Effectiveness of labour market oriented training for the unemployed.  
The development of a multilevel conceptual model

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1. Introduction

The research project this paper concerns is part of a larger research programme carried out at the Department of Educational Organisation and Management, University of Twente, in which the development as well as the impact of human capital in different contexts is studied. This project focuses on the effects and effectiveness of training for the unemployed. The project draws, on the one hand, upon the human capital theory (including the critical comments with regard to the tenability of this theory). On the other hand the project draws upon the insights gained in school effectiveness research. This paper will first address the human capital theory (section 2) and then elaborate the existing body of knowledge with regard to the effects and effectiveness of training interventions aimed at the unemployed (section 3). In section 4 the model underpinning school effectiveness research will be applied on this particular type of training. Section 5 deals with the case studies that have been undertaken in order to further develop the preliminary conceptual model from which the project started. This section starts with a short explanation of the context in which the research project is undertaken. In section 6 the conceptual model as such will be presented.

2. Human capital theory

The basic model underpinning the human capital approach assumes that wage differences are caused by differences in the quality of workers, e.g. in terms of differences in their productivity, which in turn can be traced back to the stock of human capital they dispose of. Investment in human capital (as depicted in figure 1), through participation in education and training, therefore leads to higher productivity, which in turn results in higher earnings. According to Cohn and Geske (1990) this is consistent with the marginal productivity theory; wages are determined by the worker's marginal contribution to the revenues of the firm and therefore, more productive workers get paid more. Shackleton (1995) indicates that, over and over again, research findings have corroborated this basic model.
Nevertheless, elaborations of the basic model have been necessary in order to explain for some particular phenomena. Becker ([1964], 1993) made a distinction between general and specific on-the-job training, in order to account for the fact that not only individuals invest in human capital, but employers do so as well. He states that employers will only invest in specific training, given that this training will be highly specific to the firm and the benefits of this training (e.g. newly required skills) will not be transferable to another firm. The employees, however, should pay for general training, given that it will provide employees with knowledge and skills that are valuable both within the context of the own firm and within the context of other enterprises. These propositions have been further elaborated as well, since it appeared that, on the one hand, some firms do invest in general training of their employees and on the other hand, some firms do not invest in training at all. Shackleton (1995) mentions different reasons why firms might decide to invest in general training. Employers can decide to invest in general training if (i) they think they can retain trained employees long enough in order to recoup the costs of the investment; (ii) there is no poaching by other firms; (iii) there are information imperfections in the labour market, due to which other firms lack the information about the knowledge and skills acquired by employees or (iv) there are severe barriers against employee mobility. In addition, Feuer, Glick and Desai (1991) indicate that firms providing both general and specific training are confronted with lower turnover rates and that employees that are provided with both general and specific training, which is funded by their employer will be more willing to invest in further development of firm specific skills. The latter is in line with Shackleton's conclusion that the funding pattern of specific training is not that clear-cut as presumed by Becker, since employees do tend to invest in specific training as well. Moreover, firms with high turnover rates might refrain actually even from investment in specific training, since they will not have the opportunity to recoup the costs, even though the employees will not be able to transfer the acquired skills to another firm.

The objections with regard to the human capital approach presented thus far, do not reject the basic model or elementary utility function (investment in training results in increasing marginal benefits, e.g. income) as such, and only refine it. Other commentators, however, have rejected that basic model and presented radical different analyses of the relation between investment in education and training and earnings/productivity. Adherents of the screening or credentialism hypothesis (depicted in figure 2) argue that educational or training achievements might not affect productivity, at least not significantly, but that employers use the educational credentials obtained as a signal or screening device in order to select employees. The reasoning behind this hypothesis is that it is very costly for employers to obtain precise information about the capabilities, attitudes and aptitudes of prospective employees and that therefore the educational achievement is used as an indicator for characteristics thought desirable by the employer (knowledge, skills, but also characteristics such as flexibility, adaptability, trainability) (Brandsma, 1993; Cohn & Geske, 1990; Shackleton, 1995). Findings of various studies that attempted to test this hypothesis are not

![Figure 1: The human capital approach (Source: Cohn & Geske, 1990)](image-url)
very consistent, not in the least due to differences in the research designs applied.

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<tr>
<th>Investment in education</th>
<th>Higher credentials</th>
<th>Higher earnings</th>
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Nevertheless, Groot (1991) concludes that the hypothesis underpinning the human capital approach and the screening hypothesis are not necessarily contradictory. In his opinion, empirical evidence points in the direction that education and training does (to a certain extent) increase workers' productivity and at the same time forms a signal for employers for the skills and competencies workers dispose of.

Figure 2: the screening (credentialism) hypothesis (Source: Cohn & Geske, 1990)

Another criticism with regard to the human capital approach states that labour market entrants do not compete for wages, as is the implicit assumption of the human capital approach, but for entry-level positions that provide a basis for promotion and career. According to the 'job competition model' developed by Thurow (1975), potential employees queue up in a (hypothetical) 'labour queue'. The position they have in this queue is based on various factors or characteristics. The obtained level of educational achievement or training is one of these characteristics, however, not in an absolute sense, but as a positional or relative good. Employers rank achievement levels on the basis of, for instance, exclusiveness of the educational or training programme followed and their image of that particular programme (Glebbeek, 1993; Glebbeek & Mensen, 1986). Next to this valuation and the earlier mentioned perceived trainability, ascribed characteristics like age, gender, ethnicity and socio-economic background, play a role as well in the positioning within this labour queue. The basic assumption of the job competition model is that those with lowest levels of educational achievement, no provable participation in continuing training and personal characteristics that are perceived as being less desirable (e.g. older age, female, belonging to an ethnic minority) will end up at the rear of the queue and will have hardly any possibility to succeed in the competition.

A third critical perspective on the human capital approach is provided by the theory of the 'dual labour market' or better the theory of the 'segmented labour market'. Basically this theoretical perspective presumes that it is possible to distinguish between a primary and a secondary labour market\(^1\), with the latter being characterised by unstable, low-skilled and low-paid jobs with little or no career perspectives (Doeringer & Piore, 1971, 1975). Various scholars have amended this initial dichotomy over the years with their own classifications (see f.e.: Hövels, 1999), which, however, do not alter the basic assumptions underpinning the idea of labour market segmentation. These assumptions can be explained best by using the typology developed by Lutz and Sengenberger (1974) who distinguish between three labour market segments:

- the occupational specific labour market;
- the internal labour market;
- the residual labour market (or the market for 'jedermans Qualifikationen').

\(^1\): Sometimes also labelled as an internal and an external labour market.
According to Lutz and Sengenberger (1974), enterprises try to solve problems concerning their qualification demands in two ways. They either hire qualified labour from the external market, which implicates the existence of occupational specific market, or they train employees themselves up to the required level, which indicates the existence of internal labour markets. Who ends up in which labour market, depends -again- on selection processes and mechanisms. The occupational specific labour market is the traditional craftsmen market for those who dispose of occupational specific skills and competencies. The internal labour can be characterised as a market with vertical career ladders with few external entries at the bottom of those ladders (Althauser & Kalleberg, 1981; Glebbeek, 1993). Selection for entering this internal labour market is not based on actual or perceived qualifications, but on 'normative' criteria such as (perceived) mentality, adaptability, flexibility, perseverance, motivation and trainability. In the residual -or secondary- labour market no particular qualifications are requested and selection is mainly based on ascribed characteristics (with a strong tendency towards statistical discrimination) (Brandsma, 1993).

The most radical criticism with regard to the human capital approach comes from scholars following the 'institutionalist approach'. In their opinion it is not the market structures and the (non-) market led reactions of different stakeholders on the functioning of these structures that can explain the allocation in the labour market. It is the institutionalised structures as such that account for the allocation and the resulting inequality. According to Bowles and Gintis (1976) the education and training system is structured in such a way that it reproduces the existing social stratification. In other words: the existing education and training system reinforces the existing dispersion of power, income and influence (Meijnen, 1999).

Like for the screening hypothesis, empirical evidence for the other three critical perspectives on the human capital approach is fragmented and not always consistent. The extent to which economists and other scholars adhere to a particular perspective seems to be, to a certain extent, more a matter of belief, in particular in the robustness of the human capital theory (Blaug, 1985; OECD, 1996; Shackleton, 1995). The criticism with regard to the human capital theory does, however, draw the attention to important shortcomings of the theory. The human capital approach presumes the existence of a transparent labour market, characterised by perfect competition and complete information with equal opportunities for each individual and enterprise to access that information and to utilise chances. With this, the functioning of the labour market as such and its distorting mechanisms (mismatches, selection, substitution, etc.) are neglected as well as the rationales behind individual choices, which are not purely 'economic'. Due to the fact that the human capital theory focuses exclusively on the costs and benefits of investment in human capital in monetary terms, the important non-monetary motivations for such investments as well as the non-monetary rewards are not taken into account (Coopers & Lybrand, 1996; Correa, 1995).

Training for the (long-term) unemployed can be perceived as an investment in human capital. The question whether this is a valuable investment, in terms of getting them back in employment and improving their skills, will be addressed in the next section. In evaluating the outcomes of training for the unemployed, the criticism with regard to the human capital theory cannot be discarded. Even though empirical evidence is not always strong, the perspectives offered by the screening hypothesis, the job competition model and the segmented labour market theory should be taken into account. They point in the direction of allocation mechanisms that can influence the labour market position of the unemployed after having received training.
Meager (1997) points out that little research has been undertaken with regard to the role of employers in processes of (long-term) unemployment. There is some evidence that indicates that employers tend to discriminate against long-term unemployed and are little inclined to hire them. This is basically because employers believe that long-term unemployed have lost the required work attitude and flexibility and that their skills have become obsolete due to the duration of the unemployment. However, employers who had hired long-term unemployed in the past had a more positive attitude towards them and were more likely to hire them (Meager, 1997).

3. Effectiveness of labour market oriented training for the (long-term) unemployed

Active labour market policies (ALMPs), of which labour market oriented training for the long-term unemployed forms a part, achieve increasing attention. At the same time, the impact and effectiveness of such policies have been criticised often. With regard to the effects of ALMPs a distinction has to be made between macro-economic effects and micro-economic effects.

3.1 Macro-economic effects

Concerning the macro-economic effects of ALMPs and labour market oriented training in particular, both Meager (1997) and Nicaise (1999) conclude that the research evidence is inconclusive. More bluntly stated, one can conclude that training cannot create jobs (Brandsma, 2001). Issues that attract particular attention at the macro level are the potential 'negative' effects of ALMPs, such as deadweight, substitution and displacement effects. Deadweight effects refer to the possibility that unemployed, who have found a job after having received training, might have done so without this training. Gross placement rates of training programmes can be high, but if controlled for having received the 'treatment' or not, net placement rates might occur to be considerably smaller if not tending towards zero. Substitution effects occur if an unemployed person who received training takes the place of another (unemployed) person that might have obtained the job otherwise. Displacement effects refer to a reallocation of work, e.g. in the case of an enterprise that received subsidised labour and that 'poaches' work from another enterprise. Both Meager (1997) and Nicaise (1999), however, state that even if deadweight and substitution effects occur, this does not necessarily have to be perceived as negative. Even if net effects are small, the investment can be worthwhile, certainly from an individual perspective and certainly if the weakest groups are reached. Similarly, Meager argues that substitution might be a legitimate outcome of labour market training, if the intention was, for instance, to get the real long-term unemployed back into the labour process.

3.2 Micro-economic effects

Concerning the micro-economic effects of labour market training for the unemployed, more is known from evaluation studies, though again the research findings are not always consistent, if not inconclusive. This inconsistency seems to be mainly due to differences in research designs and measurement as well as the different contexts of the evaluated labour market training schemes. In addition most evaluation studies focus on measuring effects shortly after the training has been received. It is, however, more likely that effects of training
will materialise in the medium or even long-term. Nevertheless, there seems to be sufficient evidence to conclude that participation in labour market training does pay off at an individual level (Brandsma, 2001). Meager (1997) indicates that an important shortcoming in the evaluation of labour market oriented training for the unemployed, concerns the neglect of programme and implementation characteristics as such. Most evaluation studies focus on the outcomes of such programmes in terms of the number of unemployed that obtained a job, either in terms of gross or net placement rates. With this, not only important factors like the eligibility criteria and the institutional context (organisation and autonomy of the provider) are neglected, but also the opportunity is lost to explain for the differences in the effectiveness of different labour market programmes (Meager, 1997). Concerning the latter, there are indications from, for instance, Dutch evaluation studies that different labour market training programmes do vary in effectiveness if completion and placement rates are taken as effect measures (De Koning, 1998). Differences that cannot be simply explained by sectoral or regional differences in the labour market situation. This raises the question whether process characteristics such as the aforementioned eligibility criteria and institutional context can explain these differences. However, as Nicaise and Bollens (1998) indicate, the extent to which such process characteristics are taken into account is rather limited.

On the basis of a review of various studies conducted in different countries, Meager (1997) points out that relatively small-scale programmes targeted towards specific (more or less homogeneous) target groups, that take into account and train for the qualification demand of regional employers, comprise a period of practical training within an enterprise and lead to a recognised qualification, appear to be the most effective. Similar characteristics are reported by Nicaise (1999) and the OECD (2000) with regard to labour market schemes focusing on young people at risk. Close contact with the regional/local labour market, an (appropriate) mix and intensity of formal school-based learning and work-based learning and a range of support services tailored towards the individual needs, are mentioned as ingredients of successful programmes.

These review studies provide some indications for possible factors that could explain for the differential effectiveness of various labour market training programmes. Problematic is, however, that many of the underlying studies are based on inadequate research designs, either lacking control groups and/or using the wrong analysis techniques for estimating the influence of process variables on the effect measures. Concerning the latter, often correlational measures are used that do not allow for conclusions indicating a causal relation between process characteristics and measured effects. A more appropriate design would be to use multilevel models and analysis. However, only few studies have attempted to measure effects of process characteristics using such designs. These will be discussed in the next section.

4. The applicability of school effectiveness models in evaluating training for the unemployed

The basic question underpinning school effectiveness research is: what makes a particular school more effective than another one? Having its roots in the 1960s, in particular in studies investigating equal opportunities in education (starting of with the Coleman report (1966), see Scheerens, 1992), the early school effectiveness studies attracted a lot of criticism, especially with regard to their methodological robustness. Many studies relied too much on case study designs or on correlational designs, which, though helpful in exploring the new
field, did not allow for the kind of causal attributions sought for. With the development of more sophisticated analysis techniques and in particular the multilevel models, school effectiveness research a flight. Although, a certain criticism with regard to school effectiveness research remains until today, this research area has developed substantially and provided a lot of insight in what might work in education and what might not. By now, rather comprehensive models of effective schools have been developed, encompassing ‘effectiveness indicators’ on the organisational, the curricular as well as the instructional level. Though, it is rather complicated (if not impossible) to test these comprehensive models as a whole, it does show the importance of congruency between the three levels or between goals, (educational) technology and structure (cf. Scheerens & Bosker, 1997; Witziers, 1992).

The school effectiveness models developed thus far, mainly concern primary and lower secondary education and cannot be directly applied in other educational or training contexts. Nevertheless, an important element form this research field that should be taken into account when trying to identify the process characteristics of training programmes for the unemployed that could explain differences in effectiveness, concerns the different levels involved. Or, in other words, the necessity of using a multilevel design for investigation the relations between organisational, curricular and instructional characteristics of the programmes on the one hand, and the output and outcomes on an individual level on the other hand. Studies in the area of the effectiveness of labour market training for the (long-term) unemployed following such a design are scarce. The two examples that have been found are discussed here briefly.

Den Boer (1995) evaluated a national framework programme for training of unemployed persons, which was implemented in the Netherlands in 1983 and ran until 1988. The idea behind this programme was to train long-term unemployed people for occupations for which demand was expected to rise. Though, more or less tailored towards the particular target groups, the training should lead to a recognised qualification, using the existing training infrastructure (mainly the part-time schools within the apprenticeship system). From this study it became clear that, certainly in training courses with a mixed population, the long-term unemployed have the smallest chance to conclude the course successfully which is partially explained by their relatively lower level of prior educational achievement. Once the training has been concluded, those with longer periods of unemployment before entering the programme as well as ethnic minorities have a smaller chance of finding a job. Concerning the process characteristics that were investigated in the study, it appeared that in particular the inclusion of a period of practical training within an enterprise contributed towards the effectiveness of the training (Den Boer, 1995).

The second study applying a multilevel approach concerned a European project funded by the European Commission (Brandsma et al., 1999). The study was carried out in the following countries: Belgium (Flanders), Denmark, Greece, Ireland, the Netherlands, Norway and the UK (England). In this study it was attempted to test a multilevel, input-throughput-output model. The model distinguished, where the throughput was concerned, between organisational, curricular and instructional process variables. With regard to the effect measures a distinction was made between output and outcomes. Output was operationalised in terms of whether or not the course was completed, whereas outcome was operationalised in terms of whether or not a job was found.

In the end it appeared not to be possible to find a fitting model. The main reason for this was the incomparability between programmes across countries, due to the substantial differences
in contexts, programme design and rationale and the particular target groups addressed (see also Meager, 1997). Nevertheless, some interesting patterns could be detected that are worthwhile to be explored further. Concerning the output, it is clear that the major reason for leaving the course preliminary is finding a job (followed by personal or other health reasons or other reasons). There are actually three types of process characteristics that seem to contribute to dropout. Firstly, the extent to which the organisation of the curriculum is flexible. This refers to the modularisation of the curriculum where a distinction can be made between a flexible variant and a non-flexible variant. The more flexible the modularisation of the curriculum, the bigger the chance on leaving the course before its completion. Secondly, the way in which practical training is delivered. The closer to the reality of working life, the bigger the chance on dropout. Providing practical training within an enterprise –as work placement- appears to pull trainees out of the training. Thirdly, the provision of job search training, where the relation is not fully clear but there seems to be a tendency that dropout chances increase with provision of this specific training towards the end of the course. As such both the impact of the practical training and the job search training seem to be quite logical. The chance of finding a job will probably increase towards the end of the course, and with this the incentive to leave the course increases as well. Practical training within an enterprise often is provided towards the end of the course as well, forming a sort of transition stage between the training at the training centre, and the re-entry in the labour market.

Concerning the impact of course characteristics on finding a job, once the training has been completed, some interesting patterns can be detected as well. On the one hand, it appears that providing counselling and guidance or not, does not make a difference. This probably is due to the fact that nearly all-training organisations claim to provide some guidance and counselling. Concerning the type of guidance and counselling provided there is however, an impact on outcome. Providing guidance and counselling on personal (welfare) issues, providing guidance and counselling on further training and providing focussed guidance and counselling during the practical training/work placement period –that is: focussed on solving problems like conflicts or on technical advice on work related tasks and problems- do increase the chance to find a job. On the other hand, some of the factors influencing the output (that is the chance on dropping out) have impact on the outcome as well. Modularisation as such does not make a difference, but the extent to which the course has a fixed duration does. Gearing the duration of the course as much as possible towards the individual capacities does not increase the chance on finding a job, as might have been expected. On the contrary: a fixed duration of the course –similar for all participants- seems to contribute to the chance of finding a job. In addition to this, the relation of practical training and job search training with the outcome is interesting. The closer practical training is to the reality of working life and the more job search training is situated at the end of the course, the bigger the chance on finding a job. This might look like rather cynical results, in the sense that these two process variables also influence dropout. However, there is a (high) probability that the dropouts that responded on the survey are those that left the course towards the end and not the early dropouts (which is more or less corroborated by the indications from the former trainees on the time spent in the training course). In this respect it concerns dropouts that leave the course during the transition stage. Whether or not this should lead to the conclusion that the training as such does not make a difference on dropping out or staying in is however, questionable. In contrast to the study of Den Boer (1995), no influence of background characteristics, such as level of educational achievement or the duration of unemployment, were found. Probably this is also due to the comparability problems between countries.
The findings of these two studies form the starting point for the research project presented in this paper.

5. The development of the conceptual framework

In this section the case studies, which formed the (further) basis for the development of a conceptual model for evaluating the effectiveness of labour market oriented training for the (long-term) unemployed, will be discussed. However, in order to set the scene for these case studies, first the (political) context in which such training is provided, will be sketched briefly.

5.1 Context of the research project

Training measures for the (long-term) unemployed job seekers are still the core of the activating labour market policy within the European Union in general and in the Netherlands in particular. Given the rather prosperous economic situation in the Netherlands over the last years, the unemployment rate has fallen to a very low rate, although at this moment there appears to be an incline in the unemployment numbers. Nevertheless, quite some enterprises suffer from a lack of qualified personnel at various levels. This might be partly due to the ageing of the population, but is also due to shifting preferences of young people in choosing their occupation. Financial, commercial and ICT related occupations are becoming more and more popular, whereas more traditional branches, like the building and construction industry (including painting, plumbing and plastering), the metallurgic industry, but also retail branches like supermarkets, have difficulties to attract sufficient numbers of students in order to be able to replace the employees that retire.

Notwithstanding this labour market situation, combating unemployment remains an important policy issue, not in the least due to the agreements made in this area in the European policy context. At the Eurotop of 1997 (better known as the Luxembourg summit) it was agreed that the Member States would increase their efforts to combat unemployment\(^2\). Agreed was that each Member State would develop national action plans on an annual basis, in which they would indicate which particular measures would be implemented in order to reduce unemployment (and indirectly social exclusion). Agreements, which have been reinforced at the summit in Lisbon, March 2000. In order to guide national actions seven guidelines have been adopted. The first two are the most relevant in the context of training for the unemployed. These guidelines stipulate that:

- each unemployed young person (up till the age of 24) should be provided with an offer for a new start before reaching an unemployment duration of six months. The offer can consist of training, work experience, a (subsidised) job or any other measure that might enhance his/her employability.

- each unemployed adult should be provided with a similar offer before reaching an unemployment duration of 12 months.

\(^2\) At that particular moment the average EU-unemployment rate still exceeded 10%, with unemployment rates being considerably higher among young people and in particular regions.
In a recent evaluation, in which the Netherlands were compared with Ireland, England, Sweden, France and Belgium, it was concluded that the Netherlands are ahead with the implementation of the guidelines, in particular for young people, but that the coverage of the really long-term unemployed adults was not yet completed and that the tracking of which (long-term) unemployed adults were provided with a suitable offer (or not) was inefficient, due to the incompatibility of the administrative computer systems of the actors involved. To a certain extent, this inefficiency is caused by the way the system was organised and the malfunctioning of the public employment service (PES). Especially this malfunctioning of the PES has been a political issue during the last four to five years and has resulted in the decision to fundamentally restructure the whole system. In the old situation, the PES was a large bureaucratic organisation, which took a dominant and central position in the labour market services system. It not only disposed of a division dealing with advice, job search assistance and mediation, but also of its own training infrastructure and its own division aiming at reintegration of (long-term) unemployed. In that system, (long-term) unemployed either received unemployment benefit from one of the five national organisations dealing with this or social security benefit from the local authorities. Both the national organisations and the local authorities were obliged, when seeking active reintegration for their clients, to buy such programmes from the PES. In the system that is now being implemented, positions and (power) relations have been reshuffled fundamentally. The PES as such has been largely dismantled. The division formerly dealing with the reintegration is now a private company, which is likewise the case for the training infrastructure. What remains of the PES will now become regional Centres for Work and Income (CWIs), which will deal with three tasks:

*advice, jobs search support and mediation between employers with vacancies and job seekers;*

*referral of the clients to the right allowance provider;*

*intake of the clients in order to estimate their distance to the labour market*.

They are the allowance providers -the local authorities and the national organisation for unemployment benefits that was created after the merger of the previous five organisations- who now decide what measures might be appropriate for the reintegration of their (long-term) unemployed clients. For the execution of such measures they can go to the various private reintegration companies that have emerged since the whole organisational restructuring process started. In that sense a reintegration market has developed, which is completely privatised. At the moment there are about 605 reintegration companies operating in this market, some of them rather large ones, other rather smaller ones seeking a specialised niche in this market. In the case that training is part of the trajectory, which is agreed between the national organisation and the local authorities on the one hand and the reintegration company

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3: For this task a methodology has been developed on a national level, which is known as the 'chance indicator'. Based on information about education and training, unemployment duration and relevant background characteristics, the individual's distance to the labour market is measured. Four categories are distinguished: stage 1, not requiring any particular effort except some mediation for a job; stage 2, requiring some effort for ensuring successful (re-) integration (e.g.: skills update/upgrade through short training courses); stage 3, requiring substantial training or work experience efforts (longer than one year) and stage 4, requiring primarily social (re-) activation, after which more labour market directed measures can be considered.

4: The reintegration market does not only focus on unemployed people, but also incapacitated workers (a group estimated to encompass about 900,000 persons) or employees threatened to become incapacitated, due to long illness. This paper, however, focuses on the unemployed.
on the other hand, most reintegration companies subcontract this training part to (private and public) training organisations.

5.2 Case studies

The starting point for the research project on which this paper is based, was the conceptual model developed in the context of the international study described in section 4. However, given the changing context in which labour market training for the unemployed is presently provided in the Netherlands, it was decided to start the research with some case studies in order to be able to refine the model where necessary. Additional reasons for conducting these case studies were: gaining a better understanding of the newly emerging reintegration market and providing a more informed foundation for the instrument development in the main phase of the research. The case studies were undertaken in four sub-regions within the eastern part of the Netherlands. In each sub-region, interviews were conducted with a representative of the various training providers identified in that sub-region. The interviews focused on:

- the particular target group(s) served;
- the intake and enrolment procedures;
- the design of the programme (planning of training content, instructional characteristics, inclusion of practical training, and guidance and counselling);
- output and outcome figures (as defined in section 4).

Four main providers

In contrast to what might have been expected, given the ongoing marketisation of the training of the unemployed, four main providers of such training could be distinguished, which are more or less the same across the four sub-regions. These providers are:

**The Vocational Training Centres.** These Centres (CVs after their Dutch abbreviation), formerly formed the training infrastructure of the PES, but have been privatised 1,5 year ago. For the first two years after being privatised (2001 and 2002), government granted the CVs a minimal annual turnover, but from 2003 onwards the CVs have operate under full market conditions. A distinction has to be made between technical CVs and CVs training for jobs in the commercial services. The four sub-regions encompass five CVs, three of which are technical CVs, one is a CV for training for the commercial services sector and two are combined CVs (interviews were held with a representatives of each of them).

**The Centres for Vocational Orientation and Preparation** (CBBs after their Dutch abbreviation). The CBBs were originally established on behalf of unemployed form a Surinam or Antillean background, but later shifted their focus to the least qualified among the (long-term) unemployed, with a certain emphasis on immigrants and refugees. Part of the CBBs have been integrated into the training infrastructure of the PES, part of them remained a 'municipal provision'. The CBBs already have to operate under full market conditions (two
of the sub-regions included have each one CBB, while a third sub-region has two CBBs. Interviews were held with representatives of each of them).

**Regional Training Centres.** The Regional Training Centres (ROCs after their Dutch abbreviation) have been established between 1996 and 1998, as a result of the introduction of new legislation for secondary vocational education and training and adult education. The ROCs are now the public providers of all secondary vocational and adult education. In addition the ROCs are allowed to provide ‘contract education and training’ for third parties, under full market conditions (in two sub-regions only one ROC is operating, while in the other two sub-regions two ROCs are operating. Interviews were held with a representative of five of the six ROCs).

**An Open Learning Centre (OLC).** This OLC exists for about 10 years and is only located in one of the four sub-regions. It is a private organisations providing training for both employees from enterprises and for the unemployed as well as daytime and evening courses for interested individuals.

Given the characteristics of the training providers, one can say that presently there are only private providers operating in the reintegration market/the market for training of the unemployed. Though the ROCs as such are public organisations, providing publicly funded secondary vocational education and publicly funded adult education, they are private training enterprises as soon as any other form of training provision is concerned, including the training of the unemployed. Like the other providers, they have to tender with a private reintegration company in order to obtain a contract for training (groups of) unemployed persons. The present situation is such that in all four sub-regions, the CBBs have already been taken over by the ROCs, with the CBBs now forming the unit within the ROCs that caters for the training of the unemployed. At the time of writing, it is most likely that the same will happen with the CVs, which would eventually lead to a certain monopolisation of the provision of training for the unemployed in the four sub-regions concerned.

All four types of training institutions provide training for both unemployed persons and employed persons. In the latter case this is often done under contract with the employing firm. In addition to this, the ROCs also offer courses with open enrolment, which are, like in the case of the OLC, intended for interested individuals. The remainder of this chapter focuses on training for the unemployed.

**Target groups**

There are differences in the target groups the different providers cater for. The OLC aims at the better qualified, setting for most courses entry requirements at the level of having completed lower secondary education and for some courses even upper secondary completion. The CVs formerly also served the better qualified among the unemployed. Often it concerned people with an occupational qualification that needed some retraining after they became unemployed. Presently however, due to the labour market situation, those who are still unemployed are by definition the least qualified, often lacking any vocational qualification. In that sense the target group of the CVs has altered and has, as the

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5: There are indication that in other regions in the Netherlands-especially in the more urbanised western part-the situation is different and that there is more competition, given larger differentiation in types of providers.
respondents indicated, become more 'difficult to train'. For the ROCs training of the unemployed forms only a small part of their 'commercial' activities and is mainly located within the CBBs as units within the ROCs. Traditionally the CBBs catered for the groups most-at-risk among the unemployed as they still do. Even though, they are now confronted with competition of the CVs in this segment, the two types of institutions perceive their roles quite different. The CBBs claim that the CVs are not competent to train the weakest groups among the unemployed given that they have no experience with these particular target groups. At the same time, the CVs claim that the CBBs always had the role of providing non-qualifying, preparatory training, which had to be followed up by a training programme at the CV if people wanted to gain a secure entry position into the labour market. In the perception of the CV, the CBBs still fulfil that role.

Enrolment procedures

For each type of provider an entry interview is part of the standard enrolment procedure. In the case of the OLC, the interview is used in addition to the formal eligibility criteria (level of educational achievement) and aiming at getting insight in the 'softer' eligibility criteria (perseverance, motivation, service and customer orientation, etc). The other providers do not as a rule, set formal entry requirements. In the case of the CVs, however, it is attempted to get insight in the extent to which potential participants (hereafter referred to as clients) will be able to work and learn rather independently, in addition to checking the mastery of the Dutch language and numeracy skills. On the basis of the results of this entry interview it is decided whether a client can start the chosen training course, needs a more extensive assessment or is rejected. The latter is the case if proficiency in Dutch is insufficient or if the impression is that the client will not be able to successfully conclude the programme. Depending on the direction and in particular the level of the training course, additional eligibility criteria with regard to educational achievement are applied.

The entry interviews in the ROCs/CBBs mainly focus on the preferences and motivation of the clients or client-groups, on determining the most appropriate programme for the client (given preferences and motivation) and on deficiencies in prior education, training and experiences that need to be remedied before being able to enrol in a training programme. Whereas the CVs often do not have the possibilities nor the expertise to remedy a lack in basic skills (literacy and numeracy), the CBBS and ROCs do dispose of this expertise as well as the specialised service in the form of the adult education units.

Overall the OLC caters for the better educated among the unemployed. Though the CVs claim that they are more and more confronted with the difficult to train unemployed, the vast majority of trainees in the last three years were Dutch. If compared with the ROCs/CBBs, the latter seem to cater for the weakest target groups.

Planning of the training content

The CVs mainly work with standardised programmes and specialisation profiles within these programmes that have been developed on a national level. Both the programmes and specialisation profiles are based on an analysis of the occupations they train for. In principle these programmes and specialisation profiles (including the course materials) are obligatory for all CVs in the Netherlands, in the sense that provision of locally developed programmes is
not allowed, though it is possible to offer tailored pathways existing of just a few modules derived from one of the programmes.

The other training providers are in this respect more flexible. The programmes provided by the OLC are to a large extent developed locally, though for some programmes or parts of programmes national or international/European standards are taking into account. In these cases if the client has made sufficient progress, he/she can decide to take an external examination in order to obtain an externally recognised certificate or diploma (e.g.: the European Digital Drivers Licence). The same holds for the CBBs and the ROCs. Though in principle the programmes offered are tailor-made, where possible use is made of partial qualification of the regular vocational education programme, which might lead to a national recognised certificate. However, in the majority of the cases use is made of specially designed course materials.

Instructional characteristics and learning environment

The CVs work according to a didactical model, which is called individualised, accelerated training. This method (developed in the 1940s) has the following basic pillars:

- individual entry and exit (at any moment);
- individual training plans with the duration of the training tailored towards the needs and possibilities of the particular client;
- the physical learning environment resembles the future working environment (simulated work shops or offices);
- training hours are adapted to future working hours (including the use of a time clock);
- instructors have the role of the chef in a work situation and are experts in their particular occupational area;
- the teaching materials are based on the principles of programmed instruction and contain mainly practical assignments (the theory component is reduced to the minimum needed, at maximum 30% of the whole curriculum).

In general it is claimed that the method of individualised, accelerated training provides the maximum flexibility possible. In practice however, this can be questioned. Enrolment at any moment depends on the capacity of the particular CV. The national standard for the group size is 10 participants (technical CV) to 12 participants (commercial CV) per 1 fte instructor. If this group size is reached, a new applicant has to wait, which in the worst case can last up to three months. Concerning the duration of the training, the intention of the individual training plans is that those participants that go through the assignments in an accelerated pace can obtain their certificate in less time, while those encountering difficulties can take more time. Reference point here, is the standardised time for each assignment. Identification of this standardised time is part of the occupational analysis underpinning the programmes. This standardised time is introduced to ensure that trainees not only learn to perform each
task up to certain quality standards, but also within a timeframe acceptable for their future employers. In practice it appears that for most trainees the duration of the training equals or exceeds the total standardised time. In this respect, the claimed individualisation and acceleration consist mainly in the fact that trainees work mainly individual and independent on their assignments and in the fact that as much theory as possible has been left out.

The training programmes provided by the other types of providers, are more group-based. The extent to which more individualised instruction is included varies substantially between programmes. Most training programmes provided by the OLC have a standard duration (apart from programmes such as job search training). For programmes with a duration over 9 months, enrolment is possible only once a year. For programmes with a shorter duration (e.g. 3-6 months) enrolment is possible twice or three times a year. The group size varies between the programmes, ranging from a maximum of 12 up to 16 participants. Apart from the classical instruction, some individualised assignments and room for individual practice, participants are expected to spend substantial time on making homework. However, most of the training programmes as such, are part-time.

The characteristics of the training programmes provided by the CBBs/ROCs also differ substantially, depending on the particular programme and target group. Overall, most programmes are based on a mixture of group instruction and individual work, the latter mainly being individual assignments in a simulated working environment or a practical training classroom. This mixture is a deliberate choice, based on the argument that given the target group (often the least qualified with negative prior learning experiences and a low self-esteem), alteration of instructional methods will make the training more attractive and better adapted to continue attracting attention. Both group size and duration of the training programmes vary, with group size ranging from 12 to 16 participants at maximum. Some of the programmes have a more or less fixed duration, while for others the duration depends on the capabilities and progress of the participants. However, even for most programmes with a more or less fixed duration it is also possible to attend the programme part-time, with the duration extended proportionally. Concerning flexible entry possibilities, this also varies from a fixed number of possibilities (e.g. four times a year) to nearly enrolment at any time. For the majority of the programmes, however, a minimum number of candidates for a particular programme is needed in order to start a new course.

Guidance, counselling and practical training

Guidance and counselling is primarily provided by the instructors, with the exception of the technical CVs where it is the task of specialised counsellors. Concerning the inclusion of a practical training period within an enterprise, the variation between training providers as well as between training programmes within providers, is substantial.

For the CVs training for the commercial services sector, inclusion of a practical training period depends on what has been agreed with the reintegration company for a particular client. If a practical training period is part of that agreement, normally this period will last two to three months and is aimed on performing 'real work'. In the technical CVs a practical training period is normally 'part of the package', but often lasts not longer than two to four weeks. As was indicated by some of the respondents, this is considered sufficient given that the training as such has a strong practical orientation, focusing on the acquisition of practical skills in a 'real-life, though simulated setting. There are some exceptions. Depending on level
and direction of the programme, practical training periods can last two to three months, in particular if it concerns occupations in which skills are required that are difficult to train for in a simulated environment. Guiding participants during their practical training period is mainly the task of the instructors.

Part of the training courses provided by the OLC encompass a practical training period of three months. For most of the courses that do not encompass such a training period, it is however possible for participants to choose for an optional practical training period within an enterprise, which also last three months (in which case it has to be paid for separately). Guidance during this period is provided by the instructors.

The duration of the practical training periods within enterprises in the programmes provided by the CBBs/ROCs depends on the following factors:

the duration and orientation of the programme (getting into further training or getting back to (qualified) work);

the orientation of the practical training programme itself (familiarising someone with the particular occupation or acquiring practical skills);

the capabilities of the particular trainee.

The implication is that the practical training periods within an enterprise can last from a couple of weeks up till a couple of months. In general guidance of the trainees is a task of the instructors.

Output and outcomes

Concerning output, defined as course completion, the rates for the CVs exceed 80%. Though there is variation between CVs and also between programmes within CVs, in general less than 15% of the participants leave the course preliminary. Similar output rates are obtained within the OLC. Not all CBBs and in particular ROCs keep similar track records of their participants, but it is estimated that preliminary drop-out varies between 15 and 20%. In all case an important reason for drop-out is getting a job.

With regard to outcomes, defined as the number of former trainees obtaining a job, none of the training providers keep track records. Figures provided, therefore are based on estimations, which in their turn are based on informal information obtained through instructors. The CVs estimate that 80 to 90% of their former trainees obtain a job. The OLC claims placement rates of over 90%. For the CBBs and the ROCs, placement rates vary from 60 to 80%. It should be born in mind, while interpreting these figures, that the different provides serve different target groups. All providers emphasised that good relations with local and regional employers are a prerequisite for getting former trainees into work. If employers do not know the quality of the training (provider) or do not value the training as such, former trainees will face major difficulties in finding employment.
6. The conceptual framework

On the basis of earlier research and the results of the case studies presented in this paper, a conceptual framework for the evaluation of training for the (long-term) unemployed has been developed, which is presented in figure 3.

Concerning guidance and counselling, the literature indicates that this might be a crucial factor. Not only in the sense of providing guidance and counselling during the course (e.g. preventing drop-out, keeping up trainees’ motivation and helping to solve problems) but also at the stage of enrolment (e.g. choosing the most suitable training track) and in the transition to the labour market (e.g.: training job search skills, support during the job search). However, it is not yet clear in which form or configuration (special officers, integrated task of all trainers, intensity, etc.) guidance and counselling is most influential.

A particular issue concerns the guidance and especially counselling during enrolment. As Nicaise and Bollens (1998) point out, increasing attention is given to the necessity of integrating training into a broader counselling perspective in order to tackle the multidimensional problems with which long-term unemployed and the least qualified are often confronted. Counselling should not only contribute to adequately mapping the various individual problems, but also to determining the needs, capacities and preferences of potential trainees, in order to enhance the choice for the most appropriate training provision. Enrolling trainees in a course that does not match their interest or capacities might increase the probability of dropping out.

The counterpart of this might be the phenomenon of ‘creaming’. That is, in attempting to match training and trainees both in similarity of content and interests and in level (of difficulty) and prior level of educational attainment, the balance could shift towards selecting those unemployed which best fit the course’s profile. From the comparative international study discussed in section 4 and to a certain extent from the case studies, it became clear that such 'creaming tendencies' do occur (Brandsma et al., 1999).

Although there appears to be evidence from various studies that inclusion of a practical training period in the curriculum of the training programmes is related to the effectiveness of such training (in terms of finding a job or not, once training has been concluded), it is not clear why practical training has an influence. It might be that former unemployed who have received practical training within an enterprise are better informed about the ‘channels’ through which they can find a job or that employers prefer ex-trainees that have already obtained some practical experience. It can, however, not be excluded that the selection mechanisms of employers play a role in this as well, in the sense that employers (especially those involved in the delivery of practical training) use the practical training period as an extended selection period. In recruiting and hiring personnel, employers quite often use ‘indicators’ like level of educational attainment, diplomas, previous work experience, etc. to get an idea of the qualities of a candidate. Obtaining more precise information often is too costly and labour intensive. In this respect, a practical training period provides employers with the opportunity to get better, and at the same time cheaper, indicators for the employability and trainability of future employees and might even enable them to select the best trainees (creaming). In the international study presented earlier, conclusive evidence which mechanism dominates in the influence of practical training on the effectiveness of training for the unemployed could not be found.
It is presumed that training at the workplace might be the most favourable way of delivering training (certainly for long-term unemployed and the least qualified), but this also depends on the quality of this workplace as a training place. If trainees are only expected to perform repetitious and monotonous tasks and hardly receive any support and guidance, the impact of such training in terms of acquiring skills, could be doubtful. On the other hand, practical training that is fully isolated from the context in which a trainee has to apply the acquired skills might have little impact as well.

Figure 3: A conceptual model for the evaluation of labour market oriented training for the (long-term) unemployed

With regard to modularisation and individualisation a distinction can be made between flexible and non-flexible modularisation. This distinction is based on the amount of ‘influence’ a trainee can exert on his or her own training route and pace (Meesterberend-Harms & Wiersma, 1990; Harms, 1995). Chances on dropping out seem to increase with an increase in the flexibility of the curriculum. At first sight this seems to be at odds with newly advocated instructional principles, where trainees’ own responsibility for their own learning process is emphasised. However, several scholars have indicated that adults’ motivation for learning is essentially ‘situated’ in the sense that the social contacts and the learning in a group are important for them (Boshier & Collins, 1985). ‘Motivation’, which is lost in highly, individualised learning environments. It has also been stated that individualised learning, e.g. by means of modularisation, requires ‘learning capacities’ in terms of being
able to plan and steer one’s own learning process. Capacities which might not have been developed or foregone by those having acquired little previous education or those having left the education system at an early stage (Brandsma, 1994). From research into modularisation it is known that too much flexibility -in terms of individual planning and pace- might have adverse effects on learning achievements (Harms, 1995).

This also refers to the learning environment. As became clear from the case studies, some provides (in particular the CVs) claim that they have developed a unique learning environment, which is the base for their (claimed) success. From that point of view it seems to be very important to include the learning environment in the conceptual model (and the main research phase) in order to see whether a specific learning environment is more suitable for particular target groups than others.

Concepts or indicators like monitoring progress, background characteristics of trainers and financial resources are mainly derived from the results of school effectiveness research. Though these results cannot be transferred directly to a completely different area like the training of unemployed, they have been included in the model from an explorative perspective. Given that little is known about the black box of training for the unemployed/least qualified (cf. Nicaise & Bollens, 1998), it seems worthwhile to explore the potential relevance of these concepts. The financial resources, e.g. per trainee expenditure, and the background characteristics of the training staff, especially their experience and professionalisation, might be important input indicators for explaining effectiveness differences between training programmes (c.f.: Scheerens, 1992; Wang, Haertel & Walberg, 1993; Weightman & Drake, 1990). From the case studies we know that there is a substantial difference between the providers, concerning the per trainee costs of a training programme.

7. Concluding remark

The development of the conceptual model for evaluating the training for (long-term) unemployed forms the start of a larger scale survey research in which it will be attempted to test the model (and refine it where necessary). Given that a substantial amount of money is spent on activating labour market measures in general and labour market oriented training in particular, it seems to be worthwhile to try to find out which programmes are more or less effective and in relation to which target groups. This means that the ‘black box’ of the training programmes will be opened and that the relative contribution of each of the organisational, curricular and instructional design features of the programmes can be estimated.

References


