

International Journal of Training and Development

Copy of e-mail Notification

International Journal of Training and Development

International Journal of Training and Development Published by: Wiley

Article ID: IJTD 12086

Dear Author,

The proof of your paper Training as a social purpose: are economic and social benefits delivered?, which is scheduled to appear in a future issue of International Journal of Training and Development, has now been uploaded as PDF file.

To access your paper, please copy and paste the following URL into your web browser's window:

<http://115.111.50.156/jw/retrieval.aspx?pwd=e038b6d612b4>

Login: your e-mail address

Password: e038b6d612b4

International Journal of Training and Development is covered by Blackwell Publishing's Early View service, which means that once we have received your corrections, your article will be published Early View without having to wait for inclusion in a print issue. Please note that the version of your paper that appears Early View is complete and final, except for volume, issue and page numbers, which are added upon print publication. Therefore, there will be no further opportunity to make changes to your article after Early View publication.

Please note that this file should be annotated electronically and returned by email to the proofreader at godiva888@virginmedia.com. Please correct your proof using the electronic annotation tools as instructed in the attached 'Using E-annotation Tools' guidelines at end of the proof.

Should you encounter any problems please contact the Production Editor at ijtd@wiley.com. Proofread the printed pages for information accuracy against your manuscript copy. Your article production ID is noted at the top of this message - please refer to it in all correspondence.

Queries

If there are any queries from the Copyeditor, these are listed on the last page of the proof. The text to which the queries refer is indicated on the proof by numbers (e.g. Q1) in the margin. Please ensure these are answered in full.

Corrections

We ask you to check the proof carefully, paying particular attention to the accuracy of equations, tables,

International Journal of Training and Development

Copy of e-mail Notification

illustrations (which may have been redrawn), other numerical matter and references (which have been corrected for style but not checked for accuracy, which remains the responsibility of the author). To facilitate PDF proofing, low-resolution images may have been used in this file. However, high-resolution images will be used in the final published version. If you have any queries regarding the quality of the artwork, please contact the Production Editor. As this is a page proof, to which corrections are expensive, please make the fewest possible alterations other than corrections of errors, and wherever a change is essential, please substitute as few words as possible occupying an approximately equal amount of space. If no corrections are received, the Editor-in-Chief reserves the right to correct the proof himself.

Returning Corrections

Please make and keep a copy of the corrected proof for reference in any future correspondence concerning your paper before publication. Please return your corrected proof or advise the Production Editor if you have no corrections (e-mail is sufficient) within 3 days of receipt. Please return the corrected proof by e-mail, fax or standard post to the address below:

Ian Tuttle

Godiva Publishing Services Ltd.

136 Brownhill Green Road

Coventry

West Midlands

CV6 2DU

Fax: 02476 33 6183

E-mail: godiva888@virginmedia.com

Offprints

You will be provided with a PDF offprint of your article once it has been published. In order to retrieve it, you will be required to register with Wiley Blackwell Author Services facility (<http://authorservices.wiley.com/bauthor/register.asp>).

Additional paper offprints may be ordered online. Please click on the following link fill in the necessary details and ensure that you type information in all of the required fields.

<http://offprint.cosprinters.com/blackwell>

If you have queries about offprints please email offprint@cosprinters.com

Further Queries

If you have any questions about accessing the PDF file of the proofs, printing, correcting or returning proofs, please contact the Production Editor at ijtd@wiley.com

Yours sincerely

Landrito, Dolotrine

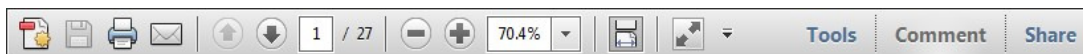
International Journal of Training and Development

Copy of e-mail Notification

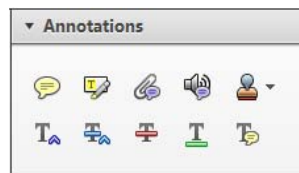
Production Editor

dlandrito@wiley.com

Once you have Acrobat Reader open on your computer, click on the [Comment](#) tab at the right of the toolbar:



This will open up a panel down the right side of the document. The majority of tools you will use for annotating your proof will be in the [Annotations](#) section, pictured opposite. We've picked out some of these tools below:



1. Replace (Ins) Tool – for replacing text.

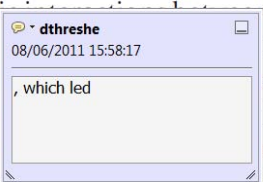


Strikes a line through text and opens up a text box where replacement text can be entered.

How to use it

- Highlight a word or sentence.
- Click on the [Replace \(Ins\)](#) icon in the Annotations section.
- Type the replacement text into the blue box that appears.

standard framework for the analysis of microeconomics. Nevertheless, it also led to the development of a new paradigm of strategic competition. The number of competitors in the industry is that the structure of the main components of the economy level, are explained by the important works of Hayashi and Shirai (1984) henceforth, we open the black b



2. Strikethrough (Del) Tool – for deleting text.



Strikes a red line through text that is to be deleted.

How to use it

- Highlight a word or sentence.
- Click on the [Strikethrough \(Del\)](#) icon in the Annotations section.

there is no room for extra profits as mark-ups are zero and the number of firms (n) values are not determined by market clearing. Blanchard ~~and Kiyotaki~~ (1987), in a general equilibrium model of perfect competition in general equilibrium, the effects of aggregate demand and supply shocks in a classical framework assuming monopoly competition between an exogenous number of firms

3. Add note to text Tool – for highlighting a section to be changed to bold or italic.



Highlights text in yellow and opens up a text box where comments can be entered.

How to use it

- Highlight the relevant section of text.
- Click on the [Add note to text](#) icon in the Annotations section.
- Type instruction on what should be changed regarding the text into the yellow box that appears.

dynamic responses of mark-ups consistent with the VAR evidence

sation of the economy with the VAR evidence. The VAR model is well suited for the analysis of the dynamic responses of the economy to a shock. The VAR model is a multivariate time series model that captures the relationships between different variables in the economy over time.



4. Add sticky note Tool – for making notes at specific points in the text.



Marks a point in the proof where a comment needs to be highlighted.

How to use it

- Click on the [Add sticky note](#) icon in the Annotations section.
- Click at the point in the proof where the comment should be inserted.
- Type the comment into the yellow box that appears.

and supply shocks. Most of the literature on this topic has focused on the short-run effects of these shocks. The VAR model is a multivariate time series model that captures the relationships between different variables in the economy over time. The VAR model is well suited for the analysis of the dynamic responses of the economy to a shock. The VAR model is a multivariate time series model that captures the relationships between different variables in the economy over time.



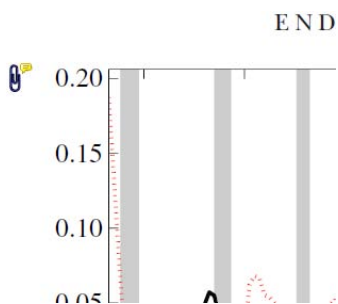
5. **Attach File** Tool – for inserting large amounts of text or replacement figures.



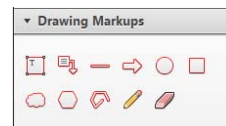
Inserts an icon linking to the attached file in the appropriate place in the text.

How to use it

- Click on the **Attach File** icon in the Annotations section.
- Click on the proof to where you'd like the attached file to be linked.
- Select the file to be attached from your computer or network.
- Select the colour and type of icon that will appear in the proof. Click OK.

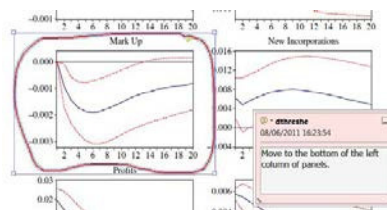


6. **Drawing Markups** Tools – for drawing shapes, lines and freeform annotations on proofs and commenting on these marks. Allows shapes, lines and freeform annotations to be drawn on proofs and for comment to be made on these marks.



How to use it

- Click on one of the shapes in the Drawing Markups section.
- Click on the proof at the relevant point and draw the selected shape with the cursor.
- To add a comment to the drawn shape, move the cursor over the shape until an arrowhead appears.
- Double click on the shape and type any text in the red box that appears.



Training as a social purpose: are economic and social benefits delivered?

1
2
3

AQ14

Allan Butler and Matt Lobley

4

This paper reports original research which measures the social and economic impact of training and skills development on individuals who participated in training provided by social purpose, nonprofit organizations. An implicit policy assumption is that such organizations contribute to social and economic regeneration. Examining the costs and benefits of training to trainees, an adapted Return on Investment methodology measures any economic benefit, while an Index of Social Benefit measures changes in individual well-being. The results demonstrate that while changes to both the economic and social well-being of trainees occur, it does not necessarily relate solely to the training they received. Instead, changes reflect other, often complex, aspects of trainees' lives, although training may facilitate change. Furthermore, social purpose, nonprofit organizations need to evince the socioeconomic benefits of their training programmes to secure future funding, public or private, but proving their successful delivery may be difficult to determine.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Introduction

24

This paper reports original research which evaluates the economic and social impact of training when delivered by nonprofit organizations whose purpose is to create a social difference within their communities. Such organizations have existed for many years, but their potential to contribute to economic and social regeneration through training individuals has led to increasing interest at the policy level (European Commission, 2007, 2012; Haugh, 2005). The assumption that training has such an impact has changed little since the late nineteenth century yet empirical evidence of its justification is limited (Nilsson, 2010; Sage, 2015b). The assumed benefits, in part, are driven by the necessity of funders, whether public or private, to defend their spending decisions; and conversely, nonprofit partner organizations that deliver training for funders need to show the impact of their services (Mulgan, 2010). In the UK, the Public Services (Social Value) Act

25
26
27
28
29
30
31
32
33
34
35

AQ3

AQ14
AQ1

□ Allan Butler, Royal Agricultural University, Cirencester UK. Email: allan.butler@rau.ac.uk. Matt Lobley, University of Exeter, UK

2012 reinforces this position, in that it requires the consideration of social (economic and environmental) well-being in the procurement of services (HMSO, 2012). Therefore, nonprofit organizations that receive government funding to provide training are obliged to evince both the economic and social value of their service provision.

Training provided by nonprofit organizations is part of a much wider range of active labour market policies (ALMPs). These describe a myriad of government-funded interventions in the labour market – training schemes, vocational and general skills to improve employability, information and job brokerage, subsidies to promote enterprise and business start-ups – that assist unemployed people to find work (Bonoli, 2010; Meager, 2009). Many ALMPs combine economic objectives with a ‘social purpose’ whether channelled through public, for profit or nonprofit organizations (Defourny & Nyssens, 2010). In the USA, for example, programmes of training and skills development for participants often include activities that simultaneously generate revenue, although in Europe this form of organization is less common (Kerlin, 2006). In the UK, the decentralization and privatization of public services has created opportunities for social enterprises to offer services, including training and skills development through nonprofit organizations to disadvantaged and excluded individuals (Haugh, 2005).

Measuring social and economic value differ in their level of complexity. Cost-benefit analysis and return on Investment (ROI) are long established methods for measuring the economic value of training (e.g. Cohen, 1985; Phillips & Phillips, 2000). Cost benefit analysis (CBA) treats training as a production process calculating the Internal Rate of Return over a specified number of years, taking into account the direct and opportunity costs of training (Galdo & Chong, 2012). ROI conversely, places a monetary value on the outcome of training programmes through extensive data collection on numerous measures across multiple periods of time (Bartel, 2000; Phillips & Phillips, 2007; Spitzer, 2005). Each method has its drawbacks. CBA requires understanding the magnitude of depreciation as the skills acquired by training become obsolete, which Galdo and Chong (2012) suggest lacks empirical consensus as econometric estimates show strong variance across studies. ROI requires the conversion of intangible benefits into monetary values (Bartel, 2000). However, common to both measures, is that their application is often confined to organizational employees, although there are exceptions (Jespersen *et al.*, 2008, for instance).

Measuring the social value of training is more complex. The concept of social value has become increasingly important in recent years (Mulgan, 2010) but like many concepts, it lacks an authoritative definition (Wood & Leighton, 2010). Despite this, numerous different measures of social value have emerged principally to monitor performance; to attract external funding; and to reinforce mission statements of social ventures (Pathak & Dattani, 2014). Mulgan (2010) estimates as many as several hundred tools exist to measure the social impact of voluntary sector activity. Angier Griffin (2009) depicts a useful framework mapping the most commonly used tools (See Figure 1). Of particular interest to this paper are the following two tools: Social Return on Investment and Quality of Life/Well-Being indicators.

F1

In the UK, Social Return on Investment (SROI) has become particularly prominent partly because of interest from funders and from the public and private sectors (Wood & Leighton, 2010). This tool provides an economic analysis derived from CBA and attempts to quantify financially the social value produced by organizational activity (Nicholls *et al.*, 2009; Pathak & Dattani, 2014). Proponents of SROI claim that while monetarization (i.e. the SROI ratio) is important, the ‘story of change’ includes both qualitative and quantitative findings that assist organizations in their decision-making (Nicholls *et al.*, 2009). Nevertheless, the SROI ratio can become the critical focus as it makes visible the ‘value’ of third sector activity to commissioners and funders (Arvidson *et al.*, 2012). As such, it has the power to mislead as all impacts are summarized in one number (Lingane & Olsen, 2004).

Placing monetary values on social impacts, as in the example of SROI, may be problematic. For instance, Pathak and Dattani (2014) identify three technical issues with SROI: the use of discount values; the incorporation of overhead costs; and determinations of the counterfactual (i.e. ‘What would have happened anyway if the project did

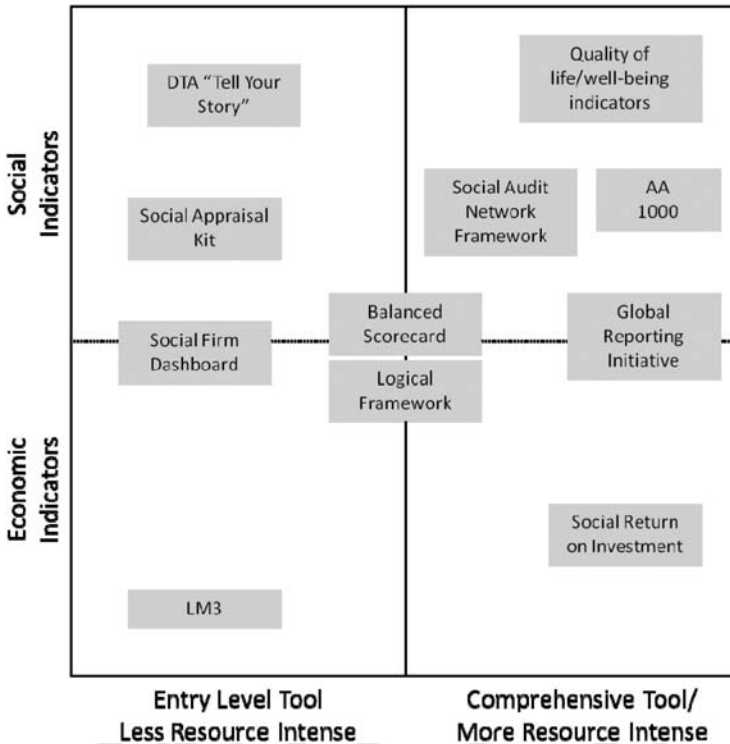


Figure 1: A map of social quality and impact tools.

not take place?). Moreover, this illustrates a more general point about the use of monetary values for social value as ‘direct non-monetary indicators may be preferable when monetary valuation is very uncertain or difficult to achieve’ (Stiglitz *et al.*, 2009, p. 13).

Non-monetary measures of well-being and the related but separate concept of quality of life have vastly increased in the last 40 years (Galloway *et al.*, 2006; Haas, 1999; Schalock, 2004). However, a review of the literature suggests these concepts are confused and poorly defined (Galloway *et al.*, 2006; Pollard & Lee, 2003; Taillefer *et al.*, 2003). Furthermore, indicators based on these concepts are often used interchangeably despite measuring different aspects of social value (Galloway *et al.*, 2006). Quality of life tends to be a multidimensional construct capturing physical, emotional, mental, social and behavioral components (Janse *et al.*, 2004), the equivalent of trying to measure ‘apples’ and ‘pears’, which cannot be summed (Veenhoven, 2000). Well-being, conversely, tends to centre exclusively on individuals’ subjective experience of their own lives worthwhileness (Diener & Suh, 1997; Galloway *et al.*, 2006).

As the discussion above suggests, measuring economic and social outcomes from training is not necessarily straightforward. Yet, funding pressures create an onus on social purpose nonprofit organizations to provide evidence of their economic and social benefits. As part of the UK’s Proving our Value Programme (POV), a project run by South West Forum in partnership with the Third Sector Capital City Building Cluster at the University of Bristol, this paper examines the effectiveness of two evaluation techniques, ROI and subjective well-being in evaluating the impact of the economic and social value training.

Method

To investigate the economic and social impact of training provided by nonprofit organizations, the study area of Okehampton was selected. Located in the South West of

England, UK, this area contains the town itself as well as its surrounding rural parishes (Devon County Council, 2011). Largely dependent on food manufacturing businesses, the town had attracted national publicity (BBC, 2011) when four of these businesses announced large-scale redundancies in close succession. The resultant economic challenges led to a multisector response to increase the skills and learning activity of individuals within the area in an attempt to diversify the economy. Much of this was channeled through existing nonprofit organizations that operated in the area.

Recruiting training organizations operating in Okehampton

In deciding which training organizations (TOs) were appropriate for evaluation, a criterion was agreed with the POV programme. Organizations should: (1) operate within the parishes of Okehampton and its immediate surrounding area; (2) trade on a non-profit basis; and (3) provide training as a core economic and social purpose. As such, three organizations were identified and agreed to participate in the research. As these organizations provided sensitive financial data they are referred to as TO1, TO2 and TO3.

Each TO differed considerably in their target cliental and aspirations for their social purpose. TO1 was an enterprise agency providing training and advice to small businesses. Their aim was to help individuals develop and sustain their businesses through improved competitiveness. In the 12 months prior to their involvement with the research, TO1 provided training for 90 individuals, on a range of business skills including finance, marketing, information technology and one-to-one help with business diversification.

TO2, a north Devon based organization, encouraged individuals to participate in their own economic and social development using information and communication technologies. Principally, its core clientele were individuals who were long-term unemployed and lacked the skills to re-enter the local workforce. For example, the TO2 programme offered longer-term courses for qualifications such as the European Computer Driving Licence; national tests in Numeracy and Literacy Levels 1 and 2; and National Vocational Qualifications in Customer Service and Business Administration. Shorter training events were also held in setting up your own business, marketing, health and safety and communication skills, for example.

The social purpose of the TO3 was aimed at connecting young people with adults who could help them return to education and training. However, potentially more important, it aimed to raise their individual self-worth and self-confidence so that they felt included rather than excluded from society. While TO3 operated as a commercial training company, any profits were directed into its associated charity through a legal covenant. TO3 training provided a workshop on team skills and another on starting your own business. Each of these organizations, particularly TO1 and TO3, did not necessarily train individuals for tangible accredited qualifications.

In recruiting the TOs, contact was made with a senior member of staff in each organization. Furthermore, a modest incentive was offered in recognition of the time staff would give up in providing financial information on training costs necessary for ROI evaluation and access to potential trainee respondents.

Recruiting trainee respondents

To recruit individuals, a project information sheet and consent form was provided at initial contact. Furthermore, a voucher for £30 was offered, which would be payable on the completion of the two telephone interviews. The voucher was a useful mechanism to encourage respondents to engage and often, given their circumstances, provided a much valued reward for engaging hard-to-reach groups (Martinez-Ebers, 1997).

Measuring economic and social impact of training on respondents

ROI has a long history of use in evaluating the economic value of training at the organizational level (Phillips & Phillips, 2000). The novelty of this paper is exploring ROI at

Table 1: Interpretation of ROI results

Value of ROI ratio	Economic gain or loss	
	Individual	Training organization
>1	Gain	Gain
>0 and = <1	Gain	No gain or loss
>0 but <1	Gain	Loss
=0	NOT gain or loss	Loss
<0	Loss	Loss

the individual level after training. Furthermore, rather than monetarize non-tangible benefits of training within an ROI ratio, the subjective well-being of individuals was measured to assess whether training on their lives was worthwhile.

Data for both the ROI and subjective well-being measures were collected through an interactive questionnaire. Designed within Microsoft Excel, it was used with respondents at the beginning of their training and then 6 months thereafter. This design had three distinct advantages. First, variables could be evaluated between the initial and final interview. Second, any change in a value of a variable between interviews triggered additional questions to understand why the change occurred. As such, these questions elicited whether the change was a direct result of training (direct), could be attributed to other training not connected to that being evaluated (attribution) or resulted regardless of any training the individual may have received (deadweight). For each of these three measures, respondents were asked to give each a value between 1 and 10, ensuring that the sum of values equated to 10. And third, an Excel-based questionnaire provided a readily available medium for the questionnaire to be adapted by interested third parties.

After accounting for attribution and deadweight costs, ROI was calculated using the following formula:

$$ROI = (\text{Net value of benefits} / \text{Value of inputs (costs)}) \times 100$$

where the 'net value of benefits' is the financial benefits gained by training less the individual's costs (e.g. transport costs, child care costs, equipment bought, etc.); and the 'value of inputs' is the cost of training injected by a TO (i.e. full costs of training programmes). This measure as interpreted in this paper is an innovative use of ROI to determine an individual's economic benefit from participation in skills training, as such, Table 1 presents an interpretation of potential results.

T1

For evaluating the social impact of training, a measure of subjective well-being combined elements of two tools: the Soul Record (Anderson, 2008) and the New Economics Foundation's (2009) index of well-being. The Soul Record grew out of a need identified by the Norfolk voluntary and community sector to evidence the progression of their clients in relation to so called 'soft' outcomes of informal learning. As part of its development, researchers mapped out 80 different 'soft' outcomes in partnership with six different types of community organizations. Subsequent questionnaires based on these outcomes were used to establish a base and to measure change in the distance (and direction) of travel of individuals' informal learning using a 6-point Likert scale. The NEF well-being index, conversely, measures people's feelings about their worthwhile-ness in five dimensions of well-being: general well-being; attitudes; social networks and relationships; trust and belonging; and well-being and work. The advantages using different elements of these tools to measure the social impact of training were twofold. The SOUL record tool provided a basis in which to measure the distance and direction

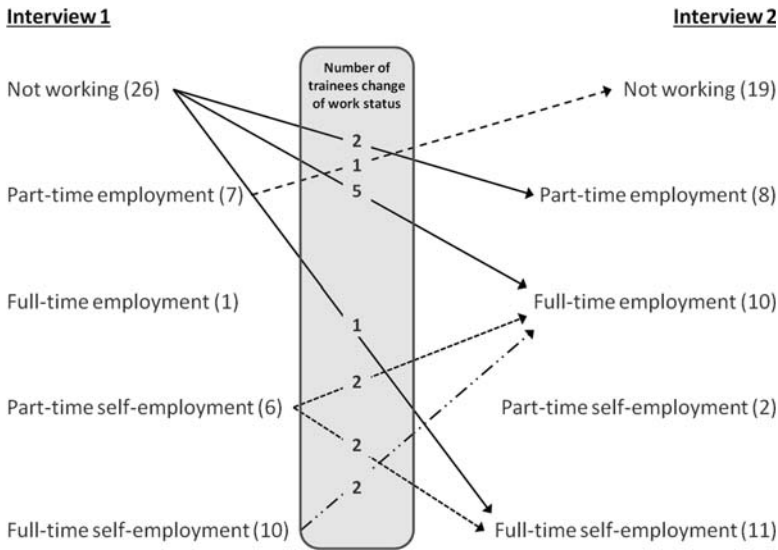


Figure 2: Direction and magnitude of employment change between first and second interview.

of change an individuals' subjective well-being, while the NEF framework allowed the evaluation of five dimensions of subjective well-being. 208

Finally, to explore whether any statistical variation existed between individuals and their ROI, the Mann-Whitney Test for two independent samples was used as the number in subsamples were small and the assumption of normal distributions was not possible. In particular, the ROI of individuals who trained with different organizations and whether or not individuals' employment status had changed as a result of training were examined. Statistical relationships connected to subjective well-being and its five dimensions was explored using one-way ANOVA analysis. 210-216

Results 217

In total, 66 trainees were recruited with 50 respondents taking part in both interviews. Of these 50 (94 per cent worked or previously had worked in the land-based sector (agriculture, food, forestry and environmental management). With an average age of 42 (ranging between 20 and 63), over half of the respondents (52 per cent) were not working at the time of the first interview, 32 per cent were self-employed, while the remainder were either in full or part-time employment. Given the social purpose of each of the TOs, the sample reflects their target clientele in that 88 per cent of TO1 respondents were self-employed, while 79 per cent and 67 per cent of TO2 and TO3 respondents, respectively, were not working. 218-226

By the time of the respondents' second interview, 30 per cent reported a change in their work status. Those not working reduced to 38 per cent, while those in employment had increased from 16 per cent to 36 per cent. However, the change in work status between periods is complex as illustrated in Figure 2, which shows the direction, magnitude and dynamics of change. In this, the changes from part-time to full-time work could arguably be construed as the movement away from under-employment. For example, of four respondents that were self-employed on a part-time basis, two became full-time within their existing occupation, while two gave up self-employment for full-time employment. A major question is whether the changes in their work status were a result of participation in training. 227-236

In evaluating the economic impacts of training, financial data provided by the TOs showed that £535,149 was spent on training, while the respondents incurred costs of 237-238

F2

Table 2: Comparison of ROI scores between training organizations

	Sample size (n)	Medians	U-crit	p
Training with TO1	16	0.05	92	0.947
Training with TO2	19	0.00		
Training with TO1	16	0.05	70	0.752
Training with TO3	15	0.00		
Training with TO2	19	0.00	85	0.795
Training with TO3	15	0.00		

£5,825 in accessing their training (i.e. costs associated with travel, arranging child-care, training equipment, etc.). At an aggregate level, the ROI was 8.86. In other words, for every £1 of costs incurred by respondents and their associated TO in the delivery of and participating in training, the benefit that accrued for all respondents was £8.86. However, this masks wide differences in individual ROIs, with a maximum 259.3 (TO2 individual) and a minimum of -11.8 (TO1 individual). Part of this wide variation occurs because of the difference in organizational training costs. An organization that delivers a considerable amount of training may only incur marginal additional costs in putting on a specific additional course. Therefore, if the costs of delivering training are lower, for any given benefit the rate of return will be higher. Similarly, an organization developing training for the first time may face significant start-up costs, which again is reflected in an individual's ROI. Equally, an individual taking a low cost course and then moving in to well-paid employment would also increase an individual's ROI score.

T2 Given the different social purposes of each organization, no significant difference was found between TO and their ROI scores (see Table 2). In addition, an examination of whether training led to a change in an individual's employment status also displayed no significance (U-crit = 169, $p = 0.352$ Mann-Whitney). Furthermore, no statistical association was found between a respondents level of education and their age and whether their personal ROI was positive, negative or unchanged (respectively, $\chi^2 = 4.936, p = 0.294$ and $\chi^2 = 5.019, p = 0.285$ Chi Square). From this analysis, it may be surmised that the economic impact of training on respondents when delivered by a social purpose organization was minimal.

T3 Turning to the social impacts of training, Table 3 shows changes to the subjective well-being scores – and its five dimensions: general well-being; attitudes; social networks; trust and belonging; and employment status – between the two interviews. Most respondents (80 per cent) experienced a change in their well-being between interviews. However, only 16 per cent experienced change in all five subjective well-being dimensions. Sixty per cent of respondents reported that some of the changes in their well-being were a direct result of the training they had received. However, this compares to all respondents reporting that change in their well-being would have occurred in spite of their training (deadweight). Given that changes in well-being attributed to training was limited, it is unsurprising that an one-way ANOVA analysis between (1) the three TOs; (2) the respondents age; and (3) and their level of education; with the five dimensions of the subjective well-being scores indicated no statistical significance. Therefore, in a result similar to that for the economic impacts of training, the social impact of training had a minimal effect upon the respondents involved.

Individual training cameos

In considering the maximum and minimum values for the five dimensions of the subject well-being score (Table 3); it is evident that some individuals experienced considerable change, both positive and negative, in their well-being. Using three specific

Table 3: Change in subjective well-being as a result of training

	General well-being	Attitude	Social and networks	Trust and belonging	Employment status well-being	Change in IoSB score	Change in IoSB score connected to training
Mean change	0.019	0.004	-0.020	0.023	0.050	0.015	0.002
Maximum positive change	0.440	0.289	0.200	0.560	0.700	0.257	0.057
Maximum negative change	-0.340	-0.333	-0.333	-0.320	-0.233	-0.178	-0.002

respondents as examples illustrates how both economic and social outcomes from training can have important effects on the respondents work and lives.

Training cameo one

Aged 28 and unemployed for four months, this trainee participated in the Business Start-Up New Enterprise Allowance Scheme to understand how to set up a business, business planning and how to gain access to any appropriate grants. Over the period of the training, the personal cost of training was £656. At the time of his first interview, the trainee received £6540 per annum in welfare payments. His second interview took place 6 months later. At this point, he had moved into full-time self-employment working in administration and finance and his economic circumstances had improved. His benefits were reduced by £2080 but he estimated that his income from self-employment would be about £8000 per annum. However, the trainee suggested that only 20 per cent of the change in his economic circumstances was a direct result of the training he received and thought that 80 per cent would have occurred anyway. Given his training costs alongside of the organizational cost of training, the ROI connected with this trainee was valued at £2.19 for every £1 spent. Furthermore, he thought that these benefits would last more than a year.

In terms of his well-being, the trainee's subjective well-being score improved from 0.76 to 0.81, although only 11 per cent of this change was attributed to his training. Indeed, examining the individual scores for the five dimensions of subjective well-being showed that it was a mixture of both positive and negative changes. For instance, there were marginal falls in the scores for general well-being, attitude and feelings associated with trust and belonging. Well-being connected to work status almost doubled, from 0.47 to 0.90. However, the trainee thought that his improvement to his well-being connected to his work status would have occurred anyway and was not associated with his training.

Training cameo two

Aged 34, this trainee had been unemployed since 2010, and was still unemployed at the time of the second interview. Over a six-week period, the trainee made use of a job club to search for jobs, gain access to Government gateway support and a supportive trainer. The personal cost of this was £10.50, the cost of travel to the venue. At the time of his first interview, the trainee received £3640 per annum in welfare payments and given no change in his employment status this remained the same after the second interview. Given his training costs and the organizational cost of training, the ROI cost associated with this trainee was a loss of £0.30 for every £1 spent. The trainee was planning to do more training but unfortunately, the funding was withdrawn. In terms of his well-being, the trainee's subjective well-being index value decreased from 0.65 to 0.47, although none of this change was attributed to his training.

Training cameo three

Aged 53, this trainee was self-employed in the first interview providing catering in a public house. She had attended a Business Start-Up New Enterprise Allowance Scheme that extended over 12 weeks. In the previous 12 months, she had completed her level 3 vocationally related qualifications (VRQs) in catering and cake decorating and planned to continue training in the culinary arts. The personal cost of the specific training during the research period was calculated at £129.60. When the second interview was conducted, this trainee had moved into full-time employment, working in a restaurant's pastry section. This change had a financial impact as her income from work was reduced by £2500 by the change and her welfare benefits ceased resulting in a further loss of £2600. However, she only attributed 20 per cent of these losses to the training she received. Therefore, the economic impact of training was a loss of £4.77 per £1 invested.

During this period, this trainee's well-being improved, with her subjective well-being score increasing from a relatively low 0.53–0.66. Much of this change was through increases in her general well-being and attitude toward life. The score for her

social networks marginally decreased. In terms of the social impact of training, only 9 per cent of improvements to her well-being were a result of training, and this entirely influenced her general well-being and attitude.

The three cameos highlight some important observations, which were also apparent among other respondents studied. It is surmised that training is only a small factor that influences respondents' economic and social well-being. For example, cameos one and three had preconceived ideas of their work goals. The trainee in cameo one participated in training on planning and how to gain access to potential appropriate grants to start a business, yet it is likely that he would have set-up his own business without such training. Cameo three, conversely, had already embarked on VRQs, which proved important for her subsequent employment. Furthermore, while her general well-being and attitude towards life scores improved, this contrasts to working for less income. Finally, cameo two experienced a marginal loss in income but a considerable decline in his well-being. These changes in well-being suggest that given the complexity of respondents' lives and the diverse impacts upon their well-being, training was only a minor interacting factor.

Discussion and conclusions

Examining how social purpose, nonprofit organizations demonstrate whether the training they deliver provides economic and social benefits illustrates the challenges they face in proving their impact. In this paper, the results suggest that the impacts are minimal across the three groups of respondents. Indeed, for the economic benefits (and dis-benefits) that were associated with training individuals over the period measured, the median ROI was zero while the mean social benefits were marginally above zero. Accounting for deadweight in evaluations is critical. When only the direct effect of training was measured, both the economic and social impacts of training were much reduced. However, that some individuals direction of employment had changed (see Figure 2) would suggest the skills training they received may not have been the driver of change but instead provided at least some lubrication to enable the change to occur. At the extremes however, a few individuals experienced large positive or negative economic and social benefits, which while connected to training, reflected larger changes in their lives as a whole.

Previous studies on ALMPs suggest their economic and social impacts are variable. Card *et al.* (2010) conducted a meta-analysis of microeconomic evaluations on 197 studies carried out between 1995 and 2007. One key conclusion from this research was that evaluations that focused on the longer-term had more favorable outcomes than those that focused on short-term impacts. Furthermore, the data source mattered. Evaluations based on time spent in registered unemployment compared to evaluations based on employment or earnings showed a tendency toward positive short-term results. In another economic meta-analysis, Kluve (2010) concludes that once the type of programme had been accounted for there seems little systematic relationship between programme effectiveness and a host of contextual factors, such as the macro environment (unemployment rate, growth of GDP and expenditures on ALMPs) and institutional features of labour markets. The evidence base on the social impacts of ALMPs is somewhat limited (Sage, 2015a). A review by Coutts *et al.* (2014) suggests that 'participation within ALMPs, specifically government training programmes, can have a positive effect on participants' wellbeing, compared with remaining unemployed or economically inactive' (p. 13). However, the longevity of expected benefits post intervention implies a mixed picture. In some research, post-ALMP benefit continued for up to 2 years (Vinokur *et al.*, 2000; Vuori *et al.*, 2002); up to 4 months (Harry and Tiggemann 1992; Vinokur *et al.*, 2000) or quickly declines (Andersen, 2008; Creed *et al.*, 1999; Vuori & Versalainen, 1999).

The variability in studies raises a question about the most appropriate time to evaluate the economic and social impact of training. In this paper, measurement was conducted approximately 6 months after the initial training had begun. This was perhaps

suitable for training with a longer duration but less appropriate for short one-day courses. Therefore, when evaluating impact, the timing of the evaluation exercise relative to the provision of training may influence the results. Certainly, the constraints of the research meant that it was not possible to tailor the second interview according to the length of training, which is a limitation of the method. Furthermore, understanding when is the best time to evaluate potential benefits is clearly a subject that needs further investigation to understand any trade-offs between costs, evaluation results and complexity in research administration.

One unexpected observation from the results was the movement of participants from part-time employment and part-time self-employment to full time positions. This often mimics under-employment, particular when individuals work part-time but would prefer full-time work (Jensen & Slack, 2003). Other indicators of underemployment in the sample included respondents who were not working and have given up looking for work (i.e. not counted in unemployment statistics) and respondents employed in positions well below that might be expected given their level of education (Jensen & Slack, 2003; Livingstone, 2004; Stofferahn, 2000). Therefore, while the research focused on three categories of work status – employed, self-employed and unemployed – it was evident that the much broader concept of underemployment was apparent. This opens a further avenue for research: the economic and social impact of training on underemployment in economies.

AQ5

As noted above, macro contextual factors may influence the outcomes of ALMPs (Kluve, 2010). At a micro level, the lives of individuals may also affect how much of the training is transferred into economic and social impact. For instance, the age of participants in the study ranged from 20 to 63 years across the three organizations, although the average age in TO3 was significantly younger. Carneiro and Heckman (2003) argue that rates of returns to investment in human capital decline across the life-cycle of individuals, and as such, this may influence short and long-term effects of training. Another factor may be the types of training skills offered. Nilsson (2010) argues that increasing transversal and basic skills is not sufficient on its own to generate growth and competitiveness in an economy as too much distance exists between the educational environment and the workplace. Furthermore, Butler *et al.* (2006) argue that when skills are transferred from training, their potential impact may be limited by the dynamics of an individual’s social circumstances and networks. The contextual evidence from the interviews would suggest that this was an influencing factor as many of the respondents faced difficult circumstances that not only affected the impact of the training but their lives in general.

AQ6

In conclusion, this original study highlights some of the difficulties in estimating the socioeconomic impact of training. For the social purpose, nonprofit organizations providing training, the imperative to prove their value is becoming increasingly connected to securing future revenue streams. Therefore, their ability to evaluate both the economic and social value of training is likely to grow in significance. Measuring the benefits on individuals, however, may be problematic and difficult to determine. At the level of the trainee, the longevity and transferability of the training they receive is influenced by complexity within their lives reducing measurable social and economic impacts required by the TOs. Furthermore, the minimal impacts measured in this study, suggests that the implicit assumption made by policy-makers that through training social purpose organizations contribute to social and economic regeneration is perhaps misguided.

Beyond these conclusions, there are limitations on the present study that deserve special mention. The sample itself, trainees of the three particular organizations, were self-selecting and the relatively small number of respondents limits our ability to test statistically for relationships between social and economic variables. In mentioning these, caveats it is not because the findings lack in either internal or external validity but rather to recognize the need to replicate this research across a larger sample population where a more systematic approach can be employed to account for different tenures of training.

Acknowledgements

446

This work developed as a collaborative effort between the Centre for Rural Research (now the Society, Economy and Environment Institute) at the University of Exeter and Devon Communities Together as part of the Proving Our Value programme funded by SW Forum. This programme was designed to engage collaborative work between academic researchers and not-for-profit organizations. As such, the authors are indebted the work of Lesley Smith and David Kinross of Devon Communities Together, whose commitment and contacts made this research possible.

AQ2

454

References

455

- Andersen, S. H. (2008), 'The short and long-term effects of government training on subjective wellbeing', *European Sociological Review*, **24**, 451–62. 456
- Anderson, C. (2008), 'An overview of soft outcome/informal learning measurement tools', *The Research and Development Bulletin*, **6**, 1, 31–8. 457
- Angier Griffen (2009), *Measuring Social Value – An Overview*, (<http://www.angier-griffen.com/downloads/2009/feb/measuringsocialvalue-anoverview.pdf> (accessed 12 December 2014)). 458
- Arvidson, A., Lyon, F., McKay, S. and Moro, D. (2012), 'Valuing the Social? The nature and controversies of measuring Social Return on Investment (SROI)', *Voluntary Sector Review*, **4**, 1, 3–18. 459
- Bartel, A.P. (2000), 'Measuring the employer's return on investment in training: evidence from the literature', *Industrial Relations*, **39**, 3, 205–524. 460
- BBC (2011), *Okehampton firm Kerry Ingredients to shed 90 jobs*, (<http://www.bbc.co.uk/news/uk-england-devon-15269818> (accessed 16 January 2015)). 461
- Bonoli, G. (2010), 'The political economy of active labor-market policy', *Politics & Society*, **38**, 4, 435–57. 462
- ~~Burbach, R. (2009), 'Training and Development: Issues and HRIS Application', in M. J. Kavanagh and M. Thite (eds), *Human Resource Information Systems* (London: Sage). 463~~
- ~~AQ7 AQ8~~ Butler, A., Le Grice, P. and Reed, M. (2006), 'Delimiting knowledge transfer from training', *Education+ Training*, **48**, 8/9, 627–41. 464
- Card, D., Kluge, J. and Weber, A. (2010), 'Active labour market policy evaluations: a meta-analysis', *The Economic Journal*, **120**, 548, F452–77. 465
- Carneiro, P. and Heckman, J. (2003), 'Human Capital Policy', in J. Heckman and A. Krueger (eds), *Inequality in America: What Role for Human Capital Policies* (Cambridge, Massachusetts: MIT Press). 466
- AQ9 Cohen, S. I. (1985), 'A cost-benefit analysis of industrial training', *Economics of Education Review*, **4**, 4, 327–37. 467
- Coutts, A. P., Stuckler, D. and Cann, D. J. (2014), 'The Health and Wellbeing Effects of Active Labor Market Programs', in F. Huppert and C. Cooper (eds), *Wellbeing: A Complete Reference Guide, Volume VI, Interventions and Policies to Enhance Wellbeing* (London: Wiley). 468
- AQ10 Creed, P. A., Machin, M. A. and Hicks, R. E. (1999), 'Improving mental health status and coping abilities for long-term unemployed youth using cognitive behavioural therapy based training interventions', *Journal of Organizational Behavior*, **20**, 963–78. 469
- Defourny, J. and Nyssens, M. (2010), 'Social enterprise in Europe: at the crossroads of market, public policies and third sector', *Policy and Society*, **29**, 3, 231–42. 470
- Diener, E. and Suh, E. (1997), 'Measuring quality of life: economic, social, and subjective indicators', *Social Indicators research*, **40**, 1–2, 189–216. 471
- Devon County Council (2011), *Okehampton Profile*, *Devon County Council* (Exeter: Devon County Council). 472
- European Commission (2007), *Directorate General for Employment and Social Affairs, Joint Report on Social Inclusion* (Strasbourg: European Commission). 473
- European Commission (2012), *Rethinking Education: Investing in Skills for better Socio-Economic Outcomes* (Strasbourg: European Commission). 474
- Galdo, J. and Chong, A. (2012), 'Does the quality of public-sponsored training programs matter?' Evidence from bidding processes data, *Labour Economics*, **19**, 6, 970–86. 475
- Galloway, S., Bell, D., Hamilton, C. and Scullion, A. C. (2006), *Quality of Life and Well-Being: Measuring the Benefits of Culture and Sport: Literature Review and Thinkpiece* (Edinburgh: Scottish Executive). 476

Haas, B. K. (1999), 'Clarification and integration of similar quality of life concepts', *Image: The Journal of Nursing Scholarship*, **31**, 3, 215–20. 502

Harry, J. M. and Tiggemann, M. (1992), 'The psychological impact of work re-entry training for female unemployed sole parents', *Australian Journal of Social Issues*, **27**, 75–91. 504

Haugh, H. (2005), 'A research agenda for social entrepreneurship', *Social Enterprise Journal*, **1**, 1, 1–12. 506

HMSO (2012), *Public Services (Social Value) Act 2012* (London: HMSO). 508

Janse, A. J., Gemke, R. J. B. J., Uiterwaal, C. S. P. M., Van Der Tweel, I., Kimpen, J. L. L. and Sinnema, G. (2004), 'Quality of life: patients and doctors don't always agree: a meta-analysis', *Journal of Clinical Epidemiology*, **57**, 7, 653–61. 509

Jensen, L. and Slack, T. (2003), 'Underemployment in America: measurement and evidence', *American Journal of Community Psychology*, **32**, 1–2, 21–31. 510

Jespersen, S. T., Munch, J. R. and Skipper, L. (2008), 'Costs and benefits of Danish active labour market programmes', *Labour Economics*, **15**, 5, 859–84. 511

Kerlin, J. A. (2006), 'Social enterprise in the United States and Europe: understanding and learning from the differences', *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, **17**, 3, 246–62. 512

Kluve, J. (2010), 'The effectiveness of European active labor market programs', *Labour Economics*, **17**, 6, 904–18. 513

Lingane, A. and Olsen, S. (2004), 'Guidelines for social return on investment', *California Management Review*, **46**, 3, 116–35. 514

Martinez-Ebers, V. (1997), 'Using monetary incentives with hard-to-reach populations in panel surveys', *International Journal of Public Opinion Research*, **9**, 1, 77–86. 515

Meager, N. (2009), 'The role of training and skills development in active labour market policies', *International Journal of Training and Development*, **13**, 1, 1–18. 516

Mulgan, G. (2010), 'Measuring social value', *Stanford Social Innovation Review*, **8**, 3, 38–43. 517

New Economics Foundation (2009), *National Accounts of Well-being: Bringing Real Wealth onto the Balance Sheet* (London: New Economics Foundation). 518

Nicholls, J., Lawlor, E., Neitzert, E. and Goodspeed, T. (2009), *A Guide to Social Return on Investment*, Office of the Third Sector (London: The Cabinet Office). 519

Nilsson, A. (2010), 'Vocational education and training – an engine for economic growth and a vehicle for social inclusion?', *International Journal of Training and Development*, **14**, 4, 251–72. 520

Pathak, P. and Dattani, P. (2014), 'Social return on investment: three technical challenges', *Social Enterprise Journal*, **10**, 2, 91–104. 521

Phillips, J. J. and Phillips, P. P. (2000), *The Return-on-Investment (ROI) Process: Issues and Trends* (San Francisco: Jossey-Bass). 522

Phillips J. J. and Phillips P. (2007), 'Measuring Return on Investment in Leadership Development', in K. M. Hannum, J. W. Martineau and C. Reinelt (eds), *The Handbook of Leadership Development Evaluation* (Hoboken, NJ: Wiley), pp. 137–66. 523

Pollard, E. L. and Lee, P. D. (2003), 'Child well-being: a systematic review of the literature', *Social Indicators Research*, **61**, 1, 59–78. 524

Sage, D. (2015a), 'Do active labour market policies promote the subjective well-being of the unemployed? Evidence from the UK National Well-Being Programme', *Journal of Happiness Studies*, forthcoming. DOI: 10.1007/s10902-014-9549-9. 525

AQ11AQ12 Sage, D. (2015b), 'Do active labour market policies promote the well-being, health and social capital of the unemployed? Evidence from the UK', *Social Indicators Research*, forthcoming. DOI: 10.1007/s11205-014-0788-2. 526

AQ13 Schalock, R. L. (2004), 'The concept of quality of life: what we know and do not know', *Journal of Intellectual Disability Research*, **48**, 3, 203–16. 527

Spitzer, D. R. (2005), 'Learning effectiveness measurement: a new approach for measuring and managing learning to achieve business results', *Advances in Developing Human Resources*, **7**, 55–70. 528

Stiglitz, J. E., Sen, A. and Fitoussi, J. P. (2009), *Report by the Commission on the Measurement of Economic Performance and Social Progress* (Paris: Commission on the Measurement of Economic Performance and Social Progress). 529

Stofferahn, C. W. (2000), 'Underemployment: social fact or socially constructed reality?', *Rural Sociology*, **65**, 2, 311–30. 530

Taillefer, M. C., Dupuis, G., Roberge, M. A. and LeMay, S. (2003), 'Health-related quality of life models: systematic review of the literature', *Social Indicators Research*, **64**, 2, 293–323. 531

Veenhoven, R. (2000), 'The four qualities of life: ordering concepts and measures of the good life', *Journal of Happiness Studies*, **1**, 1, 1–39. 532

Vinokur A., Schul Y., Vuori J. and Price, R. H. (2000), 'Two years after job loss: long term impact of the JOBS programme on re-employment and mental health', *Journal of Occupational Health Psychology*, **5**, 32–47. 533

- Vuori J., Silvonon J., Vinokur, A. D. and Price, R. H. (2002), 'The Tyohon Job Search Program in Finland: benefits for the unemployed with risk of depression or discouragement', *Journal of Occupational Health Psychology*, **7**, 5–19. 565
566
567
- Vuori, J. and Versalainen, V. (1999), 'Labour market interventions as predictors of re-employment, job seeking activity and psychological distress among the unemployed', *Journal of Occupational and Organizational Psychology*, **72**, 532–8. 568
569
570
- Wood, C. and Leighton, D. (2010), *Measuring Social Value: The Gap Between Policy and Practice* (London: Demos). 571
572
573












WILEY
Author Proof


AUTHOR QUERY FORM

Dear Author,

During the preparation of your manuscript for publication, the questions listed below have arisen. Please attend to these matters and return this form with your proof.

Many thanks for your assistance.

Query References	Query	Remarks
AQ1 	Please provide email for author Matt Loblely and check whether the affiliations are OK as typeset.	
AQ2 	Editor: Please check whether the style and placement of acknowledgment has been OK as set.	
AQ3 	Please note that reference Sage (2014) has been changed to Sage (2015) in accordance with reference list. Please check.	
AQ4 	Please note that reference Janse (2004) has been changed to Janse <i>et al.</i> (2004) in accordance with reference list. Please check.	
AQ5 	Please note that reference Livingstone (2004) has not listed in reference list. Please provide the details of the same.	
AQ6 	Please note that reference Butler <i>et al.</i> (2007) has been changed to Butler <i>et al.</i> (2006) in accordance with reference list. Please check.	
AQ7 	Please provide page range for reference Burbach (2009).	
AQ8	Please note that reference Burbach (2009) has not been cited anywhere in text. Please provide its citation at an appropriate place.	
AQ9 	Please provide page range for reference Carneiro and Heckman (2003).	
AQ10 	Please provide page range for reference Coutts et al. (2014).	
AQ11 	Please provide an update for reference Sage (2015a).	
AQ12 	Please check whether the insertion of 'a' and 'b' in reference Sage (2015), and check whether its citations are OK as typeset.	
AQ13	Please provide an update for reference Sage (2015b).	

AQ14	 Please confirm that given names (red) and surnames/family names (green) have been identified correctly.	
------	---	--

WILEY
Author Proof