



# Measuring the net effect of vocational training

AN ONLINE SYSTEM PROVIDES THE PES WITH IMMEDIATE INFORMATION ON THE EFFECTS OF VOCATIONAL TRAINING

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An online system collects real-time feedback from recipients of vocational training. From this feedback, the PES measures the effect of the training based on participants' own assessment of whether it will help them find employment as a result.

The system seeks to increase learning and employment outcomes from vocational training, by providing the PES with reliable and real-time information on the quality of training and employment outcomes. Participants' feedback is immediately available to regional and local PES managers, who can then use the information when i) contracting with training providers to obtain better quality of service and ii) matching jobseekers to specific training courses. Moreover, training providers have access to recipients' feedback, which encourages them to improve their product and services: this is a key success factor of the online system for the PES.

Over the past 10 years, the feedback system has helped the PES to identify more clearly how many participants feel that training and the skills they gained from it have helped them to find employment. Reportedly, the effect of vocational training on employment prospects has almost doubled from 31.3 per cent in 2003 to 55.3 per cent in 2014.

## FINLAND

Name of the PES

Ministry of Employment and Economy (Finnish PES)

Scope of measure (a pilot project or a national reform)

National reform

When was the practice implemented?

The system was implemented in 2001.

Since 2010, the effect of vocational training has been measured through participants' self-assessment of the skills gained from training and the likelihood of finding employment. In addition, it is possible to calculate the effect of training retroactively from earlier datasets. This is possible because participants have answered the same questions since 2001 and the system stores previous data.

What was the driver for introducing the practice? Was it internal or external?

The internal driver was to gain more reliable information on the quality of vocational training when contracting with training providers.

Which organisation was involved in its implementation?

The online information system was developed by the Ministry of Employment and Economy in cooperation with an external ICT company. The development centre KEHA at the Ministry is responsible for running the system, under supervision from the Enterprise and Regional Development Department at the Ministry.

Which groups were targeted by the practice?

The feedback system is used by managers at national, regional and local level, and by public and private providers of vocational training.

At national level, the Ministry of Employment and Economy finances training providers who contract with 15 regional PES. Regional PES use the information in the feedback system when contracting with these training providers. Furthermore, feedback from trainees helps local PES offices to i) decide which training to offer to individual jobseekers and ii) negotiate the content of the training with individual providers (sometimes in cooperation with employers).

Participating in the feedback process is a contractual obligation for training providers; they are required to ask participants to complete a survey during the training. Training providers then receive feedback on their delivery, together with average scores across all providers and their own previous scores. This gives them a useful comparison to improve their services, where required.

<p>What were the practice's main objectives?</p>	<p>The system seeks to increase learning and employment outcomes from vocational training, by providing reliable and real-time information on the quality of training and employment outcomes to the PES. This is achieved by analysing participants' feedback on their learning outcomes (increase of vocational skills) and their employment status immediately after the training. Results can also be used to improve the vocational training offer.</p> <p>Before the effect of vocational training was measured, the PES used to compare employment rates after training took place. This was not reliable enough and results were subject to regional differences in the labour market. The feedback system now measures the quality of training by asking participants whether they acquired relevant skills for their professional development. In addition, it takes into account employment rates after the training took place, in an effort to identify the impact of the training (based on participant feedback) on employment (based on their employment status after the training).</p>
<p>What activities were carried out?</p>	<p>Every participant receives an access code to enter the feedback system, and a training provider must ensure that participants are given enough time to provide feedback. The feedback system sends automatic reminders to providers to that effect.</p> <p>The impact of vocational training is then measured by comparing participants' self-assessments: more specifically, participants assess whether their professional skills have increased and whether they expect their employment status to change after the training. The effect of the training is then calculated to make up four different impact categories:</p> <ul style="list-style-type: none"> <li>▶ Immediate effects: participants who improved skills and found employment.</li> <li>▶ Delayed effects: participants who improved skills but it took them longer to find employment.</li> <li>▶ Deadweight effect: participants who found employment without improving their skills.</li> <li>▶ Loss in investment: participants who did not improve skills nor found employment.</li> </ul>
<p>What resources and other relevant organisational aspects were involved?</p>	<p>The feedback system is run and maintained by the administration centre KEHA from the Ministry of Employment and Economy.</p> <p>To design the method underpinning the system, a regression analysis was carried out by the Ministry of Employment and Economy in 2008. This analysis provided evidence of strong links between learning experiences and employment status. It was based on information from 23 589 respondents. This method was then tested at national level.</p>
<p>What were the source(s) of funding?</p>	<p>National funds from the Ministry of Employment and Economy.</p>
<p>What were the outputs of the practice: people reached and products?</p>	<p>All training providers contracting with the PES are required to use the feedback system. In 2015, 82 per cent of registered jobseekers who took part in training provided feedback through the system (19930 people in total). Feedback from around 400000 participants is kept in the database and used for retrospective trends analysis.</p> <p>Providers of vocational training can access feedback on their own training course(s) at any time via the online system. For regional PES managers, a comparison of results across all providers is undertaken twice a year. They can use this information to inform the next contracting period. Regional and local PES managers receive data in the form of reports, containing information on certain providers and/or showing average scores across providers over specific periods of time.</p>
<p>What outcomes have been identified?</p>	<p>Instant feedback from participants has encouraged training providers to focus on the quality of their training sessions. Over the last 10 years, the PES has seen the effect of vocational training on employment prospects almost double – from 31.3 per cent in 2003 to 55.3 per cent in 2014. This number (55.3 per cent) for 2014 is calculated as follows:</p> <ul style="list-style-type: none"> <li>▶ Immediate effects (+): 36 per cent of participants stated that their vocational skills improved during the training and that they found employment immediately afterwards.</li> <li>▶ Delayed effects (+): In total, 45 per cent of participants stated that their vocational skills developed during the training, but they did not find employment immediately. However, around half of them (22.5 per cent) found employment within a year and have therefore experienced delayed effects.</li> <li>▶ Deadweight effect (-): One per cent of participants found work immediately, even though they did not feel that the training developed their vocational skills. However, half of them (0.5 per cent) found work due to the work placement that was part of the training.</li> <li>▶ Loss investment (-): 2.7 per cent of participants did not feel they learned anything significant, and they did not find employment.</li> </ul> <p>The employment status of participants is measured again after three, six and 12 months of the training taking place, by comparing it to the PES jobseekers register. The PES observes that participants' assessment of their own job prospect closely matches their actual employment status after they finish training.</p>

What are the lessons learnt and success factors?

'Lessons learnt' from this practice:

- ▶ The system creates a degree of competition between training providers as average scores can be consulted. They can also use direct feedback to improve their services.
- ▶ The method is transferable to other PES, and different methods to collect data can be envisaged. The most important factor is to gather feedback from as many participants as possible.
- ▶ The contractual obligation placed on providers to arrange feedback from participants is an essential part of the process.

Further developments:

- ▶ The system will be evaluated throughout 2016. Training providers will be assessed based on whether they use the online feedback system or not. This is made possible as the system shows whether a provider checks customers' feedback or not.
- ▶ Moreover, the PES will enquire how training providers make use of the system and its results.



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**Video:** 'The net effects of vocational training' (in Finnish)  
<https://www.youtube.com/watch?v=zWIMNbbVCbY>  
English translation of the video here:  
[http://www.slideshare.net/TEM\\_esitykset/ranslations-to-the-video-the-net-effects-of-vocational-training](http://www.slideshare.net/TEM_esitykset/ranslations-to-the-video-the-net-effects-of-vocational-training)