



Centre for Research in  
Education Inclusion  
and Diversity



# **Towards a Lifelong Learning Society in Europe: the Contribution of the Education System (LLL2010)**

**National Report for Scotland**

**The Role of Formal Education in Workforce Development  
in Scotland**

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## Introduction

This report presents the findings from six case studies of small to medium sized enterprises. The case studies examined the role played by formal education in developing the knowledge and skills of the workforce. The research forms part of a European Sixth Framework project entitled: Towards a Lifelong Learning Society in Europe: The Contribution of the Education System ([www.lil2010.tlu.ee](http://www.lil2010.tlu.ee)). The project consists of five subprojects and the exploration of workplace learning constitutes Subproject 4. The main aim of this subproject was to examine the role of formal education in workforce development. The field work was carried out between March and June 2008.

### Section 1 Formal adult education/training and its relevance for enterprises

The overall aims of post compulsory education are set out in the Scottish Executive's lifelong learning strategy *Life Through Learning Through Life* (Scottish Executive, 2003). In 2007, the Scottish Government published *Skills for Scotland: a lifelong skills strategy* which focused specifically on developing a skilled workforce, in part by achieving parity of esteem between vocational and academic learning in schools and encouraging workplace learning.

The key economic challenge identified by the government is to increase GDP in a sustainable manner and education and training are seen as essential to growing the economy. Scotland appears to have lower economic growth than the rest of the UK and other similar small countries (Scottish Government 2007), although of course the economic crisis means that these judgements have to be re-assessed. Scotland has a well qualified workforce, with only 16.1% of working age adults having a qualification below ISCED 3c and 29.8% below ISCED 3a, but there is considerable variation between different locations. In the 15% most deprived areas 34.6% do not have an ISCED 3c qualification and this rises to 49.5% for ISCED 3a (Scottish Government, 2008). A relatively high proportion of the Scottish working age population is economically inactive, and 9% claim Incapacity Benefit.

The economic strategy set out a set of actions in relation to workforce development and the specific ones that relate to enterprises are as follows:

- focus on working with employers and employees to increase the effective utilisation and demand for skills;
- ensure that our national training programmes meet the needs of individuals and employers;
- ensure flexible provision which is responsive to the needs of individuals, employers and the wider economy;
- ensure a funding system for Further and Higher Education through the Scottish Funding Council that is responsive to the needs of individuals, employers and the wider economy; and
- bring together the public agencies involved in delivering information, advice and guidance services and skills provision in the new skills body to build improvements around the needs of individuals (Scottish Government, 2007: 24).

The new skills body, Skills Development Scotland (SDS), has now been established, drawing together Careers Scotland, the Scottish University for Industry and the skills and learning functions of Highlands and Islands Enterprise and Scottish Enterprise. Whilst supply side issues have been addressed by encouraging individuals to improve their qualifications, the Government believes more work needs to be done in stimulating employer demand for skills and using them more effectively.

The Government's Skills Strategy identifies FE colleges and universities as essential in the development of a highly qualified workforce, but employers are less inclined to use formal education provision, preferring to purchase bespoke training from private training providers. A

survey of employers showed that 60% used private training providers with only 24% using colleges and 10% using Higher Education Institutions. Forty-seven percent used staff on site and 38% used industry bodies or professional associations (Futureskills, 2006).

#### *Provision of education and training for adult learners*

Education for adults is offered within the formal education system in higher and further education. Further Education Colleges offer mainly vocational courses from basic to sub-degree level and some non-vocational non-advanced courses. Local authorities have responsibility for community learning and development and offer literacies and other basic educational programmes aimed at adult learners. Voluntary organisations such as the WEA also offer basic education to adult learners.

The National Training Programme provides a range of programmes:

- Modern Apprenticeships are available to those aged over 16 in employment and provide training at craft, technician and management level to SVQ 2 or above (ISCED 3 or above). This programme is being expanded and the current Skillseekers programme is being phased out;
- Get Ready for Work offers training for young people who need additional support to gain employment or further training; and
- Training for Work provides specific, job-related training for adults to help them enter or re-enter the labour market.

There are current initiatives to provide more accredited workplace learning through the use of the Scottish Credit and Qualifications Framework. Some Further Education colleges have developed links with employers and are working in partnership to accredit work-based learning.

#### *Funding: institutions and providers*

Funding for colleges and universities comes from the Scottish Funding Council which deals with funding of both colleges and universities since 2005. Workplace learning and training is funded by the Scottish Executive and/or by employers. In 2004/5 the Executive committed about £220m to programmes and schemes such as Modern Apprenticeships, Enterprise in Education, the Scottish Union Learning Fund and the Scottish Skills Fund.

#### *Funding: Learners*

There are a range of allowances for learners who have a limited income and/or are unemployed. This includes Individual Learning Accounts (ILA) and fees and, in some cases allowances for specific courses. All Scottish and EU students (not rest of the UK) are entitled to free tuition up to Masters level; however, this applies only to the first degree and to full-time students. Course fees have to be paid for any subsequent course which is at the level already attempted and/or achieved.

Modern Apprenticeships are available to those aged 16 to 24 years of age. These apprenticeships are a combination of paid employment and training and the training is paid for by Scottish Enterprise or the employer. Training for Work is open to anyone over the age of 25 who is unemployed. Participants are paid £10 a week in addition to their benefits and the training is free.

#### *Provision of information about education and training: Learners*

Learndirect acts as a broker and provides information and guidance for learners about courses that are available.

#### *Provision of information about education and training: Employers*

Scottish Enterprise and Highlands and Islands Enterprise offer general advice to businesses and this includes guidance on training and staff development.

To summarise, there are a range of opportunities for employees to access learning both in the workplace and in educational institutions. However, employer demand for further workforce development is an area identified by the Scottish Government as requiring further development.

## **Section 2     Patterns of support for formal education in enterprises**

The research findings presented in this section draw on 6 case studies of SMEs. The case studies were based on semi-structured interviews with managers, line-managers and employees focusing on employee participation in formal education leading to a qualification (for more detailed information see Table 1).

Three case studies were selected from Sector Family A (Production) and three from Sector Family B (Service, Business to Business). The companies were recruited through contacts at Further Education (FE) Colleges (n=3) or contacts with SMEs made through previous participation in research projects (n=3). The main criterion for selecting employees for interview was that they were undertaking formal learning leading to a qualification. The study therefore makes no claim to represent the SME sector or indeed employees participating in formal workplace learning.

Three of the companies selected were high skilled 'knowledge economy' organisations, in which almost all employees had degree-level qualifications. These were Company C, undertaking oil and gas exploration, Company D, an architects firm, and Company E, a commercial archaeology business. The other three organisations were predominantly medium skilled companies, where some of the workforce had degree level qualifications whilst others were recruited with few or no qualifications, but went on to acquire specific skills. One of these companies manufactured copper cylinders (Company A) and the second produced industrial refrigeration equipment (Company B). The refrigeration company had a very diverse workforce; 40% had degree-level qualifications and some were chartered engineers who had patented a range of refrigeration techniques and processes, whilst others had much lower level qualifications. Company F was a private training organisation specialising in training in vocational skills such as construction, mining, driving and health and safety. All employees were expected to have obtained the qualification they were then helping others to acquire.

Within the knowledge-intensive organisations, individual employees often took responsibility for organising their own courses, some of which were geared towards professional accreditation, for example, in the field of accountancy or architecture. These were clearly of benefit both to the company and to the individual. The companies had specified training budgets and would often cover the full cost of the training course. However, it was emphasised that the learning must not impact on the main activities of the firm and therefore, by and large, had to take place in the employee's own time. However, some additional leave might be provided, for example, in the oil exploration firm, the individual studying for accountancy exams was given an additional two weeks off for revision and examination leave. There were often clauses stating that employees must repay the course fees if they were to leave their employment within a certain timeframe. At Company C, the oil exploration firm, employee development was linked to their annual bonus. The individual's development goals were established during biannual appraisals with the line manager, during which the employee would sign up to two prescribed behavioural and technical job-specific competences. The responsibility to arrange the appraisal was placed on the employee, but the financial incentives were clear.

Traditional medium-skilled organisations tended to focus on job-specific training that was often driven by statutory training requirements. For recent recruits with few or no previous qualifications, training was often initiated by the company management and organised on a day-release basis. Companies A and B were both traditional manufacturing companies attracting a predominantly male workforce. As they faced challenges recruiting staff and had an ageing workforce, they often hired unqualified staff and provided job-specific training in-house. Whereas Company A, the copper cylinder manufacturer, tapped into public funding to sponsor a Modern Apprenticeship, Company B, the refrigeration firm, had a well-established in-house

apprenticeship system in place. For instance, the design department delivered courses on company products and systems and the Health and Safety Manager delivered a Risk Assessment course. Internal career progression was encouraged and occasionally employees would be “cherry picked” to undergo formal training such as part-time university degrees. It was possible within this company to progress from an apprenticeship to become a chartered engineer.

#### *Perceived benefits of formal learning: managers' perspectives*

Different benefits of formal learning were identified by the knowledge-intensive and traditional organisations. The knowledge-intensive organisations mentioned the benefits of bringing new knowledge into the business to update all employees. For example, the architects firm, (Company D) reported that employees studying for their professional exams were often very well informed about recent legislation and could feed this into CPD activities required by the professional body. New knowledge and up-to-date methods and techniques were important for the development of the firm and the learner was, on completion of the course, expected to take on more responsibility. Conversely, the manager at Company E, a commercial archaeologist, had encouraged all employees to pursue a formal management qualification (ISCED level 5b), since employees were generally well qualified archaeologists, but lacked business acumen and commercial skills.

Within the traditional medium skilled organisations, emphasis was placed on the accreditation of learning:

*A lot of [the proof that training has helped] is getting a certification to say that you're a competent person. With the skill cards and the safety cards, people have demonstrated that they can do that and they've got the ticket to prove it (male HR Manager, Company B, refrigeration firm).*

However, tensions were evident between statutory training requirements, the training needs of the firm and the challenges associated with accessing public funding to cover costs. One manager explained:

*We are not a training establishment; we are a cylinder making company. I want to make our people better at what they do so that the company becomes better, but there's not any point in training people so that they will have no benefit to the company especially if it's costing money. We are quite happy taking lots of the intangibles into account, but sometimes you are struggling to find them (Male Managing Director, Company A, copper cylinder manufacturer).*

Operating within niche markets, these organisations required very specific training and sometimes the courses run by FE colleges were simply too general to meet their needs. Since their prime concern was survival in the market place, providing their employees with portable qualifications to enhance their future employment prospects was a very low priority. Indeed, having recruited and trained an employee over a number of years, they were fearful of losing this valuable resource.

#### *Employees' experiences of company support or non-support towards formal training*

In knowledge-intensive organisations (e.g. companies C (oil exploration) and D (architecture)) the employees had chosen their courses to provide them with the qualifications required by the professional regulatory body. The courses consisted predominantly of self-directed learning and the employees were highly motivated to pursue the qualifications, since these were vital for future professional employment. For this reason, they were willing to sacrifice their free time to study for the exams. They generally felt supported within the companies and argued that the firms recruited a certain type of ambitious person likely to progress. If they delivered, the company would reward them with promotion and allow them greater freedom to contribute to the

business. As noted earlier, these companies had policies in place relating to funding of training and providing career guidance for employees. However, it was evident that this could have detrimental effects on the learners' personal life and a number of employees stated that they "put their personal life on hold" until the completion of their training:

*Friends found it difficult when I couldn't come out, which was quite a lot because three months a year I was really committed to my exams, and that went on for three years. I had a girlfriend at the time when I started studying who I split up with. I think she found it really tough when I made that commitment because it really changed that relationship. (Male participant 1, Company C (oil exploration), professional qualification in accountancy).*

Generally highly educated employees appeared more likely to participate in formal learning and be pro-active in finding an appropriate course, but our study showed that employees from non-traditional learning backgrounds, with the right support from management, training institutions and colleagues, might develop an increased interest in learning:

*When I first went it was just a case of getting out of work for a day, but then the teacher pulled me in and said 'Look if you are just going to come here and not learn I would rather you just went to your work'. So I started working I started enjoying it a lot more and looking forward to going to it instead of saying, 'Oh, I've got college today'. So effort and wanting to go and wanting to do it makes it a lot better. (Male employee 2, Company A (copper cylinder manufacturer), undertaking SVQ in welding and fabrication at FE college)*

Some of the managers highlighted a tension between what training the employer would support and the personal interests of the employee. Although many knowledge-intensive organisations funded learning that would benefit the organisation, it was emphasised that the learning must not impinge on the main activity of the business. This tension appeared even greater in the traditional manufacturing/training organisations. Whereas the employers focused on job-specific training, employees who had the opportunity to participate in formal learning appreciated the wider and more general understanding promoted by externally run courses such as the Modern Apprenticeships or university degrees. Companies often specified which courses they would support their employee to attend and although they were extremely supportive of workplace learning, they had reservations with regard to lifelong learning unless the benefits to the company as well as the individual could be clearly demonstrated.

To summarise, organisations with a highly skilled workforce appeared to offer employees more formal learning opportunities than employers in traditional medium-skilled industries and placed greater responsibility on employees to manage their own learning. Traditional manufacturing firms appeared mainly to be driven by statutory training requirements and appeared less likely to apply new skills in the workplace. Although employees from non-traditional learning backgrounds initially appeared less willing to undertake formal learning, the study showed that with the right support, employees were likely to become engaged in learning, rather than seeing this as an imposition.

### **Section 3     Additional topic to focus on chosen by the partners**

The previous section provided an overview of the six case studies. It was concluded that knowledge-intensive organisations with a highly skilled workforce were more likely to have developed staff training policies and structured, formally or informally, career plans for employees. Traditional companies were more likely to provide job-specific training and were often driven by statutory training requirements. This section will provide a more detailed analysis of the learning cultures in the six SMEs participating in the study by applying the expansive-restrictive learning framework developed by Fuller and Unwin, 2004.

This framework provides a conceptual and analytical tool for evaluating the quality of learning environments and for analysing an organisation's approach to workforce development. Fuller and Unwin (2004) drew on Lave and Wenger's (1991) situated learning theory when developing their expansive-restrictive continuum. They identified three participatory dimensions: i) opportunities for engaging in multiple (and overlapping) communities of practice at and beyond the workplace; ii) access to a multidimensional approach to the acquisition of expertise through the organisation of work and job design; iii) the opportunity to pursue knowledge-based courses related to work. Organisations with a restrictive approach impose many limitations on learning, whereas those with an expansive approach foster a wide array of formal, non-formal and informal approaches to and opportunities for learning. By self-selection, all enterprises and employees participating in this study were expansive in their approach to workplace learning, since the company managers offered employees opportunities to develop, and the employees interviewed had taken advantage of these opportunities. However, there were interesting variations in the motivations of employees in different types of organisations and the aims of the training to which they had access.

### *Organisation of work and the status of workplace learning*

The knowledge-intensive firms fulfilled many of the criteria that characterise organisations with an expansive approach to workplace learning. They represented new-capitalist firms (Sennett, 2006) that focused on innovation and risk taking. A director of the oil and gas exploration firm emphasised that a five year business plan would impede, rather than assist their operation. In order to respond instantly to new opportunities as they arose, a much shorter planning horizon was required. These companies went to great lengths to promote social cohesion within the organisation, for example, running company social events, and they also placed a premium on communication between company executives and workers. In the oil and gas exploration company, the managing director would often drop into people's offices to ask how the work was progressing. At the same time, the board of directors constantly re-assessed the employee profile and instigated redundancy programmes when deemed to be necessary to ensure profitability.

The organisation of work often encouraged employees to engage in multiple and overlapping communities of practice. For example, in Company D, an architects firm with around thirty employees, all employees worked in teams of about 5 members of staff that shared a big table in the office to facilitate communication. As the teams varied depending on projects, employees moved around the office and interacted with a range of people. Newly qualified architects were considered valued members of the team by bringing new knowledge into the workplace such as recently updated legislation.

*[The architects] are given certain responsibilities within the office in terms of their position within a project or within a team, and we allow them to grow within their position within the office, take on more responsibility as and when they feel they can manage that. And just gain experience through working on projects and working with other team members in the office. (Male line manager, Company D (architects firm))*

In many of the medium-skilled organisations, the layout of the workplace and organisation of work offered fewer opportunities for employees to engage in multiple communities of practice.

In Company A, the copper cylinder manufacturer, the open-plan factory encouraged communication between welders and the line manager, allowing workers to seek advice on particular tasks when required. It was evident that much learning took place by working closely alongside a more experienced worker:

*A lot of people can do a lot of different jobs and they are all easy to talk to and you can ask them anything. And there is a lot of them have an answer for you. It means you don't have to go to higher management. Everybody rood about you knows what you have to do. So they keep you right. Any questions just ask anyone and they will try to*

*help you along as best they can.* (Male participant, SCQ welding and fabrication day release college course, Company A, copper cylinder manufacturer)

Whilst people on the shop floor worked closely together, managers were not routinely consulted about work related issues. The managing director's office was located off the production area and close to the clerical office. There was also a division in the factory between the male manual workers and the female administrative staff, with the latter having far fewer opportunities to participate in formal learning. The organisation of work and strictly divisional meetings offered few opportunities for cross-communication in the company.

#### *Human resource management and employee autonomy*

All the firms in this study had HR departments with an interest in employee development and company training policy. However, the extent to which HR departments managed employees' learning varied across companies. Within knowledge-intensive organisations, the employee took a large degree of responsibility for their own professional development and activities such as studying for additional qualifications (oil recovery firm, architects firm) and conference attendance (archaeology firm) often took place, at least in part, in the employee's own time. Hoskin and Anderson-Gough (2004) note the following key aspects of becoming a professional: '(a) attaining expert disciplinary knowledge, and (b) engaging in disciplinary conduct, focused on examination passing,, arguably supplemented by (c) a commitment to self-discipline in order to become a real professional'. In focusing on becoming and sustaining themselves as experts in particular fields, these workers were underlining their position as professionals.

At the same time, much informal learning took place on a day-to-day basis. There was an expectation that the employee would be interested in learning and motivated to pursue formal learning outside working hours, since this would be of significant benefit to themselves as well as the firm. Planned off-the-job learning offered employees the opportunity to reflect on their own work practice and development (Fuller and Unwin, 2004). The approaches to learning exhibited by workers in knowledge-intensive firms was associated with their commitment to becoming or sustaining themselves as members of a professional community, rather than people who required to be managed by an HR department.

Within the traditional companies, learning tended to be restricted to the workplace or to external training courses run in company time. These companies generally employed a skilled or semi-skilled male workforce and there was a perception that these employees needed more encouragement to engage in lifelong learning. The training was driven by statutory training requirements or the need for a specific set of job-related technical skills and more broadly based formal qualifications were seen as having little value. Managers of traditional medium-skilled firms recruited people from vocational educational routes and encouraged them to up-skill in order to carry out their job more effectively. Although employees sometimes felt that they were obliged to undertake particular courses, and so embarked on them somewhat grudgingly, they often became enthused once the training had commenced, recognising the value of having a wider understanding of their work.

Tensions around the benefits of lifelong learning to the individual and to the company appeared to exist in all organisations. For instance, Company C (oil exploration) was an example of a knowledge-intensive firm that emphasised innovation and offered employees access to formal qualifications, planned off-the-job study and gradual transition to become full members of the community. The company was willing to provide employees with company specific knowledge and had the finances to fund formal high level qualifications such as professional accountancy exams and MBAs. However, a director expressed doubts about the unalloyed benefits of lifelong learning, maintaining that HR departments needed to be tightly managed:

*Management need to keep a grip on the HR department because if they have 50 ways of doing something, by the end of the following week they'll have another 100 initiatives they'd like to add to the package, and in the end you have to keep good budgetary*

*control, otherwise you'll find that the organisation spawns initiatives that are leading the company in a direction that isn't supporting the main objectives.* (Male Company Director, Company C (oil exploration)).

According to this director, the ideal in his company was to hire people with the right qualifications and skills mix, who, with a small amount of targeted training, could immediately contribute to company profitability. Whereas the Scottish Government (2007) tends to view lifelong learning as inherently beneficial to the individual and the organisation, companies such as this are clearly balancing the costs and benefits, and are more concerned with the firm's well-being rather than the individual's career progression.

#### *Informal learning and company ethos*

Informal learning and in-house training were valued within all SMEs in the study and managers emphasised experience, practical skills and the importance of employees having the ability to deliver. For instance, Company A (copper cylinder manufacturer) had introduced a job-rotation system and a skills-sharing programme to facilitate the exchange and development of knowledge within the department. The skills-sharing programme took place during a period of low production. The workers were divided into groups of 4-5 people and met to discuss different production methods such as brazing, testing, welding, coils, lagging and using the spraying machine. Each group would go through the different methods and employees that were struggling with any parts of the process would get an opportunity to ask colleagues. This training initiative was viewed positively by employees and management.

*I am a great believer in on-the-job training because you are getting trained on exactly what you need to know. If you are at the college you'll get trained on things you'll probably never need to know if you are working in this environment.* (Male Line Manager, Company A (copper cylinder manufacturer))

Similarly, in all companies there were clear examples of employees learning from others. For example, the physical design of the architects firm, with people grouped around large tables, facilitated the exchange of ideas, and in the oil exploration company, the trainee accountant went through a financial cycle closely shadowing his line manager to obtain first hand experience of the various processes and procedures.

#### *Summary*

All of the companies in this study had an expansive approach to training, in that some employees were gaining formal qualifications with the firm's support and informal learning was being facilitated. In all firms, employers were broadly supportive of employee development, recognising this as essential to the firm's health. However, unsurprisingly they placed a significant priority on the needs of the business, rather than the needs of the individual. There was a marked contrast in approaches to lifelong learning amongst employees in knowledge economy organisations compared with traditional manufacturing and training organisations. In knowledge intensive organisations, employees tended to identify their own professional development needs and pursue these, often in their own time, because of future career benefits. The formal learning of less skilled employees in traditional firms tended to be more heavily directed by their employers. Formal learning took place in company time, and was geared towards the acquisition of essential skills required for the job in hand, rather than broader career development.

## **Section 4 Outlook, Conclusions and Recommendations**

This report has examined the findings of six case studies of different types of SMEs. Two groups of organisations emerged from the data: knowledge-intensive organisations that were firms with a highly skilled workforce in which knowledge rather than the production of goods formed the basis of the firm's economy, and more traditional medium-skill organisations that

focused mainly on the production of goods and services. The employees of knowledge economy organisations were more likely to be engaged in formal learning to acquire or upgrade professional qualifications compared with employees in medium-skilled firms. Highly qualified individuals also took more for their own learning. Traditional manufacturing firms appeared mainly to be driven by statutory training requirements and the need for employees to master a particular range of very specific skills. Although employees from non-traditional learning backgrounds initially appeared less willing to undertake formal learning, the study showed that with the right support they warmed to the prospect of acquiring greater knowledge and skills, although they were less concerned with the portability of these qualifications.

The majority of SMEs participating in this study had formalized training policies and regular appraisals with employees during which the employee's training needs were identified. However, although employees and line managers identified areas of employee development that would benefit the individual and the firm, it appeared that high-level managers were less inclined to support wider workforce development and externally provided training. In addition to concerns about the costs of training, there appeared to be an underlying anxiety that attention might be deflected from the main activity of the firm.

Employees, on the other hand, valued the formal training offered to them through their workplaces. The majority of employees stated that it reinforced a feeling of value to the company and improved their satisfaction with their position and the company, thus informing their plans to remain at the enterprise. Generally, employees with high-level qualifications were more likely to initiate their own learning and to give up free time for work-related study. Workers recruited with low level qualifications reported gaining confidence as well as increased skills and wider understanding as a result of the training. In these instances, the importance of a supportive environment in the workplace as well as the training institution was emphasized. Employers and training providers had a role in encouraging employees at all levels to take up training, but also supported learning initiated by employees. There appeared, however, to be a tension between the training offered by the workplaces and the training employees were interested in. Whereas the employers focused on job-specific skills, many employees appreciated gaining a fuller understanding of the work processes rather than being limited to the "company's way of doing things".

Across the case studies, the employers valued informal learning and in-house training more highly than external formal training, as it was considered more related to the skills needs of the firm. Accrediting existing in-house training might be valuable in terms of measuring workplace learning; however, it is likely to limit employees' access to wider lifelong learning providing transferable skills that would benefit the individual worker long term. The study supports the view that wider benefits with lifelong learning are overshadowed by the current policy focus on workplace learning and human capital. These issues were discussed by Keep (2007) who argued that the short-term pressures generated by targets, reform and initiatives divert attention from longer-term approaches. By emphasising skills supply, current policy discourse fails to encompass employers' demand for skills and utilise existing skills in the workforce. The focus on workforce development also risk marginalising learning objectives that meet wider social needs. This may result in a narrow and utilitarian conception of learning and publicly funded employee development that does not extend beyond workforce development and focus on individuals' demands for better skills.

These case studies report on organisations that are engaged in provision of workforce development in some form or another and therefore are not representative of many smaller, low-skilled SMEs that are reluctant to engage in any form of education and training. The findings suggest that policymakers should be aware that:

- there is a reluctance of many employers to engage in workforce development that is not directly related to business and also that there is uneven access to training within the workforce in these businesses;

- higher skill workers tend to receive more support and also longer lasting training than less skilled workers and take more responsibility for their own training;
- there is a need to offer internal and external support and encouragement to workers with lower level qualifications
- formal learning outside the workplace provides employees with greater confidence in relation to their work and offers them wider knowledge and understanding. However, employers in the low/medium skilled sector are more reluctant to support this kind of training;
- formal accreditation of learning is valued by businesses and further development of accredited workplace learning should therefore help to produce a more skilled Scottish workforce
- the wider aims of lifelong as a means to personal and social development are generally less valued by employers who focus almost exclusively on human capital development.

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## **Case Study 1**

### **Manufacturing company A – Limited Formal Training in a Semi-skilled Manufacturing Enterprise**

#### *Abstract*

Manufacturing company A was located in a medium sized town that originally developed around the mining industry but now suffered high unemployment rates and economic inactivity well below the national average. The company engaged in traditional manufacturing of copper hot water cylinders and attracted a predominantly male low-skilled workforce. Challenges involved in recruiting qualified employees had resulted in an emphasis on in-house training schemes and the company had currently one Modern Apprentice employed. The Modern Apprenticeship was co-funded by the employer and the Scottish Enterprise and involved a mixture of on-the-job and college based training. In addition, one employee was undertaking an SVQ on welding and fabricating on a day release basis at a local FE college. In-house training schemes included job rotation and a skills-sharing programme that aimed to encourage employees to learn from each other and stimulate innovation. Employee training was focused on periods of low productivity.

Formal qualifications were generally of little value within the organisation. The management appeared to hold a view that external formal training courses often led to employees learning skills not essential to the workplace and therefore preferred in-house training that focussed on the skills specific to being able to carry out the job. Employees, on the other hand, appreciated the rounded education provided by external training providers and felt that external training provided a better understanding of their work practice. The employees felt however that the management were little involved in their external training and often failed to utilise externally acquired knowledge in the workplace.

The management argued that the costs associated with employee external formal training were disproportionate to the company gains from having employees formally trained. The Managing Director admittedly found it difficult to access information about public funding schemes for training. It might therefore be argued that he would be more positive towards engaging employees had financial assistance been more readily available. Information aimed at employers about the availability of public funding schemes and suitable training might therefore increase employers' participation in employee formal workplace learning.

#### *Introduction*

The aim of this study was to investigate formal adult education in small to medium sized enterprises (SMEs) in Scotland. This case study focuses on the formal training of welders in a manufacturing company. The outline of the report is as follows; section A will explore the general characteristics of the enterprise, its business strategy and current challenges and initiatives to meet these challenges. Section B will provide an outline of the HRM, HRD and training policy of the enterprise including the core processes in HRM and HRD, and significant training activities. Section C will explore formal education within HRM and HRD of the enterprise looking particularly at the enterprise's understanding of and awareness of formal education. It will also look at the company's experiences with formal education, regulations on and support for formal education and factors promoting and hindering the use of formal education within the HRD-approach. Section D provides two case studies of employees that participated in formal adult education and the relationship between the courses and the workplace. Finally, section E summarises the significance of formal education within HRM and HRD of the enterprise.

#### *Methodology*

The company was contacted through a contact at a Further Education college made through the LLL2010 SP3.

In order to achieve this aim, semi-structured interviews were carried out with the Managing Director of the company, one line manager (Production Manager) and two employees that recently completed formal adult education exploring the company training policy and experiences with formal adult education. All participants were male. The interviews were conducted one-to-one on the premises of the manufacturing company. Each interview lasted around one hour. The interviews were recorded and transcribed and the transcripts were analysed thematically.

The aim of the study was explained to all participants who also signed a consent form explaining that they had the option to omit any questions they did not wish to answer. The interviews and the transcripts were destroyed at the end of the project. The names of the company and participants were changed to protect their anonymity.

## Section A

### General characteristics of the enterprise

#### *A1 Main activity and characteristics of the organisation*

Company A was a well established family owned manufacturer of copper hot water cylinders. It was established around 60 years ago and had focused its production on commercial and domestic copper hot water cylinders for the last 25 years, after the current manager joined the company. The company was located on a small industrial estate in a Scottish new town, (developed in the post-war era). Traditionally the area had a large mining industry and strong manufacturing that had now been forced to move into high tech electronic industries. Currently the town had less than 40,000 inhabitants with the majority of jobs in public administration (35%) or manufacturing (20%). Economic activity was around 70 % (semi-routine/routine, 30%; lower supervisory, 22%; lower managerial, 30%; high managerial, 4%). Economic inactivity was around 30%, which was well above the national average of around 20%, and youth unemployment was reported having increased in the last couple of years.

([http://www.fifedirect.org.uk/uploadfiles/publications/c64\\_GlenrothesRevisedApr07.pdf](http://www.fifedirect.org.uk/uploadfiles/publications/c64_GlenrothesRevisedApr07.pdf)).

The company offered various formal and informal means of communication. The factory consisted of a large open plan space with different areas dedicated to the various processes of production, such as coiling and spinning. The welders at the factory worked on machine welders rather than hand welders and used pipe- and metal bending machines such as the CN3 which is linked to a computer in which the welders type in codes. The factory was linked to the common room in which employees could have their lunch and also the office of the Production Manager (line manager). This set up encouraged easy communication between welders but the close proximity to the Production Manager's office also facilitated informal communication with the line manager. The office of the Managing Director was located slightly off the production area, nearer the clerical office, where the female administration workers were situated. A series of formal meetings were organised at the factory. The managers from all three departments (administration, sales and production) and the Managing Director met weekly and there was a weekly office meeting with the administrative staff and a weekly sales meeting with the sales staff. Additionally to the weekly news sheet which was aimed at keeping all employees up-to-date with the current situation at the factory, a formal talk was given to all employees on a bimonthly basis. The formal talk also provided a platform for two-way communication between employees and the management.

The Managing Director had previously experienced a division between the management and the factory workers. In an attempt to rectify this, a Production Manager had been appointed two years prior to the fieldwork. The Production Manager had introduced a series of methods to increase employee involvement such as rotating employee representation at the monthly production meetings so that all the workers would have an opportunity to take part at least once over the course of a year. According to the Production Manager, the meetings focused to a large extent on issues and problems brought to the meeting by the operators and welders. The Production Manager made a point of answering all questions and queries brought up in these

meetings, and the minutes from the previous meeting would be discussed at the next in order to ensure this was happening. Both the managers and the employees stated however that communication within the company was mainly informal and day-to-day issues, such as purchasing of new tools, would be dealt with outwith these meeting.

### *A2 Business strategy*

The two main aims of the company business strategy were to generate an annual growth of at least 10 % and, because it was a family company, make the factory a good place to work.

The company targeted two main markets; wholesalers and customers such as local authorities and professionals. As the company was smaller than all of its competitors, the main competitive advantages of the company were considered to be the quality of produce and a high standard of services such as technical advice, heating design service, site visits and manufacturing flexibility. The company had two main marketing strategies. Firstly through the internet and the well developed company web site, and secondly by approaching potential customers such as local authorities, chemical engineers and architects but also by targeting wholesalers directly.

The company worked towards professional standards such as Kite marks, ISO 9002 and standards set by the Water Research Council. These trade associations also kept the company abreast with technical and legislative changes. Although operating in a rather specific niche, the company focused on offering a range of products and a large portion of production was dedicated to customer designed outsized produce. Thus, although not engaging in dedicated R&D activities, innovation was a large part of the company success and the company had developed and marketed one new product in the last year.

### *A3 Current challenges and initiatives to meet those challenges*

As a result of the increased focus on customer designed cylinders and outsized produce the company had recently been forced to double the physical size of the factory. Additionally, the company had invested in new machinery and employees were successively trained in-house to be able to work the new equipment.

In an attempt to increase innovation in the factory, the Production Manager had installed a suggestion board in the factory on which employees could add suggestions of changes that may improve production. These suggestions were then colour coded in terms of urgency. The Production manager would comment the suggestions and make note of any changes to production that were made as a result, but also leave a response as to why suggestions did not result in a change.

## Section B

### HRM, HRD and training policy of the company

#### *B1 Organisations of responsibilities and core process in HRM and HRD*

The company had around 35 employees, the majority male and the four female employees were all administrative staff. The organisation was structured into three departments; sales (n=5), administration (n=5) and production (n=25). The Managing Director emphasised that employee wages were calculated in accordance to the quality and complexity of work carried out by the individual employee, independent of their formal qualification. Formal qualifications were therefore traditionally of little value within the organisation. For instance, the production department had a three-point salary scale and around 20% of employees were rated at the top end of quality and complexity of work, 40% were rated at the middle rate and 40% at the bottom rate.

In the last year the production department had faced some changes in leadership as a Production Manager and two team leaders had been appointed. The production manager fed information to the two team leaders that would inform employees.

The company operated a line manager system and the manager of each department was responsible for recruiting their own staff under the overall supervision of the Managing Director. The training needs of the employees were discussed and developed during annual appraisals with the line manager.

Recruitment was a potential challenge the company faced. As the only producer of hot copper cylinders in the country, the company struggled to hire qualified and experienced staff. As an aging workforce was an additional problem, the management had made the decision to hire unqualified staff and provide sufficient training in-house. The Managing Director estimated that it took up to a year to get a new recruit fully trained. However, the company had a low staff turnover, and by ensuring an annual increase in salary slightly above the national average, the Managing Director stated that they did not lose people on the manual side.

#### *B2 HRD objectives*

A highly qualified workforce was a priority but high costs and difficulty finding suitable formal training had resulted in a reluctance to engage employees in formal education. The Managing Director described the tasks carried out at the company as being very specific and that most general training courses, including Modern Apprenticeships, often had little relevance to the practice of the company.

#### *B3 HRD strategies and use of public support schemes for HRD/training*

The majority of learning and training was expected to take place on-the-job. The company did not have a located training budget but would access money as need arose. The company had no previous experience of use of public support schemes for training, however, at the time of fieldwork the Managing Director had recently been informed about availability of public funding through a Further Education college and was hoping to utilise public funding in the future.

#### *B4 Significance of training activities*

High level of specific knowledge with great relevance to the company was a high priority within the organisation. Due to the challenges associated with formal training, the majority of training was provided in-house with mainly statutory training requirements, such as fork lift licences and first aid, delivered externally. The Production Manager had introduced a job-rotation system and a skills-sharing programme to facilitate the exchange and development of knowledge within the department. The skills-sharing programme took place during a period of low production. The workers were divided into groups of 4-5 people and met to discuss different production methods such as brazing, testing, welding, coils, lagging and using the spraying machine. Each group would go through the different methods and employees that were struggling with any parts of the process would get an opportunity to ask colleagues. This training initiative was viewed positively by employees and management.

### Section C

#### Formal education within HRM/HRD of the enterprise

##### *C1 Understanding of and awareness for formal education by enterprise*

The company management did not value formal qualifications per se but considered the specific knowledge and understanding required for the job more important and valuable than a generic understanding of the trade. The Production Manager explained:

*I am a great believer in on-the-job training because you are getting trained on exactly what you need to know. If you are at the college you'll get trained on things you'll probably never need to know if you are working in this environment.*

##### *C2 Experiences with formal education in the enterprise*

The company had established relationships with three local training providers; the local development agency (Scottish Enterprise), a private training consultancy and the local Further Education (FE) college. However, whereas continuous informal on-the-job training was encouraged in the workplace, formal training was mainly introduced when new knowledge was

considered to lead to long-term benefits for the company. One example was the company plumber who frequently encountered electrical problems. As a formal qualification was required to be able to carry out electrical tasks, it was decided that the plumber would undergo an external training course to gain the qualification. Sometimes external formal training was utilised when employees and management judged that the company might not possess the most up-to-date knowledge, such as the case of two welders that was sent on a course at a Further Education college. However, the management argued that the experience with the welders only had been moderately successful. On completion of the course one of the welders moved to a different station within the factory and did not get an opportunity to put his knowledge into practice in the factory. The second learner was considered too set in his way to change his work practice, and the company management did not feel that the firm benefited from the training. Considering the cost of the training, the Managing Director stated that there had been no tangible return for the company. In-house training courses, such as the skills-sharing sessions discussed above, were therefore considered more valuable to the company.

Personal development courses delivered externally through a local development agency such as *Positive relationships*, *Problem Solving* and *Time Management* aimed at the administrative staff were generally considered more beneficial to the company and were considered to result in more immediate return.

The Production Manager appeared to have a slightly more positive view of formal training, particularly Modern Apprenticeships. At the time of the interview the company had a Modern Apprentice (MA) employed at the company. Modern Apprenticeships were ultimately funded through the Scottish Government and the employer. It provided on-the-job training provided by the employer as well as off-the-job training, theoretical as well as practical, at an FE college. By involving employers in the training, MAs gave employers the opportunity to fashion the training of their apprentices to their own needs. At the end of the apprenticeship the employee gains a certificated work-based qualification ([http://www.hie.co.uk/HIE-Developing-Skills/HIE-ma\\_policypractice.pdf](http://www.hie.co.uk/HIE-Developing-Skills/HIE-ma_policypractice.pdf)). The Production Manager described the experience as positive and particularly emphasised the regular communication between the college and the workplace that provided reports on the apprentice's progress. The experience was so successful that the company was hoping to hire another modern apprentice when the current one is qualified. This was also seen as a long-term strategy to combat the aging workforce.

### *C3 Regulations on and support for formal education*

The company had no formal policies in place to decide who would get the opportunity to access formal training. The ultimate decision would come from the management, however occasionally employees would suggest training courses they would like to attend.

### *C4 Assessment of promoting and hindering factors for the use of formal education with the HRD-approach*

The Managing Director and the Production Manager both mentioned positive company benefits from having employees participating in formal training. The Production Manager stated that the Modern Apprentice had been able to bring new knowledge into the workplace by not only utilising it self but also sharing it with his colleagues. Additionally they mentioned increase in soft skills such confidence and increased motivation. It was argued that employees that feel that the company invest in them are more likely to be motivated and happy to provide a better standard of work. The main benefits were long-term such as better quality products produced and a better culture with happier employees.

However it was argued that although the company was now in a position to afford external training courses and loss of production when losing an employee for at least one day a week, that might not always be the case and it was evident that level of formal training would decrease as a result. The Managing Director explained:

*We are not a training establishment; we are a cylinder making company. I want to make our people better at what they do so that the company becomes better, but there's not*

*any point in training people so that they will have no benefit to the company especially if it's costing money. We are quite happy taking lots of the intangibles into account, but sometimes you are struggling to find them.*

## Section D

### Participation in formal education, workplace learning and HRD policies of the enterprise

Section D will provide two examples of employees' experiences with formal learning within the company; James (male, aged around 20) who was undergoing a Modern Apprenticeship (ISCED level 3a) and Lewis (male, aged around 25) who had achieved a National Vocational Qualification (NVQ 2) in welding and fabricating (ISCED level 3c) at an FE college.

#### *D1 The relation between workplace, workplace learning and the chosen formal education*

Participant 1, James was qualified to ISCED level 3c and was in his third year of a four year modern apprenticeship that would lead to a vocational qualification equivalent to ISCED level 3a. James felt that the course was highly relevant to his work practice. After an initial six months full time study at a local college, James was now working four days a week at the factory as a welder and attended college one full day a week. He estimated that it took him about one year to learn the skills relevant to his job and he spent the additional years improving his technique. There was tight communication between James's tutor at the college and his workplace. His line-manager in the workplace received a copy of everything that James produced in the college and his college tutor paid James regular visits in the company where James got an opportunity to get personal feedback on his practical progress. James described how the college course provided a theoretical underpinning of his tasks and the workplace an opportunity to practice his hand-skills. That he got an opportunity to try things hands-on in the workplace facilitated his understanding of the course:

*If I am getting taught something on the course I know what he is talking about because I have done it in the work, it's easier to answer the lecturers questions, because I have done it, I am hands on with it.*

Participant 2, Lewis was a welder in the company and operated mainly computerised welders. He had worked at the company for around five years and had been in his current position about 1.5 years. Lewis described how he had received in-house training and been allowed to progress to a more qualified position within the company.

Lewis had recently obtained a Scottish Vocational Qualification (SVQ, ISCED 3c) in welding and fabrication. The SVQ 2 in welding and fabrication was derived from National Occupational Standards (NOSs) accredited by the Scottish Qualifications Authority (SQA). The course was taught through a mixture of lectures and practical classes one full day per week over 14 months at a Further Education college. The classes covered topics such as different types of welding, burning and sheet metal fabrication as well as core units such as Health and Safety and materials. The course was customised to the needs of the employer's business.

Lewis stated that the skills taught on the course were relevant to some aspects of the factory, however he had not had an opportunity to apply the skills gained on the course in his workplace. As a result of the company taking on more work, Lewis was moved to computer-based rather than hand welding, and the new skills were no longer relevant to his work remit.

#### *D2 Decision on the formal education, processing of the decision and support/non-support by the enterprise*

James joined the company as a Modern Apprentice and the formal learning was part of his initial work-remit. James felt that the workplace supported his formal education by allowing time off work to attend classes at the Further Education College. However, he did not feel that his line manager was particularly involved in his course. On the other hand, James experienced his colleagues helpful in explaining and showing how to solve problems and challenges he came

across. However, the fact that he did the course as part of the job added extra pressure and motivation to pass the course which was a requirement for him to keep his job.

Lewis's course had also been initiated by the management and time had been set aside for him to attend the course. He felt well supported in his workplace and particularly appreciated the help from his colleagues that took time to explain any queries he might have. This meant that he did not have to go to his line manager would he have any difficulties. During the course, Lewis attended classes at a Further Education college one full day a week during 14 months. He found the one-to-one teaching enabled by the small class size particularly helpful:

*It was mainly one to one. Everyone was in different stages of the course and if you ever needed help you could call the teacher over and he'd go through it with you and explain it all. (Company A, Employee 2- Lewis)*

Lewis stated the formal qualification as the main motivator for taking the course. Additionally he felt that the formal training course had provided him with basic skills his colleagues, that were not taught formally, did not possess. Similarly to James, he found the practical exercises that he had been able to apply in his workplace more useful than the theoretical aspects of the course.

#### *D3 Formal education, individual career goals and the work-family-personal life balance*

James still lived with his parents and did not find that his course intruded on his personal life as, aside from some homework, most of the course was manageable within working hours. James stated that he would not like to stay with this company all his life, but would like to get into the oil or gas industry as he would be able to earn more money, possibly working as an underwater welder.

#### *D4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals*

James considered the main benefit of attending the course was the opportunity to learn a trade and become a qualified welder. Although enjoying most of the course that he felt was highly applicable in the workplace, James stated that certain academic subjects such as English and computing were more challenging and less useful in his day-to-day job. On completion of his apprenticeship James was considering taking additional courses at an FE college in order to pursue his career plan of becoming an underwater welder.

Lewis stated that the main challenge associated with the course was self-motivation. When first starting the course, he viewed it as "a day out of work", but after being told off by his tutor for not pulling his weight, he decided to work harder and eventually enjoyed the learning:

*When I first went it was just a case of getting out of work for a day but then the teacher pulled me in and said 'look if you are just going to come here and not learn I would rather you just went to your work'. So I started working I started enjoying it a lot more and looking forward to going to it instead of saying 'oh I've got college today'. So effort and wanting to go and wanting to do it makes it a lot better.*

Although he enjoyed the training and saw the long-term benefits with formal training, Lewis did not initiate further training but expected the employer to suggest suitable courses for him to attend. He did not have any firm plans to engage in any further formal training, but stated that he would be willing to engage in further learning was his manager to suggest it. He did not intend to leave the company but felt that his current employer was supportive of his learning and appreciated him as a worker.

## Section E

### Synthesis – the significance of formal education within the HRM and HRD of the enterprise

The company was a well established manufacturing company with relatively low staff turnover. The company had no specific training policy or budget, training needs and funding was allocated

as needs and suitable training were identified. The management at the company attached relatively little value to qualifications and the specificity of skills required for employees in the department of production resulted in formal education not generally considered beneficial to the company. This was reinforced by the management's failure to utilise the new knowledge of one of the employees in the workplace by moving him to a station where his recently acquired knowledge went unused. Although sending employees on formal training courses, the management felt that in general the most important knowledge was acquired in-house.

The company had previously experienced tension between the management and employees and had, as a result, introduced changes to the management structure. The recent introduction of a line manager system and the appointment of a Production Manager had resulted in increased employee involvement in the development of production. Through employee representation in committees, employees had increased opportunities to highlight challenges and issues on the shop floor. Likewise, formal training was primarily viewed as a means of motivating staff and encouraging employees to stay with the company.

The company was operating within a specific niche and found it difficult to recruit qualified employees. Informal in-house training, albeit organised such as skills sharing and job rotation, was therefore encouraged. The management viewed the experience of Modern Apprenticeship positively with its emphasis on in-house, practical, experience tailored to the specific training requirements of the organisation. In combination with an imminently aging workforce, there was a growing need of young qualified workers and the Modern Apprenticeship was considered a useful alternative to keep the skills necessary for the trade alive. The company had strong links with many training providers and the management was also hoping to be able to utilise public funding to pay for formal training for employees in the future.

In contrast to the management's focus on knowledge essential for the job, both participants felt they gained a well rounded knowledge and understanding as a result of the formal training courses at the FE college and that they were able to bring new knowledge into the workplace. The managers' limited view of knowledge might therefore have created a tension with the employees' wish for a broader education.

The difference in value placed on different forms of learning, and possible distance between employees and management, was further reinforced by the employees' perception of the managers' lack of interest in their formal training courses. Although satisfied with the time provided by the company for the workers to be able to attend their classes, they were not awarded rewards such as promotion or increase in salary on completion of training. Rather, they emphasised the importance of the new knowledge to being able to carry out tasks correctly and sharing knowledge with colleagues. Both employees emphasised that their line manager was little involved in their training course, and considered more experienced colleagues as the most useful and helpful source of information.

There appeared to be a general lack of information aimed at employers about suitable training and financial assistance for employee training. The management argued that the costs associated with employee training were disproportionate to the company gains from having employees formally trained. The Managing Director admittedly found it difficult to access information about public funding schemes for training. It might therefore be argued that he would be more positive towards engaging employees had financial assistance been more readily available. Information aimed at employers about the availability of public funding schemes and suitable training might therefore increase employers' participation in employee formal workplace learning.

## Summary

### Section A:

- Company A was a family owned company manufacturing copper hot water cylinders. The majority of employees were skilled or semi-skilled. As a consequence of previous tension

between management and employees, a line manager system had been introduced and a Production Manager and two team leaders had been employed in the factory. Further efforts were made to encourage employee representation and participation in company committees.

- The main aim of the business strategy was to generate an annual growth of at least 10%. The main markets included wholesalers and customers such as local authorities, housing associations and private building developers. The company employed quality assurance of products using standards such as ISO 9002, Kite marks and Water Research Council standards.
- The company faced an increase in customer designed oversized produce and had extended the physical space of the factory and acquired new machinery as a result. Employees received training on the new equipment in-house.

#### Section B:

- The workforce was predominantly male, female workers were all administrative staff.
- Formal qualifications were traditionally of little value within the firm. Wages were set according to quality and complexity of work and within production this was reflected in a three-point salary scale.
- The company struggled to recruit qualified employees and was facing an aging workforce. The company therefore hired unqualified staff that received training in-house.
- The management appeared reluctant to engage employees in formal training stating the specificity of the factory skills requirement and high costs associated with formal training. Most training valued by management was provided in-house.
- In-house initiatives such as job rotation and skills-sharing sessions were introduced to encourage innovation and development.
- Utilising public funding for formal training was considered a challenge. The Managing Director was hoping that contacts at a Further Education college would facilitate the process of applying for public funding of training.

#### Section C:

- In-house knowledge and training was considered to be more valuable in the workplace than formal training. Efforts to utilise new knowledge brought in from formal training courses were not always made.
- However, formal personal development courses aimed at the management and administrative staff were considered more beneficial to the company.
- The Production Manager valued the experience with Modern Apprenticeship as the course was organised to meet the needs of the employer. Tight communication between the course tutor and the Production Manager ensured overlaps between the course requirements and the needs of the workplace. Improved soft skills such as confidence and motivation were also mentioned.
- No formal policy was in place with regards to access to employees' formal training. Decisions about formal training were ultimately made by the Managing Director.
- Costs were considered the main company challenge in terms of allowing employees to attend formal education.

#### Section D:

- Both employees stated that their formal training had been initiated by the company management. They perceived the management to have little involvement in their formal training courses. Although the workplace provided sufficient time for the learners to attend college classes, in-house support was provided mainly by colleagues and more experienced workers.
- There was a close relationship between the Modern Apprenticeship and the workplace. The college provided theoretical underpinning to the practical work carried out in the workplace. The learner/employee stated that the fact that the course was part of the work remit increased motivation.

- The employee who obtained a Scottish Vocational Qualification in welding and fabrication stated that although his new knowledge was relevant to his workplace, the company failed to utilise his skills as his work remit was changed on completion of his course.

Overview of key elements of the case study:

### Information Basis of the Case Study

Total number of interviews:	4
Number of Interviews with employees:	2
Number of interviews with Manager/ Line-Manager/HR Manager:	2
Number of additional references:	4 (FE college website, SQA website, company website, local authority website)

### Information on the interviewees

#### *Representative of the enterprise*

Job title:	Managing Director
Gender:	Male
Age-group:	50s
Educational Background:	Degree (ISCED level 5a)

#### *Representative of the enterprise*

Job title:	Line Manager
Gender:	Male
Age-group:	40s
Educational Background:	Degree (ISCED level 5a)

#### *Participant 1*

Gender:	Male
Age-group:	20s
Children:	No
Position:	Welder
Educational Background:	Standard grades (ISCED level 3c)

ISCED level of formal education undertaken in the workplace: (ISCED level 3a)

Status of formal education training course:	ongoing
Starting time of the programme:	October 2006
(Expected) time for completion of the course:	2010
Type of organisation providing the course:	Further Education college
Tuition fees:	no information available
Learning units involved:	no information available
Public co-funding of course:	yes (partly)
Co-funding of course provided by enterprise:	yes (partly)
Part of the course provided within working hours (excluding hours for personal learning and preparation):	increasing (currently 4 days/week)

#### *Participant 2*

Gender:	Male
Age-group:	20s
Children:	no
Position:	Welder
Educational Background:	Standard grades (ISCED level 3c)

ISCED level of formal education undertaken in the workplace:	(ISCED level 3c)
Status of formal education training course:	completed
Starting time of the programme:	August 2006
(Expected) time for completion of the course:	July 2007
Type of organisation providing the course:	Further Education college
Tuition fees:	no information available
Learning units involved:	no information available
Public co-funding of course:	none
Co-funding of course provided by enterprise:	entirely
Part of the course provided within working hours (excluding hours for personal learning and preparation):	1 full day per week
<b>Enterprise – General information</b>	
Year established:	around 1950
Location (rural: 25.000-50.000; City: 50.000-250.000; Big City 250.000+):	rural
Production/Service:	Production
Nace:	29
Number of Employees 2008:	35
Male – approx %:	90%
Female- approx %:	10%
Blue collar workers:	65%
White collar workers:	35%
Qualification level –low (ISCED0-2):	
Qualification level –Medium (ISCED 3-4):	no available figures
Qualification level – high (ISCED 5-6):	
Job turnover:	low
Number of employees in the last three years:	fairly stable
Turnover:	
General assessment of the economic situation of the enterprise:	steady growth
Work council/unionisation:	no
Initial vocational training program:	yes
<b>Business Strategy of the enterprise</b>	
Overall classification:	Innovation and flexible production
Innovation:	important
Innovation unit:	no
Number of employees in the innovation unit as percentage of all employees:	not applicable
Quality:	highly important
Customer relationship:	highly important

## Case Study 2

**Manufacturing company B** – Extensive in-house work training within a traditionally low-skilled enterprise

### *Abstract*

Company B was a family owned company that designed, manufactured and serviced large-scale refrigeration. The company was essentially sales-driven and innovation was important to the company success. The company placed a great emphasis on formal and informal learning and internal career development. Additionally to in-house knowledge sharing, skills developing programs and coaching of new managers, the company had an apprenticeship system in place. Internal career progression was encouraged and occasionally employees would be “cherry picked” to undergo formal training such as part-time university degrees.

However, it appeared that not all employees were allowed the same learning affordances. Whereas senior managers had greater choice in courses to attend and, to some extent, were allowed study time within working hours. Training aimed at less qualified employees were focused more on statutory training requirements and these employees were encouraged to undergo training courses specified to the company’s needs and were not allowed study time during working hours.

### *Introduction*

The aim of this study was to investigate formal adult education in small to medium sized enterprises (SMEs) in Scotland. This case study focuses on a Scottish refrigeration manufacturer. The outline of the report is as follows; section A will explore the general characteristics of the enterprise, its business strategy and current challenges and initiatives to meet these challenges. Section B will provide an outline of the HRM, HRD and training policy of the enterprise including the core processes in HRM and HRD, and significant training activities. Section C will explore formal education within HRM and HRD of the enterprise looking particularly at the enterprise’s understanding of and awareness of formal education. It will also look at the company’s experiences with formal education, regulations on and support for formal education and factors promoting and hindering the use of formal education within the HRD-approach. Section D presents two employees that participated in formal adult education and explores the relationship between the courses and the workplace. Finally, section E summarises the significance of formal education within HRM and HRD of the enterprise.

### *Methodology*

In order to achieve the research aim, semi-structured interviews were carried out with the HR manager and two employees undertaking formal adult education exploring the company training policy and experiences with formal adult education. All interviewees were male.

The company had participated in a previous research project and was known to the research team. The interviews were conducted one-to-one on the company premises. Each interview lasted around one hour. The aim of the study was explained to all participants who also signed a consent form explaining that they had the option to omit any questions they did not wish to answer. The interviews were recorded and transcribed and the transcripts were analysed thematically. The interviews and the transcripts were destroyed at the end of the project. The names of the company and participants were changed to protect their anonymity.

## Section A

### General characteristics of the enterprise

#### *A1 Main activity and characteristics of the organisation*

The company was a family owned company providing design, manufacturing and servicing of large-scale refrigeration such as packaged refrigeration systems and monitoring and controlling computers. It was established around 40 years ago with the specific aim of ensuring long-term employment in the area and had 12 shareholders. The company had around 10 factories all across the UK with its head office in Scotland. The head office and main factory was located in a traditional factory building on an industrial estate in a town on the outskirts of a larger Scottish city. The town had a population of less than 5000 and the majority of jobs were associate professional, technical and administrative (around 30%) followed by managerial and professional (around 25%). Around 10% of the jobs were in skilled trades occupations. Economic inactivity was just under 15% which was below the national average of 20%.

Aside from smaller workshops at the branch offices across the country, the Scottish factory was the main build facility. The factory had been refurbished around 10 years ago and provided a high-bay production area with a 20 tonne overhead crane and pressure vessel construction and test bags. The Scottish office employed around 250 staff with about 140 employees working in service and manufacturing, 90 in design and 20 in the sales team. All but one of the 40 women working at the company held administrative positions. Overall wages were relatively low so the HR-manager emphasised company benefits such as health insurance and holidays.

The company offered formal and informal means of communication between management and employees. Additionally to the monthly departmental meetings, the staff-handbook and regular newssheet provided information to staff. Generally communication was described as informal and anyone at the company regardless of seniority: *could stop the chief executive and say: Paul, I want to talk to you ...* There was no staff committee, but the HR Manager emphasised that each employee is responsible for their own safety concerns.

#### *A2 Business strategy*

As the firm was essentially sales-driven, technical excellence and innovation was imperative to the company business plan and the company had recently appointed a Director of Innovation. The company aimed to bring out one new product a year and had recently developed more effective packaging together with a supplier and a small cooling compressor for areas that generate a lot of heat, such as call centres.

Information about developments in the area mainly came from the *Institute of Refrigeration* in which many company managers were highly involved as members of the Board of Directors. However the HR-manager described most research as practice based "on the job" research such as *"how can we do this better?, how can we make this work?"*. Additionally, the company was *Investor in People* accredited and worked towards professional standards such as the *Institute of Mechanical Engineers*, the *Institute of Refrigeration* and the *ISO9001*. The company followed British Standards of project management such as the BS 6079 which provides guidance on the planning and execution of projects and the application of project management techniques.

The main markets the company was targeting were food processing industry, cold storage, brewing and distilleries, building services, petrochemical and pharmaceutical companies. It was the largest independent contractor in the UK and was slowly merging into wider international markets. The company sales department was responsible for marketing and would run road shows. Additionally the company had developed e-learning tool which was designed to market refrigeration practice.

#### *A3 Current challenges and initiatives to meet these challenges*

The company was going through a slow steady growth with slow increase in workforce but no major changes in ownership. The company had a subsidiary company manufacturing different

chillers for a niche market which facilitated an international growth. However, the HR Manager emphasised that the company did not wish to grow too quickly.

## Section B

### HRM, HRD, and training policy of the enterprise

#### *B1 Organisations of responsibilities and core processes in HRM and HRD*

Within the company, around 40% of the employees were educated to tertiary level (ISCED level 5a) or above, and a small proportion were chartered engineers. The HR manager stated that the company actively encouraged employees to obtain formal qualifications and expected around 10-15% of employees working in the service or engineering department to go on to achieve HNCs or HNDs (ISCED level 5b).

The annual labour turnover was around 10%. Although the company did not have problems recruiting administrative staff, the HR manager expressed a concern that the company faced a challenge when recruiting qualified and experienced engineers. The company was facing increasing problems with long-term sickness, although still slight. Additionally the company, through legislation, had been forced to become more rigorous with disciplining and record keeping in case of tribunals.

Career paths for employees were visible, but not defined, and within the Service department the company operated a graded structure over five years during which employees would receive an increase in wage as they gained experiences and reached a higher level of ability. In this way the company was encouraging engineers to go from apprentices to top level engineers within the company. The HR Manager stated that it was common for experienced engineers to move from engineering into sales or design, and the Chief Executive had started out as an apprentice at the firm.

The company had recently employed a full-time HR Manager at the main office, but since the smaller branches were not considered big enough to carry a HR unit, the management were responsible for at the HR duties, including biannual appraisals with employees. The branch managers were supported by many company policies and procedures and additionally an on-line performance management system had recently been introduced which identified training needs. The ultimate responsibility in regards to recruiting fell under the Chief Executive.

The company tended to buy in most training, but also had a well developed in-house training system in place. For instance, the Design department delivered courses on company products and systems, the Health and Safety Manager delivered a Risk Assessment course and the Control department delivered a program looking at various aspects of control in own or manufacturer products.

#### *B2 HRD objective*

One of the main aims of the appraisal system was to encourage employees to take up training that was considered beneficial to the employee and to the company including courses, that might not be an immediate benefit to company. Employee training needs were identified during biannual appraisals when it was discussed what skills and knowledge employees needed for their job and possibilities for progression. The company had a standard training plan in place that place that picked up employees training needs and generated a program to suit. Due to the varying needs of different manager, management training tended to be mainly coach-based rather than course-based and therefore not necessarily controlled. More general management courses, such as covering the financial system of the company, were occasionally held.

#### *B3 HRD strategies and use of public support schemes for HRD/training*

The majority of training taking place at the company was directed in-house training delivered as part of a weekly in-house training scheme looking at technical aspects, particular products and systems or aiming to improve employees' understanding of a hands-on approach. A lot of the training was directed towards specific job and statutory training requirements such as *Health and*

*Safety* and competency certificates that allowed employees to go on a construction sites. Additionally many employees, particularly apprentices, achieved HNCs and HNDs (ISCED level 5b). As the company had branches both in England and Scotland, the majority of employees undertook NVQs, although those studying in Scotland were awarded SVQs.

Participation in company training activities was voluntary and open to all employees. However the HR manager stated that the overall participation might be unevenly distributed across the company; whereas some employees would attend frequently, others might attend more rarely.

The company had a training budget of 1% of the annual turnover which covered travel subsistence, accommodation and delivery of training. Additionally the company had been successful in attracting public funding for training through the Royal College of Engineering and the Department for Trade and Industry.

## Section C

### Formal education within HRM/HRD of the enterprise

#### *C1 Understanding of and awareness for formal education by enterprise*

The company had a company training plan and considered formal training to be the most important form of learning at the firm. Accreditation was seen as important, particularly for engineers for whom an emphasis was placed on statutory training such as *Health and Safety*, *Manual Handling* and forklift training a lot of which was delivered in-house. Furthermore accreditation was seen as the main way of validating learning because the HR manager stated: *a lot of [the proof that training has helped] is getting a certification to say that you're a competent person. With the skill cards and the safety cards, people have demonstrated that they can do that and they've got the ticket to prove it.*

The company's e-learning program was currently CPD accredited and the HR manager was currently in discussion with the Scottish Qualification Authority about assessing and accrediting the training which was delivered regularly in-house and via their e-learning programme such as their *Risk Assessment* programmes and their *Products and Systems* course which had: *a high element of refrigeration practice in it.* Accreditation of in-house training and e-learning courses and programs was also commercially motivated and the company was hoping to sell these courses to other firms in the industry.

#### *C2 Experiences with formal education in the enterprises*

Formal learning was seen as an integral part of the employee development scheme at the firm, particularly in terms of technical knowledge. Many apprentices moved into HND and degree courses (ISCED 5b) and would then move into different departments in the organisation such as design and sales.

The company had links with the Further Education (FE) Colleges in which the apprentices were organised. The company had an academic research interest and the founder of the company was a professor at a Scottish university and the son who was the current Managing Director had kept the link with the university.

#### *C3 Regulations on and support for formal education*

Training needs were identified on an individual basis and no formal guidelines were in place to decide who would get access to formal training. Based on the quality of work the company management would occasionally select employees they wished to develop into a commissioning engineer and develop a program accordingly.

#### *C4 Assessment of promoting and hindering factors for the use of formal education within the HRD-approach*

The greatest challenge involved with formal training was costs. The HR manager stated that even in instances in which the course was provided by an in-house trainer, there would be a cost in terms of lost income for the duration of the course for the trainer as well as the learner.

The primary benefits with people going on training were having a more competent workforce and employees that: *understand their own role better and take responsibility more readily*. The HR Manager stated that it was important that employees were kept up to date with how the climate in terms of refrigeration is changing and had an understanding of how the company was developing.

#### Section D

##### Participation in formal education, workplace learning and HRD policies of the enterprise

###### *D1 The relationship between workplace, workplace learning and the chosen formal education*

Participant 1, Stephen (mid 40s, ISCED level 5a) was a senior control systems engineer and had worked at the company for 3.5 years. As a software engineer he was responsible for programming all controls systems. Stephen had been promoted since joining the company and was now responsible for a team. Stephen was currently undergoing a distance learning course to become a Microsoft Certified Developer. He perceived his employer supportive of learning and training and the company was paying for the distance learning course he was currently undertaking. Additionally he would be given time off work to attend incentive days at the training provider.

Participant 2, Kevin, (mid 20s, HNC ISCED level 5b) was a mechanical fitter at the company and joined the company around 7 years prior to fieldwork. He described that he was mainly involved in building refrigeration packs according to the designs made at the company to fit the clients' requirements. Kevin joined the company straight after school and had achieved most of his qualifications such as an HNC in welding (ISCED level 5b) and a fork lift licence through the company. Around 6 months ago Kevin took on a supervisory role and his job was now less practical mainly involving people management and training new employees and apprentices. Additionally *Health and Safety* requirements had increased over the last couple of years and *Lloyds Register Quality Assurance* inspectors regularly checked the company paperwork and introduced new health and safety measures. He was mainly learning about his new role in the company informally from his supervisor. Kevin was currently undertaking a four-year part-time university degree in engineering management (ISCED level 5a) at a local University College. Kevin was encouraged by the company to do the course and the company paid half of the tuition fees. Kevin stated that the fact that he paid half of the tuition fees himself ensured the company that he was committed to the training.

###### *D2 Decision on the formal education, processing of the decision and support/non-support by the enterprise*

Stephen had chosen the MCER out of personal interest although the course was not particularly pertinent to the job. The course was provided by a private training provider that specialised in Microsoft training. The course was made up of three modules covering SQL servers, Windows services and network services. It was estimated that the course would take about nine months to complete although Stephen suspected that it might take him a bit longer. The course was a standard Microsoft distance learning course in which the learner followed exercises and mock exams provided by the training provider to eventually sit the main exam. Additionally a couple of incentive days at a training centre was provided, however at the time of fieldwork Stephen had not yet attended any of these. Stephen did not expect the course to lead to promotion or any particular benefits within the company.

Kevin explained that his Line Manager had strongly advised him to undergo the engineering course: *he said 'It will be beneficial to you. If you stay within the company and even if you're leaving the company*. He explained that he had always been interested in further education and decided to take the opportunity when it was offered to him through his workplace. However, Kevin initially would have preferred a mechanical course, but the fact that he was limited to evening classes had narrowed his choice.

The course was a two-year part-time University degree provided entirely outside the workplace. Kevin's HNC qualification allowed him to start at HND level which saved him two years study. He

attended the course two evenings a week. Each class lasted around 3 hours and was a mixture of lectures to the class of 4-5 students and one-to-one tuition. Every four or five weeks they would be given as assessment to complete at home. Kevin spent on average one day during the weekend doing course work. He also felt that colleagues were helpful if he got stuck.

Kevin had discussed his career progression following completion of his course with his Line Manager and expected to move into the position of foreman, Design or Sales. He stated however that he would consider applying for jobs elsewhere had he not been promoted a couple of years after completing the course.

### *D3 Formal education, individual career goals and the work-family-personal life balance*

Stephen was generally unhappy with the delivery of the course. He appeared to feel overwhelmed and stated: *if you are studying a distance learning course, you don't know what facets of the course fall into the category of "well, that's nice to know" but this is the meat bit that I want to concentrate on, rather than concentrate on it all.* He did not find the course website adequate and felt he was lacking support and guidance. Although the training provider sent regular emails asking about his progress they failed to provide feedback to his response. Instead Stephen: *got another email a few weeks later asking how [he was] getting on.* The training provider had provided a personal tutor that Stephen had contacted a couple of times. He appreciated the personal one-to-one support more than the virtual support. He explained that the course would benefit from more practical exercises and more active feedback on the learners work. However, although the course was not directly relevant to his job he had been able to apply the skills from the course in his workplace:

*It was taking [a colleague] about a week to get in and modify all these sites. He was about three quarters of the way through and I could see all the grief it was causing him. I said 'Right, wait a minute'. I wrote a programme to do what he was doing and it did it like that! The alternative was to spend a week and do it his way. Or I spent a couple of days. So you can put the skills to use but they're not necessarily required.*

Although Stephen appreciated the support provided by the company he described himself as lonely being the only person in the workplace doing the course and that he was lacking in motivation as a result.

Kevin considered much of his previous training and work experiences directly beneficial to the course and he felt that experiences and knowledge from his workplace such as *Quality Assurance* issues, *ISO 9000* and *Health and Safety* provided background knowledge which increased his understanding of *Total Quality Management (TQM)* which was a big part of the course. Despite only recently starting the course, he stated that it was highly relevant to and applicable in his workplace, e.g. TQM and different production processes. He argued that the course differed from the in-house training offered at the company in many respects:

*Because you're learning about the overall side of things. If you're learning from your manager, then you're learning the company's way of doing things. At college, you're learning the world's way of doing things. You're learning Japan's way of doing things and the British.*

He was very satisfied with the delivery of the course. Having left school without higher maths, he struggled with the university level maths; however the small class size at the University College enabled the tutor to spend up to 20 minutes with each student per class which Kevin found particularly helpful. He appeared determined that he was able to complete the course if he worked hard enough. However, he described that he was struggling with time and would have preferred to complete the course on day-release or been allowed study time during work hours. Additionally the cost of the course was seen as a possible barrier.

#### *D4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals*

Stephen felt entirely supported to pursue his learning in the workplace but stated that he found it difficult to motivate himself when working from home and when being the only person in the workplace that was undergoing the course. He stretched however that employers could not force employees to undertake formal learning as the motivation and willingness for successful completion of a course must come from the learner. He appeared keen to continue learning and had considered follow-up modules provided by the training provider that would give him higher Microsoft qualifications.

Kevin felt that he was coping with his course but that, despite not having any children, it put some strains on his relationship. He felt that his employer could provide more support for his learning by allowing him study time within working hours. He emphasised that hard work and dedication was key to completing the course:

*I'm not that intelligent, so I need to work hard to be able to understand it. But, I know as long as I work, then I will get it. But some of the work is quite in-depth compared to what I've been used to in the past for my HNC. So it's a big step up.*

He was interested in further study on completion of this course and was considering obtaining an honours degree (ISCED level 5a) or a post graduate qualification or National Occupational Diploma in Health and Safety.

#### Section E

##### Synthesis – The significance of formal education within the HRM and HRD of the enterprise

The company appeared to have many examples of good practice in terms of formal learning and training. There appeared to be an emphasis placed on the development of existing employees, through internal as well as external training courses, and it was common for employees to get promoted within the company as a result. Accreditation and certification of training was highly important and seen as “proof” of learning and knowledge. This attitude was not shared by all employees that appeared to place greater value on skill sets and knowledge essential and/or helpful for their job.

The company was an innovation driven organisation and the company had an aim to deliver at least one new product a year. Another example of company innovation was the e-learning tool that was partly developed to market company products and procedures. Learning was therewith viewed as a marketing tool of the company and associated brands, a point picked up by the employees. The employees stated that although the various in-house training sessions provided valuable knowledge about the company products, they failed to provide a wider understanding of the processes and the industry. External training was therefore viewed as vital for well rounded understanding and knowledge.

Although the company offered many internal and external training opportunities for staff, it appeared as though employees had unequal access to the training. Workplace learning and training appeared to focus on the training of the engineers and appeared to be predominantly statutory training such as *Health and Safety* and required certificates such as forklift licences. The in-house training sessions were advertised internally, but were voluntary and it was evident that not all employees attended the company training. Conversely, although the engineers appeared to have a well established apprenticeship system in place that fostered a learning culture in which employees were supporting each other even with external formal training courses, other departments did not appear to be as successful. Some employees therefore described feeling lonely and struggling with motivation to complete external formal training courses as a result. Employees in managerial positions and/or more qualified appeared to be allowed more learning affordances in the work place than less qualified employees, despite the fact that training the apprentices was in the interest of the employer.

This was evident in the different accounts provided by the employees in this case study. Although the company paid for at least part of many training courses, employees were expected to study in their own time. There was therefore a risk that the training was removed from the workplace, something that was evident in the case of the Stephen, the soft ware engineer who appeared to view possible applications of new skills as “a bonus”. Kevin, on the other hand, suggested a possible tension between the training that the employer was offering and was willing to sponsor and the training that employees wanted. By not providing study time or offering day-release for training, Kevin had been limited in his choice of training course. The training course sponsored by the workplace was the course the management was familiar with and therefore preferred over the first choice of the employee. In some departments employees appeared to be shaped to fit the workplace requirements rather than pursue their own interests, and possibly broaden the company knowledge pool as a result.

## Summary

### Section A:

- The company was a family owned company that designed manufactured and serviced large-scale refrigeration. The workforce was predominantly male and nearly all female workers held administrative positions. The company placed great emphasis on informal means of communication.
- The company was essentially sales-driven and innovation played a large part of the company's success. Some senior managers of the company were active within the professional body (the Institute of Refrigeration) and the company followed quality standards such ISO 9001 and BS6079. The main markets were food processing and chemical and pharmaceutical companies.

### Section B:

- Nearly half of the employees held formal qualification and there was an emphasis on providing formal education to employees and allow career progression within the company. The company had recently launched a CPD accredited e-learning tool which also functioned as informal marketing. The company had structured informal training for engineers and coaching for managers. The company had an apprenticeship system in place for engineers and encouraged employees to obtain formal qualifications.
- There was one HR Manager employed at the main office, however at local levels HRD and HRM fell under the responsibilities of the branch manager backed up by company policy and procedures.
- There was an annual training budget of 1% of the company budget and the company had been successful in attracting public funding for training.

### Section C:

- Accreditation of learning was highly valued within the company and viewed as “proof” of learning and attempts had been made to accredit in-house training activities for commercial purposes.
- Costs were seen as the greatest challenge associated with formal learning, but it was argued that an increased understanding of job roles and the current market would lead to greater competency as well as readiness to assume responsibility.

### Section D:

- Both employees had their formal courses paid for by the company. However they were not allowed the same learning affordances within the company. Whereas the senior engineer were allowed study time and to take leave for away days, the engineer had to study entirely in his own time.
- The senior engineer had chosen his course out of personal interest and held that it was not entirely relevant to his job. The engineer, on the other hand, was limited to courses considered beneficial to the organisation.

- Both employees stated that they struggled with motivation in regards to their courses. However, they both took ownership and responsibility of their learning.
- Although the employee undertaking the distance learning course felt isolated and unsupported by the training provider, both employees felt that they could apply their new skills and knowledge in their workplace and that prior knowledge was helping them in their course.

Overview on key elements of the case study:

### Information Basis of the Case Study

Total number of interviews:	3
Number of Interviews with employees:	2
Number of interviews with Manager/ Line-Manager/HR Manager:	1
Number of additional references:	4 (company website, local authority website, SQA website, Microsoft website)

### Information on the interviewees

#### *Representative of the enterprise*

Job title:	HR Manager
Gender:	Male
Age-group:	around 60
Educational Background:	ISCED level 5a

#### *Participant 1*

Gender:	male
Age-group:	mid 40s
Children:	Yes
Position:	senior control systems engineer
Educational Background:	ISCED level 5a

ISCED level of formal education undertaken in the workplace:	Microsoft qualification
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Status of formal education training course:	undergoing
Starting time of the programme:	Jan 2008
(Expected) time for completion of the course:	Sep 2008
Type of organisation providing the course:	Private training institution
Tuition fees:	£15000
Learning units involved:	3
Public co-funding of course:	none
Co-funding of course provided by enterprise:	entirely
Part of the course provided within working hours (excluding hours for personal learning and preparation):	some

#### *Participant 2*

Gender:	Male
Age-group:	mid 20s
Children:	no
Position:	mechanical fitter
Educational Background:	ISCED 5b

ISCED level of formal education undertaken in the workplace:	ISCED 5a
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Status of formal education training course:	undergoing
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Starting time of the programme:	October 2007
(Expected) time for completion of the course:	June 2009
Type of organisation providing the course:	Further Education College
Tuition fees:	no information available
Learning units involved:	no information available
Public co-funding of course:	
Co-funding of course provided by enterprise:	entirely
Part of the course provided within working hours (excluding hours for personal learning and preparation):	none
<b>Enterprise – General information</b>	
Year established:	1960
Location (rural: 25.000-50.000; City: 50.000- 250.000; Big City 250.000+):	rural
Production/Service:	production
Nace:	30
Number of Employees 2008:	around 250
Male – approx %:	85%
Female- approx %:	15%
Blue collar workers:	80%
White collar workers:	20%
Qualification level –low (ISCED0-2):	
Qualification level –Medium (ISCED 3-4):	40%
Qualification level – high (ISCED 5-6):	
Job turnover:	10%
Number of employees in the last three years:	slight increase
Turnover	slight but steady increase
General assessment of the economic situation of the enterprise:	slight but steady increase
Work council/unionisation:	no
Initial vocational training program:	yes, apprenticeship for engineers
<b>Business Strategy of the enterprise</b>	
Overall classification:	sales-driven
Innovation:	high importance
Innovation unit:	yes
Number of employees in the innovation unit as percentage of all employees:	1
Quality:	high importance
Customer relationship:	important

### Case Study 3

#### **Production Company C** (Business to Business) – Expansive education but limited lifelong learning in a knowledge intensive organisation

##### *Abstract*

Company C was a knowledge intense organisation focusing on international exploration and exploitation of oil and gas. The head office was located in a major Scottish city, and smaller offices were located globally with technical expertise and engineers employed on a consulting and contract basis. The company had recently made a major find in India and the Indian company had recently undergone an IPO and was now floating on the Bombay stock exchange. As a consequence, the Scottish office had undergone a redundancy programme which restructured the organisation and ensured that the employees that remained were fit to take the firm forward.

The company had no business plan as its business strategy required it to be able to jump at opportunities. Despite being a knowledge-intense organisation, having the capital to persevere in risky projects that may result in great finds rather than a highly educated and skilled workforce was considered the main company strength.

The tensions between employee training and development and the focus of the business and profit making activities of the firm remained. The company was willing to provide employees with company specific knowledge and had the finances to fund formal adult qualification however, in terms of wider lifelong learning the company held a restrictive approach as a holistic development policy was considered to draw attention away from the main activities of the firm.

Innovation, risk taking and the ability to grasp the greater vision of the company was considered a main feature of the “ideal employee”, and the company went to great extent to manipulate the employees in this direction. Additionally to company days and social events such as company pub quizzes and lavish Christmas parties, employee development was linked to annual individual bonuses. Employees were required to develop at least two prescribed company competences a year, and it was the responsibility of the employee to arrange appraisal with the line manager to organise appropriate training.

The employees, on the other hand, appeared to value formal adult education highly and took advantage of the opportunity to undergo formal training paid by the firm. Lifelong learning was seen as an integral part of a career in business and the employees were willing to sacrifice their personal life in order to get a head start within the company. However, despite recognising possible career progression within the organisation, it was clear that their personal careers were more important than their loyalty to the firm.

##### *Introduction*

The aim of this study was to investigate formal adult education in small to medium sized enterprises (SMEs) in Scotland. This case study focuses on two formal training courses undertaken by employees at an oil and gas exploration and production company. The outline of the report is as follows; section A will explore the general characteristics of the enterprise, its business strategy and current challenges and initiatives to meet these challenges. Section B will provide an outline of the HRM, HRD and training policy of the enterprise including the core processes in HRM and HRD, and significant training activities. Section C will explore formal education within HRM and HRD of the enterprise looking particularly at the enterprise’s understanding of and awareness of formal education. It will also look at the company’s experiences with formal education, regulations on and support for formal education and factors promoting and hindering the use of formal education within the HRD-approach. Section D provides two case studies of employees that participated in formal adult education and the

relationship between the courses and the workplace. Finally, section E summarises the significance of formal education within HRM and HRD of the enterprise.

### *Methodology*

In order to achieve the research aim, semi-structured interviews were carried out with the chief operating officer, two managers (HR manager and line manager) and two employees that recently completed formal adult education exploring the company training policy and experiences with formal adult education. All participants were male. The interviews were conducted one-to-one on the premises of the company. Each interview lasted around one hour. The interviews were recorded and transcribed and the transcripts were analysed thematically.

The company was contacted through a personal contact of one of the project researchers. The aim of the study was explained to all participants who also signed a consent form explaining that they had the option to omit any questions they did not wish to answer. The interviews and the transcripts were destroyed at the end of the project. The names of the company and participants were changed to protect their anonymity.

### Section A

#### General characteristics of the enterprise

##### *A1 Main activity and characteristics of the organisation*

Company C was an independent oil and gas exploration and production company which was established around 20 years ago. The company focused on areas such as South East Asia, Bangladesh, Tunisia and Greenland. The company had around 70 employees at the Scottish office which mainly was responsible for the planning and management of the explorations. The company had branches internationally such as India and Bangladesh where major oil findings have been made where engineers would be responsible for carrying out the exploration activity. On these locations the company would employ core staff permanently but outsource the majority of workers such as consultants and contractors. The Indian branch had recently gone through an IPO (Initial public offering) and entered the Bombay stock exchange which had resulted in significant managerial changes within the company. The Indian office had become more independent from the Scottish office and was ultimately managed on site with only consolidation of accounts taking place in Scotland.

The company was located in newly built office in the heart of the banking area of an affluent Scottish city with pockets of poverty. In the city, economic activity was around 80% with around 90% of the jobs being in the services sectors centred on the banking and financial services (30%), higher education (30%) and tourism (20%). There was a strong emphasis on the knowledge economy and nearly 45% of the population had an education level of ISCED level 5b and above which was well above the national average of 32%. Economic inactivity was just below the national average of 20%

(<https://www.nomisweb.co.uk/reports/lmp/la/2038432133/report.aspx?town=edinburgh#tabeinact>).

In the Scottish office a monthly staff meeting was organised which all employees were invited to. During this the chief executive and the directors give employees an update on the business. Additionally there were regular departmental meeting and presentations for staff when the company was to implement changes. The HR teams at the international offices would have a monthly video conference. Additionally the staff committee organised regular social events were organised at the company such as monthly drinks in the board room for all employees, an annual corporate day and a Christmas party that were considered important for employees and management to build relationships that would improve communication within the organisation. The employees described that people were readily moving between offices to talk to each other and the Director was daily visible on the premises.

### *A2 Business strategy*

The main issues of the business strategy were a potential IPO of a part of the organisation and explore and exploit new geographical areas in terms of oil.

The company worked towards international environmental standards as well as human rights and international labour standards which was particularly important in some of the countries the firm operated in.

The main reason for marketing the company was stated to be able to attract talented individuals into the organisation. In order to do so it was considered important to get the company name known in the employment market place mainly through attending conferences.

The exploring and exploiting oil and gas sources was a niche market. The company specialist in areas in which other companies had already been in and failed, innovation was therefore an intricate part of the company business strategy. As off shore climates form significant dangers and there was a potential tension between the entrepreneurial development of the organisation and statutory health and safety policies.

### *A3 current challenges and initiatives to meet these challenges*

As a consequence of the IPO of the Indian business there was a reorganisation of the Scottish office which underwent a down sizing programme in order to reduce head count and to ensure that the company was “*fit for purpose to move forward*” (HR Manager).

## Section B

### HRM, HRD and Training Policy of the Enterprise

#### *B1 Organisations of responsibilities and core processes in the HRM and HRD*

The HR manager explained that his role entailed overseeing HR activity across the whole organisation and that the company had a degree of central determination in terms of policies and procedures, particularly in terms of rewards and performance management procedures. Global HR policies in terms of equal opportunities, disciplinary procedures and grievances had recently been set up.

The company was a knowledge-intense organisation with an average age of employees of 40 years old. The majority of employees were educated to at least degree level (ISCED level 5b) including secretarial and support staff, however there was also a large number of employees with Masters or PhDs (ISCED levels 5a/6).

The HR manager described labour turnover as lower than the industry average and it was argued that company benefits such as offering employees share options of the company encouraged people to stay with the organisation. However, attracting talented specialists such as was considered a particular challenge and the company had arrangements with various head hunters, recruitment agencies and executive search organisations in order to recruit the most innovative and talented workforce. Additionally the company operated psychometric assessments for all the recruitment.

#### *B2 HRD Objective*

The company offered training courses to all employees. Around half of the training courses offered at the company focused on technical competences and around half of the courses developed soft skills. The behavioural courses were generally organised by the HR department whereas technical courses would be identified by the technical specialists.

#### *B3 HRD strategies and instruments*

The company expected employees to learn on-the-job as well as more formally through training courses, such as higher education and professional exams, and coaching and mentoring. Examples of in-house development were sending employees on secondments to oversee locations and at the end of each project employees were encouraged to look at lessons learned.

For instance, stake holders involved in a drilling campaign in Bangladesh recently congregated in Dubai for a “Lessons Learned” session which was later disseminated to the rest of the organisation.

The company encouraged employees to develop their careers within the organisation however there were no formal structures in place. Promotion was predominantly performance based and employees had to ensure that they delivered. Employees’ training needs were identified during appraisals at which employees had the opportunity to suggest internal or external training courses they wished to undertake. The decision about whether a course was considered beneficial to the organisation and an employee could attend was then made by the HR department. Additional to external training courses, the company offered employees regular internal courses and conferences.

#### *B4 Significance of training activities*

The training and development of the employee were highly linked to performance indicators which were linked to the employees’ individual bonus. In order to receive an annual bonus, employees need to fulfil at least two development objectives each year and it was the responsibility of the employee to initiate a performance and development review with his or her line manager and produce a development plan.

The company had a training budget of around £3000 for each employee, however for higher education such as MBA or professional finance exams the company would contribute with up to £4000 towards the course and the employee was responsible to cover additional costs. The company was particularly keen to develop its workforce abroad and contributed with up to 80% of the course fees were they to undertake a Masters course in petroleum engineering at a Scottish university through distance learning.

The company had made previous attempts to attract public funding for training but found it difficult. At the time of fieldwork, the company was considering to take on someone who had recently left school on a public training scheme and train in-house.

### Section C

#### Formal Education within HRM/HRD of the Enterprise

##### *C1 Understanding of and awareness for formal education by enterprise*

The chief operating officer did not consider lifelong learning an integral part of the company’s success. As a small business, it was considered highly important to recruit qualified employees but to provide company specific training in-house. The chief operating officer had reservations about the expanding remit of the HR department which was considered too expensive and he was concerned that a holistic employee development approach would: *“divert attention from the main task given that the success of [the company] is about being successful explorationists rather than building an integrated capacity for the long term”*. According to the chief operating officer the success of the company derived from having the capital to invest in exploration and the capital to persevere until oil and gas is found. He continued: *“it won’t actually matter whether your exploration team are particularly good or not, you will find the stuff anyway”*.

##### *C2 Experiences with formal education in the enterprise*

Staff development had a high priority within the organisation which was awarded *Investor in People* as well as other employee development awards. The HR manager argued that this was an important factor when attracting talented employees.

Generally there was an emphasis within the organisation that the company would only sponsor courses which would benefit the organisation. In some cases this could be cause a tension with the employees’ personal interests as one accountant that was denied the opportunity to pursue an MBA on the grounds that it was not essential for his position within the company. The company had also experienced that some employees, particular employees coming to the UK from South East Asia to pursue formal training sponsored by the company, were poached by

competitors on completion of their courses. The company therefore had provisos stating that employees would have to pay back the course fees unless they stayed with the company a certain amount of time on completion of the course.

### *C3 Regulations on and support for formal education*

The company had some formal procedures in place deciding employee access to training and development. A development and performance review identified the various learning needs of the organisation. During these employees would discuss their development with their line manager based on a set of 8 behavioural competences such as self management, developing other, planning and delivering results, communicating and influencing, working with stake holders and business conscience and technical role specific competences. These meetings took place twice a year, an initial meeting in the beginning of the year and a follow-up meeting towards the end of the year. The competences were developed specifically for the organisation in collaboration with a management consultancy.

### *C4 Assessment and promoting and hindering factors for the use of formal education within the HRD approach*

The main benefit with having employees undertaking formal training courses such as MBAs, and MSc were that they were recognised professional qualifications and acknowledgements of competence in particular fields.

The main challenge for employees to attend formal training courses at the company was time. The HR manager stated that the work/life balance was an important issue for employees and it was recognised that if staff did not find time to pursue training within working hours, they may not wish to dedicate personal life to staff development.

## Section D

### Participation in Formal Education, Workplace Learning and HRD Policies of the Enterprise

#### *D1 The relation between workplace, workplace learning and the chosen formal education*

Participant 1, Pete (male, 30s, ISCED level 5a), was an Accountant Statutory Reporter at the company. His basic work remit involved preparing the group published accounts for about the 50 subsidiaries, preparing the monthly management accounts which were then matched with the forecasts. Pete had worked at the company three and a half years and first joined the company as a junior accountant carrying out mainly processing, expenses, time sheets and book keeping. He described this experience as useful. He had learned a lot and had managed to progress within the company rather quickly. The company had undergone many changes since Pete joined and since the recent IPO of the Indian office, accounts had been divided between the two main offices. However, the Scottish office was still responsible for group accounts. At the time of fieldwork, Pete had recently been through his first "end of financial year" which he described as a steep learning curve. As he had been allowed to work closely together with the team to prepare a statutory set of accounts on time and he described the experience as particularly exciting. The job involved a lot of problem solving and was very flexible which was something that Pete enjoyed. He explained that there was a certain type of person suitable for the company:

*[The company is] trying to get a good deal in an area that is maybe a little bit obscure, high risk which means that if we do find oil in one of these areas then quite often we end up with really good contractual terms. Therefore I think that the type of people who work here are all similar minded. They're all entrepreneurial, excited by that and I think the type of people that invest in [the company] are similar minded. They're looking for really large gigs.*

Pete had recently completed an accountancy qualification; ACCA (Association of Chartered Certified Accounts) which specialised in accountancy in practice in the industry. Pete managed the course in three and a half years including a couple of resits of exams. He felt that time

constraints had been the main challenge and the reason the course had taken him longer than estimated.

Participant 2, Roger (male, late 20s, ISCED 5a) worked as a commercial analyst. His work remit involved investigating new ventures and business opportunities through commercial analysis, research or meeting people in new environments. Roger had worked at the company for four years. Roger described the company structure as fluid and had successively been allowed more responsibilities. Aside from detailed knowledge of financial analysis, excel and cash flow models, the company had changed and taken on different kinds of projects which involved a new kind of investments and different types of work requirements. Approximately two years prior to fieldwork he had formally been promoted to his current.

Roger was currently studying towards an MBA (Master of Business Administration) and had recently completed the first year.

### *D2 Decision on the formal education, processing of the decision and support/non-support by the enterprise*

Pete described how he “fell into” accountancy in his previous employment and had made the decision to take the course as it would put him in better stead on the labour market. Although there were other accountancy qualifications available that might have been considered more prestigious, such as the CA (Chartered Accountant Exam), Pete decided that the ACCA was more geared towards the requirements when working in industry. Shortly after starting the course, Pete left his previous employer to work for company C and continued studying in his spare time. The course involved mainly home study although Pete was allowed one day study a week. The course consisted of five modules, each module encompassing on average 4 exams and Pete had taken additional revision courses prior to the exams. The company had agreed to pay for the course and allow Pete 15 days study leave. Were Pete to leave the company within a year on completion of the course he had to repay 50% of the costs and he explained that this provided motivation to complete the course.

Roger described the company as supportive of staff development by allowing employees to be involved in different types of projects and offering a range of courses such as *Negotiation Skills* and the *MBA* he was currently undertaking. He experienced mentoring sessions with senior colleagues valuable as they allowed a dialogue that would ensure a balance of the individual's and the company's needs.

Roger was doing an MBA (Masters of Business Administration) at the Management School of a local University. The course was conducted part-time over two and a half years. The course consisted mainly of lectures two evenings a week and one evening of study group. In total Roger estimated that he invested approximately 13 hours a week in his course. The course had two sets of exams every year, and Roger took time off work to accommodate these in terms of studying and attending the exam. The company paid 65% of his course fees. However, despite being allowed a certain amount of leave as a result of his participation in the course, Roger argued that he rarely utilised these but had taken one day holiday before every exam. Roger explained that he did the course on his own initiative and a part of the arrangement with the company was that it would not impinge on company time. Roger had therefore decided to pursue the course part-time.

### *D3 Formal education, individual career goals and the work-family-personal life balance*

Pete felt that the course provided well rounded knowledge; skills required as a professional accountant as well as people management, law and systems and business skills. Whereas courses such as law and audit was mainly a matter of memorizing lists and concepts, other subjects were more technical and involved more problem based learning. The mix of different types of subjects broke up the studying.

As Pete had not been allowed any study time during working hours, he felt that the course was absorbing a large part of his personal life which had had negative consequences and he had

found it difficult to maintain a relationship while being on the course. Additionally he felt that had he been allowed more study time during working hours, he might have managed to complete the course within the estimated time. On a professional level he felt that the course had stood him in good stead when the company recently made redundancies, something which had contributed to him being promoted.

Although only being in the first year of the course, Roger felt that the course was fairly relevant to his workplace explaining: *the MBA makes good managers better managers rather than making good managers out of nothing so you need to have some experience*. He was however hoping that the second year would be more useful where he would have a greater choice of courses relevant for his career such as, *Business Economics and Strategy* and *Carbon Management*.

Fully aware that the course would absorb a large part of his personal life, Roger had made the decision to do his MBA before he had children.

Roger argued that there were a couple of areas he felt the course could improve on. He suspected that the expensive course functioned as a “cash cow” for the university and as a result participants’ experience and knowledge varied greatly. Whereas he felt that he could learn from some participants, others were complete novices to the area. Furthermore, he felt that a case study approach had been more suitable than the lectures.

#### *D4 Assessment of promoting and hindering factors for the use of formal education for supporting and daily work and for pursuing individual career goals*

Pete stated that time was the main hindering factor for further participation in formal training. Although Pete described his family being incredibly supportive towards his studying, he struggled to balance his studying and social life:

*Friends found it difficult when I couldn't come out which was quite a lot because ... three months a year I was really committed to my exams and that went on for three year. I had a girlfriend at the time when I started studying who I split up with. I think she found it really tough when I made that commitment because it really changed that relationship. You have to really commit to it so you've got to decide whether it's for you or not.*

Pete and Roger both saw lifelong learning as an integral part of a career in business and Pete described the company as shrewd in recruiting a certain type of ambitious person that was likely to progress and giving them the tools that would allow them to develop in a way that would benefit the business including policies relating to funding of training, time off work for study purposes and providing career guidance for employees. He was interested in pursuing further training, but this was likely to be training offered through the workplace such as the IFRS, a formal qualification in international accounting, tax, law or languages.

Roger emphasised the importance of continuous and lifelong learning by giving an example of someone on his course that had thrived through participation on the course:

*Some people on the course are doing it because they have lost the drive. The act of learning and put yourself through all this because you want to do it is incredibly valuable and makes you more interested. This guy [on the course] has go more out of his job that he previously found quite boring because he's got a completely different perspective to bring to it. It sort of has to be relevant but it is the act of learning that is the appeal.*

He argued that the main challenge associated with participation in formal learning was finding a course which would be beneficial to the specific needs of the individual. Additionally, he found time management a challenge and finding a *balance between family life, work and studying which is brutal*. He was about to attend a company training course in negotiation which would be provided in-house by an external training provider that had tailored the course to the specific needs of the employer. In the future Roger was hoping to embark on a 3-month fulltime business

related training course where he would get an opportunity to learn from a different group of people with no distractions from his workplace or personal life.

## Section E Synthesis

Company C was a knowledge intense company where most employees, including secretarial and support staff, were educated to at least degree level (ISCED level). However, the company management did not value lifelong learning and which was considered drawing attention away from the business and profit making activities of the firm. Employees were expected to join the company highly skilled and receive only company specific training in-house. Having the finances to support formal adult education, employees were encouraged to pursue training, in their own time, that ultimately would benefit the company.

The company business plan emphasised innovation and risk taking. The company management valued employees with the right vision or perspective and the company appeared to attract a certain kind of person. A lot of energy was placed on a cohesive company identity and employees were manipulated through social activities such as company days and lavish Christmas parties. At the same time, profitability was a major concern and there has been a recent round of redundancies to make the company 'leaner and meaner'.

The employees, on the other hand, appeared to view lifelong learning as an integral part of a career in business both employees interviewed as part of this study were willing to sacrifice personal life in order to get a head start within the company. Additionally to the tangible benefits of formal adult education, the employees mentioned softer benefits of participation in training such as increased interest in your job and stimulation.

Both employees spoke about the importance of combining the needs of the employees and the needs of the company and appeared to view the firm as a platform to pursue their own careers. Their personal careers were valued higher than their loyalty to the company.

## Summary

### Section A:

- The company was a gas and oil exploration and production company with most sites abroad. On site the company would employ core staff but would outsource engineers. The company's Indian branch had recently undergone an IPO and the Scottish head office had undergone a major restructure as a result.
- The company was innovation driven and management and employees spoke about the typical employee as innovative and entrepreneurial.

### Section B:

- The company was knowledge intensive and all employees were educated to at least ISCED level 5b.
- In-house training and career development was supported by the company sponsoring job-related formal qualifications such as accountancy qualifications and MBA.
- Employees had to fulfil certain employee development objectives in order to receive the individual annual bonus. The responsibility to arrange the development plan through appraisals was placed on the employee.

### Section C:

- Lifelong learning was not considered pertinent to the company success since the company recruited highly educated and ambitious individuals. Lifelong learning was considered a potential threat in that it might draw attention from the main activities of the firm, unless it was carefully targeted.

- Staff development was important, but the company had had negative bad experiences of poaching of qualified staff.

#### Section D:

- The employees that participated in the study were both undergoing professional exams which they had initiated themselves. the company had agreed to cover part of or the full cost of the course, but employees were expected to study in their own time.
- Both employees felt that the courses would benefit them in their career and it was clear that their personal career goals were more important than their loyalty to the company.
- Both employees emphasised sacrificing friends and family as a consequence of the courses and that participation involved a huge personal commitment.

Overview on key elements of the case study:

#### Information Basis of the Case Study

Total number of interviews:	5
Number of Interviews with employees:	2
Number of interviews with Manager/ Line-Manager/HR Manager:	1 2
Number of additional references:	4

#### Information on the interviewees

##### *Representative of the enterprise*

Job title:	Chief Operator Office
Gender:	Male
Age-group:	50s
Educational Background:	no information available

##### *Representative of the enterprise*

Job title:	Line Manager
Gender:	Male
Age-group:	40s
Educational Background:	Degree (ISCED level 5a)

##### *Representative of the enterprise*

Job title:	Line Manager
Gender:	Male
Age-group:	40s
Educational Background:	Degree (ISCED level 5a)

##### *Participant 1*

Gender:	Male
Age-group:	30s
Children:	No
Position:	Account Statutory Reporter
Educational Background:	ISCED level 5b

ISCED level of formal education undertaken in the workplace:	ISCED level 5a
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Status of formal education training course:	completed
Starting time of the programme:	October 2004
(Expected) time for completion of the course:	January 2008
Type of organisation providing the course:	Private training provider
Tuition fees:	covered by the company
Learning units involved:	5

Public co-funding of course:	no
Co-funding of course provided by enterprise:	entirely
Part of the course provided within working hours (excluding hours for personal learning and preparation):	none
<b>Participant 2</b>	
Gender:	Male
Age-group:	20s
Children:	No
Position:	Commercial analyst
Educational Background:	ISCED level 5b
ISCED level of formal education undertaken in the workplace:	ISCED level 5a
Status of formal education training course:	undergoing
Starting time of the programme:	October 2007
(Expected) time for completion of the course:	December 2009
Type of organisation providing the course:	University
Tuition fees:	covered by the company
Learning units involved:	5
Public co-funding of course:	no
Co-funding of course provided by enterprise:	entirely
Part of the course provided within working hours (excluding hours for personal learning and preparation):	15 days

**Enterprise – General information**

Year established:	around 20 years ago
Location (rural: 25.000-50.000; City: 50.000-main city 250.000; Big City 250.000+):	
Production/Service:	Production
Number of Employees 2008:	this branch =70
Male – approx %:	50
Female- approx %:	50
Blue collar workers:	
White collar workers:	100
Qualification level –low (ISCED0-2):	
Qualification level –Medium (ISCED 3-4):	
Qualification level – high (ISCED 5-6):	majority
Job turnover:	low
Number of employees in the last three years:	growing
Turnover:	
General assessment of the economic situation of the enterprise:	increasing significantly
Work council/unionisation:	no
Initial vocational training program:	no

**Business Strategy of the enterprise**

Overall classification:	innovation driven
Innovation:	highly important
Innovation unit:	no
Number of employees in the innovation unit as percentage of all employees:	not applicable
Quality:	relatively important
Customer relationship:	high importance

## Case Study 4

**Service Company D** – Limited availability to formal training within a knowledge-intensive organisation

### *Abstract*

Company D was an architects firm located in a major Scottish city. It was focusing on commercial buildings and the heart of the company's success was challenging projects with creative and innovative designs. The company had been very successful in the last couple of years and had nearly doubled its workforce. As a consequence the ownership of the company had been transferred from the founder of the firm to become an employee trust ultimately run by six Directors. There was an emphasis on remaining a flat structure within the organisation and a series of policies and practices were in place to ensure a democratic decision making process. Due to the unpredictability of the workload the company did not have a business plan as it required the flexibility to be able to jump at opportunities as they arose.

A great emphasis was placed on the company ethos. It was considered important that new recruits fitted into the organisation and shared its priority of design over financial success and the company paid relatively low wages as a result. Several steps had been taken to ensure social cohesion within the organisation and creating a happy environment, such as Friday drinks in the office. In terms of recruiting new employees, there was a tendency to employ young architects that could be shaped to the organisational needs through in-house training. The organisation of work was also done in a way which would facilitate informal learning and sharing of knowledge.

Formal learning served two main purposes within the organisation. Firstly, the professional accreditations of young architects enabled employees to take on more responsibility within the organisation but also keep the company up to date with current legislation and recent developments in the area. The company paid the full fees of the course and each trainee architect was assigned one experienced supervisor that provided guidance and support. However, the learner participating in this study stated that he would have benefited from being allowed study time during work hours. Additionally he felt unsupported by the training provider and the organisation of a study group had been essential for his successful completion of the course. Secondly, and in particular for more experienced employees, formal learning activities was seen as an opportunity for networking. Social and informal contacts with other firms were considered pertinent in the development of the organisation in finding out about recent developments in the area but also in gaining new projects.

Despite being a knowledge intensive organisation, formal qualification was of little value within the organisation and the management appeared to value informal hands-on learning higher. This causes a tension with lifelong learning policy. The company recruited qualified and highly skilled employees, but chose to train individuals to suit the commercial needs of the organisation rather than the individual needs of the individual and invest in informal learning rather than formal transferable skills.

### *Introduction*

The aim of this study was to investigate formal adult education in small to medium sized enterprises (SMEs) in Scotland. This case study focuses on the professional examination of an architect at a Scottish architect office. The outline of the report is as follows; section A will explore the general characteristics of the enterprise, its business strategy and current challenges and initiatives to meet these challenges. Section B will provide an outline of the HRM, HRD and training policy of the enterprise including the core processes in HRM and HRD, and significant training activities. Section C will explore formal education within HRM and HRD of the enterprise looking particularly at the enterprise's understanding of and awareness of formal education. It will also look at the company's experiences with formal education, regulations on and support for

formal education and factors promoting and hindering the use of formal education within the HRD-approach. Section D provides two case studies of employees that participated in formal adult education and the relationship between the courses and the workplace. Finally, section E summarises the significance of formal education within HRM and HRD of the enterprise.

### *Methodology*

The company was contacted through a personal contact of the research team.

In order to achieve the above aim, semi-structured interviews were carried out with one Practice Director of the company that also functioned as Line Manager, one Practice Manager and one employee that recently completed formal adult education. The interviews explored the company training policy and experiences with formal adult education. All participants apart from the Practice Manager were male. The interviews were conducted one-to-one on the premises of the manufacturing company. Each interview lasted around one hour. The interviews were recorded and transcribed and the transcripts were analysed thematically.

The aim of the study was explained to all participants who also signed a consent form explaining that they had the option to omit any questions they did not wish to answer. The interviews and the transcripts were destroyed at the end of the project. The names of the company and participants were changed to protect their anonymity.

### Section A

#### General Characteristics of the Enterprise

##### *A1 Main activity and characteristics of the organisation*

Company D was an architects office situated in a main Scottish city. The company was focusing mainly on larger residential developments and commercial buildings in Scotland and the north of England and designed buildings as well as liaised with other consultants, contractors and clients. The company was established around 15 years ago. Around three years prior to fieldwork the company changed from being a privately owned company to becoming an employee trust. The previous owner of the company gifted 49% of the company to employees who, at the time, had been with the company for more than 2 years. Since then employees has taken over a larger proportion of the company, and at the time of fieldwork around 70% of the company was run by the employee benefit trust. The employee trust was run by 6 Directors that ultimately managed the company. One Director was attached to each project and held the overall responsibility. The Directors had fortnightly meetings when issues such as current projects and staffing were discussed. The minutes from these meetings were disseminated and emailed to all employees. In terms of major decisions such as pensions, holidays, employments and employee development and training, a trust meeting would be organised with all trust members. In order for a decision to be made at the trust meetings, there was a requirement of 75% approval. There was a monthly office meeting which would deal with projects, finances and the running of the office. Administration and Practice Management was organised by the two administrators.

The company was located in a relatively affluent Scottish city with pockets of poverty. Economic activity was around 80% with around 90% of the jobs being in the services sectors centred around the banking and financial services (30%), higher education (30%) and tourism (20%). There was a strong emphasis on the knowledge economy and nearly 45% of the population had an education level of ISCED level 5b and above which was well above the national average of 32%. Economic inactivity was just below the national average of 20%

(<https://www.nomisweb.co.uk/reports/lmp/la/2038432133/report.aspx?town=edinburgh#tabeinact>).

The company was located over two floors in a tenement in the centre of the city. The office consisted of 6 offices, a photo copier/printer room and a conference room. The architects worked in teams of 4-5 architects including one Director and each time would occupy one office. In each office all architects would share a big desk at the centre of the room which would facilitate communication and sharing of ideas. The Director shared the responsibilities associated with the project equally with the other team members but dealt with any grievances that may occur. The teams would vary to accommodate different projects and the architects would move between the offices depending on which team they were currently working in. There was great emphasis on social interaction and additionally to an office dart board employees could play games on during lunch, there were company drinks served in the office every Friday afternoon.

### *A2 Business strategy*

The company did not have a specified business plan and the unpredictability of incoming projects made it difficult to plan ahead. The main aims of the organisation were to create good architecture and provide a good space for people to work in.

The company was a member of two professional bodies; the Royal Institute of Architecture in Scotland (RIAS) and the Royal Institute of British Architects (RIBA). Additionally all qualified architects must be registered with the Architects Register Board (ARB) that promote good standard of education and professional practice through its Code of Conduct and prescribes architectural qualifications. The company had procedures in place in terms of drawing work, filing work and communication that ensured that good standards would be applied to all projects.

The Practice Manager emphasised that the industry was constantly changing and that it was pertinent to the company to keep up with recent developments to prevent falling behind competitors. Social means and personal contacts were pertinent in keeping informed about recent development in the area.

The company focused primarily on commercial properties and undertook work for house builders, developers and commercial clients. Although not operating in a niche market as such, a clear emphasis was placed on innovative designs of good quality and the company was therefore not the cheapest. The company did not market itself or tender for any developments but would gain the majority of its business through its reputation as an architect firm with a track record of high profile buildings and a willingness to take on “problematic” developments that often required a lot of negotiation with local authorities.

The company based its staff wages on the annual wage average provided by the professional body RIAS. The Practice Manager stated that the company offered employees higher salaries than some other architect firms, and therefore, on occasion, struggled to compete with their low prices.

### *A3 Current challenges and initiatives to meet these challenges*

The company had been very successful in the last three years and the turnover had increased annually. The changes in ownership meant that employees now felt that they had more influence in the firm as well as taking a fuller responsibility over its future. As a result of growth, the practice had introduced a new software package which had been implemented in the firm over the last 18 months. One of the Directors explained how the decision about the new software and its implementation had been achieved at the company:

*There were two or three people in the office who were responsible for looking at what other options were available to us, going to speak to other practices, finding out the pros and cons of the various other options and we narrowed it down to maybe two or three options, and then presented it to the whole office. It was debated within the office as to which package would maybe suit us best. So it involved the whole office reaching a decision on which package we thought would be best suited to us moving forward.*

## Section B HRM, HRD and Training Policy of the Enterprise

### *B1 Organisations of responsibilities and core processes in HRM and HRD*

As a result of its financial success, the company had recruited more staff and the head count had nearly doubled in the last 5 years. The company now employed around 30 people out of which 16 were male and 13 were female. While women were more dominant in administrative and junior positions, men appeared more dominant in technical, senior and managerial positions.

The company found recruiting new employees a challenge. As profit was not a priority within the firm, the company was not always capable of paying competitive salaries. The most important aspect of new recruits was therefore to share the company vision of good architecture over profit. The ultimate responsibility for recruitment fell under the six Directors at the firm and the company tended to hire young architects that could be trained within the organisation. In Scotland architects first undergo a seven-year-university degree out of which two are spent practicing in an office. As the practice recruit graduates, the graduate would normally spend one to two years practicing in the office before they sit their professional exam which is awarded through the ARB. The Director we spoke to explained that once the architect was qualified he would be given more responsibilities within the office and allowed to grow within their position within the office and allowed to take on more responsibilities when they felt that he or she could manage it.

Aside from statutory training requirements, employees were responsible for own professional development something that was discussed in the annual appraisals. Professional development fell under the responsibilities of the HR Manager, however, the Practice Manager emphasised that external formal training would only be paid for by the company if training was relevant to the job and the person was in need of the specific training.

### *B2 HRD Objectives*

Employees training needs were discussed at annual appraisals. The onus was placed on employees to suggest areas for development. However, as pointed out earlier, the company would only sponsor training that was considered beneficial to the organisation.

### *B3 HRD Strategies and use of public support schemes for HRD/training*

As a registered architect, the ARB required architects to undergo at least 20 hours CPD a year, 10 hours provided in-house and 10 hours external training. Within the practice, this was organised in terms of lunch time seminars held every second week in the conference room. These would cover discussions, debates or talks on subjects set out by the RIBA or the RIAS in order to maintain professional knowledge such as Health and Safety, Contract law and Contract administration or cover new materials such metal cladding, lighting systems or computer software. The talks were generally held by employees or external people that were brought in.

Occasionally employees attended conferences or other training events. However, the HR Manager tried to make sure that employees attended some training events and due to cost implications the HR Manager tried to send no more than one person per team. The company had not accessed public funding for training.

## Section C Formal Education within HRM/HRD of the Enterprise

### *C1 Understanding and awareness of formal education by enterprise*

Informal learning through communication with colleagues was highly valued within the organisation and seen as the main way of learning. It was emphasised that people learn even from bad experiences and it was therefore important that these experiences were shared within the practice. The Director explained that workplace learning differs from university based learning because:

*They are getting hands on experience of how to do things, that you probably wouldn't get in universities which is a good thing. People in the office can draw a construction detail and then a month or two later they can actually see it being built on site, which is a good hands on way of learning.*

### *C2 Experience of formal education within the enterprise*

Generally employees would take part in external CPD in areas of interest such as *Eco building* or *Wood houses*. However, particularly among experienced members of staff, external training appeared to have a low priority within the organisation and was mainly viewed as an opportunity for networking.

External formal training was mainly utilised for new architects to sit their professional exam. Once architects were formally qualified they were able to take on own projects and work more independently. The CPD sessions held at the company would often cover topics relevant to the students' professional exams and the manager was hoping these would supplement the training.

The company had well established links with local universities as many employees also taught part-time. Whereas one employee was employed on a part-time basis to allow for academic teaching, other employees taught academic courses on an ad-hoc basis out of a personal interest.

### *C3 Regulations on and support for formal education*

The staff handbook stated that the company encouraged employees to further learning. The company had no formal guidelines about who would get access to formal training but employees were considered to take responsibility over own development.

In terms of graduate students studying for the professional exam the company covered the full cost of the course, including exam fees, as long as the employee stayed with the company for at least two years on completion of the course. Additionally they were allowed to go on day release courses at the university.

### *C4 Assessment of promoting and hindering factors for the use of formal education within the HRD-approach*

The main benefit for the company to send employees on training courses was to bring knowledge to the organisation, but soft skills such as increased professionalism and satisfaction. The Director explained:

*It makes a happy employee if they are feeling satisfied through doing a course then they are happy within the workplace, but also they are growing as a professional as well, and it's maybe something they can then bring back to the office a different knowledge of a different subject matter within the office that they can then impart that knowledge with the others in the office.*

Cost implications appeared to be the greatest challenge associated with having employees participating in formal training and the Practice Manager emphasised the importance of employees sharing new information with colleagues when returning from training.

Additionally it was pointed out that lengthy courses may be disruptive to the workload as well as resourcing. As a result employees were generally only sent on day release courses lasting two or three days, conferences or a series of workshops.

## Section D

### Participation in Formal Education, Workplace Learning and HRD Policies of the Enterprise

#### *D1 The relation between workplace, workplace learning and the chosen formal education*

Participant 1, George (early 30s, ISCED level 5a), had worked as an Architect Assistant within the firm for three years and qualified as an Architect 6 months prior to fieldwork. His qualification

licensed him to practice as an architect privately or within an office and he was now responsible for completing drawings, space planning, building warrants and oversee construction on site, being more actively involved in communicating with contractors and clients as well as the decision making process.

Aside from an increase in salary of 14% on completion of the qualification, George did not feel that his job had changed dramatically since he qualified as an Architect. He was gaining more responsibilities successively within the enterprise.

Due to reduced workload in the office, George had been seconded to a different architect office. He was now engaging in a lot of informal learning on a daily basis as he had to learn a new computer program and work with a different group of people. He described practising architecture as involving a great deal of embedded knowledge, however getting up to speed with a new project would take him about a month depending on project and client.

#### *D2 Decision on formal education, processing of the decision and support/non-support by the enterprise*

The Professional Examination in Architecture in Scotland is delivered by APEAS and is the recognised standard for registration with ARB and the gateway to chartered membership of the RIBA and/or RIAS. The examination consisted of a documentary submission comprising a case study, a written practice paper, an evaluation of experience and professional CV as well as a completed and signed log book covering all that the candidate had done in his career up to that point (approximately 40-60000 words which takes a minimum of 2 years) followed by an oral exam in form of an hour-long interview. The written practice paper was an open-book exam which took place in the office. The course syllable was provided by the ARB and the course was mainly self-study with three day-release lectures held at the university. Each graduate architect was assigned a senior architect who signed the log book and ensured that the trainee got the necessary practical architectural experience as well as minute writing and administration. George was given paid leave to cover the away days and the office paid for the course and the exam which in total came up to £700. George recognised that this was against the immediate financial interest of the firm, and there was an in-built clause that this would be paid back was George to leave the company within 2 years.

Titles, formal qualifications and hierarchies appeared to be of little value within the organisation. Distribution of tasks depended on where co-workers fitted in within the project, and senior architects were also involved in hands-on tasks such as designing drawings. In regards to the formal qualification, George's employer was not involved in his decision to undertake the course, rather George perceived the manager to place little value on the qualification as he commented: *why do you bother?*

Additionally, he received annual supervision during which his long-term career plans would be discussed and on a day-to-day basis colleagues would explain issues and share information, support which he felt was critical.

To cope with the workload associated with the course, George had formed a study group together with 3-5 other architects studying for the exam. The study group met weekly and studied the text book and helped each other draw attention to what was important based on passed exam papers. George found the study group invaluable for completing the course.

#### *D3 Formal education, individual career goals and the work-family-personal life balance*

George generally felt that the course was unsupported with only three days formal lectures. Without a specific syllable he felt the course was lacking structure and it was difficult to judge what information would be considered important. George explained that the architecture course is long and instils ambition in staff to be self-motivated and wanting to take on more responsibility and the general standard of the course was therefore very high.

George felt that he was able to apply knowledge from the course on a day-to-day basis. The course had provided confidence and an understanding of the profession. Furthermore he found that, as a recently qualified architect, he knew more about certain topics, e.g. legislation and contract law, than more senior architects which was recognised within the practice.

George felt that improvements of the course could be made to facilitate the learning. Firstly, it could have benefited from a more defined syllable as the one provided by the ARB was very vague. Secondly he felt that the university could have provided more guidance in setting up a study group.

Additionally to practicing as an architect, George taught architecture at a university and he felt that he wanted to make his academic interest more integral to his career. He was interested in pursuing a second degree, an MSc in Architectural theory, and engage in academic research. Furthermore he was interested in working in a more international environment, but felt that many of his ambitions were limited by size of the city in which he was working. However, George emphasised the importance of personal contacts to be able to pursue a career in architecture and an academic.

#### *D4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals*

George stated that the office was generally supportive of training and that he managed to find a supportive learning network in terms of his study group that helped him to produce a study program and structure his time.

George explained that the biggest challenge associated with the training course was making the decision to start the course. Once that decision had been made, he was working hard, adamant not to have to do it again. He stated that although the coursework suffered during periods when he was particularly busy in the office, he particularly found it hard to balance the course requirement with his personal life.

#### Section E Synthesis

There was a strong emphasis on the company ethos which involved favouring innovative design and a possible acceptance of lower salaries than competitors as a result. In regards to training, the company's needs appeared to be valued higher than the needs of the individual and the Practice Manager indicated that the company was unprepared to pay for courses not considered beneficial to the whole organisation.

Secondly social cohesion was highlighted within the organisation. This included organisation of work in a way that would facilitate informal learning and employees were actively encouraged to share work practice, experiences and knowledge from external training courses. Social cohesion was also reinforced through activities that were not entirely related to the main activities of the enterprise, such as a dart board and post-work drinks that would make the office a "fun" and "happy" place to work.

Formal learning was mainly offered to architects that were going through the professional examination, however most of this learning was self-study and undertaken in the learners' own time. Trainee architects appeared nevertheless to be valued within the organisation as a means of bringing new knowledge into the organisation and ensuring that the company was kept up-to-date with current legislation. Senior members of staff would be more likely to attend external training in aid of networking.

The company encouraged cross-boundary communication and all levels of employees appeared valued within the organisation. The presence of trainee architects appeared to feed through the entire organisation and CPD sessions were often focused on current themes initiated by the professional bodies and relevant to the professional examination.

Company E provides an example of a knowledge-intensive organisation in which continuous learning is important for the continuous growth and development. However most learning which was considered valuable, cost-effective and which was actively encouraged was informal in-house practical knowledge rather than external formal education. Delivery and a hands-on approach to learning were considered more important and valuable to the organisation than the qualification itself. This indicates a tension with current lifelong learning policy and suggests that employers are moving away from external formal training courses and transferable skills that will make the employee more flexible on the labour market towards an approach in which the focus is on needs of the company.

## Summary

### Section A:

- Company D was an architectural firm specialising in commercial buildings based in a major Scottish town. The company was owned and run by an employee trust led by six directors.
- Due to the unpredictability of incoming projects the company did not have a business plan. The commercial market the company operated in was not a niche market as such, but as the company focused on quality and innovative design it was argued that they could afford to charge more than some of its competitors.
- The company had grown significantly in the last three years and had undergone a number of changes. Additionally to the transfer of ownership to the employees, a new computer software had recently been introduced in order to coordinate projects and bring the company forwards.

### Section B:

- As a result of financial success, the company workforce nearly doubled in the last five years. Recruiting new staff was considered a challenge and an emphasis was placed on new recruits having the right attitude. The majority of employees were hired young and was trained in-house.
- Employee development was discussed during their annual appraisals with their line managers. However, ultimately employees were responsible for their own professional development. It was important that training sponsored by the company would benefit the entire organisation.
- CPD was organised weekly on recommendation from the professional body.

### Section C:

- Informal, hands-on learning was particularly valued within the organisation. Formal learning was focused on the professional examination of young architects and the CPD sessions organised at the company were often organised in aid of this. Experienced architects mainly participated in formal learning activities for networking purposes. Many employees taught regularly at local universities with which the company had strong links.
- The company was reluctant to pay for training which would not benefit the whole organisation. Although covering the full cost of the professional examination employees agreed to stay with the company for at least two years upon completion.
- Benefits associated with having employees participating in formal training were firstly the acquisition of new knowledge however other benefits such as happy employees were considered as an outcome that would benefit the entire firm. The main challenges mentioned were cost implications and disruption of the workload.

### Section D:

- Participant 1 had recently passed the professional examination in architecture. The course was paid for by the company; however the majority of studying was taking place in the participant's own time. Since passing the exam he had gained an increase in salary of 14% and had increasingly been allowed more responsibilities within the firm. The

participant had made an agreement with the company to repay course fees was he to leave the company within two years after passing the exam.

- Formal qualifications and titles appeared to be of little value within the organisation and the employee had made the decision to participate in the course without the involvement of management.
- The participant felt that the training provider of the course had been fairly unsupportive. He had successfully formed a study group with fellow students from different architect firms which had been essential in structuring the course and managing the time in order to complete the course successfully. He argued further that due to the length of the qualification, participants were motivated and ambitious and the standard was therefore very high.
- The participant had further ambitions to pursue a second theoretical degree and was hoping to pursue a second career in research.

Overview on key elements of the case study:

### Information Basis of the Case Study

Total number of interviews:	3
Number of Interviews with employees:	1
Number of interviews with Manager/ Line-Manager/HR Manager:	1
Number of additional references:	6 (websites of professional bodies, SQA website, company website, local authority website)

### Information on the interviewees

#### *Representative of the enterprise*

Job title:	Practice manager
Gender:	Female
Age-group:	30s
Educational Background:	Degree (ISCED level 5b)

#### *Representative of the enterprise*

Job title:	Line Manager
Gender:	Male
Age-group:	40s
Educational Background:	Degree (ISCED level 5a)

#### *Participant 1*

Gender:	Male
Age-group:	30s
Children:	No
Position:	Qualified Architect
Educational Background:	(ISCED level 5a)

ISCED level of formal education undertaken in the workplace:	(ISCED level 5a)
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Status of formal education training course:	completed
Starting time of the programme:	October 2006
(Expected) time for completion of the course:	2008
Type of organisation providing the course:	University
Tuition fees:	£700
Learning units involved:	no information available
Public co-funding of course:	no
Co-funding of course provided by enterprise:	entirely

Part of the course provided within working hours (excluding hours for personal learning and preparation):	all home-study
<b>Enterprise – General information</b>	
Year established:	15 years ago
Location (rural: 25.000-50.000; City: 50.000- 250.000; Big City 250.000+):	big city
Production/Service:	service
Number of Employees 2008:	30
Male – approx %:	50%
Female- approx %:	50%
Blue collar workers:	
White collar workers:	100%
Qualification level –low (ISCED0-2):	
Qualification level –Medium (ISCED 3-4):	no available figures
Qualification level – high (ISCED 5-6):	the majority
Job turnover:	low
Number of employees in the last three years:	fairly stable
Turnover:	
General assessment of the economic situation of the enterprise:	growth
Work council/unionisation:	no
Initial vocational training program:	professional examination optional
<b>Business Strategy of the enterprise</b>	
Overall classification:	Innovation and flexible
Innovation:	important
Innovation unit:	no
Number of employees in the innovation unit as percentage of all employees:	
Quality:	highly important
Customer relationship:	highly important

## Case Study 5

### **Service Company E** Business to Business - Conflicting training interests within a knowledge intensive enterprise

#### *Abstract*

Service Company E was a commercial archaeological firm that worked closely with developers through planning and carrying out surveying and excavation as well as publication of findings. The company business strategy focused on financial success and technical excellence. Innovation within the company, such as acquisition of new technology and associated R&D, was strongly motivated by new markets and commercial gain. There appeared to be a tension in striking a balance between the commercial aspects of the business and handling the national heritage. The Managing Director felt strongly, that although the employees were highly educated and possessed great knowledge and experience in their field of work, they were lacking an understanding of the commercial aspects. Attempts had been made by the management to redirect this balance and many management courses had been organised at the company.

The employees in this study had all participated in a training course leading to a formal management qualification (SVQ4/ISCED level 5b). The course was accredited by portfolio and employees described it mainly as a “paper gathering exercise”. However, many noted that the course helped to identify their roles within the firm, validate existing knowledge and boost their confidence. Many employees highlighted a tension between the training courses the company offered and the courses employees were interested in. Two of the three employees had considered pursuing Masters degrees, but stated that they would have to fund these themselves despite the company evidently benefiting from their new knowledge. The employees interviewed in this case study all appeared motivated by increased career prospects, but did not appear to feel that the company valued training other than that specified and initiated by the management.

The management’s task of striking a balance between the commercial aspects of the business and handling the national heritage was met by the tension employees experienced in balancing the training requirements of the company, which mainly focused on business management, and their personal career interest in deepening their knowledge in their field of work.

#### *Introduction*

The aim of this study was to investigate formal adult education in small to medium sized enterprises (SMEs) in Scotland. This case study focuses on a formal management qualification undertaken by archaeologists at a commercial archaeologist firm. The outline of the report is as follows; section A will explore the general characteristics of the enterprise, its business strategy and current challenges and initiatives to meet these challenges. Section B will provide an outline of the HRM, HRD and training policy of the enterprise including the core processes in HRM and HRD, and significant training activities. Section C will explore formal education within HRM and HRD of the enterprise looking particularly at the enterprise’s understanding of and awareness of formal education. It will also look at the company’s experiences with formal education, regulations on and support for formal education and factors promoting and hindering the use of formal education within the HRD-approach. Section D provides three case studies of employees that participated in formal adult education and the relationship between the courses and the workplace. Finally, section E summarises the significance of formal education within HRM and HRD of the enterprise.

#### *Methodology*

In order to achieve the research aim, semi-structured interviews were carried out with the Managing Director of the company, one line manager (HR manager) and three employees that recently completed formal education courses. Three participants, out of whom two were learners, were female and two were male. The interviews were conducted one-to-one on the

premises of the company. Each interview lasted around one hour. The interviews were recorded and transcribed and the transcripts were analysed thematically.

The company was contacted through a personal contact of one of the project researchers. The aim of the study was explained to all participants who also signed a consent form explaining that they had the option to omit any questions they did not wish to answer. The interviews and the transcripts were destroyed at the end of the project. The names of the company and participants were changed to protect their anonymity.

## Section A

### General characteristics of the enterprise

#### *A1 Main activity and characteristics of the organisation*

The company was a commercial archaeological firm and was established around 15 years ago. Commercial archaeologists are a relatively new form of business in Scotland arising out of changes in legislation in the early 1990s. The Managing Director explained that their work fell within four main divisions. Firstly, the company advised developers on risks to their projects and represented clients through planning and, if necessary, at public hearings in the appeal process. The second stage involved fieldwork in terms of survey and excavation on behalf of the client. Thirdly, results were analysed, archived and published as part of the national archive. Finally, the company occasionally engaged in pure research work.

The company had about 100 employees distributed over 4 sites across the UK. The Scottish office, with approximately 50 employees, was located on a small industrial estate in a town on the outskirts of a fairly affluent Scottish city. The town had less than 10,000 inhabitants. Although it traditionally had developed around the mining industry, the majority of jobs were currently in the wholesale/retail sector (17%), health and social work (15%), manufacturing (11.5%), construction (10%) and business services (10%). Economic activity was around 70% (routine, 12%; semi-routine, 15%; lower supervisor/technology, 8%; small employers, 5%; intermediate, 11%; lower management, 15%; higher management/ professionals, 4%). Economic inactivity was around 30% which was well below the national average of around 20%. <http://www.midlothian.gov.uk/strategic/census/Loanhead.pdf>.

The office was located over two floors in a two-storey building on the industrial estate. Generally, the archaeologists' offices were located on the ground floor and the manager's and administration offices were located on the first floor. There was a small kitchen where employees could eat their lunch.

The company operated a line management system which was reviewed annually. Employees' roles and development were discussed at biannual appraisals and employees' salaries were discussed annually. Additionally regular meetings were organised at the company. When in fieldwork employees had weekly meetings in order to coordinate the workload and discuss technical or other problems. As post-excavation work was considered more demanding in terms of time, employees involved in this process tended to meet less frequently.

#### *A2 Business strategy*

The company business strategy had three main aims: financial success, strategic company development and recruitment. Financial targets were negotiated annually and employees were involved in setting their own targets. The strategic company development plan currently included plans on national and international expansion and the manager was aiming to open new offices and recruit approximately 12 new archaeologists within a year.

The main competitive strengths of the company were technical excellence and commercial ability. The Managing Director argued that, as a private organisation, the firm had a better understanding of the structure of the client's business and worked more closely with the clients than many university-based archaeologists.

As a Registered Archaeological Organisation (RAO) the company had to follow professional standards in terms of technical excellence and experience. The company paid employees' membership to the Institute of Field Archaeologists (IFA) which ensured that all employees followed its Code of Conduct and Code of Practice. Previous attempts had been made to aim for the ISO9000, but the Managing Director considered it too time consuming and therefore not a priority.

The company frequently engaged in R&D activities. For instance, the company had recently invested in two laser scanners in order to open up new markets. As a consequence they had employed a post-graduate research fellow on a transfer partnership supported by a Department of Trade and Industry scheme who was commissioning a piece of R&D in relation to the new technology. The endeavour was highly motivated by financial gain and the Managing Director reported a threefold increase in the annual turnover as a result of the new equipment. Other examples of R&D activities included digitalisation of all ongoing work and a community archaeology project sponsored by the European Union.

The manager stated that the company was operating in a specific niche and estimated that the company was rated the 4<sup>th</sup> or 5<sup>th</sup> biggest consultancy in the UK with its main competitors being trusts or museums. The company targeted two main markets: commercial clients such as developers or developers' agents, and voluntary and national organisations such as Historic Scotland, English Heritage, and Local Authorities. In terms of marketing the business, the company had a Business Development Office (BDO) consisting of a marketer and a sales person. Additionally, all employees were expected to act professionally in order to attract new projects.

### *A3 Current challenges and initiatives to meet these challenges*

Low wages was a challenge the company faced and despite always exceeding the salaries recommended by the IFA the Managing Director stated that archaeologists were hugely underpaid: *often our personnel are amongst the most highly educated on a construction site and the lowest paid on the site which is reprehensible.*

The company had plans to expand the business over the coming year. Recruiting qualified staff was considered a challenge and the decision had been made to prepare a skill register of skill requirements by grade. There were plans to carry out a training programme that would focus on employees at the lower grades in order to obtain more project officers and senior project officers.

The Managing Director was further considering transferring ownership of the firm to employees. A formal training scheme in corporate ownership had been undertaken by employees in senior positions in preparation for this.

## Section B

### HRM, HRD and training policy of the company

At the Scottish office, eight of the employees were in administrative positions including 1 chartered accountant. Out of the forty archaeologists on the site, 15% had basic University degrees, 35% masters, and 20% PhDs. Generally the older employees had higher formal qualifications and higher wages. Overall there was an equal distribution of men and women at the firm. However, men tended to dominate in the area of field work and women in conservation and laboratory-based post-excavation analysis. In order to progress within the company a secondary (Masters or PhD) and/or extensive practical experience were essential. At senior levels, an area of expertise relevant to the company, such as Norse, Vikings or Coins, was also essential.

The company experienced challenges in recruiting qualified staff. Generally applicants from continental Europe were perceived as having more relevant practical experience than British applicants. Motivation, on the other hand, was not considered an issue and the Managing Director explained that employees held a personal interest in their field of work and accepted low

incomes. Traditionally the company had a low staff turnover but relied heavily on temporary staff as they experienced isolated peak demands in labour.

The career paths for each employee were specified and reviewed annually. HR duties fell under the responsibility of the HR manager and occasionally external expertise was brought in to deal with personnel issues such as “personality clashes”. The business model was reviewed by the Board of Directors on a monthly basis. The board held the ultimate responsibility for recruitment and if a Divisional Manager considered there to be a need for recruiting new staff, a case had to be put forward at the board.

#### *B2 HRM and HRD objectives*

The company business plan was reviewed continuously and the main aim of the HRM objectives was to ensure that sufficient resources were provided to fulfil the business plan.

#### *B3 HRD strategies and instruments*

In terms of staff development there was a strong focus on internal training which was tracked by the HR Manager. The IFA recommended members to undertake at least 50 hours of CPD over a two year period. In response to this, the company organised weekly discussion groups held in the conference room at the office for all archaeologists. These sessions covered mainly practical archaeological skills such as IT and the survey equipment and more experienced employees shared and discussed their knowledge and expertise with colleagues. The Managing Director held that the internal training environment helped to create a common ethos of professionalism and responsibility when balancing commercialism with handling the national heritage. Occasionally employees would attend conferences and external training courses such as Scottish Vocational Qualifications (SVQs), Masters and PhDs.

#### *B4 Significance of training activities*

The company had a formal training budget of 2.5% of the annual turnover. Previous attempts had been made to use public funding scheme to pay for formal training but these were perceived as difficult and time consuming. The manager described it as particularly difficult finding information about suitable funding to apply for.

Aside from the internal training offered at the company, the majority of formal training offered at the company appeared to be shorter courses and events such as *health and safety* and academic conference. Additionally employees were actively encouraged to carry out their own research and the company sponsored such activities by providing time and access to resources.

### Section C

#### Formal education within HRM/HRD of the enterprise

##### *C1 Understanding and Awareness for formal education by the enterprise*

Formal education was essential but additional extensive practical experience was necessary for progression within the company.

##### *C2 Experiences with formal education in the enterprise*

With the majority of employees having academic backgrounds, the Managing Director held that many were lacking commercial skills. As a consequence, the company had commissioned an external training provider to provide *Negotiation training* for employees a couple of years prior to fieldwork. The course covered the formal structure of commercial transaction. The experience was positive and the manager found the training suitable to the company's as well as the employees' needs with many employees improving their abilities to bring in new business. Another example of formal training within the firm was one employee who had received IFA funding to study Historic Building Recording in-house under the post-doc Fellow. Taking on the post-doc Fellow had proved particularly beneficial to the firm. Additionally to increasing the financial return for the business, the post-doc Fellow was able to provide internal training to colleagues on the new equipment.

The company had links with various educational institutions. The PhDs had been completed through a Scottish university and the company had collaborated with an English university on several research projects. Since many local universities were competing with the firm over the same work, the manager described it difficult to establish constructive relationships with these universities. Conversely he experienced that the Further Education (FE) colleges allowed greater flexibility within niche areas. At the time of fieldwork the company was negotiating the development of a Masters programme in mathematical modelling for archaeology with a local FE college.

### *C3 Regulation on and support for formal education*

The main process by which employees' training needs were identified was during the employees' annual review. The training need would then be aggregated through the line managing scheme and organised by the HR Manager. Secondly the annual planning exercise may identify insufficient knowledge within the existing areas within the organisation or trigger a training requirement within new areas. Statutory training requirements put additional pressure on the organisation to put training such as *First Aid for Construction Sites* and *Safety Training for Construction Sites* in place. Finally, individual initiatives may also result in formal training if motivated by organisational gain.

### *C4 Assessment of promoting and hindering factors for the use of formal education within the HRD approach*

The Managing Director and the HR Manager stated three main advantages with having employees attending formal training. As a research centre, knowledge was its stock-in-trade and continuously expanding and refreshing employees' knowledge was considered extremely important for the success of the business. Increasing the expertise in areas in which the company was already undertaking work would increase the amount of work the company could undertake at any one time and new knowledge might open up new markets. Finally the Managing Director stated that having renewed interests engages people and was therefore good for staff morale.

Scheduling appeared to be the main challenge associated with employees participating in formal education. Whereas most universities required their students to attend specified courses, this could not always be facilitated by the workplace.

## Section D

### Participation in formal education, workplace learning and HRD policies of the enterprise

#### *D1 The relation between workplace, workplace learning and the chosen formal education*

Section D will provide three examples of employees' experiences with formal learning within the company; Jane, Susan and Mike who all recently completed an SVQ 4 in management (ISCED level 5b). Participant 1, Jane, was a woman in her mid 30s and educated to PhD level (ISCED level 6). Jane worked as a post-excavation divisional manager at the company. She was involved in the design and execution of the post-excavation programmes and in bringing the material back into the public domain through publication. She had been at the company for 8 years and gained the promotion to divisional manager two years ago. Jane was part of a group of senior managers that was to take over part of the ownership of the company as the current owner was to retire.

Participant 2, Susan, (Female, mid 30s, PhD/ISCED level 6) was a senior manager for the Historic Building recording services sector in the company. Her job remit involved managing and coordinating various building projects such as carrying out archaeological surveys in advance of applications for Listed Building Consent or to clear conditions for planning consents. She had been with the company around 8 years and was promoted to her current positions around 2 years ago. Susan reported that her sector had grown in the last 18 months and she was finding it increasingly difficult to cope with her work load, focussing mainly on training her two assistants.

Susan felt there was generally little communication within the organisation and found it difficult to make changes within her sector since she did not have access to any information. She perceived however the company supportive in terms of training and development often in terms of conferences and short training courses such as *Time management*. Susan emphasised that a lot of training could, and was, provided in-house, such as time-management.

Participant 3, Mike, was a man in his early 40s educated to Masters level (ISCED 5a). Mike was an archaeological consultant at the firm. His job remit entailed advising clients on the impact of developments. He had worked at the company for around 14 years and moved into a managerial role about 2 years ago. Additionally to his promotion his job had changed in that he was now operating computerised planning systems which allowed him to set up times sheet to allocate staff and resources.

The course was provided in-house by a private training institution. The course granted accreditation by portfolio and covered 5 areas: i) develop and implement operational plans, ii) encourage innovation, iii) develop productive working relationships with colleagues and stakeholders, iv) health and safety and v) manage business processes. The course was entirely work based and employees were required to gather evidence, e.g. emails and letters, to prove they had addressed a series of issues as part of their job such as having led a meeting and having liaised with external people. The evidence was then discussed and considered in a narrative that formed the portfolio to support their understanding of the knowledge and its applicability in their workplace. Employees were allowed study time and fortnightly meetings with an external assessor during working hours and it was estimated that the course would take around one year to complete.

Generally the employees stated that the management training was well integrated in the general development of the company. Jane explained:

*We all started out as archaeologists or scientists or environmentalists, the kind of management side of things is on the hoof learning and it would be good always to have a little bit more formal management training. You know particularly as the company gets bigger and more terms come into the vocabulary of discussing the business side of things, so that would be useful.*

#### *D2 Decision on the formal education, processing of the decision and support/non-support by the enterprise*

The course was identified and paid for by the company. Managing Director and the HR manager had recognised that employees were in need of formal management training, particularly as the manager was negotiating a hand-over of the ownership of the company with a number of employees, and had strongly advised employees to attend the course. The training provider was chosen because of its previous successful delivery of the *Negotiation training*.

Employees work experience was paramount to gaining the qualification as Jane explained:

*My experience allowed me to gain the qualification without any additional training. It was a management qualification, not trained as a manager, it was clearly hands-on experience through my job that allowed me to do it.*

Although the course led to a formally recognised qualification, Jane felt the course was lacking formal training in terms of external lectures and did not feel that she learned anything new from the course.

Mike and Susan stated, that although based on their current work practice, the course also steered them towards certain areas they had not yet encountered such as chairing a meeting. Susan argued however that not being part of senior management within the organisation placed limitations to her full participation of the course and there were certain units she could not fulfil

as they were not part of her work remit, such as finance. Mike perceived the management as supportive and helpful with providing documentation to support his portfolio.

#### *D3 Formal education, individual career goals and the work-family-personal life balance*

All employees enjoyed the course and were generally satisfied with the support provided by the training provider. They stated that although the training generally was “a paper exercise”, the course led to clarifying their roles in the company, validating existing knowledge and boosting their confidence. Jane described that since completing the course she had changed her work practice and was now more studious in recording information. Mike described that he felt that the course clarified in his mind that the skills he possessed: *were more than simply archaeology. There was people management, financial aspects and so on.*

Neither Jane nor Susan expected completion of the training course to lead to progression within the company although Mike expected the course would lead to increased managerial responsibilities within the company.

Susan stated that she had hit a plateau and unless the workload eased off she might consider applying for jobs elsewhere. She was about to embark on a second Masters degree in *Building, Conservation and Management* together with some colleagues. The course was a distance learning course that Susan would finance herself. Although she felt that the company would benefit from her undergoing the training course she doubted she would be allowed study time at the company. She was excited about the MA and motivated by improving her ability to carry out her current job and to be able to move into different areas. Susan received little support in her attempt to improve her knowledge base and there appeared to be a contrast between the training considered important by the management and that they would sponsor and the training that Susan was interested in and excited about that she was willing to do in her own time and pay for herself.

#### *D4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals*

All employees stated that although they felt supported by their managers in terms of workplace learning and training, they felt that employers could be better at making it known to employees that they would support formal learning that works beneficial to them, whether it would be an improvement in skills or development in the skills of staff. Jane explained:

*I guess making it known to employees that the company will support formal learning within certain boundaries, that works beneficial to them whether you know it would be an improvement in skills or development in the skills of staff and therefore an opportunity for them to contribute new knowledge to do their job better, then they should be supported.*

This highlights the relationship and potential tension between what training the employer would support and the personal interests of the employee. Jane had no plans for future learning or training but would be interested in deepening her business skills however she did not expect the company to support her pursuing a MBA. Likewise Susan stated that despite not supporting certain employee training, such as her MA, financially, she argued that the company would benefit from having employees pursuing continuous formal training.

Time allocation within the current project allocation was considered the greatest challenge with formal workplace training. Mike stated that it was difficult to plan future formal training when working on short term projects:

*You're booking up for 3 months or 6 months in advance, come the time we're just too busy, can't afford [employees] to go on the course and end up having to cancel it or book them for another time. We don't know what we'll be doing in 6 months.*

## Section E

### Synthesis

The company had a relatively long relationship with its employees. The niche market the company was operating within was knowledge intensive but offered relatively low pay and the company was struggling to recruit qualified staff. As a result the manager and the HR manager had recently made the decision to develop existing staff. Additional to high levels of formal qualifications, the Managing Director placed an emphasis on extensive practical experience. The focus of workplace training appeared to be on informal in-house training or shorter formal courses with an emphasis on practical skills and vocational value motivated by commercial gain. One example was the recent R&D activity investigating the practical applicability of the laser scanner equipment.

There appeared to be a tension in the company between being judged on archaeological work and being a commercially run business. The manager stated that although many employees were passionate about their area of work, and therefore accepted the low wages, he felt that employees were lacking understanding of the commercial aspects of business and identified a need for formal business and management training. This appeared to lead to implications on the training offered to staff and the training employees were interested in pursuing. All the employees in the case study were keen to pursue their careers, within or outwith the company, and although the employees were interested to learn for their job, and in some respect further their management training in aid of their career, they appeared less enthusiastic about the management training which was forced upon them from the company management.

A second challenge with formal training at the company appeared to be the difficulty to plan training in advance. The manager as well as employees pointed out that when working on shorter projects it was not always possible to estimate the workload when courses was on offer and employees had frequently been forced to cancel training as a result. The manager pointed out that it was important that larger training providers such as universities offered sufficient flexibility, however that was not always the case.

### Summary

#### Section A:

- The company was a commercial archaeological firm that worked closely with developers through planning, surveying and excavation as well as publication of findings. The company operated a line managing system and employees had biannual appraisals.
- The main aims of the company business strategy were financial success and technical excellence. Innovation that would contribute to new markets were a priority and the company had been successful in attracting funding to pay for two employees that were currently carrying out R&D on the applicability of recently acquired technology, two laser scanners.
- Low wages was a challenge the company faced despite being in a knowledge intensive industry. The Manager stated that many potential applicants were lacking practical experience and an understanding for commercial archaeology. The company was struggling to recruit qualified and experienced employees and had plans to carry out an in-house development program to upgrade existing employees.

#### Section B:

- The company was knowledge intensive with a high proportion of employees having second degrees. High level of practical experience and subject expertise was required in order for employees to progress within the company. All employees had specified career paths that were discussed at biannual appraisals with the Line Manager. Ultimately training and recruitment fell under the responsibility of the HR Manager and the Board of the Directors.

- The company was linked to a professional body, the Institute of Field Archaeologists, that recommended CPD. Consequently the company had an in-house training program, focusing mainly on practical knowledge, in place. The Managing Director stated that CPD encouraged professionalism and an ethos to balance commercialism with handling the national heritage.
- The company had a training budget of 2.5% of the annual turnover. The majority of external formal training offered to staff was shorter statutory training courses such as health and safety and academic conferences.

#### Section C:

- The manager was particularly satisfied with a previous training initiative teaching employees negotiation skills. The course had covered the structure of formal commercial transactions and the manager felt that employees had improved their ability to bring in new business as a result of the training course.
- The company had links with some training institutions. However with some universities being the biggest competitors, the manager described it as difficult to establish constructive relationships with universities. He was currently developing a Masters programme with a Further Education college that he felt was more flexible than many universities and appreciating the practicalities of business.
- Training needs were identified during appraisals, the annual planning exercise or followed statutory training requirements.
- As knowledge was the company's stock-in-trade, the company's success was to a large extent depending upon the CPD. Benefits with training included expanding new knowledge or gaining new knowledge that would open up new markets, such as the acquisition of the laser scanner equipment which had increased the annual turnover threefold. The main challenge associated with external formal training was scheduling. As the company worked on projects of varying length it was difficult to plan ahead and the management could therefore not guarantee that employees could be allowed time off to attend courses planned in advance.

#### Section D:

- The employees were in various degrees of managerial positions and attended a formal management qualification (ISCED level 5b). The course was accredited by portfolio and entirely work based. The course was identified and paid for by the company. All employees were strongly advised to undergo the course. All employees described the course as a "paper gather exercise" and whereas the most experienced worker felt she was not learning anything new, the less experienced manager felt the course was steering them towards management activities they had not yet encountered.
- All employees described that the course was validating, and identifying, existing knowledge, clarifying their roles and boosting their confidence. However, generally employees did not expect the course to lead to promotion or other benefits within the organisation.
- Contrary to the management course, employees did not feel that the management was as supportive of training that would deepen their knowledge in other, practical, areas. Two employees were considering pursuing Master degrees, but would need to fund these courses themselves despite the company evidently benefiting from their increased knowledge.

Overview of key elements of the case study:

#### **Information Basis of the Case Study**

Total number of interviews:	5
Number of Interviews with employees:	3
Number of interviews with Manager/ Line-Manager/HR Manager:	2
Number of additional references:	2

## Information on the interviewees

### *Representative of the enterprise*

Job title: Managing Director  
Gender: Male  
Age-group: 50s  
Educational Background: PhD (ISCED level 6)

### *Representative of the enterprise*

Job title: HR Manager  
Gender: Female  
Age-group: 40s  
Educational Background: Degree (ISCED level 5a)

### *Participant 1*

Gender: Female  
Age-group: 30s  
Children: Yes  
Position: Post-excavation Divisional Manager  
Educational Background: PhD (ISCED level 6)

ISCED level of formal education undertaken  
in the workplace: (ISCED level 5b)

Status of formal education training course: completed  
Starting time of the programme: January 2007  
(Expected) time for completion of the course: September 2007  
Type of organisation providing the course: Private training provider  
Tuition fees: covered by the company  
Learning units involved: 5  
Public co-funding of course: no  
Co-funding of course provided by enterprise: entirely  
Part of the course provided within working hours  
(excluding hours for personal learning and  
preparation): entirely

### *Participant 2*

Gender: Female  
Age-group: 30s  
Children: No  
Position: Senior Manager  
Educational Background: PhD (ISCED level 6)

ISCED level of formal education undertaken  
in the workplace: (ISCED level 5b)

Status of formal education training course: completed  
Starting time of the programme: January 2007  
(Expected) time for completion of the course: September 2007  
Type of organisation providing the course: Private training provider  
Tuition fees: covered by the company  
Learning units involved: 5  
Public co-funding of course: no  
Co-funding of course provided by enterprise: entirely  
Part of the course provided within working hours  
(excluding hours for personal learning and  
preparation): entirely

*Participant 3*

Gender: Male  
Age-group: 40s  
Children: Yes  
Position: Archaeological consultant  
Educational Background: MA (ISCED level 5a)

ISCED level of formal education undertaken in the workplace: (ISCED level 5b)

Status of formal education training course: completed  
Starting time of the programme: January 2007  
(Expected) time for completion of the course: September 2007  
Type of organisation providing the course: Private training provider  
Tuition fees: covered by the company  
Learning units involved: 5  
Public co-funding of course: no  
Co-funding of course provided by enterprise: entirely  
Part of the course provided within working hours (excluding hours for personal learning and preparation): entirely

**Enterprise – General information**

Year established: around 15 years ago  
Location (rural: 25.000-50.000; City: 50.000-rural 250.000; Big City 250.000+):  
Production/Service: Service  
Nace: 73  
Number of Employees 2008: this branch =50 (total:100)  
Male – approx %: 50  
Female- approx %: 50  
Blue collar workers:  
White collar workers: 100  
Qualification level –low (ISCED0-2):  
Qualification level –Medium (ISCED 3-4):  
Qualification level – high (ISCED 5-6): majority  
Job turnover: low  
Number of employees in the last three years: growing  
Turnover:  
General assessment of the economic situation of the enterprise: increasing significantly  
Work council/unionisation: no  
Initial vocational training program: no

**Business Strategy of the enterprise**

Overall classification: technical excellence and market driven  
Innovation: important when attracting new markets  
Innovation unit: no  
Number of employees in the innovation unit as percentage of all employees:  
Quality: high importance  
Customer relationship: high importance

## Case Study 6

**Service Company F** Business to Business – Tensions between provision of formal learning and loyalty of staff in a low-skill organisation

### *Abstract*

Company F was a training centre providing training for companies in the construction industry, such as various levels of *Manual Handling* and *Health and Safety*. The company had strong links with a local Further Education colleges at which employees undertook formal education but also by delivering training to young and unemployed people on their behalf. The company was located on an industrial estate in a socially deprived area in a major Scottish city and tapped into a lot of public funding in aid of redevelopment and helping people through training from the Scottish Enterprise (Scottish Government) as well as the European Union.

The company placed a strong emphasis on employee development and training. This was highly motivated by company benefits. Statutory training regulations required trainers to have certain qualifications in order to deliver training, and employees were encouraged to gain the required qualifications to be able to teach most courses offered at the company. The responsibility for staff to obtain the required qualifications was placed on the employees. Additionally the company followed CPD regulations which were carefully recorded.

Maintaining staff appeared to be an issue and the manager highlighted challenges associated with recruiting motivated and qualified employees. However, there was a clear tension with the training policy within the organisation and the ambitions of the trainers. Despite the fact that most employees at the company appeared to appreciate the opportunities and experiences offered to them at the company, their own careers had higher priority than their loyalty to the company.

Both employees spoken to in this study explained that they had found their niche within the training industry and were deepening their knowledge within their area of expertise and they were both looking to eventually leave this company and establish their own training centres. The training centre provides an example of a company that has grown as a consequence of statutory training requirements and formalisation of learning, but within it suffers the tension of employees gaining transferable qualifications which can be removed from the company to be utilised to benefit the learner rather than the firm.

### *Introduction*

The aim of this study was to investigate formal adult education in small to medium sized enterprises (SMEs) in Scotland. This case study focuses on a Construction Training provider. The outline of the report is as follows; section A will explore the general characteristics of the enterprise, its business strategy and current challenges and initiatives to meet these challenges. Section B will provide an outline of the HRM, HRD and training policy of the enterprise including the core processes in HRM and HRD, and significant training activities. Section C will explore formal education within HRM and HRD of the enterprise looking particularly at the enterprise's understanding of and awareness of formal education. It will also look at the company's experiences with formal education, regulations on and support for formal education and factors promoting and hindering the use of formal education within the HRD-approach. Section D presents two employees that participated in formal adult education and explores the relationship between the courses and the workplace. Finally, section E summarises the significance of formal education within HRM and HRD of the enterprise.

### *Methodology*

In order to achieve the research aim, semi-structured interviews were carried out with the owner of the company (Joseph) the HR manager (Christopher) and two employees undertaking formal

adult education (Derek and Bob) exploring the company training policy and experiences with formal adult education. All interviewees were male.

The company had close links with a Further Education (FE) College that recommended the company to the research team. The interviews were conducted one-to-one on the company premises. Each interview lasted around one hour. The aim of the study was explained to all participants who also signed a consent form explaining that they had the option to omit any questions they did not wish to answer. The interviews were recorded and transcribed and the transcripts were analysed thematically. The interviews and the transcripts were destroyed at the end of the project. The names of the company and participants were changed to protect their anonymity.

## Section A

### General Characteristics of the Enterprise

#### *A1 Main activity of the organisation*

Company F was a company providing construction training such as *Confined Spaces Entry and Use of Emergency and Escape Apparatus (Eeba)*, *Lorry Loader Operator (Hiab) training*, various *Plant Operator Competence Assessments*, various levels of *Health and Safety* training but also more specialised subjects such as *Blast Design* and *Blasting Operations* not provided by many training providers. The courses lasted from a day and were delivered in one of the company training centres which included crane facilities or on site. Many of the courses led to formally recognised qualifications and the training centre was approved by the Scottish Qualifications Authority (SQA) which is the national body responsible for the development, accreditation, assessment and certification of qualifications other than degrees. The company also delivered On-site Assessment Training (OSAT) which helps experienced workers get the qualifications to prove they can do the job by turning their existing skills and experience into a nationally recognised qualification such as an NVQ/SVQ. These are national vocational qualifications that are accredited by portfolio and practical assessment in the workplace. These qualifications plus a health and safety qualification helps qualify workers for a Construction Skills Certification Scheme (CSCS) card. The company was established around 4.5 years and responded to statutory training requirements such as the New Roads and Street Works Acts Training (1991) regulations that put legislative pressures on individuals carrying out work on the road or the highway to be a qualified operator or supervisor.

The company was located on an industrial estate in a socially deprived part of a major Scottish city. The premises were small with additional mobile accommodation creating a training area, but as the company was still growing it was building new premises adjacent to a Further Education (FE) college. The area the company was located in was originally developed around the shipping industry. Since the decline of the shipping and relating industries the area was suffering high unemployment and economic inactivity in the area was around 45% which was significantly higher than the national average of 20%. The majority of jobs were in semi-routine and routine occupations (25%), managerial and professional (20%), intermediate professions (10%). The area was now benefiting from local development and business support and regeneration that aimed to help people through employment and training projects funded through the Local Authority, the Scottish Enterprise and Scottish Government as well as the European Union ([www.scotland.gov.uk/publications/2006/06/01145839/6](http://www.scotland.gov.uk/publications/2006/06/01145839/6)).

The company had various means of communication: formal, informal and one-to-one. Recently a more structured approach to ensure that all employees had accessed information had been implemented. Additionally to daily communication through emails and telephone, formal centre coordination meeting were organised monthly in which all employees would participate and the chair would be passed around among the employees. During this meeting time scales for different tasks, such as information gathering or implementing a new qualification, would be set and followed up in the next meeting. Due to the standardisation of accreditation of training, a monthly qualification meeting was organised with the assessors in preparation for meetings with external assessors. The qualification meetings dealt with the internal assessors' ability to

accredit training alongside the evidence required for certain qualifications, challenges gathering the evidence and finally implementation of new accreditations. Information about the daily running of the training centre was provided on a board with all the training delivered over the year and the person responsible for each training session which was available on display in the office and accessible to all employees.

The only trade union members in the company were the owner/manager and the senior trainer. The owner/manager made it clear that although he would not refuse an employee union membership, there was a preference within the organisation to solve issues internally.

### *A2 Business strategy*

The company had a five-year business plan which aimed to stabilise growth and maintain the workforce. Innovation was considered crucial for growth and expansion and as the building and construction industry was slowing down at the time of fieldwork, the company was looking to diversify the training courses they offered and move into the mines and quarries industry. Although not operating in a niche market, the company offered some specialist training courses such as the BOSCH qualification for health and safety. By not subcontracting the training, the manager argued that the company could ensure high training standards and therefore surpassed many competitors in the quality of the training delivered.

The main company strength was a well qualified workforce. Additionally to experience of the construction industry, all trainers at the company had a relevant industrial qualification in the type of training they deliver. The company had seven subject specialists, although most trainers could deliver nearly all courses offered at the training centre.

The company worked towards the professional standards of the Driving Standard Agency (DSA), CITB (Sector Skills Council for construction skills), SQA, EMP (award body for NVQ/SVQs for the extractor and mineral processing, mining and waste processing industries), NPTC (National Proficiency Test Council specialising for agricultural land based qualifications) and the Health and Safety Executive guidelines. Additionally quality assurance would be approved through regular meetings with the awarding bodies such as SQA and EMP.

The company initially marketed the company to businesses in the construction industry when the company was first set up, however the majority of business now came from repeat training courses. As the majority of certificates and licences awarded at the training centre are valid up to three years, the training centre contacts the company when the training is up for renewal. The manager stated however that word of mouth was highly important in bringing new business to the firm. Additionally the company delivered training on a sub-contract basis to local Further Education (FE) Colleges.

The manager kept abreast of developments in the area through membership in professional and governmental bodies such as the Institute of Occupational Safety and Health, the British Research Establishment and the British Transport Research Laboratory. In terms of continuous staff development, the company subscribes to trade magazines, attends seminars run by the awarding bodies and has documented CPD. The company runs approximately one in-house CPD activity a week at the company on topics suggested by the professional bodies.

The company undertook work for around 300 contractors, however many of these were subcontracted under Scottish Water Solutions which was the company's main customer.

### *A3 Current challenges and initiatives to meet these challenges*

The company was originally set up with one manager overseeing all the work undertaken at the firm. As a result of company growth and increase in head count, and the manager suffering a stroke as a result, the decision was made to restructure the organisation to create a more flat structure within the organisation. Although the manager remained the overall responsibility and liaise with customers and awarding bodies, the trainers are responsible for their area of expertise including own training.

## Section B HRM, HRD and Training Policy of the Enterprise

### *B1 Organisations of responsibilities and core processes in HRM and HRD*

Aside from the manager and the senior trainer, all trainers at the centre were within the same qualification bracket. Trainers were responsible for one subject area such as *Health and Safety*, *Plastering* or *Roadwork training* and would teach a range of qualifications within that area. Employees were ultimately responsible for own development and to ensure that they met the required statutory training requirements to teach as a specialist in the specific subject, such as the SQA A (Assessment) and V (Verifying) units.

The company manager stated it was hard to recruit qualified and motivated staff. It was argued that all good trainers were in fulltime employment, and the two most recent recruits were headhunted from a competitor. Control over the training conducted in the centre was highly important, and for that reason the manager was reluctant to use temporary staff. It was also pointed out that the company profit would decrease were they to use subcontractors.

### *B2 HRD objectives*

The manager argued that staff development was a priority within the company in order to be in the forefront of the sector. The company had a structured CPD program and the training undertaken by each employee was recorded in a specific CPD folder. CPD was mainly in form of employees participating in the courses delivered to customers by the training centre, mainly in aid of expanding their work remit and the number of courses they could deliver.

### *B3 HRD strategies and use of public support for HRD/training*

The company did not have a formal appraisal system in place, however there was internal verification of the delivery of training in the company during which employees were given performance feedback. Career progression was mainly discussed informally within the company and on the employee's initiative.

Informal learning was encouraged, such as the development of new training during which the entire team would come together in a meeting to discuss the best way of delivering it.

The company accessed public funding for training they delivered to customers depending on number of participants on the course and cost of the course. However, as a private training provider the manager argued that public funding was limited. However, additional funding for CPD was provided from the CITB.

### *B4 Significance of training activities*

Training was considered vital for the organisation to keep up to date with development in the area and current legislation, and continuous training was therefore part of an individual's everyday work practice.

## Section C Formal Education within HRM/HRD of the Enterprise

### *C1 Understanding of and awareness for formal education by enterprise*

It was highly important that the trainer had the formally recognised qualifications required to be able to carry out the training courses. As the company adhered to national and occupational standards, it was important that all employees kept up to date with current legislation. *Assessor training* and *Assessor update* training were therefore considered the most important courses delivered to trainers at the company. Additionally *Occupational Health and Safety* was also a priority within the organisation and in particular for trainers delivering training on site.

### *C2 Experiences with formal education in the enterprise*

Although most formal training courses offered to employees were delivered in-house. However, In order to increase validation of qualifications certain professional courses would be accessed externally, such as the Assessor and Verifying Training. The Assessor and Verifying Training is the benchmark of good practice in assessment and verification and cover the skills and knowledge needed to perform key activities to nationally agreed standards. The standards are the minimum requirement for delivery of Government-funded training and learning programs and the company therefore need to ensure that trainers have the qualification in order to comply with statutory requirements. The course covers assessment of candidates using a range of methods, assessing candidates' performance through observation, conduct internal and external quality assurance of the assessment process.

### *C3 Regulations on and support for formal education*

There were no formal regulations in place to decide who would access formal training within the organisation. The majority of training was provided within the organisation in the aid of widening the workers' work remit within the organisation. External formal training was only provided in order to comply with statutory training requirements.

### *C4 Assessment of promoting and hindering factors for the use of formal education within the HRD approach*

The manager explained that the company had some challenging experiences with delivery of external formal learning, often associated with attitudes of gendered stereotypes and sexism within the construction industry. One of qualification assessors that represented the award body at the company had been a woman. The manager explained that many employees had displayed lack of respect and doubted the assessor's knowledge on the base of gender. However, the issue had been dealt with internally and the assessor now has a good relationship with the company.

The main motivation for continuous staff development was strict legislation, in particular of employees delivering the Health and Safety training.

## Section D

### Participation in Formal Education, Workplace Learning and HRD Policies of the Enterprise

#### *D1 The relation between workplace, workplace learning and the chosen formal education*

Two employees were interviewed as part of this research; Bob (male, 50s, ISCED level 5b) and Derek (male, 50s, ISCED level 5b). They had both been head hunted to the company from a publicly funded local development agency at which they provided similar training but for young and/or unemployed people at which both had worked for over 20 years.

Bob delivered various *Health and Safety* training courses in the construction and horticulture industry. He had worked at the company around a year. Bob explained that his experience at the local development company had made him disillusioned by the politics surrounding the funding of training of unemployed people. His experience at the current company where the training focussed mainly on employed people had made him more aware of the similarities of employed and unemployed people and less prejudiced:

*[Training employed people] opened my eyes to the "them and us" class. There's this illusion that unemployed people believe there's a "them and us", when there actually isn't. I sometimes wonder whether people create that situation for them. The reason I mean that is because you don't go into a class of unemployed people and train them, and go into a class of employed people and train them any different. It's the exact same identical training that you give them, and it's the same that you get back.*

Bob found the company supportive of training that might benefit the company such as adult trainer awards, PASMA and Street Work certificates.

Derek was responsible for various construction training courses such as *Manual Handling, Scaffolding and Access* and *Plant Operation and Maintenance*. He had worked at the company around 6 months. Derek felt that the company was supportive of employee training and development. Despite the fact that he had been with the company less than a year, he was about to start a City and Guild Qualification in Occupational Health and Safety (NVQ3) at a local Further Education (FE) College.

*D2 Decisions on the formal education, processing of the decision and support/non-support by the enterprise.*

The manager often approached the employees about in-house courses which would help them to gain the qualification that enabled them to deliver the training at the training centre. The PASMA (Prefabricated Access Suppliers' and Manufacturers' Association) course was arranged for a construction company that had bought the course from the training centre. Arrangements had been made for an external training provider to come to the training centre to deliver the course to the construction company and the decision was made for a number of employees to participate on the course. The course was aimed at users of alloy towers and covered health and safety aspects and responsible use and maintenance of roof scaffolds, cantilever access towers, and aluminium units including the legal duties under Work and Height Regulations ([www.pasma.co.uk/public/pasma-training.jsp](http://www.pasma.co.uk/public/pasma-training.jsp)). The course consisted of a full-day presentation followed by practical exercise. Other courses Bob recently had undertaken in the workplace included a four-day Health and Safety course which consisted of lecturing and a practical session followed by an exam and a City and Guild Certificate in Streetworks excavations and reinstatements (supervisor). City and Guild is a UK examining and accreditation body for vocational, managerial and engineering training. The course consisted of five days intensive one-to-one teaching and was an extension of the Certificate in Streetworks excavation and reinstatements (operator) which Bob already delivered. The course was provided in-house and covered the identification of underground utilities and Streetworks laws and regulations. Each unit had a knowledge and practical assessment which involved the candidate being observed on-the-job.

Bob was well aware of the company staff development policy, the company was awarded *Investor in People* and Bob was personally a member of the *Institute of Safety and Health*. All training activities were carefully recorded and counted towards CPD. He had a career development plan to eventually be able to cover all the training courses delivered at the training centre and was looking to gain the SVQ4 (ISCED 5b) *Health and Safety* which would enable him to assess *Health and Safety* courses delivered at the company.

Derek was about to start a City and Guild Qualification in Occupational Health and Safety (ISCED 5b) at a local FE College on the suggestion of his manager. The course consisted of a series of units which covered i) actions to reduce risks to health and safety, ii) develop procedures to safety control work operations, iii) monitor procedures to safely control work operations, iv) promote a healthy and safe culture in the workplace and v) conduct a health and safety risk assessment in the workplace. It was assessed through work based evidenced through direct observation of the candidate in the workplace, witness testimony by colleagues and line manager of the candidate's successful performance of activities in the workplace, documentary and other products-based evidence, a personal report by the candidate endorsed by colleagues. At the time of fieldwork, Derek had only attended the induction session at the college.

*D3 Formal education, individual career goals and the work-family-personal life balance.*

Bob and Derek ultimately participated in formal learning in order to be able to deliver new courses at the training centre. As the courses were pre-arranged in collaboration with his manager, they did not find it difficult to get away from the job in order to participate in the courses. Bob saw the continuous training as essential to be able to keep up to date with changes with current legislation and development. However he was not aware whether CPD would contribute to any tangible personal benefits such as an increase in pay.

Bob stated that in his prior employment he had allowed his work to impinge on his family life. In this employment, he had made the decision to prioritise family and he had felt that as long as this was respected by his colleagues, he managed to balance both.

Both Bob and Derek stated that they had long-term ambitions of establishing their own training centres. Bob argued that his experience working for the private training centre, and the training and qualifications he had achieved meant that he was confident in delivering the *Health and Safety* training he was responsible for.

#### *D4 Assessment of promoting and hindering factors for the use of formal education for supporting the daily work and for pursuing individual career goals*

Bob and Derek both felt that they had found their niche within the provision of *Health and Safety* training and were interested in deepening their knowledge in the area further. After taking a break from delivering training, Bob felt that since joining the company he was now learning and improving his work practice both in terms of delivery of the courses and in the way he was interacting with the participants and that he was allowed to use his skills up to the level he was qualified for.

Bob felt that there were some challenges involved in undergoing formal training courses in-house in mixed groups with outside people. He explained: *on the PASMA course, I'm on the course with my trainees. It wasn't just a matter of passing, I had to pass or I was gonna get ripped to bits! That was quite a bit of pressure.*

Both employees felt that employers had to start investing in their workforce and be less concerned with the financial aspects of running the business. Bob emphasised that treating the workforce right and investing in the workforce was pertinent to the company's success.

### Section E Synthesis

The company provides an example of an organisation profiting of statutory training requirement for the construction industry and also employee training was reinforced as a consequence of statutory training requirement. Due to increased regulation and standardisation of provision of training in the trade industry, trainees needed formal qualifications in order to deliver courses. Formal training within the company was provided as a means to improve skills and widen employees' work remit.

The company was located in an area with particularly high proportions unemployment and social deprivation and tapped into a lot of public funding from the Scottish Government as well as the European Union. Although staff development was highly prioritised within the company, there was a clear focus on training that would benefit the company. Most training was provided and assessed in-house to a minimum cost for the employer

There appeared to be a tension between the needs of the business and the desire and ambitions of the employees. despite the company only offering employees training that would benefit the company directly, by having more competent trainers with a broader spectrum of available courses they could deliver, many employees appeared to find means of matching their own career ambitions as the two employees we spoke to both chose to deepen their knowledge in their area of expertise and were considering opening their own businesses. The career of the employee was considered more important than their loyalty to the organisation.

### Summary

#### Section A:

- Company F was a training centre providing various construction type training and health and safety courses to companies in the construction and street work industry and to young and unemployed people on behalf of the local Further Education College. It was

located in an area with particular high levels unemployment and social deprivation and tapped into a lot of public funding in aid of regeneration and training.

- The company business plan aimed at stabilise growth and maintain the workforce and the main company strength was considered to be the highly qualified and experienced specialist trainers. Quality of the training delivered was also ensured by adhering to several professional standards such as the Sector Skills Council for Construction Skills and the Scottish Qualification Authority.
- Due to sudden growth of the company, both in terms of turnover and head count, the company had undergone a reorganisation and company responsibilities, including responsibilities for staff development, were now distributed among employees with the overall responsibility placed on the manager.

#### Section B:

- All trainers were responsible for one subject area such as Health and Safety or Plastering. Responsibility of staff development was placed on the individual employee including responsibility to adhere statutory and professional standards.
- Staff development was a priority within the company, but entirely focussed on the job. The majority of staff development involved employees partaking in courses delivered at the training courses in order to widen their repertoire.

#### Section C:

- It was vital that employees held the required qualifications and that they attended relevant update and follow-up courses which ensured that employees were kept up-to-date with current legislation. Although most formal training courses were delivered in-house, certain professional qualifications were accessed externally in order to increase external validation.
- No formal regulations were in place to decide who would get access to training. Training was encouraged as long as it benefited the company.
- Generally staff development turned out successful. However, on one occasion employees had reacted negatively to assessment training delivered by a woman. The equal opportunity issue was discussed and dealt with internally.

#### Section D:

- Two employees were interviewed at the company. They delivered various construction type training courses and specialised in Health and Safety and Manual Handling respectively. The employees had both worked at the company a relatively short period of time (6-12 months).
- The manager often suggested training courses held in-house to employees to participate in. These courses would qualify them to deliver the training courses at the training centre. Courses often consisted of lecturing and/or practical sessions followed by a practical exam. One employee was about to start a specialist training course in Health and Safety (ISCED 5b) at a further education college. As the training was planned and arranged with the company, management time was set aside for the course within working hours and it would not disrupt the workload or impinge on the employees' free time.
- Both employees were considering taking the confidence, experience and qualification they had achieved at the company and establish their own training centres in their area of expertise. The training centre provides an example of a company that has grown as a consequence of statutory training requirements and formalisation of learning, but within it suffers the tension of employees gaining transferable qualifications which can be removed from the company to be utilised to benefit the learner rather than the firm.

Overview of key elements of the case study:

#### **Information Basis of the Case Study**

Total number of interviews:	4
Number of Interviews with employees:	2

Number of interviews with Manager/ Line-Manager/HR Manager:	1 1
Number of additional references:	7 (FE college website, SQA website, company website, local authority website, websites of professional bodies)

**Information on the interviewees**

*Representative of the enterprise*

Job title:	Managing Director
Gender:	Male
Age-group:	40s
Educational Background:	(ISCED level 5a)

*Representative of the enterprise*

Job title:	Line Manager
Gender:	Male
Age-group:	50s
Educational Background:	(ISCED level 5a)

*Participant 1*

Gender:	Male
Age-group:	50s
Children:	Yes
Position:	Training provider
Educational Background:	(ISCED level 3c)

ISCED level of formal education undertaken in the workplace:	(ISCED level 5a)
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Status of formal education training course:	ongoing
Starting time of the programme:	May 2008
(Expected) time for completion of the course:	
Type of organisation providing the course:	Further Education college
Tuition fees:	
Learning units involved:	no information available
Public co-funding of course:	no information available
Co-funding of course provided by enterprise:	yes
Part of the course provided within working hours (excluding hours for personal learning and preparation):	entirely, course had not started yet so employee did not know how time consuming course would be.

*Participant 2*

Gender:	Male
Age-group:	50s
Children:	yes
Position:	Training provider
Educational Background:	(ISCED level 3a)

ISCED level of formal education undertaken in the workplace:	(ISCED level 3a)
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Status of formal education training course:	completed
Starting time of the programme:	August 2006
(Expected) time for completion of the course:	July 2007
Type of organisation providing the course:	Further Education college

Tuition fees:  
 Learning units involved:  
 Public co-funding of course: none  
 Co-funding of course provided by enterprise: entirely  
 Part of the course provided within working hours  
 (excluding hours for personal learning and  
 preparation): 1 full day

**Enterprise – General information**

Year established: around 5 years prior to fieldwork  
 Location (rural: 25.000-50.000; City: 50.000-  
 250.000; Big City 250.000+): big city  
 Production/Service: Service  
 Number of Employees 2008: 10  
 Male – approx %: 90%  
 Female- approx %: 10%  
 Blue collar workers: 65%  
 White collar workers: 35%  
 Qualification level –low (ISCED0-2):  
 Qualification level –Medium (ISCED 3-4): the majority  
 Qualification level – high (ISCED 5-6):  
 Job turnover: fairly high  
 Number of employees in the last three years: no information available  
 Turnover: no information available  
 General assessment of the economic situation  
 of the enterprise: sharp growth  
 Work council/unionisation: no  
 Initial vocational training program: no, continuous formal training

**Business Strategy of the enterprise**

Overall classification: Innovation and flexible  
 Innovation: important  
 Innovation unit: no  
 Number of employees in the innovation unit  
 as percentage of all employees: not applicable  
 Quality: highly important  
 Customer relationship: highly important

	<b>Company A: Manufacturing (copper) company</b>	<b>Company B: Manufacturer (refrigeration) company</b>	<b>Company C: Oil and gas exploiter</b>	<b>Company D: Architect office</b>	<b>Company E: Archaeologist</b>	<b>Company F: Adult vocational training provider</b>
<b>Information Basis of the Case Study</b>						
Total Number of Interviews:	4	3	5	3	5	4
Number of Interviews with participants:	2	2	2	1	3	2
Number of Interviews with Line- Managers/other interviewees (e.g. Shop Stewards) :	2	1	3	2	2	2
Number of additional references:	4	4	4	6	3	7
<b>Information on the interviewees</b>						
<i>Representative of the enterprise</i>						
Function of the representative of the enterprise:	Managing Director	HR Manager	Chief Operator Office	Practice manager	Managing Director	Managing Director
Gender:	Male	Male	Male	Female	Male	Male
Age-Group (five years 15-19, ...):	50s	60	50s	30-35	50-55	40-45
Educational Background:	ISCED level 5a	ISCED level 5a	no information available	ISCED level 5b	ISCED level 6	ISCED level 5a
<i>Participant 1:</i>						
Gender:	Male	Male	Male	Male	Female	Male
Age-Group (five years 15-19, ...):	20-25	40-45	30-35	30-35	30-35	50-55
Children yes/no:	no	yes	no	no	yes	yes
Position:	Welder	Senior control systems engineer	Account Statutory Reporter	Qualified Architect	Post-excavation Divisional Manager	Training provider
Educational Background:	ISCED level 3c		ISCED level 5b	ISCED level 5a	ISCED level 6	ISCED level 3c
ISCED Level of the formal education	ISCED level 5a	ISCED level 5a	ISCED level 5a	ISCED level 5a	ISCED level 5b	ISCED level 5a

visited:						
Status of the Education:	ongoing	ongoing	completed	completed	completed	ongoing
Starting time of the program:	Oct-06	Jan-08	Oct-04	Oct-06	Jan-07	May-08
(Expected) termination of the program:	2010	Sep-08	Jan-08	Jun-08	Sep-07	approx May 2009
Type of organisation offering the programme:	Further Education College	Private training institution	Private training provider	University	Private training provider	Further Education college
Tuition fees of the program:	no information available	€ 1,900	no information available	€ 900	no information available	n.i.a
Learning units involved :	no information available	3	5	no information available	5	n.i.a
Public co-funding for tuition fees (percentage):	yes (partly)	0%	0%	0%	0%	0%
Co-funding by the enterprises (percentage):	yes (partly)	100%	100%	100%	100%	100%
<i>Participant 2:</i>						
Gender:	Male	Male	Male		Female	Male
Age Band	20-25	20-25	25-30		30-35	50-55
Children yes/no:	no	no	no		no	yes
Position:	Welder	Mechanical fitter	Commercial analyst		Senior Manager	Training provider
Educational Background:	ISCED level 3c	ISCED 5b	ISCED level 5b		ISCED level 6	ISCED level 3a
ISCED Level of the formal education visited:	ISCED level 3c	ISCED 5a	ISCED level 5a		ISCED level 5b	ISCED level 3a
Status of the Education:	completed	ongoing	ongoing		completed	completed
Starting time of the program:	Aug-06	Oct-07	Oct-07		Jan-07	Aug-06
(Expected) termination of the program:	Jul-07	Jun-09	Dec-09		Sep-07	Jul-07
Type of organisation offering the program:	Further Education College	Further Education College	University		Private training provider	Further Education college
Tuition fees of the program:	no information available	no information available	no information available		n.i.a	n.i.a
Learning units involved:	no information available	no information available	5		5	n.i.a
Public co-funding for tuition fees (approx. percentage):	0%	0%	0%		0%	0%
Co-funding by the enterprises (approx. percentage):	100%	100%	100%		100%	100%
<i>Participant 3:</i>						
Gender:					Male	

Age-Group (five years 15-19, ...):					40-45	
Children yes/no:					yes	
Position:					Archaeological consultant	
Educational Background:					ISCED level 5a	
ISCED Level of the formal education visited:					ISCED level 5b	
Status of the Education:					completed	
Starting time of the program:					Jan-07	
(Expected) termination of the program:					Sep-07	
Type of organisation offering the program:					Private training provider	
Tuition fees of the program:					n.i.a	
Learning units involved:					5	
Public co-funding for tuition fees (approx. percentage):					0%	
Co-funding by the enterprises (approx. percentage):					100%	
<i>Representative of the enterprise 2/ other representative</i>						
Function of the representative of the enterprise:	Line Manager		Line Manager	Line Manager	HR Manager	Line Manager
Gender:	Male		Male	Male	Female	Male
Age-Group (five years 15-19, ...):	40-45		40-45	40-45	40-45	50-55
Educational Background:	ISCED level 5a		ISCED level 5a	ISCED level 5a	ISCED level 5a	ISCED level 5a
<i>Representative of the enterprise 3/ other representative</i>						
Function of the representative of the enterprise:			HR Manager			
Gender:			Male			
Age-Group (five years 15-19, ...):			40s			
Educational Background:			ISCED level 5a			
<b>Enterprise - General Information</b>						
Year of Foundation (current form):	around 1950	1960	around 1980	around 1995	around 1995	around 2003

Location (rural; City 25.000-50.000; City 50.000-250.000, City 250.000+):	rural	rural	big city	big city	rural	big city
Production or Service:	Production	Production	Production	Service	Service	Service
Sector of the Enterprise:	Machinery/electronics - producer of hot water copper cylinders	Machinery electronics - producer of large-scale refrigeration	Exploration and exploitation of gas and oil	Commercial architect firm	Commercial archaeologist firm	Commercial training provider - targeting companies in the construction industry
NACE:	29	30	B.6	74	73	74
Owen by an other company, holding etc.:	no	yes	yes	no	no	no
Number of Employees 2008:	35	250	70	30	50	10
Male - (approx. percentage):	90%	85%	50%	50%	50%	90%
Female - (approx. percentage):	10%	15%	50%	50%	50%	10%
Blue Collar Workers - (approx. percentage):	65%	80%	0%	0%	0%	65%
White Collar Workers - (approx. percentage):	35%	20%	100%	100%	100%	35%
Qualification Level - Low (ISCED 0-2 or low qualification requirements - (approx. percentage):	40% at bottom rate of pay/education. ISCED levels unknown.		no information available	no information available	no information available	n.i.a
Qualification Medium - Low (ISCED 3-4 or medium qualification requirements) - (approx. percentage):	40% at middle rate of pay/education. ISCED levels unknown.	60%	no information available	no information available	no information available	majority
Qualification Level - High (ISCED 5-6 or high qualification requirements) (approx. percentage):	20% at highest rate of pay/education. ISCED levels unknown.	40%	majority	majority	majority	n.i.a
Job turn over (high - low):	low	10%	low	low	low	fairly high

Development of the number of employees - last 3 years (strongly growing, growing, stable, shrinking, strongly shrinking) :	fairly stable	slight increase	growing	fairly stable	growing	stable
Turnover (latest available year) - in Mio Euro:	no information available	no information available	€1.9 million	no information available	n.i.a	n.i.a
Year of Reverence:	no information available	no information available	2006	no information available	n.i.a	n.i.a
General assessment of the economic situation (growing, stable, crisis):	steady growth	slight but steady increase	increasing significantly	growth	increasing significantly	sharp growth
Work council/unionised:	no	no	no	no	no	no
Initial vocational training program (yes, no):	yes	yes, apprenticeship for engineers	no	CPD, professional examination optional	no	CPD
<b>Business Strategy of the enterprise</b>						
Overall classification:	Innovation and flexible production	sales-driven	innovation driven	Innovation and flexibility	technical excellence and market driven	Innovation and flexibility
Innovation:	important	high importance	highly important	important	important when attracting new markets	important
Innovation unit (yes, no):	no	yes	no	no	no	no
Number of employees in the innovation unit as percentage of all employees:	n/a	no information available	n/a	n/a	n/a	n/a
Quality:	highly important	high importance	relatively important	highly important	high importance	highly important
Customer Relationship:	highly important	important	high importance	highly important	high importance	highly important
Price:	important	important	key	less important	important	less important
Main challenges:	flexibility to cope with changes in demand, increase innovation, attract new workforce	cyclical changes in demand, maintain slow but steady growth	overseas competition, attract and maintain innovative and qualified workforce	keep up to date with changes in the industry, informal and personal contacts pertinent	recruiting qualified staff a challenge - a consequence of low wages	attract new and maintain existing customers, distribute responsibilities evenly within the organisation

<b>HRD-Activities and training activities of the enterprise</b>						
General assessment:	limited	high activity	medium activity	limited	medium activity	high activity
Special unit/position for HRD/training (yes, no):	no	yes	yes	yes	yes	no
Appraisal Interviews (yes, no):	yes	yes	yes	yes	yes	no
Mentioned forms of work-integrated support offers for learning/informal learning:		yes, apprenticeship for engineers	yes, including on-site training abroad	yes, formal courses required practice based experiences and additionally CPD often related to employee's formal courses	CPD requirements from professional body - weekly sessions	yes, ongoing CPD
Training plan (yes, no):	no - under development	yes	yes	CPD requirements - albeit mainly in-house	yes	no other than statutory CPD
Training budget/year (approx. in €)	no	1% of the annual turnover		no	2.5% of the annual turnover	no
Training budget/year employee	n/a	no information available	€ 3,800.00	no information available	no information available	
Year of reference		2008	2008		2008	
<b>Information on formal education in the enterprise</b>						
<b>Information on formal education in the enterprise</b>						
Programs organized internally or specifically for the enterprise (yes, no)	yes	yes	no	yes and no	yes	yes
Program 1: Number of Participants	1	no information available		1	nearly all employees	all employees - in-house formal training
Level(s) of the program:	1			1	1	various

Type of Programme	Modern Apprenticeship	CPD (e-learning programme developed by the company)		Professional architect qualification (RIBA level 2)	SVQ 5 Management	e.g. Assessor training, Occupational Health and Safety
ISCED 0-2:						
ISCED 3-4:	1					
ISCED 5-6:	1			1	nearly all employees	
Number of identified employees participating in formal adult education - total :	2			no information available	no information available	
Articulated main reason for being interested in formal education (view of the enterprise) I:	shape employees to the needs of the organisation in terms of hand skills and knowledge of technology	competent and responsible workforce	professional examinations were considered acknowledgments of competence	bring knowledge into the organisation	knowledge was considered stock-in-trade and importance for business success	statutory regulations
Articulated main reason for being interested in formal education (view of the enterprise) II:	Long-term strategy to combat an ageing and declining workforce	keeping up-do-date with recent developments in the field		soft skills; professionalism, staff satisfaction	expand areas of expertise = new markets	
Articulated main reason for being interested in formal education (view of the enterprise) III:					increases staff morale	