Individual learning accounts
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Summary

Individual learning accounts is an instrument initiated by the Dutch government in an attempt to stimulate participation in lifelong learning of adults; and in particularly certain groups in society traditionally not inclined to take up learning activities after initial education. Following experiences in the United Kingdom, in the beginning of this century the Dutch government facilitated a number of organisations in society to explore modalities for implementing an instrument that provides individual workers with an amount of money, to which employee, employer and third parties can pay a contribution in either time or money. This instrument, called the Individual Learning Account (ILA), aimed to provide the individual worker with a certain extent of power to make decisions about competence development and employability.

This study concentrates on the effect of ILA on the voluntary plans of employees with low educational levels to engage in formal or non-formal educational activities. We will refer to these voluntary plans as educational intention. In this study, we will take the theory of Planned Behaviour of Ajzen (1991) as point of departure. The effects of ILA on intention to engage in formal or non-formal educational activities and behavioural predictors, such as attitude, perceived behavioural control and perceived learning culture, will be examined. Therefore, the central question of this study is: “What effects does the ILA instrument have on educational intention of workers of low educational levels?”

In chapter 2 the policy background from which the idea of ILA has emerged will be discussed. This chapter expounds on issues regarding educational policy, raised by the European Union and other supranational organisations. Subsequently, we will discuss the development of Dutch educational policy from 1998 until the initiation of the experiments with ILA. Finally, we will compare the experiences gained by the Dutch experiments with the earlier ILA project in the United Kingdom.

In 1998, the Dutch government attempted to act according to the European policy outlines for lifelong learning by introducing a series of measures documented in the National Action Programme Lifelong Learning (Ministerie van Onderwijs, Cultuur & Wetenschap, 1998). The measures proposed in the National Action Programme were heavily focussed on the notion of employability. Central to the action programme was the consolidation of tax reduction schemes for educational costs. Much attention was given to the role of social partners and companies to stimulate investment in human resources. In the Netherlands the major part of post-initial training is provided, organised and/or financed by employers, social partners (mostly on sector level) and private suppliers of education. To finance training, employers often seek support from sector training funds. In spite of the equalisation function of these funds, training and competence development are often not within the reach of employees with low levels of education and workers employed in SMEs. Although the Netherlands belongs to the five EU15 countries with the highest rate of participation in lifelong
learning, the growth of this participation rate lags behind in comparison to Denmark, Sweden and Finland.

From 2001 onward, the Dutch government focused on enhancing participation in lifelong learning through exploring measures to fortify the demand side of lifelong learning. According to the Educational Advisory Council, government deregulation strategies did not result in a more flexible educational supply capable of optimally anticipating market demand. The Social Economic Council argued that there should be more attention to the articulation of individual schooling demand. In 2001, the Dutch Ministry of Education, Culture & Science initiated experiments with Individual Learning Accounts inspired by the experiences with a similar system in the UK. Based on critical observations of the British ILA scheme and a process evaluation of the Dutch experiments, some critical issues are examined. One of these is the role of employers in the ILA scheme. Experiences demonstrate that some companies use the ILA for subsidising their training budget. In some cases, employees were not conscious of the fact that they had an individual account. Furthermore, the question is whether the ILA scheme is able to attract citizens with less education and succeed in enhancing their commitment to continuing learning.

Chapter 3 discusses the position of individual co-finance mechanisms such as ILA in corporate training policies of labour organisations. This chapter will elaborate on changing work environments with changing job demands, and the necessity some employers feel to engage employees in corporate training and learning decisions as a consequence. These changing job environments require competencies such as self-management and adequate learning and thinking strategies. We also discuss some critical notions on employee-focused HRD. In this chapter, we explore how individual intention can be optimally facilitated in labour organisations.

ILA is considered a regulatory policy measure initiated by government and social partners to strengthen the position of individual learners and, accordingly, to stimulate the articulation of educational requirement. During our theoretical exploration we encountered tendencies in Human Resource Management in labour organisations, as well as basic assumptions in adult education, which run parallel with these endeavours of empowerment and activation of the individual learner. In the first place, we discuss the trend in labour organisations towards employee-centred HRD activities and career development in organisations (Kidd, 1996). Rapid changes and developments within organisations continuously require new competencies, such as broad occupational competences (Onstenk, 2000). Traditional training models based on fixed problem situations and solution strategies no longer fit the changing work environment. Contextual knowledge (Barley, 1996) is much more necessary, instead of knowledge about fixed problem-solving strategies. These employee-focused HRD interventions are partially intended to provide workers with more psychological control over their decisions for training and their own learning process. ILA could be considered a financial component within the framework of these approaches. However, ideas about employees who are entrepreneurs of their own working and learning process and are pro-active in making well-reasoned educational decisions during their career seem to refer to highly educated employees in knowledge-intensive labour organisations (Van der Kamp, 1997). Furthermore, employee-centeredness is a futile concept when managers are reluctant to lose control or are
afraid of losing return of investment (Kidd, 1996). Furthermore, the question is whether managers who operate as employee-developers possess specific skills such as: appraisal and target setting of planned development opportunities, mentoring and coaching. Finally, it is likely that some managers will be reluctant to provide complete information about mobility opportunities and training possibilities not directly related to the current job.

Chapter 4 critically reflects on the portrayal of employees as self-directive and intrinsically motivated to learn. This chapter discusses a number of research and theories on influences outside of and within the individual that encourage or impede participation in learning activities, especially in employees with fewer educational qualifications. Moreover, we elaborate on the concept of educational intention, which is central to this study. Finally, this chapter introduces a number of behavioural determinants that predict intention based on the Theory of Planned Behaviour. This chapter will present the research model of this study and the basic assumptions of the impact theory behind ILA.

In order to study the effects of ILA on training intention, we apply the theory of Planned Behaviour as point of departure for the effect evaluation of ILA (Ajzen, 1991). According to the Theory of Planned Behaviour, this motivation is reflected in intentions to perform a certain action (Ajzen, 1991). Behavioural intentions are predicted by underlying determinants. Attitude refers on the one hand to certain beliefs about how much ‘fun’ or how interesting learning and engaging in training activities is according to the individual (affective attitude), and on the other hand to the rate to which the individual regards learning as useful or profitable (instrumental attitude). The construct perceived in behavioural control contains on the one hand perceived self-efficacy and on the other perceived controllability. Perceived self-efficacy relates to beliefs of the individual about his or her ability to engage in learning activities and about the perceived ease it will take to bring these activities to a satisfactory end. Perceived controllability relates to beliefs about whether a behaviour is under the individual’s control or whether the individual can make his own decisions.

Furthermore, the Theory of Planned Behaviour incorporates influences from other people in the environment of the individuals. According to Ajzen (1991), people who are important for the individual play a significant role in the establishment of subjective norms about performing a certain behaviour. Other authors doubt if subjective norm is a relevant predictor of behaviour for all behavioural domains (Courneya et al., 2000; Rhodes et al., 2003). They raise the question of whether a social norm is a significant factor for behaviour that is in principal less volitional. Courneya et al. (2000) argue (and empirically ground) that for some activities of a less volitional character, social support is a more important predictor of intention.

We therefore defined a construct with which we attempt to encapsulate supportive communication in the direct work environment. On the basis of a study conducted by Meijers (2003), for this study we developed the concept of dialogical learning culture: the rate to which the respondent perceives whether (a) he or she is appreciated by the employer and colleagues as a person and as a professional and, whether (b) there is room on the work floor to discuss (personal and professional) development within and outside of the current work floor. In this study ‘work floor’ refers to social interactions with co-workers and immediate supervisors in the direct work environment of the
individual worker. In the framework of ILA workers are provided with assessment of competency needs and guidance during the decision making and the learning processes.

The basic assumption of adult education according to scholars such as Knowles (1970; 1984), is that learning is indeed an intentional process based on well-deliberated personal aims, which requires personal involvement and motivation. In this study we assume that cognitive self-direction with respect to lifelong learning is latently present in adult learners and the opportunity to make educational decisions will stimulate motivation to participate. Therefore, we formulate the hypothesis that the ILA experiment will have a positive effect on educational intention and its underlying behavioural determinants.

In this study we distinguish two aspects of the intervention that do not directly relate to the concept of individual learning accounts. Several authors concluded that ILA as an individual finance mechanism cannot stand alone (SER, 2002). Individual workers, especially those without much learning experience, need coaching and guidance in order to articulate individual educational needs. Experiences with coaching and guidance are likely to influence educational intention. Therefore, the evaluation of coaching and guidance is an intervention variable that should be taken up in the research model. Furthermore, ILA gave individuals the opportunity to engage in learning activities. For many employees of a low educational level in the Dutch experiments, this would have been the first educational experience for many years. Positive evaluation of training might have a significant influence on further intention to engage in lifelong learning. In the case that ILA affects educational intention, the influence of these two evaluations will be assessed.

Chapter 5 will outline how the conceptual model will be employed in order to answer the central research question of this study. This chapter outlines the research design that is constructed on the basis of this impact assessment. This study includes two sub-studies in two different sectors of labour: the ILA experiment in elderly care organisations and the voucher experiment in technical installation companies. The programme objectives and the backgrounds of the experiments in these two different sectors of industry will be elaborately outlined. This chapter outlines how the quantitative and the qualitative method of data collection and processing relate to each other. Furthermore, this chapter discusses how the conceptual model outlined in chapter 4 will be operationalised in a research instrument.

In order to conduct an impact-evaluation, pilots that complied with criteria which facilitate an impact evaluation study had to be selected. We selected two different experiments with ILA on the basis of their Programme Theory. The experiments with ILA in elderly care organisations were part of the experiments initiated by the Dutch Ministry of Education, Culture & Science in 2001. The experiment with individual learning vouchers was initiated by the sector training fund for technical installation companies (OTIB). We conducted an impact assessment of these two experiments on the basis of a quasi-experimental design. The control groups in this study were constructed through statistical equation. Both studies consisted of a measurement during and after execution of the study. Respondents who participated in the experiments were also interviewed. The qualitative strand in this study aims to provide descriptive accounts of experiences with ILA, to explore the
educational biography and significant learning experiences and to explore views and opinions about the ILA project. In this study the qualitative part has two functions: an illustrative function and a methodological function. In the first place, citations out of narrative accounts will serve to illustrate statistical representations. These narrative accounts reflect the process of the experiment and how respondents used the account. This function applies to both studies. In the second place, through interviews this study attempts to address the self-selection bias in the elderly care experiment. In the elderly care experiment, the qualitative strand focuses on the initial goals to participate to the experiment and the significance of ILA in their personal biography.

Chapter 6 elaborates on the outcomes of the experiment with learning vouchers in technical installation companies. In this chapter we will expound on the outcomes regarding the effects of the experiment on intention of workers to engage in training activities and on their perception of the dialogical learning culture.

The observations outlined in this chapter revealed that the voucher had a modest effect in the small and medium-sized technical installation companies in the first measurement wave. The experiment did not have any effect on the variables that influence educational intention, such as educational attitude and self-efficacy. ILA probably influenced educational intention modestly during the experiment, because most account holders were still engaged in educational trajectories with the voucher, or had plans for a follow-up course. Therefore it is likely that for a short term ILA affects educational intention and not the underlying behavioural determinants. Furthermore, we encountered a small effect with regards to educational intention concerning employees aged over 46 years. Older employees in particular seemed to develop a positive attitude towards learning through positive experiences with courses and training followed within the framework of the voucher experiment. The ILA experiment was probably an incentive to older employees to think about training possibilities.

Employees reported to be critical about the implementation of ILA within their company. They reported that they only want to follow courses in order to perform their jobs better. This is an important reason for employees to engage in educational activities. Future learning and development activities within the company should, according to these employees, enhance job proficiency. With better performance, employees appear to refer to broadening and deepening of skills. Furthermore, analysis showed that the voucher experiment did not have any effect on dialogical learning culture on the work floor. The way in which employees participating in the experiment evaluated coaching and guidance of the immediate supervisor did not affect their perception of the dialogical learning culture. Through the voucher experiment, learning and development did not become more an issue of discussion on the work floor than previously. The score on the scale, developed to measure this variable, even dropped significantly between the first and second measurement wave. Both employees and immediate supervisors reported that although in the beginning there was much more personal attention on the work floor given to issues such as performance and development, however, this attention died out during the experiment.
Chapter 7 discusses the outcomes of the experiment with learning accounts in organisations for elderly care. In this chapter we will expound on the outcomes regarding the effects of the experiment on intention of workers to engage in training activities and on their perception of the dialogical learning culture.

In this study, there were no effects found of the ILA experiments on either educational intention or on the other behavioural determinants. Although a small difference was found in the score on attitude between the experiment group and the control group, this difference can hardly be attributed to the ILA experiment. Further analysis showed that educational intention depends to a considerable extent on the function level on which the worker is employed. Workers engaged in lower-level functions were less intended to engage in learning activities than those working in higher-level jobs. Although the experiment with learning accounts attracted employees in all function levels, it did not have an equalising effect on these differences. Furthermore, analysis did show a positive correlation between the rate to which account holders observed more freedom of decision making through the voucher experiment, and affective attitude. It is likely that the financial opportunity to choose from a wide range of possibilities for courses encouraged account holders to positively change their ideas about following courses. On the other hand, workers revealed that their attitude towards learning and training was already existent. In this chapter we observed that intention and attitude towards engaging in learning activities relate to prior experiences with schooling and decisions in the vocational career.

Although account holders reported that they observed that learning and training was discussed more frequently on the work floor among colleagues and with the immediate supervisor during the ILA experiment, primary analysis did not show any change in the scores of employees on dialogical learning culture. Moreover, we observed that immediate supervisors do not have an important role with respect to learning and training. Decisions about these issues come from higher management or training and personnel professionals. It became clear from interviews with people in charge of the experiments within the organisations and the setting-up of the programme, that higher management or training and personnel professionals sometimes aim to minimise the role of immediate supervisors on the work floor. Mostly training offered on the job is mandatory training as part of the framework of corporate training policy. Therefore, it is notable that account holders did experience more freedom of decision making through the experiment with learning accounts. This provided a number of account holders with the opportunity to follow their own course, within the limits of the experiment, without using the possibility of guidance and coaching provided by the organisation and taken up in the framework of the ILA experiment. Secondary observations revealed that colleagues often played an important role in deciding on what type of training or course the ILA could be spent. There is, however, no evidence that interaction among colleagues about learning and training assorted effect on educational intention.

The final chapter tackles some issues that arise from the results and conclusions of this study. In this chapter we will critically reflect on policy intentions that lie on the basis of the experiments with ILA. Furthermore, this chapter will discuss if ILA can be considered as a strategy for lifelong learning in further policy making. We will critically discuss the development of a nationwide arrangement, as well
as the development of HRD instruments with individual financing aspects in labour organisations. This chapter will also reflect on the research model used in this study and how this study contributes to the discourse on participation in lifelong learning.

In the elderly care experiment, ILA did not have any effect on the long or short-term intention of employees to engage into learning activities. It is probable that the experiment with ILA itself did not provide these workers with significant educational experiences. The biographical narratives of elderly care workers are quite different from those of employees in the installation technology sector. An important difference with the elderly care sector is that older technical installation workers took part in post-initial schooling activities to a considerably less extent than their younger colleagues. Individual learning vouchers, however, seem to have had a modest positive effect, especially on the educational intention of older workers. Their affective attitude seemed to relate to positive experiences with coaching and guidance provided by the employer regarding positive experiences with schooling followed with ILA. The Individual Learning Account gave older workers in particular the opportunity to think about learning and development in their work.

ILA can indeed offer an opportunity for workers to follow courses. However, a number of workers with a low level of education in particular are not initially motivated to engage into learning activities. Their decision making process is not so much determined by a rational needs assessment, but influenced by a complexity of subjective factors, such as subjective norms, educational attitude, perceived self-efficacy, and situational prior learning experiences. These underlying factors are hard to influence directly through social intervention. Furthermore, the rate to which the individual worker has his own say in training and development is likely to be influenced by the type of organisation in which the worker is employed. This study revealed different outcomes relating to the two different labour contexts. The role of guidance and coaching in the framework of ILA raises a dilemma. On the one hand, this study confirms that a more distant impartial coach is not effective; employees with less education experience this distance as a barrier against making use of the guidance available. On the other hand, immediate supervisors on the work floor are often not willing to invest in formal training trajectories for their employees that could lead to civil effects. Perhaps a Sector Training fund can play a decisive role in overcoming this dilemma.

There is ample reason to question whether individual demand-led mechanisms for lifelong learning, such as ILA, could serve as a strategy for lifelong learning. In order to stimulate participation in lifelong learning and employability possibilities, it is important to invest in individual workers by offering them individual educational possibilities and personal guidance. In order to do this, the responsibility of labour organisations, social partners and educational suppliers cannot be ruled out. A financial arrangement alone is unlikely to stimulate self-regulatory decisions on lifelong learning, more employee-focused HRD interventions in labour organisations and the capacity of training suppliers to offer tailored trajectories for lifelong learning are necessary.

On the background of demand-driven policy strategies, the emphasis of the instrument ILA is on the individual learner and on participation in more formal education. ILA does not have any direct influence on how learning is facilitated on the work place or in a learning community. However, we argue that ILA can be employed on the basis of individual educational needs which emerge from assessment and recognition of learning other than that formally acquired. This way ILA can bridge
the gap between informal and formal learning and contribute to wider participation in lifelong learning.