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### Training in the public sector in a period of austerity: the case of the UK

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## **Training in the public sector in a period of austerity: the case of the UK**

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This article examines what has happened to training in public sector organisations in the UK in a period of austerity. It draws on individual-level data collected over the period 2000–2012 and establishment-level data collected from employer surveys carried out between 2005 and 2012. To understand these data further, 75 qualitative interviews with public sector employers were carried out between mid-2010 and early 2012. This article finds that while training incidence remained relatively high in the public sector, establishment-level control over planning and funding fell faster than in the private sector. Nevertheless, the public sector ethos of serving the community along with the tradition of the public sector as a ‘good employer’ meant that the training system within public sector organisations remained largely intact, even when the availability or frequency of some courses was reduced. The result was that limited training funds were made to go further by reducing the frequency of courses, prioritising courses immediately relevant to front-line services, tightening the application of eligibility criteria among potential trainees and economising on training delivery – summed up by one respondent as ‘training smarter’.

**Keywords:** training; public sector; recession; austerity

### **1. Introduction**

Recent attention has focused on sectoral differences in the UK economy. Even before the deficit reduction programme was announced by the UK coalition government, there were assertions that employment relations in the public sector had not changed as dramatically as in the private sector. As a result, it was argued, the public sector was lagging behind best practice and often shying away from taking ‘tough action to improve employee performance’ (Lambert 2010, 12). Following the announcement of the deficit reduction plan in June 2010, the suggestion that public sector workers receive favourable treatment in terms of pay, pensions and wage bargaining

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arrangements has often been repeated (Damant and Jenkins 2011; Holmes and Oakley 2011).

Employer-provided training is another one of these differences. It is well established, for example, that the incidence of training is higher in the public sector (e.g. Green, Machin, and Wilkinson 1999; Latreille et al. 2005; Murphy et al. 2008). However, what impact the recent period of austerity has had on patterns of training in general, and public sector training in particular, is less certain (Brunello 2009). Although it is often suggested that training is an early casualty in times of economic downturn and public expenditure cuts, there is reason to believe that it is not always as vulnerable as feared. Moreover, rather than eliminating training, economic difficulties may instead encourage organisations to make changes in the mode of delivery (Felstead, Green, and Jewson 2011, 2012). Existing evidence has focused on organisations in general and has not explored differences between sectors. However, with the government keen to rebalance the economy away from the public sector, it is an issue which merits investigation. How, then, has training in the public sector fared in an era of austerity; that is, a period of economic recession and public expenditure cuts?

This article explores this question by presenting new evidence drawn from qualitative interviews with public sector employers, supplemented by quantitative data on individual-level and establishment-level reports of training activities and practices, in the period before, during and after the 2008–2009 recession. Section 2 outlines the conceptual and theoretical grounds on which one might expect austerity to have greater or lesser effects on training in the public sector. Section 3 provides a brief account of the sources of evidence on which the article draws. Section 4 compares quantitative results taken from two data series. The first is the Labour Force Survey (LFS) which is a quarterly survey of workers across the UK. The second is the National Employer Skills Survey (NESS). This is a biennial establishment-level survey of employers. In each series, we compare and contrast the results for the public and private sectors either side of the 2008–2009 recession in order to examine the sectoral variation in the incidence of training over the period as well as in the institutional supports for training. Section 5 outlines the results of our qualitative research by presenting a selection of quotations taken from 75 interviews with public sector respondents who offered insights into how and why these changes came about. Section 6 concludes with a short summary.

## 2. Literature review

The conventional distinction between public and private sector organisations is made on the grounds of who owns the organisation and therefore controls its activities. While the theoretical definition of the public sector has several dimensions (see Boyne 2002), the official categorisation is based on

one – ownership. According to the Office for National Statistics, public sector bodies are defined as organisations which are wholly or mainly owned and controlled by government. Private sector firms, on the other hand, are organisations which are mainly owned by private shareholders who exercise control over how these businesses are run. This is the definition we use in this article. From this distinction, two further contrasts follow. First, public sector organisations are funded largely (though not entirely) by taxation rather than fees paid directly by customers as in the case of private sector firms. Secondly, public sector organisations are subject to more political control through direct interference and/or fluctuations in budgets. In other words, the direct influences on the public sector come from the political system rather than the economic system which impinges more strongly on private firms.

On this definitional basis, the immediate cause and timing of changes to training activity in times of austerity are likely to differ by sector. The UK government's deficit reduction plan – a political decision likely to have greatest impact on the public sector – was announced in 2010. This was well after the 2008–2009 recession had technically come to an end – an economic change likely to have greatest impact on the private sector. Furthermore, the size and complexity of public sector organisations can often mean that public sector spending cuts take longer to cascade down to establishments delivering public services. Hence, the public sector may feel the effects of austerity over an extended period of time. For these reasons, our quantitative time series analysis is extended backwards as well as forwards from the immediate economic crisis of 2008–2009 in order to capture both the economic and political aspects of austerity. On similar grounds, our employer interviews were carried out over a 20-month period which began in mid-2010 and ended in early 2012 (see below).

Existing research shows that the public sector has placed greater emphasis on training than the private sector for many years. Multivariate analyses based on a variety of data-sets suggest that this public sector advantage persists, even when other explanatory variables such as higher qualifications are taken into account (Latreille et al. 2005; Murphy et al. 2008). There are several possible explanations. One is that public sector employers offer workers the intrinsic rewards of doing a socially useful job and helping others, but at the cost of extrinsic rewards such as pay. There is evidence to suggest that workers in the public sector have a stronger motivation to serve the public interest. According to the 2005 British Social Attitudes Survey, for example, public sector workers are more likely to value a job that is socially useful and brings intrinsic rewards, while private sector workers are more interested in getting higher pay (John and Johnson 2008). In other words, those working in the public sector – doctors, nurses, teachers, social workers and civil servants – are more likely to be public-spirited altruists who are committed to the welfare of the people they are employed to serve than motivated by self-interest (Le Grand 2010). The provision of good

quality and readily available training opportunities may be seen by management and workers as an important way of delivering good quality public service. This ‘public sector ethos’ may help explain the training advantage that public sector workers have consistently enjoyed.

Another explanation is that good training is part of the notion of the public sector as a ‘good employer’. This notion has long historical roots that extend back to the formation of the civil service in the mid-nineteenth century which has evolved and been institutionalised in a number of ways (Morgan and Allington 2002; Horton 2006; Davies 2012). The *Royal Commission on the Civil Service*, for example, stated that while a ‘good employer’ need not necessarily offer its employees high rates of pay, it did have to provide job security, joint consultation in the form of collective bargaining and ‘facilities and opportunities for training’ (Priestley 1955, 172). Relatedly, the public sector has been used to spread good practice to the private sector through means such as the Fair Wages Resolution which was first enacted in 1891 and then revised in 1909 and 1945. This obliged contractors carrying out work for the public sector to abide by the wage rates of the equivalent public sector worker. It was repealed in 1983. From then onwards, the public sector was urged to emulate the private sector. As a result, job insecurity is now higher in the public sector than in the private sector (Gallie et al. 2013) and trade union membership has fallen sharply in both sectors (van Wanrooy et al. 2013). The public sector training premium, however, has remained intact while other elements of the public sector as a ‘good employer’ have weakened.

Another explanation for the training premium is that public sector provision is often labour-intensive and service-orientated. Public sector organisations are predominant in public administration, education and health. In these sectors, high quality service delivery is based on front-line encounters between workers and clients. This requires relatively high levels of investment in service delivery training (Konzelmann et al. 2006). Furthermore, ‘training floors’, that is, forms of training that are necessary and unavoidable (Felstead and Green 1994, 1996) are more developed in professional occupations which are more prevalent in the public sector.

Based on existing literature, then, there are a number of plausible reasons to suggest that the public sector may be better placed than the private sector to maintain training activity even in the face of stringent cuts to public expenditure. The remainder of this article examines the evidence for such a proposition as well as outlining how public sector organisations are coping with austerity.

### 3. Evidence base

The LFS is the main source of representative labour market information in the UK. Around 60,000 workers aged 16–65 are interviewed every quarter

about a range of matters, including their experience of job-related training and education. They are asked whether they have had ‘any education or any training connected with your job, or a job that you might be able to do in the future’, first over a 13-week period and then over the four weeks prior to interview. For simplicity, in this article, the four-week rate is used. The advantage of this LFS indicator is that it provides a good guide to how work-related training and education activity has changed during a period of austerity as reported by individual recipients. To set that movement in context, however, it is important also to see how training activity fared in earlier years. For this, yearly averages based on quarterly survey data are calculated and then plotted over time. In this article, we take the series back to 2000 and follow trends until 2012.

To get an employer perspective, we use the NESS. This biennial survey of employers began in 1999 (DfEE 1999, 90). Here, we focus on the 2005, 2007, 2009 and 2011 versions of the survey. This allows us to examine sector differences in how the support for training – through budgets and plans – has changed.

The article also draws on qualitative interviews conducted with establishments operating in the public sector. These were sourced from NESS 2009 with contact details supplied by the UK Commission for Employment and Skills (UKCES) – the current custodian of the NESS series. However, the project involved respondents from both the public and private sectors, with the public sector defined – as outlined earlier – as an organisation wholly or mainly controlled by government. Officially, the public sector comprises three sub-sectors: central government; local government; and public corporations. NESS respondents represented these sub-sectors along with charities/voluntary bodies and organisations seeking a profit. It is on this basis that the public/private/voluntary distinction is made in the presentation of the survey results and the designation of our qualitative interview respondents (qualitative interviews were not carried out with respondents from the voluntary sector).

Although our interviews were at establishment-level, interviewees reflected on changes throughout their organisations which allowed for much wider insights. These interviews were conducted in two rounds. In mid-2010, representatives of 105 organisations were interviewed over the telephone (60 private sector and 45 public sector). Subsequently, in late 2011 and early 2012, 72 of these were interviewed for a second time by telephone (42 private sector and 30 public sector). The first interview addressed the impact of the 2008–2009 recession on the organisation, and on establishment-level training in particular, in the previous two years (i.e. 2009–2010). The second interview asked respondents for an update on events in the previous 12 months and to look back over the whole period of the 2008–2009 recession and its aftermath (i.e. 2009–2012). Our research period, thus, included the initial stages of the roll out of the 2010



Comprehensive Spending Review as well as the period of public expenditure cuts which followed.

#### 4. Sectoral comparisons

The LFS regularly asks respondents whether they participated in job-related training in the previous four weeks prior to interview. As can be seen from Figure 1, training is more prevalent in the public sector. It can also be seen that participation in training among people in work has been declining since the early part of the 2000s in both public and private sectors. This pattern is part of an inverted U-shaped trend in training participation since the mid-1990s in Britain that is found in all industries, occupations, age groups and regions (Green et al. 2013); indeed, a decomposition analysis shows that the decline since the early 2000s peak would have been a little greater if there had not been a relative shift in composition to somewhat higher-training industries.<sup>1</sup>

It is striking that, against this longer trend, the 2008–2009 recession saw no sharp decline in training participation in either sector. Yet this observation does not necessarily imply that austerity will have no impact on training eventually, because of the differential timing of its effect on the two sectors. The fiscal stringency which has affected budgets in the public sector may affect training activity for many years to come, but so far the public sector training participation remains undiminished.

Training incidence in one-digit industrial sectors, such as public administration, education and health remained higher than the private sector for the entire period. Furthermore, the inverted U-shape found in aggregate also

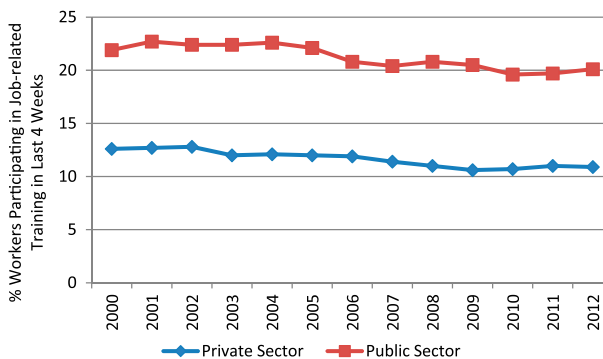


Figure 1. Training participation rate in the UK by sector, 2000–2012.

Notes: Since training varies seasonally, we present findings from data that have been aggregated over the four-quarters in each year. Here, we report on the four-week training participation rate for workers aged 16–65.

Source: Own calculations from LFSs 2000–2012.



appears in these public sector dominated industries with the decline in training setting in well before the economic recession and period of austerity began (Table 1).

To get an employer perspective we turn to NESS, the latest of which has widened its geographical focus to cover the whole of the UK. However, by focusing on England only it is possible to analyse change over time in a number of key variables. Similar comparisons have been carried out and published by others (e.g. Davies et al. 2012). However, these have not focused on sector comparisons and have instead focused on establishment size, industry and region. It should also be pointed out that this data series provides a unique insight into employer-reported changes to the institutional supports for training. Moreover, the last four surveys in the series have each collected the views from over 75,000 employers, providing a robust evidence base. Such insights are not available from data sources such as the LFS, which records worker experiences. Furthermore, while NESS respondents were asked how many staff were trained over the last year, the responses given were estimated and the questions used to derive a training incidence measure were slightly modified over the period.<sup>2</sup> However, the LFS measure of training incidence has remained unchanged.

By analysing data taken from NESS for 2005, 2007, 2009 and 2011 – restricting the latter to England only – we are able to compare how establishment-level training supports have changed. Overall, we find little variation in the support for training activity over the six-year period which spans the 2008–2009 recession and its aftermath. A third of establishments (33.1%) in 2005 reported that they had a training budget and in 2011, it was about the same (32.0%) (Table 2). However, there was much more variation by sector. The institutional supports for training, although still relatively

Table 1. Training participation rate in the UK by public sector dominated industries, 2000–2012.

	Public administration	Education	Health
2000	21.7	22.5	22.5
2001	22.4	23.7	23.3
2002	21.4	22.7	24.4
2003	21.3	21.6	25.1
2004	21.1	21.2	25.3
2005	20.9	21.7	25.0
2006	18.8	21.1	24.4
2007	19.3	20.4	23.1
2008	19.9	20.1	22.8
2009	18.9	20.2	22.8
2010	17.5	18.8	22.6
2011	17.8	18.8	22.6
2012	18.1	18.3	23.5

Source: Adapted from Felstead, Green, and Jewson (2013): Table 4.2.

Table 2. Trends in institutional supports for training by sector and within the public sector, England, 2005–2011.

	2005	2007	2009	2011
<i>By sector</i>				
Training plan <sup>a</sup>				
All	44.8	47.4	43.1	42.2
Private	41.4	44.4	40.2	39.2
Public	82.7	82.2	78.1	74.6
Voluntary	64.8	64.3	55.8	55.0
Training budget				
All	33.1	36.5	35.6	32.0
Private	28.5	31.9	31.1	27.8
Public	79.8	83.9	78.8	66.1
Voluntary	66.0	67.3	63.8	56.2
<i>Within the public sector<sup>b</sup></i>				
Training plan				
Public administration	81.2	70.4	78.6	73.9
Education	87.0	86.1	82.5	78.1
Health	82.5	85.0	78.7	79.2
Other community	82.9	85.3	71.6	68.0
Training budget				
Public administration	82.1	86.5	80.9	72.5
Education	92.4	94.6	93.1	89.6
Health	65.4	65.4	63.3	52.0
Other community	73.2	76.9	72.3	69.5

Notes: <sup>a</sup>All respondents are asked: ‘Does your establishment have any of the following: A training plan that specifies in advance the level and type of training your employees will need in the coming year; and a budget for training expenditure?’ The 2011 added, if applicable to the latter: ‘which specially covers training spend at this site’.

<sup>b</sup>This panel classifies public sector establishments by industrial group. The public sector refers to establishments that are not ‘seeking to make a profit’ or operate as a charity or voluntary organisation. Industrial groups are defined by the Standard Industrial Classification system (2007) for the years 2009 and 2011 and by the earlier version of 2003 version of SIC for the years 2005 and 2007.

Source: Own calculations from NESS 2005, 2007, 2009 and 2011.

strong, weakened more in the public sector than in the private sector. In 2005, over four-fifths (82.7%) of public sector establishments had training plans for the year ahead, but by 2011 this had fallen to three-quarters (74.6%) with the fall starting in 2009 and continuing into 2011. Formal training planning also fell in the private sector but at a much slower rate – falling from 41.4% in 2005 to 39.2% in 2011. A similar picture is evident in the data on the existence or otherwise of training budgets at establishment level. Their prevalence also declined more rapidly in the public sector over this period with the most dramatic falls coming in 2011 as public expenditure cuts began to cascade

down to establishments. Taken together, these results suggest that while economic recession had relatively little impact on training incidence in either the public or private sector, it weakened the institutional supports for training much more in the public sector and at a time when the economic recession had past and the full effects of public expenditure cuts were being felt.

Similar patterns were evident within the public sector. Establishment-level training budgets, for example, were held by around two-thirds (65.4%) of 'health' establishments in 2005, but by 2011 this had fallen to just over a half (52.0%). A similar step change can be seen in establishment-level training plans. These were in existence in 87.0% of educational establishments in 2005 compared to 78.1% in 2011. The falls in planning came first as budget cuts were anticipated, followed by a decline in the proportions holding training budgets at establishment level as expenditure cuts were felt.

## 5. Voices from the public sector

Qualitative interviews with those working in the public sector provide further insights into what type of changes to training are occurring, how and why. Reflecting the themes within the literature discussed above, the results are presented under the following headings: (a) the impact of public expenditure cuts on training provision in public sector organisations; (b) challenges to the ethos of, and institutional supports for, training in the public sector; (c) the implications of institutional and sectoral reorganisation in the public sector; and (d) responses to pressures on established training regimes within the sector.

### 5.1. *Impact of public expenditure cuts*

It should be said at the onset that a minority of our respondents reported that they had experienced cuts in training provision at the time of the 2008–2009 recession. Nevertheless, a clear majority of those participating in the first round of interviews (in mid-2010) reported no significant change in training programmes during the 2008–2009 recession and the following year. The statistical evidence presented earlier bears this out with training incidence remaining relatively strong compared to the private sector and unaffected by the period of economic recession and financial austerity which began in 2008 (cf. Figure 1).

There hasn't been a downturn in the training over the last two years. Definitely not. It's continued in a vein. We've never been in a position where we've had to kind of stop the training. So the staff have always, or pretty much always, been able to carry on with the training that they need. (Local Authority Leisure Centre)

I would say not, actually. In terms of training, I would say we've had quite significant training in the last two years. Definitely. I would say it's been a very comprehensive training. I would say if we've needed training we've been able to find it somewhere. (Local Authority Museum)

Respondents offered a number of different explanations for the continued strength of training during and immediately after the 2008–2009 recession. Some suggested that severe financial cut backs had begun several years earlier – not least as a result of the Gershon Review – and that the recession had not had much additional effect. They asserted that financial adjustments had been made before 2008–2009 and were occasioned by political initiatives such as cost cutting exercises.

We seem to have been affected earlier in terms of training budgets. So, yeah, it's been a while since you could go on anything you wanted. That's been like the last four or five, might even be five years. (Local Authority Library 3)

Local authority service organisations, with a strong commercial orientation, had been protected from cuts in training budgets, while they continued to make operating surpluses. Those with long-term contracts with clients were able to weather the ups and downs of the business cycle.

Our funding hasn't been cut or anything. It hasn't changed at all. Our income hasn't gone down. Not been affected in that way. We have contracts and the value of the contract, they're five year terms. So income from those contracts is, I guess, protected really for the five years. (Local Authority Service Organisation 2)

However, service organisations that experienced a loss of business and a dip in operating surpluses were vulnerable to a range of budget cuts, including those to training.

Our second interviews indicated that, in late 2011 and early 2012, a wide range of public sector organisations were experiencing severe financial pressures as public expenditure cuts were beginning to bite. Many respondents feared they were having or would have implications for their training programmes. The Comprehensive Spending Review of 2010 and other government funding decisions were crucial in this respect. For most, the corporate mode of delivery of training still remained largely intact. Nevertheless, overall budget cuts were biting deep.

A minority of public sector organisations interviewed in late 2011 and early 2012 still felt untouched by economic downturn or government funding cuts. They were largely organisations that operated within markets and whose funding was derived from trading surpluses. However, in our second interviews most respondents argued that the impact of funding decisions made in 2010, rather than the 2008–2009 recession per se, was beginning to be felt and that this was starting to feed through to training programmes.

Interviewees in organisations experiencing redundancies and recruitment freezes frequently made the point that the absence of novices reduced training volumes. Nevertheless, our interviewees also suggested another reason for the persistence of training in the public sector during and after the 2008–2009 recession was the need to sustain ‘training floors’. These refer to forms of training that are necessary and unavoidable (Felstead and Green 1994, 1996). Training floors cannot be abandoned by functioning businesses and organisations. Many are a product of statutory regulations and inspection regimes. Others are generated by operational processes. The extent and character of training floors varied between the organisations in our study, reflecting their procedures, clientele, functions and technical complexity. However, all of them encountered training floors of one kind or another. The resistance of training floors to cuts means that training is less vulnerable during recessions than some commentators fear (Felstead, Green, and Jewson 2011). Moreover, there is reason to believe that training floors tend to creep upwards over time. In some of the organisations we interviewed, for example, increased professionalisation and accreditation of middle-level manual occupations had, in recent years, added to the scope of required or expected training. In those with medical, legal and scientific functions, changes to the provisions required by training floors were continuous.

It’s not something that we can suddenly decide: ‘right, let’s look at the training function and get rid of it’. You know, I don’t think we can do anything there, because it is such an integral part of what the [staff] do. And how we maintain that skill of keeping them up to speed in what they do. (Non-Departmental Public Body 1)

There’s a lot of mandatory training. (NHS – Community Mental Health Team)

There’s things we are never going to be able to get away from. (Emergency Service 3)

Well, there’s a lot more different bits of machinery involved basically. You know, certain pieces of equipment you can’t operate unless you’ve got a recognised, certified, you know, qualification. (Local Authority Service Organisation 2)

Training floors played a part, then, in the maintenance of training in the public sector during and after the 2008–2009 recession. However, institutional and normative frameworks, characteristic of the public sector organisations we interviewed, also played a major part in supporting training regimes that provided far more than the basic legal minimum of training.

## 5.2. *Public sector training ethos*

The provision of training within the public sector has been accompanied and sustained by a long-standing training ethos or culture. In the absence, for most, of profitability as a measure of success, respondents spoke of setting standards of best practice and delivering high quality public services. Speaking of her clients, one interviewee commented: *you are helping them, not for a profit purpose (Non-Departmental Public Body 2)*. Training was regarded as central to this vision. The purpose of training was seen as much more than just meeting the minimum requirements. It was seen as a channel for contributing to the welfare of clients and of staff. Some public sector organisations we interviewed provided training to workers in other institutions, including those that might be considered competitors, out of a spirit of public service. A senior teacher in an academy school commented: *that is all done on goodwill (Secondary School 3)*. Respondents also spoke of the importance of raising the qualifications and morale of the workforce. A majority of interviewees regarded training as a valued activity in its own right as well as a contribution to productivity. Interviews recorded a range of justifications for expenditure on training that reflected this view. Participation in training was seen as a form of motivation, self improvement and personal reward for employees as well as a guarantee of ethical and high quality service for clients.

We will put a number of people through more than we would need, if they are willing to and want to and they are suitable. We do actually sort of, it sounds silly, but sort of reward people if they do work hard, that we will train them and invest in them. (Local Authority Service Organisation 3)

There are still training courses that we would send people on purely because giving them the confidence of dealing with members of the public and building up their confidence in dealing with people. (Local Authority Funeral Service)

If you want a group of people to provide a certain service there may be an educational package that would benefit. So it's not mandated but it is best practice. (NHS – Hospital Trust)

Among professional and high skill staff in the public sector, there was a sense of responsibility for and pride in their commitment to maintaining high quality service via continuous training.

It's actually owned very much by the staff. There's a moral argument. Children deserve the best education they can. You want to make sure they are learning. And on top of that you've got pressures from Ofsted. But we've tried to make it what we want, not what we've been dictated to. (Secondary School 3)

This is confirmed by the greater prevalence of training in the public sector compared to the private sector over many years (cf. Figure 1). This remains even when other explanatory factors – such as qualification level – are taken into account.

To sustain and support this training ethos most, though not all, of the operational units interviewed were able to tap into a comprehensive programme of training centrally provided and monitored by the corporate bodies of which they were a part. For example, local authority departments would be able to draw on training organised by the council's corporate training department. Typically, corporate training programmes included a wide selection of generic courses. Corporate training bodies also frequently commissioned the specialist training required by specific departments and units. Training budgets were often held centrally, with operational units contributing financially via top slicing arrangements. One of our respondents commented: *it's all done behind the scenes, I don't actually see the cost as such.* (Local Authority Day Care Centre) Moreover, in a number of cases, various aspects of training were deemed to be mandatory by the corporate centre above and beyond the basic requirements of statutory or operational training floors. Corporate training departments, then, provided extensive training provisions which supported the public sector ethos of enhancing the lives of others. These departments went further than simply covering mandatory training requirements but also offered a measure of additional training, sometimes described by our respondents as 'the nice to have'. This additional provision addressed issues such as high quality customer care as well as the professional and personal development of staff.

Our two-stage interviews suggested that, in general, corporate training departments and corporate training regimes continued to function throughout the 2008–2009 recession and its aftermath. This was true of arms length service organisations as well as fully integrated departments.

We tap into NHS and [Council] training. And we just get the training programmes down to us and then we just book on accordingly. (NHS –Health Care Centre)

We have what we call corporate training, for obviously we're part of a council. So there is a range of corporate training. We have a small training budget that we don't actually manage. It's managed by our HR department. (Local Authority Museum)

The Council run a huge programme of briefing type courses. Some of them are compulsory, so they'll send me e-mails to say this person must attend this course running on these dates. Other ones I can nominate. It's a sort of an ethic of the Council to try and do as much as they can in-house, without bringing other people in. (Local Authority Service Organisation 5)



### ***5.3. The implications of restructuring***

Our interviews, then, suggested that support for a public sector ethos was alive and well. Nevertheless, a number of the public sector organisations we interviewed were facing the possibility of large-scale reorganisation and/or changes in forms of governance and ownership, with important implications for the organisation and culture of training. This is also reflected in the employer survey results, which suggest a weakening of establishment-level training infrastructure (cf. Table 2). Some expected to be privatised, others to be transferred to various forms of social or community ownership. Yet others were in the throes of radical internal reorganisation. These developments were driven, in part, by cost-saving measures generated by public expenditure cuts but, in some cases, they reflected a broader political agenda introduced by the incoming government. Uncertainty typically surrounded when and how such proposals would be implemented and the consequences they would have for training.

There is a huge amount of change going on in the organisation. There's all sorts of things being talked about now and there's a lot of functions that might ultimately go off to private sector establishments. Certain functions have gone – estates have all gone to a private company. (Job Centre)

We're up for grabs at the moment. It's all up in the air at the moment. They are looking to try to transfer the sites in entirety over to a suitable organisation. It's still on-going at the moment. (Local Authority Park)

It was widely suggested that financial adjustments were being made in very short time periods. Plans were being drawn up hurriedly that were likely to have major consequences for staff and for service delivery.

We've got to lose a third of the budget of our department. So we know we're going to lose some branches. (Local Authority Library 3)

The council needs to save [tens of millions] within the next two years. Tourist information Centres going, toilets being closed, school reorganisation, changes in social services, all sorts of things going on. The decision about libraries was made [three months before] the funding is being withdrawn. (Local Authority Library 2)

The detailed implications for training of organisational restructuring and changes in governance varied across different parts of the public sector. However, our interviews suggest that a key issue concerns the way these developments impinge on corporate training provisions and corporate training ethos. In some parts of the public sector, corporate training was being strengthened and further centralised as a result of reorganisation; in others, it was being weakened and fragmented.

The NHS appeared to be moving towards fragmenting corporate training provisions. It has to be said that, at the time of our interviews, precise details of the reorganisation of the NHS were not available. All our NHS respondents commented on the uncertainty and opacity of the situation. However, they recognised that dismantling Primary Care Trusts (PCTs) and Strategic Health Authorities meant that GP practices and other health care providers would no longer have access to the many training programmes previously mobilised by these bodies. GPs, for example, faced the prospect of themselves designing, sourcing and paying for replacement courses.

It used to be organised through guys from the local hospital. We'd get dates from the PCT. Well that's been withdrawn now. We've got to organise our own dates and pay for it ourselves. What used to be put on for people to attend, now it's done with a fee. Or it's now not put on but you are told you have to do it. You have to make your own arrangements. (NHS – GP Practice 1)

And we're going to have to deliver a lot of that ourselves. Each Strategic Health Authority was divided into Locality Stakeholder Boards that had funding for new developments. And we would tap into that, and make bids, and be able to use that money for those developments. That's been cut. But what we don't know is what, if anything, is going to replace it. (Emergency Service 1)

At the same time as undermining established sources of corporate training, NHS reforms were also creating a wide range of new training needs. Reorganisation of the commissioning process meant that GP practices were required to take on new and demanding functions, including not only medical and administrative responsibilities but also legal, financial and managerial obligations. Hospital services and specialist health care providers, on the other hand, were considering how to win contracts and present themselves to those who would henceforth be purchasing their services. They were developing new service offers, which required internal staff training, and undertaking external marketing in the guise of training offered to commissioning bodies. All these developments implied training, but were taking place at the same time as key parts of the existing corporate training system were being dismantled.

They're going to need to do more training if these reforms come about and GPs are left holding the budgets. Commissioning the services – they'll need to be a lot of training. (NHS – GP Practice 1)

The level to which the staff need to be trained may be in the contract from a GP. So we may almost have to work backwards from that. If your customer demands that you have X, Y, Z – and also if your customer base alters, to cope with that capacity – we may have to retrain some staff that were in another area. (NHS Hospital Trust)

To compete in the current climate, economic climate, certainly in terms of commissioning, I think we'd be short sighted not to emphasise training as being an area we need to strengthen even more. If we are in a competitive tendering process then you've got to demonstrate governance, you've got to demonstrate skills and knowledge. It's a different ball game. (NHS – Ancillary Health Care Service)

Fragmenting corporate training systems may lead to greater variation in the local provision of 'nice to have' training within the NHS. In the civil service, in contrast, reorganisation was taking a different route that was likely to have the opposite effect. Here a wide range of support services and generic training programmes were being transformed, resulting in a thoroughgoing centralisation of training provisions. These developments were taking place across the whole of the civil service, not just within individual departments. Specialist training in functionally specific skills remained with departments, although in at least some cases this too was being centralised internally. Generic training was being centrally provided, across all civil service departments, via a handful of national centres and a very extensive suite of e-learning programmes. Regional and localised trainers were being superseded.

I think it's part of the wider government agenda to obviously cut back. The aim is to reduce the existing diversity of arrangements found in different departments and, instead, standardise across civil service departments. This makes savings possible. And believe it or not across departments there are huge differences. Restructuring will go right across the civil service. We're talking massive. The speed at which we are facing changes, and the amount of changes, is phenomenal. (Non-ministerial Government Department 1)

Similarly, major shifts were underway in local government library service provision. There was a move towards greater community involvement in, and sometimes ownership of, facilities and operating systems. This led to new demands for the training of volunteers which fell on the shoulders of those staff who remained in post following widespread redundancies.

#### **5.4. Responses to change**

The period after the economic recession of 2008–2009, then, was one of gathering pressures on the training regimes of public sector organisations, not least from budget cuts and restructuring programmes largely driven from above. However, the growth of these challenges was accompanied by adjustments and innovations that were intended to retain a commitment to training within changing circumstances.

Our interviews suggest that most responded by reducing the frequency of courses, prioritising courses immediately relevant to service delivery and tightening the application of eligibility criteria among potential trainees.

Thus, for most the structure of the training system was preserved at the same time as economies were made. Many respondents spoke of focusing current and future training on tightly defined core business needs. Others referred to reducing or eliminating ‘nice to have’ training in order to preserve ‘must have’ training floors.

Elsewhere we have used the term ‘training smarter’ to designate six inter-connected elements of the response by many private sector organisations to the recession of 2008–2009 (Felstead, Green, and Jewson 2011, 2012). ‘Training smarter’ includes: a sharper focus on training needs, increased use of in-house training provisions, incorporation of trainer functions within the roles of regular staff, renegotiation of relationships with external trainers, expansion of on-site and group training and enhanced use of e-learning. Our interviews suggest that elements of this package are developing within the public sector; in particular, increased in-house provision of training, ‘training a trainer’ and online learning opportunities. However, our findings suggest that the cultural ethos and centralised corporate provision characteristic of public sector organisations has framed a distinctive overall approach to training. Long before the 2008–2009 recession, substantial in-house provision was a feature of public sector organisations with highly developed central training departments. Similarly, negotiation with external providers was more likely in the public sector to be invested in a central corporate training function.

See, most of our training is done in-house within – well it’s almost cost neutral. (Local Authority Library 2)

You know, a lot of training takes place within the organisation. (Police Authority)

Although a high proportion of public sector training had long been provided in-house, then, our respondents suggested that there had been some further shift away from the use of expensive external providers and towards ‘train a trainer’ approaches. This development was attributed to financial pressures.

The reason why a lot of our training is in-house is because training providers – although recognising the fact that they are experts in their field – it is very, very costly. Where possible, we’ll do things like train-the-trainer course. We have paid for one person to do a more expensive course but then he can train an unlimited amount of people. (Local Authority Service Organisation 2)

So we qualified the Duty Officer up to deliver the training. It’s obviously more cost effective to do it that way than sending staff out to other facilities at £210 a course, when we could deliver ourselves. (Local Authority Leisure Centre)

Another noticeable innovation has been a significant increase in the use of online and e-learning, and in some cases blended learning, within the public sector.

E-learning has increased hugely, hugely recently. (Non-ministerial Government Department 1)

We do stuff like our equality and diversity training is all e-learning. We do our lower level health and safety qualifications are all e-learning. We do quite a lot of e-learning. (Emergency Service 3)

Most respondents did not attribute the advent of e-learning to either the recession or budget cuts, but rather to longer term technological changes in all aspects of work. However, e-learning was seen as cost saving and therefore attuned to an era of austerity and financial restraint. It was said to cut down on lengthy and expensive breaks spent off-site at training centres and to facilitate the more efficient use of downtime within the workplace itself. In an era when workforces were reduced by redundancies and recruitment freezes, and time for training was increasingly limited, a number of interviewees commented that e-learning has the merit of flexibility.

I would say it was due to technology evolving but it's also due to reductions in budgets – and the fact that to have someone do a couple of hours of e-learning that can be done anywhere, at home or at a desk, is obviously cheaper than someone travelling and being out of the office for a whole day for a training course. (Non-Ministerial Government Department 1)

Recruitment freezes, staff reductions, redundancies, wages freezes and service closures were widespread. Most respondents reported that the funding of training programmes was under pressure. Our interviews suggest that most responded by reducing the frequency of courses, prioritising courses immediately relevant to service delivery and tightening the application of eligibility criteria among potential trainees. Thus, for most the structure of the training system was preserved at the same time as economies were made. Many respondents spoke of focusing current and future training on tightly defined core business needs. Others referred to reducing or eliminating 'nice to have' training in order to preserve 'must have' training floors.

## 6. Conclusion

This article has examined the impact that the climate of austerity in the UK has had on training activity in the public sector since 2008. It has presented survey evidence from both workers and employers covering the period before and after the economic crisis of 2008–2009 along with findings from interviews with human resource managers about how they have coped in a tight financial climate.

The results suggest that while training remains relatively strong in the public (and voluntary) sector, the fall in establishment-level control over how it is planned and funded has been much faster than in the private sector. The institutional supports for training, although still relatively strong, weakened more in the public sector. For example, in 2005 over four-fifths (82.7%) of public sector establishments had training plans for the year ahead, but by 2009 this proportion had started to fall (78.1%) as human resource managers started to anticipate cutbacks and by 2011 it had fallen to three-quarters (74.6%). Formal training planning also fell in the private sector but at a much slower rate – falling from 41.4% in 2005 to 39.2% in 2011. The expectation is that these trends will continue given that public expenditure cuts are biting deeper and affecting the local delivery of public services more acutely, while the private sector is recovering, albeit sluggishly.

Our public sector interviews with employers indicate how public expenditure cuts were being implemented on the ground. The interviews suggest that the 2008–2009 recession itself had relatively little direct impact on training in the public sector. Rather the 2010 Comprehensive Spending review and other government funding decisions – in part, triggered by the recession – had far greater effect. This stems from the different ownership profile of the public and private sectors and their different sources of income. A public sector training ethos that emphasised high quality service and ‘good employer’ credentials above profitability or financial considerations served to protect training from severe cuts. Even when financial and restructuring pressures began to intensify, ways were found to ‘train smarter’; that is, making limited funds go further by placing a greater emphasis on in-house training, training a trainer and e-learning and/or reducing the availability or frequency of some courses.

Overall, then, our research suggests that training in the public sector remains distinctive, in both its extent and system of delivery. Furthermore, it is unlikely that the public sector’s training advantages will vanish even in an era of financial stringency given the sector’s distinctiveness in terms of its ownership profile, its service ethos and its continuing – albeit weakening – claims to be a ‘good employer’.

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## Notes

1. Also worth noting is the tendency for the duration of training episodes in both private and public sectors to fall over the long term up to 2009, according to LFS data, thus accentuating the pattern of declining participation. Unfortunately, the LFS training duration items were changed after 2009 (Green et al. 2013).
2. The basis of the denominator changed from 'on the payroll at this location' to 'work at this establishment'. The numerator also changed. In 2009 and 2012, respondents were asked to think about on-the-job and off-the-job training, whereas in earlier years training was self-defined by respondents.

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