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SMEs are increasingly interested in the effects of training

From a survey of their evaluation practices, it appears that firms are paying increasing attention to the effects of the training courses they offer. Although the share of firms providing training for their employees changed little between 2005 and 2010, they say they are more aware of the connections between their training provision and their economic performance. In this respect, small firms are not lagging behind.

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The reform of vocational training aims to change firms' attitudes and practices with regard to training. By abolishing the compulsory expenditure on training plans, the Act of 5 March 2014 aims to help firms regard training as a factor of competitiveness in its own right. It seeks to make firms pay greater attention to their training policies by giving them greater flexibility to adapt their training provision to their economic constraints.

The European CVTS surveys (see box p. 4) provide information on the way in which firms perceive training and the purposes for which they train employees. In addition, they show that firms try to evaluate the training undertaken by their employees in several ways. These approaches to evaluation may serve as indicators of the attention paid to the effects of training, even though they cannot be used to observe the detail of the tools and modes of evaluation deployed. It has to be noted that this concern, which had always been present, intensified between 2005 and 2010, that is well before the 2014 reform was implemented.

The surveys offer three criteria, derived from three separate inputs, by which firms' attitudes and practices can be evaluated. The measurement of participant satisfaction is an assessment of a training course made 'on the spot' by

employees immediately following the event. It differs from an evaluation of skill acquisition, which aims to determine whether employee who have undergone training have appropriated the knowledge dispensed during the training course. Finally, an evaluation of the impact of training on a firm's economic performance seeks to ascertain the effectiveness of training in terms of the return to the investment made by firms (increased productivity, improved quality etc.). These criteria can be objectified with varying degrees of ease but they can all be interpreted as indicators of the degree of attention firms pay to the effects of training.

Firms more focused on the effects of training

In 2010 as in 2005, three quarters of firms provided training for at least one of their employees and the share of those that stated they evaluated the effects of training was on the rise. Over this period, evaluation practices appear to have diffused significantly more quickly among small firms than among large firms. In 2010, as a consequence, the gaps between small and large firms were tending to narrow.

In 2005, 46% of firms that provided training evaluated employees' satisfaction at the

●●● end of training events. Five years later, this share had risen to 66%. Over the same period, the share of firms that stated they evaluated the impacts of training on economic performance rose from 14% to 21%. These are the two evaluation criteria whose use increased most sharply. The attention paid to the skills acquired on completion of a training course and to evaluating individual performance also increased over the period, but less rapidly (Table 1).

These developments may reflect the fact that firms – particularly smaller ones – are keeping a closer watch on all items of expenditure in difficult economic times. They may also indicate that they are paying particular attention to the quality of training. After all, regardless of the criterion used, there is a significant link between a declaration by a firm that it evaluates its training provision and a similar declaration that it demands quality: the probability that a firm evaluates its training provision rises if it also declares that it ensures training quality by commissioning certified providers or if it regularly trains in-house instructors (Table 2). This can be seen as a consequence of the development of training course design, including evaluation practices, which affects small firms particularly when they are acting as sub-contractors to larger companies (Table 2). It may also reflect changes in training providers themselves, which are now evaluating the training they provide for their clients, or the influence of the OPCAs and the consultancy companies that have encouraged these practices.

In order to explore these interpretations further, we will focus on the two criteria whose use by firms providing training grew most rapidly between 2005 and 2010 but which reflect very different evaluation practices. True, both criteria constitute an addition to a set of HRM tools that already existed in firms. However, measuring par-

ticipant satisfaction is a way of recording participants' impressions of the quality of the training they have received (teaching methods, meeting of expectations, feeling of having made progress, etc.) and hence of improving the choice of training providers. Evaluating the impact of training measures on firms' economic performance, on the other hand, may indicate that employers are becoming increasingly aware of the effects of training.

A significant increase in the measurement of participant satisfaction

Evaluating the satisfaction of participants at the end of their training course is a practice that has become widespread in large firms but is now also widely used in smaller firms providing training. In 2010, 9 out of 10 firms with at least 500 employees that provided training measured participant satisfaction; the figure for firms with between 10 and 49 employees was 65% (Table 1).

The share of firms stating they measure participant satisfaction increases with size. Such evaluation becomes all the more likely if a firm has been using HRM tools for a long time. Thus the probability of measuring participation satisfaction has risen significantly for firms that conduct individual interviews with the aim of evaluating training needs, for those that have dedicated training departments or personnel and for those that have a well-developed training plan. Firms that state that quality standards are used in production activities and those that have planned economic targets are also more likely to have adopted such evaluation practices. Moreover, firms are more likely to measure participant satisfaction the higher the rate of access to training is, but are not significantly

CVTS • Continuing Vocational Training Survey

OPCA • Organisme paritaire collecteur agréé

The OPCAs are the authorised joint collection bodies set up to collect, pool and redistribute employers' training levies.

Firms that provide training • Firms that provided training for at least one of their employees in the past year.

Table 1 • The training evaluation practices used by firms in 2005 and 2010

Size of firms	Share of firms that provide training (%)		Share of firms providing training that evaluate the impact of training on:							
			participant satisfaction* (%)		skill acquisition* (%)		economic performance* (%)		employee performance* (%)	
			2005	2010	2005	2010	2005	2010	2005	2010
10 to 49 employees	69	72	43	65	36	39	15	22	40	43
50 to 249 employees	98	95	54	67	41	44	11	20	43	46
250 to 499 employees	69	97	69	86	50	49	18	17	45	45
500 employees and more	69	99	78	90	49	50	15	19	44	45
Ensemble	74	76	46	66	37	40	14	21	41	44

Field: all firms with 10+ employees providing training, in 2005 and 2010. *includes only firms providing training.

Interpretation: 43% of firms with between 10 and 49 employees and providing training evaluated participant satisfaction following training courses in 2005; the proportion rose to 65% in 2010, an increase of 50%. Source : CVTS 3, CVTS 4.

Table 2 • Evaluation of the impact of training on employee satisfaction and firms' economic performance

	Multiplying factor for firms evaluating the training they provide in terms of...	
	...participant satisfaction	...economic performance
Size of firm		
Firms employing 10 to 49 people	0.6	2
Firms employing 50 to 249 people	0.4	1.3
Firms employing 250 to 499 people	0.7	1.1
Firms employing more than 500 people	Ref.	Ref.
Structure of firm		
Firms belonging to a group	1.1	0.8
Firms with a higher than average share of managerial and supervisory staff	1.5	0.9
Firms with a higher than average share of manual workers	1.0	1.0
Training effort		
Firm's expenditure on training is higher than the legal obligation	1.2	0.9
Firms with an above-average rate of access to training for firms of the same size and in the same sector	1.2	1.1
HR tools specifically designed to support firm's training policy		
The firm or group has a department or personnel whose task it is to organise continuing training	1.4	1.0
The firm has put in place a training plan	1.5	1.3
The firm conducts interviews in order to gather information on employees' training needs	1.6	1.3
Firm's production tools and procedures		
The firm uses quality standards in its production activities or service provision	1.5	1.1
The firm has planned and formalised economic objectives	1.2	1.2
The firm uses formalised problem solving methods in its production activities or service provision	1.1	1.4
Attention paid to training quality		
The firm makes sure training is of appropriate quality by providing regular training for its in-house instructors	1.5	1.9
The firm makes sure training is of appropriate quality by using accredited training providers (national registers)	1.2	1.3

Fields: all firms providing training with 10 or more employees, in 2010.

Interpretation: all other things being equal, the probability of evaluating participation satisfaction at the end of a training course is multiplied by 0.6 for firms employing between 10 and 49 people compared with those employing 500 or more people. In green, the model's significant values. Source : CVTS 4.

more likely to do so when their level of expenditure is high (Table 2).

It should be noted that adoption of this evaluation practice has also been encouraged by training providers, who have systematised the measurement of client satisfaction as part of their own quality assurance procedures. While the practice extends far beyond approved organisations, the proliferation of quality standards in the field of continuing vocational training (since October 2010 there has been a specific ISO norm for training, namely ISO 29990), including the systematic handing out of satisfaction questionnaires at the end of training courses, has helped this practice to spread rapidly.

The growing share of firms that state they have adopted this practice is part of a trend towards the production of norms, whether by firms or by training providers, and reflects to a large extent the diffusion of HRM tools within firms.

SMEs are aware of the impact of training on their economic performance

In 2010, one firm in every five evaluated the impact of training courses on their economic performance. The difficulties involved in producing the results of such evaluations probably explain this modest rate of diffusion. Since 2005, however, firms that provide training have been making increasing use of this evaluation criterion. Incidentally, it is surprising to observe that the firms likely to experience the greatest difficulties in carrying out these evaluations, i.e. the smallest ones, are in fact more likely to pay attention to the impact of training courses on economic performance (Table 1). This is why, when they state that they evaluate the effects of training, this may simply indicate they are more aware of them without it being clear precisely how they translation that awareness into practice. ●●●

●●● Regardless of the other dimensions taken into account, firms with between 10 and 49 employees are more likely to evaluate economic performance at the end of training courses than larger firms. Thus it is firms with 500 or more employees that are least likely to evaluate training by this criterion.

Although it is generally assumed that small firms perceive training principally as a constraint on their budgets, these results show that an increasing proportion of them are more concerned today with the economic effects of their training policies.

Firms tend to adopt the practice of evaluating training for its impact on their economic performance when they have decided to put in place a training plan or to conduct individual interviews. Thus, as with the measurement of participant satisfaction, the practice spreads as firms make increased use of certain HRM instruments. However, the attention paid to the economic effects of training has no significant connection with firms' level of expenditure on training and nor does it depend on the proportion of employees who receive training (Table 2).

Thus small firms' increasing tendency to evaluate the impact of training on economic performance seems to reflect a growing concern with the economic effects of their investment in training at a time when the overall training effort is stagnating.

Towards a shift in firms' relationship to training?

While firms' increased efforts to measure participant satisfaction reflect a growing trend towards the adoption of management tools, it would seem that the increased attention being paid to the impact of training on economic performance is spreading, particularly to small firms, above and beyond the general trend towards the adoption of HRM instruments and the production of norms. Thus in 2010 it was small firms with

The CVTS survey methods

The Continuing Vocational Training Surveys (CVTS) question firms on the vocational training that they fund in part or in whole for their employees. These European surveys are managed in France by Céreq in collaboration with DARES. The respondents are either managing directors or training managers.

Firms that provided training for at least one of their employees (74% of all firms with at least 10 employees in 2005 and 76 % in 2010) are questioned about their training evaluation practices on the basis of four criteria: 'At the end of a training course, does the firm measure the level of participant satisfaction?'; 'Does it evaluate participants in order to verify that the skills targeted by the training have been acquired?'; 'Does it use indicators (production time, deadlines, use of equipment, reduction in losses, etc.) to measure the impact of training on economic performance?'; 'Does it evaluate participants' behaviour at work and/or performance (evaluation by supervisor at work station or by questionnaire filled in by supervisor)?'.

Although the measurement of participant satisfaction is a relatively familiar and widespread practice (participants fill in a questionnaire 'on the spot' about their level of satisfaction with the training, just after the course has finished), evaluations of skills and of the impact of training on economic performance are much more heterogeneous practices; the surveys provide no information on what they actually involve.

between 10 and 49 employees which, if they provided training, were more likely to state that they evaluated the impacts of their training provision on their economic performance.

Will the reform of vocational training increase the attention being paid to the effects of training? As well as abolishing the compulsory expenditure on training, the Act of 5 March 2014 also incorporates training management tools into labour law for the first time. Regular, compulsory career development interviews should help to strengthen the link between employees' needs and those of their employers, with training seen as a lever to underpin that link. Moreover, as part of this reform, SMEs should find the OPCAs will be key actors in the design of training policy.

The question now is how these organisations are going to continue providing firms with management tools as means of measuring the effects of training. ■

Further reading

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