they would definitely or probably *not* have taken alternative measures to achieve the same effects if ESF training had not been available. Additionality appeared to be greatest amongst micro-firms, with over half saying they would not have taken alternative measures. Of those companies that indicated they would definitely or probably have taken alternative measures (44% of the overall sample), around 40%, equivalent to 18% of the overall sample, said they would have undertaken such measures later than the ESF-supported intervention.

Turning to the issue of skills gaps, just under a third of ESF companies said they were currently experiencing skills gaps amongst new recruits and a similar proportion reported deficiencies amongst established employees. This is equivalent in proportionate terms to twice the number of non-ESF companies reporting skills gaps. Technical skills and IT skills were the most prevalent area of reported deficiency for both new and established employees. The high level of skills gaps amongst ESF companies is surprising, although this could perhaps be explained by a clearer perception of skills needs by ESF companies compared to non-ESF companies. Certainly, ESF-supported companies appear to demonstrate a more strategic and innovative attitude to tackling skills gaps than non-ESF companies: around half of ESF companies said they were tackling these skills gaps by increasing apprenticeships (49%) and providing further training for established employees (42%). The equivalent figures for non-ESF companies were 44% and 35% respectively.

Overall, ESF-supported companies reported greater growth ambitions than non-ESF companies. Thus, 70% of ESF companies said that they planned to grow over the next 2-3 years, compared to 44% of non-ESF companies. Around 10% plan to grow rapidly compared to 4% of non-ESF companies, and 60% plan moderate growth, compared to 40% of non-ESF companies. Further to this, beneficiary companies are much less likely to plan no growth or plan to grow smaller, strongly suggesting that ESF companies are more ambitious than average.

ESF companies are more likely to be involved in other government initiatives, such as Investors in People, Modern Apprenticeships, and New Deal than companies which have not sought ESF support. Nearly two thirds of non-ESF supported companies have been involved in *no* government initiatives, compared to 42% of ESF-supported companies. Having said this, involvement in these other initiatives is much greater for companies employing over 50 staff, whilst participation by smaller organisations is relatively low, (albeit still higher than the overall rate of participation of the non-ESF companies).

1 Introduction

1.1 Aims of the Research

The Department of Work and Pensions routinely commission surveys to evaluate the effectiveness of the training or advice that is provided through ESF programmes. The current ESF programmes have been running since 2000, and will run until 2006 and the timeframe of this survey is training received under ESF Objective 3 between June and November 2002.

The most recent surveys of beneficiaries of ESF support, carried out in 2001 and again in 2002, centred largely on individuals, although the 2001 survey included a small number of companies that received ESF support. It was considered that the usefulness of company information gathered in the survey was deficient because the size of the sample was small in comparison with the overall number of ESF company beneficiaries to be reliable. Furthermore, it did not allow for detailed analysis at geographical or policy field level, size or sector. Additionally, the survey did not

- present information on the aims and content of the training
- ascertain how ESF training relates to other training undertaken
- provide sufficient information on the skills gained from ESF and the impacts this made
- examine the impacts of ESF support on company performance.

The original research specification for this piece of work was to examine all three ESF programmes (i.e. Objectives 1, 2, and 3) as far as they applied to England. However due to problems accessing the contact lists of company beneficiaries for Objective 1 and 2 funded training, this report concentrates on the effects and impacts of Objective 3 programmes only, for companies and their performance. The overall aim of the survey therefore is to assess the scale, nature, aims and impact of the training and advice provided to companies through ESF programmes.

Given that most support to companies is provided under the Adaptability and Entrepreneurship policy field, this implies measuring the extent to which ESF projects have satisfied the relevant policy objectives, namely:

- to support companies, especially SMEs, to update and upgrade their employees' vocational skills, including basic and key skills
- to tackle skills gaps and shortages
- to encourage the competitiveness of businesses, particularly SMEs

1.2 Objectives of the Evaluation

Specific objectives were to:

- Identify the volume, type and patterns of training provided by ESF funding, specifically
 - ascertain the extent to which the volume, type and patterns of training vary between companies of different sizes and sectors, and in different geographical areas
 - describe how the volume, type and patterns of training vary between different groups of workers
- Assess how far ESF funded training impacts upon skills development, e.g.
 - to what extent has ESF funded training impacted on skill shortages or gaps within companies/geographical areas/sectors
 - what is the relationship between skills acquisition that results from ESF funded training and wider benefits to the company.
- To evaluate the additionality of the ESF-funded training
- Assess the impact of ESF funded training on wider company policy, e.g.
 - how far has ESF-supported funding encouraged and/or affected related company policies such as childcare, family friendly working practices, flexible working etc.

1.3 Methodology

The main themes of the evaluation were addressed by carrying out a survey of nearly 700 (663 in all) companies in England that had undertaken ESF training under Objective 3 between June and November 2002. The sample was made up of contacts of small and medium-sized enterprises (SMEs) provided by ESF training providers. This report is based on responses to selected key questions in the telephone survey of companies benefiting from ESF training. These questions captured data on:

- Company contact details and characteristics
 - e.g. size, sector, age, status, growth objectives
- ESF training received
 - e.g. type and amount, staff groups/occupations involved
- Context for ESF training
 - e.g. type and amount of other (non-ESF) training undertaken/provided, training policy (e.g. involvement in liP and other standards)
- Effect of ESF training on skills development
 - i.e. effect on skills gaps, staff recruitment and retention
- Effect on competitiveness and company performance
 - i.e. effects to date on company strategy and capabilities, effects to date (or expected) on sales, productivity, profitability etc.
- Attribution of effects to ESF

-
- i.e. whether any effects reported were the result of ESF or the result of other factors, what would have happened anyway?

The questionnaire included a variety of questions in order to elicit different types of data. Quantitative data were collected by multiple-response, closed questions and attitude measurement scales. Additionally questions asking for 'open' responses captured qualitative information which explained responses and provided further insight into the issues raised by the closed questions.

The data have been analysed using the size of employer as the main variable, rather than sector or region, as this scale accounts for the major differences in responses across the achieved sample. The firms were split into 4 groups; those employing 10 employees or fewer, those employing between 11-49 employees, those with 50-249 employees, and organisations with over 500 employees. We were interested to find out the differences between the two bands defined as 'large' but who still may demonstrate differences in the purposes and effects of training. Therefore the latter two sub-groups are analysed separately, rather than as a single '50 and over' subgroup.

As part of the research, a comparison survey was carried out amongst non-ESF companies which matched the size distribution, sector and region of beneficiary companies as closely as possible. This allowed us to compare and contrast the characteristics and attitudes of supported and non-supported companies and verify to some extent whether some of the intermediate outputs associated with ESF funded training were attributable to training. It was also carried out as a useful examination of whether supported firms had a different level of skills gaps and recruitment difficulties to non supported firms. The total comparison group comprised some 500 companies in Objective 3 areas in England. Figures for the comparison group are presented alongside those for the Objective 3 company results in tables running throughout the report.

The ESF training is firstly put in context, by describing what the training comprised. In the main body of the report we present the results of survey; analysis on the characteristics of firms, the nature of training, effects of training and additionality of Objective 3 provision. Following on from this, we present information on skills gaps, growth ambitions, and analysis on how ESF has impacted upon involvement in other initiatives.

1.4 Background to ESF Support

The European Social Fund (ESF) is one of four Structural funds of the European Union and is the main source of finance from the European Community used to help individuals and companies in or move towards the labour market. ESF supports the UK National Action Plan for Employment (NAP) which sets out the main policies and initiatives in line with the European Employment Strategy. . Each ESF Objective clearly targets defined policy aims, priorities and measures for support.

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- **Objective 1** - to develop regions which are currently under-developed. The eligible areas in England are Merseyside, South Yorkshire, Cornwall and the Isles of Scilly.
 - **Objective 2** – to renew industrial, urban, rural and fisheries areas which are in decline. Eligible areas include Durham and Darlington, Tees Valley, Tyne and Wear, Nottinghamshire, Coventry and Warwickshire, Cheshire, West London, West Yorkshire, North and West Lancashire, Lincolnshire and Rutland, North London and Birmingham/Solihull.
 - **Objective 3** – to tackle long-term unemployment, promote equal opportunities, improve lifelong learning, encourage entrepreneurship and adaptability and improve the role of women in the workforce. Objective 3 covers all England apart from those areas under Objective 1

1.5 Background to Companies' Involvement With ESF

The type of courses provided by projects to companies and other organisations were varied, including craft skills training, courses in working in residential care homes, advice and guidance for those seeking work, ICT training, courses to encourage women into the labour market as well as general and specific workforce development planning and business start-up. The training also included capacity building projects. The length of courses varied from morning seminars to those which lasted several weeks.

Qualitative interviews with training providers were undertaken to ascertain how companies were recruited onto training courses supported by ESF Objective 3. This was done to throw light on the characteristics of companies taking part in training, and to help explain the types of training that took place in the timeframe of the evaluation. A small selection of training providers was contacted. They comprised private companies, enterprise agencies and providers who were within a university. There were three main ways in which companies were recruited onto ESF programmes. These were:

- direct marketing to companies whose details were held on a database, usually followed up by telemarketing, and a visit by a business advisor to discuss specific needs. Marketing tended to be targeted to meet the specific needs of companies. In most cases providers were confident they knew the needs of local businesses. Some also used the press or their own regular newsletters to advertise training courses.
- word of mouth. Many providers considered themselves to be well known amongst businesses and tied in to local business support networks, and they relied on their lines of communication to fill their places.
- as an adjunct to or in connection with other business. Some said they recruited eligible firms onto ESF programmes who had contacted the provider on a separate matter.

Barriers to successfully recruiting companies onto ESF courses (such as time and money) were largely overcome through careful tailoring of courses to individual needs.

Providers ensure time away from the workplace is minimised by giving training at breakfast workshops and after hours. Some attract companies by offering taster sessions and avoiding upfront long training commitments.

Retention of companies on training courses was maximised through regular monitoring and feedback which sought to ensure that specific training goals were being reached. Providers said that they try and develop a long-term relationship with companies where possible, to help in further stages of business training and development. One provider said 'in this sense, the training never ends'.

2 Survey Findings

2.1 Profile of ESF-supported companies

This section provides the survey results and analysis. The results are presented in tabular format, showing results across the sample as a whole and then disaggregated by the four size categories as defined in 0 Throughout the report we refer mainly to 'beneficiary companies' as the most of the beneficiaries (646) were private businesses. However, for information the sample also included a small number (17) of charities and public bodies.

Table 2.1 shows that beneficiaries were most likely to be smaller organisations. Nearly four fifths (79%) of beneficiaries in the sample employed fewer than 50 employees, with 45% in the 11 to 49 employees size bracket. The larger companies, with 50 or more employees, accounted for just over a fifth of company involvement in ESF training. Looking at the employment patterns of beneficiary companies more closely in Table 2.2, we see that the average (mean) size of the beneficiary companies sampled was 69 employees. Across the four size-bands, we see that the average size of a micro-firm is 5 employees; the average size of an 11-49 firm is 24 (higher than the mid-point of 19); the 50-249 companies have a mean of 90 employees (lower than the mid-point); while the mean employment for the largest companies in the sample is 1,338, which may well be accounted for by a small number of very large organisations in the sample of ESF companies. The size distribution of the non-ESF companies is very similar, with just slightly fewer very large companies.

Table 2.1 The breakdown of organisations on ESF Programmes

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
% of organisations receiving Objective 3 ESF Training	100	34	45	18	3	-
<i>Number of respondents</i>	<i>661</i>	<i>225</i>	<i>296</i>	<i>120</i>	<i>20</i>	<i>-</i>

Table 2.2 Including all full-timers and part-timers, how many employees does your company currently have at this site?

	Statistics of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Median	18	5	22	70	560	20
Mean	69	5	24	90	1,338	37
Min	1	1	11	50	250	1
Max	5,000	10	49	218	5,000	630
<i>Responses</i>	<i>661</i>	<i>225</i>	<i>296</i>	<i>120</i>	<i>20</i>	<i>503</i>

As Table 2.3 shows, the East Midlands region accounted for over a quarter of company beneficiaries sampled, with smaller proportions of companies (13%-18%) across Eastern England, the South East, the North West (barring Merseyside) and to a lesser extent the West Midlands. The South West, the North East and Yorkshire and Humberside had the least beneficiary numbers, and this may well in part be due to their ineligibility for Objective 3 funding, due to the Objective 1 status in parts of these regions. The North West provided, in proportionate terms, twice as many companies within the 250+ employees (30%) than it did overall (13%), and the South West provided proportionately twice as many micro-firms i.e. those with fewer than 10 employees, than average (17% vis-à-vis 8% overall).

Table 2.3 Location of company?

	Percentage of all respondents					Comparison
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	
East Midlands	28	28	30	23	15	15
Eastern	18	18	18	22	0	9
South East	15	14	14	19	25	13
North West	13	10	14	13	30	10
West Midlands	11	9	13	12	0	14
South West	8	17	4	3	0	13
North East	4	2	5	4	10	6
London	3	3	2	2	20	11
Yorkshire & Humberside	0	0	0	2	0	7
<i>Number of respondents</i>	661	225	296	120	20	504

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test). This convention is utilised in subsequent tables.

Looking as the company beneficiaries by sector, see Table 2.4, supported companies were from most sectors although 'Health and Care' was by far the largest single sector represented, accounting for 35% of the overall sample and half the sample of companies in the 11-49 employee size range. The remaining two thirds of beneficiaries were spread out amongst most of the major industrial sectors, comprising primary industry, manufacturing and engineering activities, business services and the public sector.

Table 2.4 What is your company's main product or service at this site?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Health, care	35	21	49	31	15	43
Construction	9	13	6	8	10	8
Business services	8	12	5	8	10	6
Non-metallic, non-chemical manufacture	7	8	5	9	10	3
Trad metal man/engineering	7	6	6	13	0	5
Retail	5	8	5	0	5	7
Chemical manufacture	4	3	4	8	10	2
Hotels and restaurants	4	8	2	3	5	3
Wholesale	3	3	4	1	0	2
Transport, storage, communications	3	1	3	6	20	3
Education	3	3	3	4	0	5
Personal services	3	4	2	2	0	2
Hi-Tech metal man/engineering	2	4	0	1	0	0
Financial intermediation	2	2	2	3	5	1
Property, renting	2	2	1	3	0	2
Computing, R&D	2	2	1	1	0	0
Motor vehicle sale, repair	1	1	0	2	0	0
Public admin, defence	1	1	0	0	10	0
Agriculture/Extraction	0	0	0	0	0	8
Electricity, gas, water, waste	0	0	1	0	0	0
<i>Number of respondents</i>	661	225	296	120	20	504

We can clearly see from Table 2.5 that most of the beneficiaries (73%) were independent, single-site organisations, with 85% of micro-firms in this category. The larger companies (50+) were increasingly likely to be a branch or subsidiary of a larger organisation, and this category accounts for nearly half of the largest companies in the sample (45%). The comparison group was more likely to be a branch or subsidiary than the ESF sample and as a result were less likely than the ESF group to take training decisions at that particular site, 53% compared with 77% (see 0)

Table 2.5 Which of the following best describes your company?

	Percentage of all respondents (by ESF status)					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Single Site	73	84	74	58	20	65
Branch or subsidiary	19	11	20	29	45	31
Head Office	5	1	3	12	20	3
Other	3	4	3	1	15	1
<i>Number of respondents</i>	661	225	296	120	20	503

Table 2.6 Where are decisions about training at this site taken?

	Percentage of all respondents (by ESF status)					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
At this site	77	76	77	83	56	53
Elsewhere in the company	11	12	9	9	33	14
Varies	12	12	14	9	11	33
<i>Number of respondents</i>	126	25	57	35	9	268

0 shows the occupational structure of the ESF cohort. The three largest occupational groups employed by ESF-supported companies overall were: managers and supervisors (23%), semi and lower skilled manual workers (22%) and skilled manual workers (21%). Professional and associate professional accounted for nearly one in eight staff overall, with clerical and secretarial, sales staff and others making up less than 10% each.

In terms of skill levels, it is estimated from Table 2.7 that over half (around 60%) of employees in the ESF-supported companies in the sample (made up of the managerial, professional, sales and skilled manual occupations) possessed higher or intermediate level skills. Analysing the occupational structure by size of company, micro-firms were significantly more likely to employ managers and supervisors (including potentially many owner-managers) than any other size band. They also employed fewer manual workers. Companies with 11-49 employees had higher than average proportions of semi skilled workers but fewer professionals, while those with 50-249 had the lowest numbers of managerial employees. The largest companies employed greater proportions of clerical, secretarial and sales staff. Comparing the occupational make up of the ESF companies with the non-ESF group, we see that there was a higher proportion of semi- and lower skilled employees, but lower numbers of professionals and skilled manual workers.

Table 2.7 How many of your current employees belong to the following occupational groups ?

	Percentage of all respondents.					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Managers and supervisors	23.2	40.8	15.6	9.7	12.0	24.0
Professional and associate professional	12.7	15.0	11.3	9.6	20.8	19.5
Clerical and secretarial	7.4	7.0	7.6	7.7	8.2	5.7
Sales staff	4.0	5.5	2.8	3.0	9.6	4.3
Skilled manual workers	20.8	13.8	22.9	28.6	25.4	28.0
Semi and lower skilled manual workers	22.0	12.1	29.1	26.5	13.6	14.4
All others	9.7	5.8	10.7	14.8	10.3	4.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of respondents</i>	639	225	282	113	19	492

Nearly a fifth of employees overall were employed part time, and this level was more or less maintained across the size-bands up to the largest band (0). Overall nearly three

fifths of employees were female, and women were more likely to be employed in smaller companies, making up only 40% of employment within the largest organisations. However, rather unsurprisingly as they have many more employees, the largest companies were much more likely to employ people from ethnic minorities (23.8% compared with 9.7% overall). Young people, aged from 16-24, were also more likely to be employed in the larger organisations, whilst those ages between 25-49 were more likely to be found in micro-firms and in the largest companies, rather than in the medium to large companies.

Table 2.8 What proportion of your current employees belongs to the following groups?

	Percentage of all respondents.					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Employed part-time	18.4	18.0	19.6	16.9	8.1	27.9
Female	59.4	57.3	63.8	54.2	39.5	63.3
Ethnic minority	9.7	12.5	7.2	9.5	23.8	12.2
Disabled	1.8	2.5	0.8	1.7	11.6	0.3
Aged 16-24	16.8	13.9	17.0	18.9	14.0	14.8
Aged 25-49	65.4	68.3	64.8	60.7	69.0	65.8
Aged 50+	16.0	15.3	15.7	18.2	16.5	18.8
<i>Number of respondents</i>	537	183	248	92	14	443

To find out about the level of organisation and planning which companies had invested in training, they were asked about their policies and processes regarding training (0). This was done to reveal underlying attitudes, or orientation, towards training. Around one in five said that they have a systematic approach to training, with a further 40% saying that they had a written training policy, thus demonstrating some strategic forward planning on skills and workforce development. The proportion of companies with written training policies increases with size, rising from just 22% of micro-firms to 70% of the larger firms. These proportions are in line with the proportions of small firms in services sectors found to have a 'strategic orientation' to training in a study of training in small firms²

Over a third of companies (37%) demonstrated a pragmatic approach to training by saying that training was done as and when it was necessary. This attitude was most prevalent in micro-firms, consistent with research carried out by the ESRC Centre for Business Research, which asserted that small organisations are more likely to provide training on a needs basis³, but progressively declined in each following size-band. Around 10% of ESF-supported micro-firms reported undertaking no training (surprisingly) or training only as a last resort. The comparison group revealed mixed messages - having more firms with a written training policy (49%), but fewer with a systematic

² The Nature of Training and Motivation to Train in Small Firms. John Kitching and Robert Blackburn. DfES, 2002.

³ The Relationship between Training and Business Performance. Andy Cosh and Alan Hughes ESRC Centre for Business Research (DfES Research Brief No. 454 July 2003)

approach (10%). One in five also reported undertaking no training. Thus, although ESF companies were overall more likely to train than non-ESF companies, amongst those that did train, a significantly higher proportion of ESF companies said they tended to train “as and when necessary” i.e. they undertook short-term training not generally part of a longer-term strategy.

When asked about their general planning, the great majority of beneficiaries said that they had a business plan (84%) and an equal opportunities plan (74%), see 0. Nearly three fifths (58%) had a human resources plan, over half had a written training plan (55%) and perhaps most notably, 45% had a training budget. These figures suggest that the ESF training beneficiaries were relatively well organised and aware of issues with regards to skills and workforce development.

Looking at the breakdown by company size, there is again a progressive relationship between size of firm and the proportions with formal strategies in place, not a surprising result. Micro-firms are significantly less likely to have any of the above human resource/training plans in place, while companies with more than 50 employees are significantly more likely to have these plans in place.

Table 2.9 Which of the following best describes the overall policy of your company to on- and off-the-job training? (Tick one)

	Percentage of all respondents (by ESF status)					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
We have a written training policy	40	22	46	51	70	49
We undertake staff training as and when necessary	37	50	32	27	15	20
We undertake a systematic approach to training	20	18	20	23	15	10
No training has been undertaken	2	5	0	0	0	21
Training tends to be a last resort	2	4	2	0	0	0
<i>Number of respondents</i>	653	220	293	120	20	491

Table 2.10 Which of the following does your company have? (Tick as many as apply)

	Percentage of all respondents (by ESF status)					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Business plan	87	84	88	86	95	75
Equal opportunities policy or plan	74	59	75	88	95	66
Human resources plan	58	40	60	68	100	53
Written training plan	55	36	58	68	85	64
Training budget	45	26	47	60	80	52
<i>Number of respondents</i>	539	148	260	111	20	351

Companies were asked to quantify their training budgets for the current financial year (0). The mean level of expenditure was £56,920 rising to a maximum of £5 million. The expenditure for micro-firms was £3,565, rising to £4,603 for 11-19 firms, £75,375 for 50-249 firms and soaring to £954,444 for firms employing over 250 staff. Companies were also asked about the numbers of employees involved in the training within this period. Putting together these estimates with those from 0, on numbers of employees in receipt of training, in turn allows an estimate of the spend per employee overall and per employee trained, for each of the size-bands by dividing the spend by the average number of employees or individual beneficiaries respectively. This shows that micro-firms spent £914 per employee trained; while those with 11-49 employees spent £230 per employee, a relatively low figure. Firms employing 49-250 people spent £1111 on average, while the largest firms spent £1039 per staff member trained. Non-ESF companies spent an average of £5,151 on training, a fraction of the reported mean for ESF companies' training spend. It was not possible to calculate spend per trained employee for non-ESF firms.

Table 2.11 What is your company's training budget for the current financial year? (Show amount. Approximate, if necessary)

	Statistics of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Median	1,000	0	1,000	7,500	85,000	0
Mean	56,920	3,656	4,603	75,375	954,444	5,151
Min	0	0	0	0	0	0
Max	5,000,000	59,000	94,500	2,500,000	5,000,000	100,000
Responses	215	64	103	39	9	66

Table 2.12 And how many of your employees have been involved in (i.e. have undergone) all types of training? (Number of employees. Number must not be greater than total number of employees)

	Statistics of all respondents.					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Median	10	2	15	50	550	0
Mean	48	4	20	66	918	0
Min	0	0	0	0	24	0
Max	3,000	30	336	600	3,000	0
Responses	609	203	276	113	17	0

2.2 The nature and extent of ESF training

0 shows that higher-skilled and intermediate skilled workers were the most likely across all size-bands to have been involved in the ESF training. Managers and supervisors were trained under Objective 3 by nearly two thirds of firms. Skilled manual workers

were trained by over a fifth of participating firms and by 27% of 11-49 firms, but were less likely to be trained by micro-firms (12%). Clerical and secretarial, sales and other occupations were all less likely to have been involved.

Looking at the comparison survey, we see that significantly greater proportions of each occupational group were trained in the same time period. This information seemingly contradicts 0 which shows apparently relatively low levels of organised training and relatively high levels of companies that had undertaken no training in the time period. However, this high level of reported training across occupations can best be explained by the fact that the comparison group's responses relate to the incidence of any training undertaken during the period, whereas the responses of the ESF-supported companies relate solely to the specific ESF training episode(s). It is also important to bear in mind that the ESF sample is based on 642 responses and the comparison group is based on half this number— most of the non-respondents undertook no or little training.

Objective 3 is a wide ranging set of priorities to promote the skills of the workforce and the competitiveness of SMEs. It was stated in the introduction that most projects were under policy field 4, the adaptability and entrepreneurship policy field⁴. This includes the identification of skills shortages, including higher level ones. One would therefore expect some weighting towards training in higher-level skills. However, the dominance of higher level employees involved in the training and the relative scarcity of lower and intermediate skilled workers, suggest that programmes may be skewed unduly towards higher level needs. It could simply reflect market-led demands for training which tends towards higher skills than the lower level skills which ESF also aims to serve.

Table 2.13 In which of the following occupational groups are the employees who were (or are) involved in the training?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Managers and supervisors	64	68	63	61	53	75
Skilled manual workers	22	12	27	27	24	63
Professional and associate professional	14	13	12	18	29	55
Semi and lower skilled manual workers	14	11	15	17	18	38
Clerical and secretarial	9	6	10	13	12	28
All others	7	7	6	11	18	5
Sales staff	3	3	2	7	6	10
<i>Number of respondents</i>	<i>640</i>	<i>216</i>	<i>288</i>	<i>119</i>	<i>17</i>	<i>370</i>

⁴ As at March 2003, some 60% of companies were supported under policy field 4, with a further 32% under policy field 3, relating to lifelong learning.

2.3 Purposes of training

As 0 shows, the reasons why companies took part in the training were mainly pragmatic. The largest proportion sought training to improve employees' skills for their current job, and the breakdown for the different size-bands and the comparison survey are largely in-keeping with this overall figure. Similarly, a sizeable proportion (40%) of ESF beneficiary companies accessed the training to equip employees with the necessary skills rather than as a lever to improve business survival or help performance, or to cope with growth. These figures are consistent with the relatively low proportion of companies saying they were systematic trainers in 0. However, compared to the comparison group, the ESF beneficiaries appeared to have a better level of skills organisation and a more strategic or 'healthier' attitude towards training.

Three quarters of the comparison group indicated their main motivation for training was to equip staff with necessary skills and nearly half said they trained in order to meet legal obligations. They are much less likely to train to improve business performance or to ensure survival or encourage growth. Further to this, over a fifth of ESF companies train to prepare them for a future job, compared to just 9% of non-ESF companies.

As 0 shows, ESF companies were significantly more likely than non-ESF companies to use the training to improve business performance and to nurture employees' skills for a future job. Furthermore, nearly half of the comparison group train to meet legal obligations – using training to meet basic employment requirements rather than as a tool to improve skills and realise the potential of staff. The proportion that used ESF for this purpose was less than half this level, while one in eight ESF companies used the training to promote family-friendly policies compared to none of the comparison group.

An interesting finding was that over a quarter of the largest companies used the training to support equal opportunities policies, and whilst this is laudable, it must be asked if this is consistent with the intended priorities of ESF funded training. Additional purposes of training were volunteered by around 23% of the ESF group. Over half of them used the training to obtain a recognised qualification, while one in ten used it to feedback to staff (the latter rising to over a quarter of 50-249 companies). From the responses, it appears that taking up ESF training for the acquisition of basic skills for employees was negligible, perhaps indicating that companies seek other means of support with basic skills.

Table 2.14 What were the main purposes of the ESF-supported training ?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
To improve employees skills for current job	57	55	59	59	53	54
To equip employees with necessary skills	40	36	42	47	37	75
To improve business performance / help business survival	26	23	28	26	11	6
To improve employees skills for future job	23	17	25	29	16	9
To meet legal obligations	23	13	32	20	11	49
To cope with business growth	12	12	12	13	5	1
To promote 'family-friendly' working within company	12	7	16	10	16	0
To introduce new equipment or software	7	8	7	8	0	2
To support equal opportunities objectives	7	5	10	3	26	1
As a reward / incentive	3	1	3	2	11	7
To reduce labour turnover	2	1	3	2	11	0
To tackle a recruitment difficulties	1	0	1	2	11	0
Other	16	19	14	16	16	2
<i>Number of respondents</i>	641	216	291	115	19	379

Table 2.15 shows the purposes of training by policy field under which training was carried out. The majority of responding ESF companies were involved in training delivered under Policy Fields 3 and 4 of ESF Objective 3 (broadly in line with the management information described in footnote 4 above). Both policy fields incorporate measures to improve basic skills, so it must be assumed that as basic skills training was taken up by such a small proportion of the sample, nearly all the training was provided under other measures i.e. those around skills shortages, adaptability and employers' skills needs.

0 also shows that ESF training under Policy Field 3 was used primarily to improve the skills of employees for their current jobs (63%) and to equip employees with necessary skills (46%). We also see that a relatively more companies training under this policy field used it to meet legal obligations. More strategic training, i.e. to cope with business growth or to introduce new software into businesses was more likely to have been delivered under Policy Field 4. Under Policy Field 1, albeit based on just 12 responses, half of companies sought to improve employees' skills for a future job, in line with the aim of seeking to prepare unemployed and economically inactive people for the labour market.

Table 2.15 What were the main purposes of the ESF-supported training ?

	Percentage of all respondents					
	Total	Policy 1	Policy 2	Policy 3	Policy 4	Policy 5
To improve employees skills for current job	57	67	57	63	56	0
To equip employees with necessary skills	40	67	32	46	38	0
To improve business performance / help business survival	26	17	19	28	25	0
To improve employees skills for future job	23	50	27	19	25	0
To meet legal obligations	23	0	0	27	24	0
To cope with business growth	12	8	11	8	15	0
To promote 'family-friendly' working within company	12	8	5	15	11	0
To introduce new equipment or software	7	0	11	3	10	0
To support equal opportunities objectives	7	0	14	8	7	50
As a reward / incentive	3	8	0	4	2	0
To reduce labour turnover	2	0	5	2	2	0
To tackle a recruitment difficulties	1	8	3	1	1	25
Other	16	8	27	17	14	100
<i>Number of respondents</i>	<i>621</i>	<i>12</i>	<i>37</i>	<i>236</i>	<i>332</i>	<i>4</i>

2.4 Content of training

Table 2.16 reveals that, consistent with the pattern of training by occupational groups, the content of ESF training reported by supported companies comprised mainly aspects of managerial, supervisory and technical training. Nearly two fifths said that the training involved 'other management' which was made up of team-leadership, project management, financial management and general business management. Technical and skills training were also reported by a relatively high proportion of beneficiaries and covered a wide range of skill areas. Over a third of companies overall used the training for health and safety issues (including 40% or more of mid sized companies (11-250 employees)). Training in working methods, and ICT were utilised by similar proportions of organisations, but ICT training was significantly more popular with micro-firms, whereas 'working methods' were relatively unpopular with micro-firms. Finance and accounts training was also not widely taken up under the ESF training (17%).

Aside from managerial and technical training, company beneficiaries also took up training in soft skills areas. Team-working, communication skills and time-management skills were all undertaken by around a quarter of all companies who received any training under ESF. Micro-firms were less likely to have been involved in any sort of training, compared to the average, apart from ICT training as already noted. Mid-sized companies, on the other hand, were most likely to have taken part in most of the types of training. Companies with 11-49 employees seemed more likely to train in soft skills as described above and companies in the the next size-band (50-249 employees) were the most likely to have taken up personnel and customer service training. Companies with

over 250 employees were relatively low users of ESF training for the most part but generally undertook a wider range of training.

Non-ESF companies used training mainly to give employees the minimum level of skills to enable them to carry out tasks effectively. Around four fifths of firms trained in health and safety and over two thirds in working methods, particular to their business. Over half used training for induction of new staff and nearly two fifths trained in other skills, which were specifically related to business needs. They were noticeably less likely to train in soft skill areas, but interestingly were more likely to train in basic skills and in quality standards than ESF beneficiaries.

Table 2.16 What did the training involve?

	Percentage of all respondents					Comparison
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	
Other management	38	32	41	43	20	18
Health & Safety	35	25	40	44	20	80
Working methods	31	24	34	38	25	67
ICT / computing	30	35	28	26	15	31
Team-working	27	18	31	35	15	7
Other skills / topics	26	21	28	27	45	39
Communication skills	25	16	31	27	25	21
Time-management	24	17	29	27	10	5
Personnel	23	18	26	31	10	9
Customer service / sales	18	15	18	26	5	16
Finance / accounts	17	15	21	14	0	11
Induction	16	8	21	15	20	53
Marketing / sales	16	14	15	18	25	8
Quality standards	15	8	20	21	5	18
Stress management	14	8	16	19	10	3
Product knowledge	10	7	11	15	15	12
Basic skills	3	3	3	2	10	14
<i>Number of respondents</i>	<i>650</i>	<i>219</i>	<i>294</i>	<i>117</i>	<i>20</i>	<i>383</i>

2.5 On-the-job and off-the-job training

The pattern of responses around location of training shows that off-the-job training was more common than on-the-job training. Altogether, 263 respondents said they received training at their normal place of work compared to 533 who received training away from the workplace (0 and Table 2.18). Comparison of the types of training provided on-the-job with those provided off-the-job, shows that higher level skills and management training were more likely to have taken place away from the main site of work than other types of training. Other management, made up of team management, project

management and general/financial management was the most likely to have been off-the-job training (39%) followed by health and safety training and working methods.

Training which tended to be carried out on-the-job rather than off-the-job comprised induction, communication skills and working methods, all requiring direct application to the workplace. There were some forms of training which were delivered in equal part through on-the-job and off-the-job training, mainly training in quality standards, finance/accounts, ICT and time management. Micro-firms were on the whole relatively less likely to undertake off-the-job training.

The most popular types of training carried out by non-ESF companies, such as health and safety, working methods and other skills, were more likely to have been delivered on-the-job.

Table 2.17 What training was delivered on-the-job ?

	Percentage of all respondents					Comparison
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	
Other skills / topics	34	30	39	29	20	33
Working methods	33	25	35	38	60	63
Health & Safety	31	18	37	33	60	71
Other management	31	28	31	38	20	12
ICT / computing	29	33	25	31	20	20
Communication skills	28	20	33	26	40	19
Team-working	26	13	33	26	40	5
Induction	22	13	28	17	40	54
Time-management	22	12	28	21	40	3
Personnel	20	13	23	24	20	5
Customer service / sales	20	14	23	19	20	13
Quality standards	16	11	19	12	20	16
Finance / accounts	16	13	17	17	0	5
Product knowledge	13	5	14	14	60	10
Stress management	11	5	14	12	20	2
Marketing / sales	10	5	12	12	20	5
Basic skills	4	4	4	2	20	15
<i>Number of respondents</i>	262	76	139	42	5	350

Table 2.18 What training was delivered off-the-job ?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Other management	39	35	41	43	22	15
Health & Safety	35	27	39	44	17	48
Working methods	30	25	32	36	17	45
ICT / computing	29	31	27	27	22	24
Team-working	28	19	32	39	17	5
Personnel	25	20	26	32	11	9
Communication skills	25	16	30	30	28	8
Time-management	24	17	27	32	11	4
Other skills / topics	24	19	26	22	44	42
Customer service / sales	19	15	20	28	6	9
Finance / accounts	17	15	21	15	0	12
Quality standards	16	8	20	23	6	7
Marketing / sales	16	17	13	20	17	6
Induction	15	7	20	16	17	7
Stress management	14	9	15	21	11	2
Product knowledge	11	7	10	19	11	10
Basic skills	3	2	3	2	11	4
<i>Number of respondents</i>	536	175	246	97	18	275

2.6 Effects of training

0 shows that the ESF training satisfied the purpose of training for the vast majority of supported companies. Nearly half overall (46%) said that purposes had been wholly satisfied, while a further 35% said that they had been largely satisfied. Micro-firms were least likely to say that objectives had been wholly satisfied. Even so these are very positive findings in the evaluation of Objective 3 training. Non-ESF companies also reported that their training was very successful in meeting its purpose – indeed their level of satisfaction was higher than for ESF companies, at 91%. However, without more information on the aims and extent of this training, it is difficult to compare these levels of satisfaction.

Around half of companies said that the training had led or would lead to employees being awarded NVQs or other externally-accredited qualification (0). The sub-group most likely to have pursued NVQs as part of the training were in the 11-49 employees size bracket (42%) with micro-firms and the largest organisations showing the least propensity for external accreditation. Around a quarter of companies had linked the training with other externally-accredited qualifications, which were in all probably related to specific and specialised aspects of trainees' job tasks. However, half the micro-firms in the survey related the training to neither NVQs nor other formal qualifications pathways, and this

again is consistent with the findings suggesting micro-firms have a greater tendency to train on an ad-hoc and short term basis. Around half of non-ESF companies said that vocational qualifications resulted from the training, with almost a third (30%) saying that NVQs had been gained from the training, a response which matches the level for ESF-supported companies.

Table 2.19 Overall, to what extent has the training satisfied its purpose(s)? (Tick one)

	Percentage of all respondents (by ESF status)					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Wholly	46	40	49	48	50	53
Largely	35	35	33	39	35	38
Partly	11	13	12	8	15	7
To a small extent	3	4	3	2	0	0
Not at all	3	5	2	2	0	1
Too early to tell	2	3	2	2	0	1
<i>Number of respondents</i>	655	221	294	120	20	378

Table 2.20 Has the training led (or will it lead) to any of your employees being awarded NVQs or other externally- accredited qualifications? (Tick one)

	Percentage of all respondents (by ESF status)					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
NVQs	31	19	42	32	5	30
Other externally accredited qualifications	24	25	25	20	32	21
Both	4	1	4	5	11	32
Neither	41	54	29	43	53	17
<i>Number of respondents</i>	649	220	291	119	19	379

Approaching half of the company beneficiaries (44%) reported that they had experienced positive effects on their bottom line performance as a result of the ESF training (0). There were different perceptions of how training had affected bottom line performance across companies. Organisations with 11-49 employees were more likely to be positive about the training than micro-firms, who in turn were more likely to think that the training had not made a difference to bottom line performance. Larger firms were more likely to have experienced positive effects and were the least likely to have reported no differences.

As 0 also shows, a significantly higher proportion of non-ESF companies (65%) reported improved bottom line performance as a result of training. However, when the comparison companies went on to describe the benefits, (0) they were predominantly in the form of greater employee productivity. It is therefore of interest, and encouraging, to note that ESF-supported training reportedly produced significantly higher positive effects in terms of company profitability, UK sales, income, employment and market value.

ESF training thus appeared to have a positive effect on financial aspects of company operations. Around a third reported a positive effect on company profitability and around a fifth said that UK sales or income had improved. Just over one in ten said they had seen the values of net assets or the market value of the company be increased as a result of the ESF support, and especially those companies with more than 250 employees. Larger organisations were also much more likely to report that the ESF training had increased employment in their organisation.

Nearly 30% of ESF-supported companies reported that they had experienced 'other' positive effects. When probed for more detail, the greatest effect quoted was on employee satisfaction, which was experienced by the majority of this sub-sample. Additional, though less widely experienced positive effects were reported, such as enhanced business acumen, management efficiency and workplace safety. A small number even said "improvements to society" had taken place, which suggests the wider benefits of training and the broader ESF social inclusion agenda.

Table 2.21 What effect, if any, has the training had on your company's bottom line performance (e.g. turnover, profits etc)? (Tick one)

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Positive effects	44	34	50	45	53	65
Has made no difference	32	37	30	29	21	14
Negative effects	1	1	1	1	5	7
Effect has been mixed	7	9	5	8	5	9
Too early to tell	17	19	14	18	16	5
<i>Number of respondents</i>	<i>630</i>	<i>208</i>	<i>284</i>	<i>119</i>	<i>19</i>	<i>355</i>

Table 2.22 Which of the following aspects of company performance have been particularly affected positively?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Employee productivity	74	62	78	83	79	95
Company profitability	31	33	26	34	50	23
Other positive effects	29	29	32	22	21	6
UK Sales / Income	19	22	15	21	29	13
Employment level	19	12	18	26	43	13
Value of net assets / market value of company	11	12	11	8	14	8
Export sales	4	6	3	1	14	1
<i>Number of respondents</i>	<i>465</i>	<i>142</i>	<i>222</i>	<i>87</i>	<i>14</i>	<i>334</i>

2.7 Additionality

As a measure of the additionality of the ESF training, beneficiary organisations were asked if they would have taken alternative measures to achieve the same effects if ESF support had not been available to them. The results in 0 show that four out of ten companies would definitely or probably *not* have taken alternative action, with the remainder saying that they would have definitely, probably or possibly taken alternative action to achieve the same results. Looking at the figures by size-band, it appears that the training provided micro-firms with the highest level of additionality, as just over half (52%) said that they would not have pursued alternative measures to reach the same effects, such as the increased employee productivity and company profitability, without the ESF intervention. Additionality for all other size-bands hovers around 35%.

Table 2.23 Would your company have taken alternative measures to achieve the same effects we have just been talking about if had not been able to access the ESF-funded training?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Definitely	20	11	24	27	37	0
Probably	24	21	27	22	16	0
Possibly	15	16	16	14	11	0
Probably not	29	38	25	25	26	0
Definitely not	11	14	8	12	11	0
<i>Number of respondents</i>	650	219	293	119	19	0

Those companies that would definitely or probably have pursued different measures to achieve the same effects without ESF were asked when these alternative measures would have taken place, see Table 2.24. Responses were evenly split between those who would have taken alternative measures at the same time (42%) and those who would have taken action later (41%). The majority of companies taking alternative measures would have provided the same kinds of training to the same group of employees, (see 0).

The overall response can be interpreted on the one hand as disappointing in that the estimated level of additionality overall was relatively low, but on the other hand, positively in firstly, that the training provided appears consistent with the skills needs of the companies ESF Objective 3 exists to help; and secondly, in that ESF appears to be used as an additional source of training support rather than as a sole means of accessing subsidised training.

Table 2.24 Compared to the ESF-supported training, would these alternative measures have been taken sooner, at roughly the same time, or later?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Sooner	2	0	3	0	0	0
Same Time	42	31	43	51	42	0
Later	41	40	44	34	33	0
Don't know	16	29	9	15	25	0
<i>Number of respondents</i>	289	70	149	58	12	0

Table 2.25 Would these alternative measures have involved the same types of training as the ESF-supported training involved?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Same	78	71	82	79	73	0
Different	6	8	6	4	0	0
Don't know	16	22	11	17	27	0
<i>Number of respondents</i>	284	68	147	58	11	0

Table 2.26 Would these alternative measures have involved the same group(s) of staff as the ESF-supported training involved?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Same	89	89	91	83	73	0
Different	1	1	1	3	0	0
Don't know	10	10	7	14	27	0
<i>Number of respondents</i>	282	67	146	58	11	0

2.8 Skills Gaps

Companies were asked about the levels of skills gaps amongst both existing employees and new recruits (0 and 2.28). The proportions reporting skills gaps amongst new recruits and amongst established employees were similar (30% and 32% respectively). Interestingly, reported skills gaps amongst new recruits appears from the tables to be lower within micro-firms, possibly because they have fewer, and longer-serving employees; their general skills needs are not as great; and perhaps because they have less long-term perception of skills needs. Looking at the comparison group, reported skills gaps are half the level of ESF companies and are more in line with national averages. Again this could be due to a higher perception of skills gaps amongst ESF companies, who as was observed earlier, are probably more skills-aware.

Table 2.27 Is your company currently experiencing any skills gaps or deficiencies amongst new or recent recruits?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Yes	30	23	33	37	47	17
No	46	43	47	50	35	51
Not applicable - no new / recent recruits	24	34	20	14	18	32
<i>Number of respondents</i>	643	221	288	117	17	494

Table 2.28 Is your company currently experiencing any skills gaps or deficiencies amongst its more established employees?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Yes	32	25	35	34	41	15
No	68	75	65	66	59	85
<i>Number of respondents</i>	631	212	287	115	17	493

When respondents were probed about out the nature of skills gaps, the patterns of response for new recruits and established employees were broadly similar (0). Technical skills for skilled workers was the most prevalent perceived area of deficiency for established employees (57%, rising to 70% for companies with 11-49 employees) but was felt to a lesser extent for new employees (41%). IT skills were also thought to be wanting amongst new recruits (16%), but were, once more, slightly higher amongst established employees (22%).

Skills gaps in sales, marketing, health and safety, effective management and literacy/numeracy were also reported – albeit at relatively low levels – amongst both new and established employees. It is not clear whether and how the ESF training alone has addressed these perceived skills gaps, mainly because of the difficulties in establishing causation adequately from what is a ‘snap-shot’ survey, but as an indication it is worth noting the relatively high levels of satisfaction and tangible benefits resulting from the intervention reported by companies (see Table 2.19).

Table 2.29 Please could you describe these skills gaps or deficiencies? (new recruits)

	Percentage of all respondents					Comparison
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	
Technical skills for Skilled workers	41	42	38	46	50	0
I.T. Skills	16	19	18	10	0	0
Induction courses	10	2	13	12	13	0
Health & Safety	8	6	9	10	0	0
lack of recruits / can't retain staff	8	4	10	10	13	0
Sales / marketing Skills	6	15	2	7	0	0
Effective Management	6	8	7	2	0	0
Basic Literacy / Numeracy	5	6	3	5	13	0
Leadership skills	4	0	4	7	0	0
Basic office skills	3	4	3	0	0	0
First Aid Skills	3	6	3	0	0	0
H.G.V. Drivers	3	2	2	2	13	0
Common sense	2	0	2	2	0	0
Personal Confidence	2	2	1	5	0	0
Lack of experience	2	4	1	0	0	0
H.G.V. Mechanics	1	0	1	0	0	0
Colloquial English	1	0	0	2	13	0
Reluctance to change	1	2	0	0	0	0
Time management	1	0	1	0	0	0
Organisational skills	1	2	0	0	0	0
Difficult to spare staff time to go on courses	1	0	1	0	0	0
<i>Number of respondents</i>	<i>190</i>	<i>48</i>	<i>92</i>	<i>41</i>	<i>8</i>	<i>0</i>

Table 2.30 Please could you describe these skills gaps or deficiencies? (established employees)

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Technical skills for Skilled workers	57	39	70	49	57	0
I.T. Skills	22	33	17	21	14	0
Sales / marketing Skills	7	12	4	8	0	0
Health & Safety	6	10	4	3	14	0
Effective Management	5	6	3	10	0	0
Leadership skills	4	0	3	10	0	0
Basic Literacy / Numeracy	3	2	2	3	14	0
First Aid Skills	3	6	1	3	0	0
Basic office skills	2	4	0	3	0	0
lack of recruits / can't retain staff	2	0	0	5	14	0
Personal Confidence	2	0	0	8	0	0
Organisational skills	2	2	1	3	0	0
H.G.V. Drivers	1	0	1	0	0	0
Colloquial English	1	0	0	0	14	0
Common sense	1	0	1	0	0	0
Reluctance to change	1	0	2	0	0	0
Updating legal knowledge	1	0	0	3	0	0
Accounting	1	2	0	0	0	0
<i>Number of respondents</i>	196	51	99	39	7	0

ESF companies appear to demonstrate a more strategic and innovative attitude to tackling skills gaps than non-ESF companies. As 0 shows, nearly half of the ESF group responded to skills gaps by increasing the implementation of apprenticeships or other training programmes within their organisations, compared to 44% of the comparison group, while 42% said they were providing further training to other workers vis-à-vis 35% of the comparison group.

The ESF companies are also more likely to have changed work practices to tackle skills gaps and to have increased recruitment activity than the non-ESF group. Importantly, the ESF companies are only half as likely to have done nothing at all to tackle skills gaps. Further probing revealed that one in six ESF companies tackled skills gaps by doing other things, such as carrying out in-house training, staff reviews and mentoring.

Table 2.31 What is the company doing to tackle these gaps or deficiencies? (multiple response allowed)

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Increasing apprenticeship / training programmes	49	36	55	52	56	44
Providing further training for other workers	42	42	39	46	67	35
Increasing recruitment activity	15	16	17	7	22	12
Changing work practises	10	6	13	9	11	3
Nothing	4	10	1	2	0	8
Relocating work elsewhere	2	1	4	0	0	0
Other	15	15	12	21	0	9
<i>Number of respondents</i>	247	67	115	56	9	109

2.9 Growth Ambitions

As 0 demonstrates, ESF companies had greater growth ambitions than non-ESF organisations. Overall, 70% of the former said that they planned to grow rapidly or moderately over the next 2-3 years, compared to 44% of non-ESF companies. Nearly one in ten ESF companies plan to grow rapidly in this period compared to only 4% of non-ESF companies. There is a progressive relationship between the size of firm and the extent of growth ambitions. Looking at the figures for moderate growth, we see that three fifths of ESF companies fall into this category, compared to two fifths of their non-ESF counterparts. It is also interesting to note that more than half of the comparison group are content to remain the same size or even grow smaller over the next 2-3 years, compared to 29% of ESF trained organisations. These figures strongly suggest that ESF companies are more ambitious than average.

Analysing growth objectives by sector in 0, we see that more than 80% of responding companies in the sub-sample across the four main sectors are ambitious to growth. Only the retail sector shows some reticence over growth over the next 2-3 years and is more likely to plan to remain the same size.

Table 2.32 Which of the following best describes your company's growth objectives over the next 2-3 years?

	Percentage of all respondents					
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	Comparison
Grow rapidly	9	5	10	14	15	4
Grow moderately	61	66	55	65	70	40
Stay the same size	29	28	35	21	15	51
Grow smaller	0	1	0	0	0	5
<i>Number of respondents</i>	643	215	289	119	20	493

Table 2.33 Which of the following best describes your company's growth objectives over the next 2-3 years (sub-sample of ESF companies) ?

	Percentage of all respondents					
	Total	Agriculture & Extraction	Manufac ture	Utilities, Construc tion & Comms	Retail, Wholesale & Leisure	Finance & Business Services
Grow rapidly	9	0	13	5	12	9
Grow moderately	61	0	69	78	64	74
Stay the same size	29	0	17	14	24	16
Grow smaller	0	0	0	3	0	0
<i>Number of respondents</i>	<i>643</i>	<i>0</i>	<i>134</i>	<i>78</i>	<i>100</i>	<i>86</i>

ESF companies are more likely to be involved in other government initiatives than companies who have not benefited from ESF training. 0 shows that ESF companies are significantly more likely to be involved in Investors in People (IiP), Modern Apprenticeships (MAs) and New Deal than non-ESF companies. No companies in the comparison group have been involved in the Small Firms Training Loan Scheme or the Union Learning Fund. Nearly two thirds of the comparison group have not been involved in any government initiatives, compared to only two fifths of ESF trained companies. Over one in ten ESF companies said they had taken part in other government-sponsored initiatives related to workforce development. When they were probed about what these initiatives comprised, they were mainly sector and job-specific training schemes such as technical certificates and NVQs, and 11% had sought advice on training from Business Links.

Looking at involvement in government initiatives by size band, we see that the larger companies are involved in greater proportions in each of the main schemes which seek to foster skills development in the workplace. Investors in People (IiP) is the most popular scheme amongst the larger companies, attracting over half of the 50-249 group and 70% of the largest organisations. IiP has only attracted half the average proportion of micro-companies which had made use of ESF support (18% compared with an average of 36%). MAs have attracted around two fifths of companies with 50-249 employees and half of the companies in the largest size-band. Additionally, New Deal was taken up by a third of companies employing over 250 staff.

The likelihood of participation in other government initiatives is therefore dependent on company size to a large extent - over half of ESF micro-firms have not been involved in any other initiative (53%), while the proportion of ESF-supported companies which have not been involved in any other initiative declines rapidly with size. However almost two thirds of non-ESF companies have not participated in any other initiative, compared to just 42% of ESF companies. This probably again indicates the enhanced skills awareness of the ESF companies in relation to their non-ESF counterparts.

Table 2.34 Which, if any, of the following government initiatives has your company participated in? (multiple response allowed)

	Percentage of all responses					Comparison
	ESF Total	ESF 1-10	ESF 11-49	ESF 50-249	ESF 250+	
Investors in people	36	18	40	54	70	23
Modern Apprenticeships	21	15	17	38	50	7
New Deal	12	10	10	17	30	6
Small Firms Training Loan Scheme	2	1	2	3	5	0
Union Learning Fund	2	0	2	3	15	0
Other	11	12	11	10	10	7
No Government initiatives participated in	42	53	43	27	10	65
<i>Number of respondents</i>	625	207	284	114	20	454

3 Conclusions

The following are the key points from what is a generally positive evaluation of the ESF Objective 3 programme for England, with respect to the programme's support for companies.

3.1 Nature of ESF Support

Assessing the profile of company beneficiaries of ESF Objective 3 training, the great majority employ fewer than 50 employees, with just 3% employing more than 250 staff. Most take training decisions at their own site. Whilst smaller firms tend to train on an ad-hoc basis and carry out less training than larger companies, they train to a greater extent than non-ESF companies and have a greater level of skills organisation and relatively generous training budgets.

The majority of companies reported participating in ESF in order to provide necessary skills for employees in their current job. Nevertheless, a significant proportion (at least a quarter) used the training for more strategic reasons, to improve business performance and to improve employee's skills for a future job, or to improve employees' skills for future jobs. At the same time, nearly a third of companies with 11-49 employees used the training to meet legal obligations and a quarter of very large firms used ESF to support equal opportunities, or for sales and marketing skills, which are aims that are, on the surface, not entirely commensurate with ESF support.

The types of training carried out with ESF support Objective 3 were mainly concentrated on managerial and supervisory skills, technical skills, including IT, health and safety and soft skills. Lower-level skill training was less apparent, especially basic skills training. As a result, managers, supervisors and technical staff were the most likely to take part in the ESF training, while a majority of the training was carried out off-the-job.

Although it should be borne in mind that Policy Field 4, under which the majority of company support is provided, explicitly promotes the development of higher level skills under Measures 2 and 3, the findings suggest that the distribution of projects is somewhat unduly skewed towards these higher level skills. At the same time it became clear during the course of the research, from contacts with several projects, that managers and higher-qualified or skilled individuals were not always the ultimate beneficiary of the training funded by the ESF support – for example, one project reported that managers were trained in order to be able to help disabled people within their companies. It is therefore recommended that further, more in-depth work is carried out on the nature of ESF support to companies.

3.2 Impact of ESF Support

One of the key objectives of the evaluation was to find out if companies taking part in the ESF training had a greater level of skills organisation than non-ESF companies. The evaluation clearly found out this to be the case. ESF-supported companies were more likely to be 'strategic trainers' and as such linked in to business support and workforce development networks. They were thus more likely to take part in publicly funded training

such as ESF as an *additional source* of training support, rather than as a sole means of accessing subsidised training. Discussions held with training providers inferred that companies which already had an established relationship with them tended to be targeted for ESF recruitment campaigns, although providers pointed out that they were at pains to meet the specific needs of their beneficiaries. Even so, given the findings about the levels of skills awareness of ESF-supported companies, it is recommended more be done to improve the penetration rates of ESF support to those companies that are not high intensity trainers and are difficult to access, especially companies in non-service sectors and very small companies.

Reported skills gaps for existing staff – including presumably employees who would have participated in ESF-supported training - mirrored those found in new recruits, in terms of nature and extent. Furthermore, they were twice as wide as those reported amongst non-ESF companies. This most likely reflects a heightened skills awareness on the part of ESF companies. It is of course difficult to establish the impact of the ESF-supported training from this one-off survey on perceived skills gaps.

ESF companies were much more proactive than their non-ESF counterparts with regard to the ways they sought to address the gaps. They were more likely to increase training and change work practices to tackle skills gaps than non-ESF companies. Moreover, they were half as likely as non-ESF companies to do nothing about these problems. This suggests that the ESF-supported companies are making use of the support in a positive and strategic manner, quite probably in conjunction with other means of addressing skills gaps within their organisations.

The perceived effects of the ESF-supported training on businesses, relating both to employee productivity and financial performance, were very positive indeed – ESF-supported companies were significantly more likely than non-ESF companies to report improved financial performance (sales, profitability etc.). Most ESF companies (70%) were expecting to grow over the next 2-3 years, especially in the utilities and business service sectors, compared to 44% of non-ESF companies.

On the issue of additionality, even though overall, the measure derived from the survey of ESF companies was a little disappointing, the impact was more positive for micro-companies (providing another reason for trying to focus support more on micro-firms). It should also be borne in mind that companies reporting they would have taken alternative measures to derive the same effects as the ESF training may not have carried these out at the same time – indeed, 40% (equivalent to 18% of the overall sample) said these measures would have happened later. As such, the ESF support can be regarded as offering 'weak additionality'.

ESF companies are generally more likely to be involved in other government initiatives than companies who have not benefited from ESF training. Around two thirds of non-ESF companies have not participated in any initiative, compared to just 42% of ESF-supported companies. This probably again reflects the enhanced skills awareness of the ESF companies in relation to their non-ESF counterparts.

2003 ESF Companies Survey (GB)
Questionnaire for recipients of support

Interviewer:

- *The interview should be with the person responsible for co-ordinating training in the company. This is likely to be the Personnel or Training Manager / Director (in larger companies) or the Managing Director / General Manager (in smaller companies).*
- *Introduce yourself and explain that PACEC (Strategic Marketing in Wales) are undertaking a survey for the Department for Work and Pensions (for interviews in England)/ the Welsh European Funding Office (for interviews in Wales) Scottish Executive(for interviews in Scotland) to examine the effectiveness of training funded by the European Social Fund.*
- *Tell the interviewee that we understand that employees in their company were receiving training supported by the ESF at some point between June and November 2002 (although the training might have started earlier and might have finished later or still be going on). Refer to the contact sheet to remind the interviewee, if necessary, that we are talking about <type of training>, provided through the <name of project>, by <name of organisation>, starting on / finishing on <start date / end date>. Proceed with the interview only if the interviewee recognises the training you describe.*
- *Assure the interviewee that any information they provide will be treated as confidential and that no individual or company will be identified in any report arising from the survey. Offer to fax or e-mail the interviewee an outline of the questions that will be asked. The interview will last no longer than 20 minutes.*
- *Companies in Wales must be offered the opportunity to be interviewed in Welsh.*

Contact record and company classification

Q1 Name of company _____

Q2 Address _____

Q3 Postcode (*must be shown*)

Q4 Telephone number _____

Q5 Name of interviewee _____

Q6 Position in company _____

Q7 Date of interview _____

Q8 Name of interviewer _____

Q9 ESF Programme? (Check contact sheet and tick one)
 Objective 1 1 Objective 2 2 Objective 3 3

Q10 Location of company? (Check contact sheet and tick one government office area / territory)

Eastern	<input type="checkbox"/> 1
East Midlands	<input type="checkbox"/> 2
London	<input type="checkbox"/> 3
North East	<input type="checkbox"/> 4
North West	<input type="checkbox"/> 5
South East	<input type="checkbox"/> 6
South West	<input type="checkbox"/> 7
West Midlands	<input type="checkbox"/> 8
Yorkshire & Humberside	<input type="checkbox"/> 9
Scotland	<input type="checkbox"/> 10
Wales	<input type="checkbox"/> 11

Q11 What is your company's main product or service at this site? (Describe fully. Make clear whether the company makes/manufactures, retails/wholesales, or provides some other type of service.)
 Office use only: Enter SIC code

Q12 Which of the following best describes your company? (Tick one)

Single site, independent business	<input type="checkbox"/> 1
Branch or subsidiary of a company with head offices elsewhere	<input type="checkbox"/> 2
Head office of a company with branches or subsidiaries elsewhere	<input type="checkbox"/> 3
Other (Specify below)	<input type="checkbox"/> 4
	<input type="checkbox"/>

Interviewer: If the company has more than one site, please note that all the remaining questions relate to this site (i.e. the particular address shown in Q2)

If 'Branch or subsidiary' ticked above, continue with Q13. Otherwise go to Q14.

Q13 Where are decisions about training at this site taken? (Tick one)
 At this site 1 Elsewhere in the company 2 Varies, e.g. depending on type / cost of training 3

Size and composition of company employment

N.B. If the company has more than one site, the questions relate to this site (i.e. the particular address shown in Q2)

Q14 Including all full-timers and part-timers, how many employees does your company currently have? (Show number. Approximate, if necessary)

Q15 And how many employees did your company have 3 years ago? (Show number. Approximate, if necessary. Enter zero if the company did not exist 3 years ago)

Q16 How many of your current employees belong to the following occupational groups? (Show numbers or percentages of the total in each case, including zero. Approximate, if necessary. **Total number must be the same as in Q14. Percentages must sum to 100%**)

	Either: Number	Or: % of total in Q14
Mangers and senior administrators		
Professionals and associate professionals (including technicians)		
Clerical and secretarial		
Sales staff		
Skilled manual workers		
Semi- and lower skilled manual workers		
All others (not included above)		
Total (Number should be same as Q14 / % should sum to 100)		

Q17 What proportion of your current employees belong to the following groups? (Show numbers or percentages of the total in each case, including zero. Approximate, if necessary.)

	Either: Number	Or: % of total in Q14
Employed part-time (less than 30 hours per week)		
Female		
Ethnic minority		
Disabled		
Aged 16-24		
Aged 25-49		
Aged 50+		

Company's overall approach to training

Q18 Which of the following best describes the overall policy of your company to on- and off-the-job training? (Tick one)

No training has been undertaken by the company in recent years	1
Training tends to be a last resort and, generally, we try to avoid having to train staff or managers	2
We undertake staff training as and when necessary, but don't have a particular policy on the matter	3
We take a systematic approach to training, though this is not set out in written form	4
We have a written training policy which ensures that the necessary training takes place	5

Q19 Which of the following does your company have? (Tick as many as apply)

Business plan	1
Human resources plan	2
Written training plan	3
Training budget	4
Equal opportunities policy or plan	5

If 'Training budget' ticked above, continue with Q20. Otherwise go to Q21

Q20 What is your company's training budget for the current financial year? (Show amount. Approximate, if necessary) £

Q21 Please could you estimate, roughly if necessary, how many person days of your company's time were taken up by all types of training, both on- and off-the-job, in the last 12 months? (Show number of person days. Encourage interviewee to make an estimate of some kind, even if very rough, e.g. average number of training days per employee times number of employees)

Q22 And how many of your employees have received training of any type in the last 12 months? (Show number of employees. Number must not be greater than number shown in Q14)

Nature and extent of the ESF training

Interviewer: Tell the interviewee that you would now like to focus on the ESF-funded training that you mentioned at the beginning (i.e. the <type of training>, provided through the <name of project>, by <name of organisation>)

Q23 Before I mentioned the fact, were you aware that the training we are talking about was supported by the European Social Fund (ESF)? (Tick one)
 Yes ¹ No ²

Q24 When did the training start? (Show month and year)

Q25 And when did it finish, or when is it due to finish? (Show month and year)

Q26 How many of your company's employees were involved in the training (or have been involved to date)? (Show number)

Q27 In which of the following occupational groups are the employees who were (or are) involved in the training? (Ask only for occupational groups where company currently has employees – see Q16. Tick either Yes or No.)

	Yes	No
Mangers and senior administrators		
Professionals and associate professionals (including technicians)		
Clerical and secretarial		
Sales staff		
Skilled manual workers		
Semi- and lower skilled manual workers		
All others (not included above)		

Q28 What skills or topics did the training cover (or, what does it cover, if not yet finished)? *(Tick all skills / topics mentioned. Ask 'Did it involve anything else?' to ensure a complete response. For all ticked in first column, show whether training was / is on- or off-the-job, or a combination of the two. Then ask whether the company would normally provide this type of training)*

	Skill / topic covered?	How delivered?		Provided normally without ESF support?	
		On-the-job	Off-the-job	Yes	No
Induction					
Health & Safety					
Quality standards (e.g. ISO 9000)					
Personnel					
Finance / accounts					
Other management					
Team-working					
Time management					
Stress management					
Basic skills (incl. literacy and numeracy)					
Communications skills					
ICT / computing					
Product knowledge					
Working methods					
Marketing / sales					
Customer service / sales					
Other skill(s) / topic(s) <i>(Specify below)</i>					

Q29 Please could you estimate, roughly if necessary, how many person-days of your company's time the ESF funded training we have been talking about took up (or has taken up to date, if it is ongoing – see Q25)? *(Show number of person days. Encourage interviewee to make an estimate of some kind, even if very rough, e.g. average number of training days per employee times number of employees)*

Q30 *(If training is ongoing - see Q25)* Please could you estimate, roughly if necessary, how many further person-days of your company's time the training is likely to take up by the time it finishes? *(Show number of person days. Encourage interviewee to make an estimate of some kind, even if very rough, e.g. average number of training days per employee times number of employees)*

Effects of the ESF training

Q31 What were the main purposes of the ESF-supported training we have been talking about? And were there any other purposes? *(Tick all main purposes in the first column and show*

other purposes in the second column. Ask 'Were there any other purposes?' to ensure a complete response.)

	Main Purposes?	Other purposes?
To equip employees with the necessary skills to do their current jobs		
To improve employees' skills for their current jobs		
To equip employees with skills for future jobs		
To introduce new equipment or software		
To cope with business growth		
As a reward / incentive		
To tackle recruitment difficulties		
To reduce labour turnover		
To meet legal obligations		
To support equal opportunities objectives		
To promote 'family-friendly' working within the company		
To improve business performance or help business survival		
Other(s) (Specify below)		

Q32 Overall, to what extent has the training satisfied its purpose(s)? (Tick one)

Wholly ¹ Largely ² Partly ³ To small extent ⁴ Not at all ⁵ Too early to tell ⁶

Q33 Has the training led (or will it lead) to any of your employees being awarded NVQs or other externally-accredited qualifications? (Tick one)

NVQs ¹ Other externally accredited qualifications ² Both ³ Neither ⁴

Q34 What effect, if any, has the training had on your company's 'bottom line' performance (e.g. turnover, profits etc)? (Tick one)

Positive effect ¹ Has made no difference ² Negative effect ³ Effect has been mixed ⁴ Too early to tell ⁵

Q35 Which of the following aspects of company performance have been particularly affected, either positively or negatively? (Tick all where positive or negative effects are pronounced. Ask whether any other aspects not listed are particularly affected)

	Positive effect	Negative effect
UK sales / income		
Export sales		
Employment levels		
Employee productivity		
Company profitability		
Value of net assets / market value of company		
Other positive (Specify)		
Other negative (Specify)		

Q36 Would your company have taken alternative measures to achieve the same effects we have just been talking about (Q31-Q35), if had not been able to access the ESF-funded training? (Tick one)

Definitely ¹ Probably ² Possibly ³ Probably not ⁴ Definitely not ⁵

If 'Definitely' or 'Probably' ticked above, continue with Q37. Otherwise go to Q40

Q37 Compared to the ESF-supported training, would these alternative measures have been taken sooner, at roughly the same time, or later? (Tick one)

Sooner ¹ Same time ² Later ³ Don't know ⁴

Q38 Would these alternative measures have involved the same types of training as the ESF-supported training involved? (Remind the interviewee of the types of training shown in Q28, if necessary. Tick one)

Same ¹ Different ² Don't know ³

Q39 Would these alternative measures have involved the same group(s) of staff as the ESF-supported training involved? (Remind the interviewee of the occupational groups shown in Q27, if necessary. Tick one)

Same ¹ Different ² Don't know ³

Context and wider company policy / operations

Interviewer Explain that you would like to finish by asking a few general questions that will help us to understand the company and classify it for the purpose of analysis of the survey results.

If necessary explain that skills gaps are those that have an impact on an organisation's ability to meet its objectives.

Q40 Is your company currently experiencing any skills gaps or deficiencies amongst new or recent recruits? (Tick one)

Yes ¹ No ² Not applicable – no new / recent recruits ³

If 'Yes' ticked above, continue with Q41. Otherwise go to Q42

Q41 Please could you describe these skills gaps or deficiencies? *(Record details fully – show skills and occupations)*

Q42 Is your company currently experiencing any skills gaps or deficiencies amongst its more established employees? *(Tick one)*

Yes ¹ No ²

If 'Yes' ticked above, continue with Q43. Otherwise go to Q44

Q43 Please could you describe these skills gaps or deficiencies? *(Record details fully – show skills and occupations)*

Q44 **(Only if Yes to Q40 or Q42 or both)** What is your company doing to tackle these gaps or deficiencies? *(Tick one)*

Nothing	<input type="checkbox"/> ¹
Increasing apprenticeship / trainee programmes	<input type="checkbox"/> ²
Providing further training for other workers	<input type="checkbox"/> ³
Changing work practices	<input type="checkbox"/>
Relocating work elsewhere	<input type="checkbox"/>
Increasing recruitment activity	<input type="checkbox"/>
Other <i>(Specify below)</i>	<input type="checkbox"/> ⁴

Q45 Which of the following best describes your company's growth objectives over the next 2-3 years? *(Tick one)*

Grow rapidly	<input type="checkbox"/> ¹	Grow moderately	<input type="checkbox"/> ²
Stay the same size	<input type="checkbox"/> ³	Grow smaller	<input type="checkbox"/> ⁴

Q46 Which, if any, of the following government initiatives has your company participated in?
(Tick as many as apply Ask 'Is your company involved in any other government initiatives?)

Investors in People	<input type="checkbox"/>
The Small Firms Training Loan scheme	<input type="checkbox"/>
Modern Apprenticeships	<input type="checkbox"/>
New Deal	<input type="checkbox"/>
Union Learning Fund	<input type="checkbox"/>
Other (Specify below)	<input type="checkbox"/>

END. THANK YOU FOR YOUR HELP.