



A joint effort for lifelong learning

A study of the effects
of the FLT scholarship fund for lifelong learning
and the facilitation of education
by Addisco

A D D I S C O

– the ambassador of lifelong learning

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A unique scholarship fund in the making

Addisco

Addisco, an education provider of 20 years, offers high quality courses and degrees to the Norwegian market. Addisco identifies, negotiates and facilitates education programmes for managers, engineers and technical staff that wish to embark upon lifelong learning (LLL).

Addisco's business idea is to be individual employees' first choice when it comes to lifelong learning to strengthen his or her employability in an open labour market. Addisco is an ambassador for lifelong learning, offering courses and degrees branded as "blended learning". As such, employees can undertake LLL courses without sacrificing work hours. The educational approach is "work- integrated", where the "flipped classroom" is a pivotal feature.

In Addisco's model, the employee's needs and requirements are in focus. The course content and didactics are tailored to fit these requirements, but it is also vital to Addisco that the courses are relevant to industrial needs. After Addisco has identified these needs, the education company finds relevant academic institutions (nationally or internationally) that can deliver according to the specification. Addisco always seeks long term cooperation with strategic partners. Important elements in continuously improving the courses offered is to evaluate teaching models, course content and the organization of each course. Addisco always involves the cooperating academic institutions and students in this continuous improvement.

All teaching uses concrete work experiences from students as an important foundation for academic reflection. The exchange of work experiences and network building are crucial goals of the Addisco model. To achieve these goals, Addisco believes that it is vital to build trust and motivation in the student groups. 20 years of experience suggests that no groups or classes should exceed 20-25 students as this seems to be an critical number for sharing relevant work experiences and finding mutual inspiration. Concrete means to achieve high levels of trust and reciprocity in the student groups include establishing frequent meetings and digital platforms.

Addisco has identified time and practical chores as the most important barriers to lifelong learning, in addition to funding. Addisco therefore helps students in overcoming many of the typical practical chores of lifelong learning to make sure the course participation is as smooth and trouble free as possible. Addisco takes care of immatriculation, literature, booking of airline tickets, hotel reservations etc. Addisco calls this model "one-stop-studying".

1992: The union called Norwegian Engineers and Managers Association (Forbundet for Ledelse og Teknikk, abbreviated FLT) and the Confederation of Norwegian Enterprise (NHO) settles on a collective agreement that designates 0.3 Norwegian kroner (NOK) per hour to a scholarship fund for lifelong learning (LLL) among FLT's members. Today, the scholarship fund is an important part of the union's collective agreements with several enterprise organisations and the contribution has grown to 1.10 NOK per hour (in 2016). Members that are covered by the collective agreement can apply for up to NOK 50 000 per year to cover expenses associated with lifelong learning. This sizeable funding of lifelong learning through a collective agreement can be regarded as unique, both in a national and international context. Through its years of existence, the scholarship fund has provided financial assistance to the completion of approximately 7600 courses. The purpose of the fund is to:

«[...] contribute to reducing educational inequality, as well as making sure that lifelong learning can be carried out regardless of geography, age or economic and social differences».

1999: FLT establishes its subsidiary *Addisco* – an organisation that offers courses in cooperation with institutions of higher education in Scandinavia (see text box). The establishment of *Addisco* was rooted in FLT's reasoning that the *funding* of lifelong learning should be provided in combination with an active and systematic *facilitation* of LLL, in order to lower the threshold for potential students (see text box). A majority of FLT members that receive financial support from the scholarship fund take courses through *Addisco*.

2016: Researchers Anders Underthun, Ida Drange og Elin Borg from the Work Research Institute (WRI) at the Oslo and Akershus University College of Applied Sciences (HiOA) investigates the effects of the scholarship fund and *Addisco*. Their findings are based on a representative study of FLT-members, interviews with present and former *Addisco* students, and interviews with managers in firms that contribute to the scholarship through signing the collective agreement. The focus of the study is on how the arrangement has affected the members' labour market status. The report (in Norwegian) was published in September 2017 and can be downloaded at:

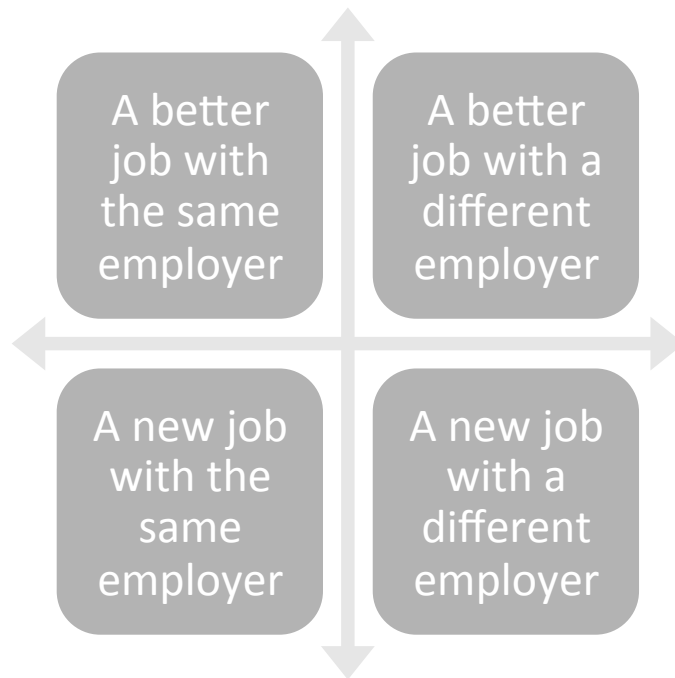
<http://www.hioa.no/Om-HiOA/Senter-for-velferds-og-arbeidslivsforskning/AFI/Publikasjoner-AFI>

Why lifelong learning?

What do we know from research about the effects of lifelong learning for the employee? The *human capital perspective* emphasizes that lifelong learning enhances the individual's knowledge and skills in a way that improves productivity. A different perspective points out that lifelong learning is a positioning tool to get jobs where a higher education or skill level is required.

Employability is a concept that captures many of the advantages of lifelong learning. The essence of the term is about securing employment. **For the employee** employability is about job prospects - how easy or difficult is it to get a new or better job. It is common to distinguish between *internal* and *external* employability. Internal employability reflects job prospects in the current firm, while external employability reflects the perceived chances of attaining employment elsewhere.

Figure 1. Internal og external employability



Higher employability is not only beneficial for the employee. At the **firm level**, employability relates to skill enhancement, flexibility, restructuring capacity and internal recruitment. However, it can also pose a risk. Employees with a higher skill level are more easily lost to the competition.

FLT's members operate in a labour market with a significant restructuring pressure due to the negative trend in the oil and gas industry since 2015. Of the respondents in WRI's survey 35 per cent report that they risk facing a less satisfactory job situation because of this pressure. The numbers are even higher among members that work specifically with energy, oil and gas (59 percent), and within engineering (39 per cent). This restructuring pressure makes external employability particularly important, both at the individual level, the firm level and the societal level.

The motivation for lifelong learning

FLT's scholarship fund and Addisco are based on the following benefits of lifelong learning:

- Maintaining employability in a shifting labour market
- Building confidence at work
- Improving job performance
- Attaining higher positions or higher wages in the current workplace
- Attaining higher positions or higher wages in a different workplace
- Learning as an end unto itself

These points are also typical for the motivation for lifelong learning for those participating in WRI's study:

«I discovered my options for lifelong learning, and I realized that as society changes – I also have to change [...] If you want to change jobs, they always look at your papers, and you have to get that straight. So basically, I take the courses to strengthen my competitiveness to get jobs. Both where I am now and in other firms, if I want to change».

– FLT member

WRI has compared the different motivating factors in their study. *Mastering, building confidence and skill enhancement within fields of interest* have the highest scores. Achieving a qualification is also important. Motivation related to attaining higher positions in the current workplace, enhanced chances for employment elsewhere and higher wages have medium scores, while expectations from the employer, negative motivation due to fear of job loss, and the desire for a break from work are less important motivating factors.

Table 1. Motivation factors for lifelong learning among FLT’s members.

***	<ul style="list-style-type: none"> • Skill enhancement within field of interest • Achieving higher confidence and mastering levels • Achieve (formal) qualification
**	<ul style="list-style-type: none"> • Higher position • Enhanced chances of work elsewhere • Higher wage
*	<ul style="list-style-type: none"> • Because of expectations from employer • Negative motivation due to perceived risk of losing job • A break from work

*** High importance

** Medium importance

*Low importance

A model that lowers the threshold for lifelong learning?

The motivation for lifelong learning is high among FLT’s members, and 49 per cent of the sample have participated in this kind of education. However, it is not always easy to give priority to lifelong learning in a situation where work pressure, family obligations and pastime activities compete. The decision to embark upon lifelong learning can also be a hard financial decision, and the endeavour does not necessarily yield higher wages at the other end. FLT’s scholarship fund for lifelong learning and the educational company Addisco are designed to be models that lower these thresholds or barriers. The barriers can be understood in a three-step model. Firstly, LLL has a *financial* barrier. Secondly, LLL has a barrier when it comes to *organizing or facilitating* studies combined with other obligations. Finally, LLL have barriers for *completion* because of difficulties of giving the studies enough priority.

Figure 2. Barriers for lifelong learning



WRI's study shows that 85 percent of the sample state that the financial support from the scholarship fund had great importance for the decision to embark upon lifelong learning. This is also emphasized in interviews:

«[...] that it is free, that makes it so much easier. I do not have to worry about money. If I had to pay NOK 30 000, I don't think I would have done it.».

-FLT-member

Addisco's model of helping students with admission, travel and accommodation arrangements and to scheduling all classes to selected weekends, was deemed highly important by the FLT's members that had participated in Addisco courses. On a scale from 1 (not important) to 5 (very important) the mean scores for all types of facilitation from Addisco are above 4.5. In particular, students are satisfied with a model that includes teaching blocks on weekends. Students are also highly content with administrative support, the quality of teaching and that course project work is linked to the student's own work situation. One student says:

« It [the facilitation] means a lot. You can focus on studying only. If I had to do all the other things myself, the whole process of applying and getting the info, I think a lot of us would have given up or not started at all. And you have to remember that a lot of us have not been in touch with school or training for many years.».

-FLT-member

Another interesting aspect about this facilitation is that those who have received financial support from FLT and carried out LLL through Addisco state that they to a lesser extent than others undertaking LLL studied within normal work hours. Numbers from Addisco also show that over 90 percent of their students complete their courses and receive formal qualifications. The active facilitation is a likely contribution to this. Addisco students also put emphasis on the social aspects of the Addisco-model and that this makes it easier to complete LLL.

Effects from LLL

Completing courses and receiving formal credits has an important effect in and of itself by raising the formal education levels at the individual level, the firm level and at the societal level. However, WRI has also scrutinized how the reported effects of completing LLL-courses are in accordance with or differ from the motivation the students had prior to embarking upon LLL.

The study shows that FLT-members that have completed LLL courses think that this in particular has enhanced skill levels, contributed to higher confidence and mastering levels, that they perform better in their jobs, and that required qualifications have been achieved. This corresponds to the motivating factors mentioned previously. The responses also show that those who have completed LLL to some extent think that LLL has made it easier to get work elsewhere and to keep the current job. They also report that they find more pleasure in their work. However, compared to the motivation factors, LLL has had less of an impact on wages, prospects for getting a higher position in the same workplace (internal mobility) and answered to the expectations from the employer.

Table 2. Effects from completing Lifelong learning among FLT's members

***	<ul style="list-style-type: none"> • Enhanced skill level within field of interest • Achieved higher confidence level and mastering • Better equipped to do the job • Achieved required qualification
**	<ul style="list-style-type: none"> • Higher chances of getting work elsewhere • Work is more pleasurable • Higher chances of maintaining job
*	<ul style="list-style-type: none"> • Answered to employer's expectations • Higher chances of a higher position in the same workplace. • Higher wages

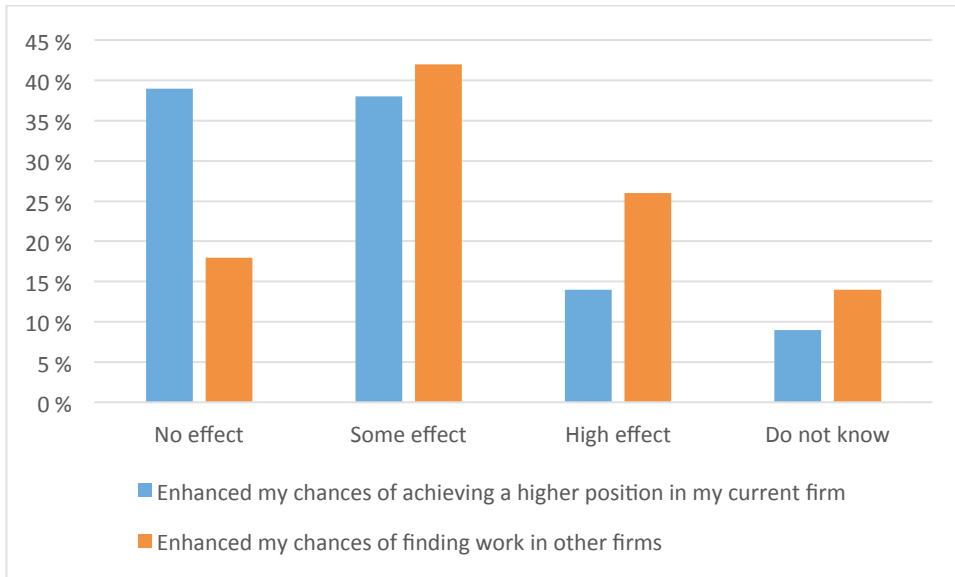
*** High importance

** Medium importance

*Less importance

When looking closer at the difference between internal and external employability, the study shows that LLL in general has a more important effect on *external employability* or the chance of getting employment elsewhere:

Figur 3 Does LLL enhance internal and external employability?



Additional effects from FLT’s scholarship fund and Addisco?

The effects above refer to all respondents that have carried out LLL. When asked about how their latest LLL-course was funded, 49 per cent answered “by my employer”. 38 per cent had been funded by FLT’s scholarship fund and the rest had paid for the course themselves, were funded by other scholarships or from the Norwegian State Educational Loan Fund. From those with financial support from FLT, 72 per cent carried out LLL through Addisco, while 28 per cent chose and administered the LLL themselves.

In their study, Underthun, Drange and Borg find that the type of funding or the way LLL is organized, seems to influence the effects of LLL.

Employees that receive funding for LLL from their employer report to a significantly higher degree that they satisfy the expectations from the employer and that it has led to higher loyalty to the employer. The authors also find that those funded by the employer to a lesser extent report that they are in danger of ending up in a less satisfactory work situation. However, funding from the employer does not give a higher effect on wages or the likelihood of ending up in a higher position in the same firm.

FLT’s scholarship fund and Addisco are rooted in principles of securing education that enables individual employability. At the same time, the arrangements are to be relevant to working life and that employers can yield benefits from skill enhancement. The study shows that those who take LLL funded by FLT through Addisco to a significantly higher degree than those in other programs perceive that their skill levels are enhanced. Addisco students also report that it is significantly easier to get a different job. Addisco therefore seems to yield an additional effect on *external employability* compared to other respondents in the sample that have completed LLL with formal credits.

Those funded by FLT, that choose to undertake studies without an affiliation with Addisco, report a higher likelihood of maintaining employment in the same workplace. They also report to a higher degree that they answer to the expectations from the employer. The perceived effect of LLL is similar to that of those funded by the employer. Interestingly, this group also reports a small but significantly higher effect on wages than the other groups – suggesting that choosing and

administering courses on your own can be a strategic choice to achieve a higher status in the current workplace.

Qualifying into existing positions

A final point about employability is that a high number of FLT members report that they feel underqualified for the position they hold in their respective firms. Only 13 per cent of FLT's members claim to be over qualified. 47 per cent claim to have an educational and skill level that is required if their job was to be announced vacant, while four out of ten respond that their current educational level is lower than what is required. Undertaking LLL can therefore be an important way for FLT members to qualify into their current job positions and job roles. This can also explain why more members state that LLL can lead to higher external employability, while not seeing upward mobility (higher position or wages) in their current workplace as very likely.

Benefits to the employer

The study also points to benefits of LLL for the employing firms. In general, firms with collective agreements with FLT can draw benefits from higher skill levels, higher levels of confidence and mastering, as well as improved job performance.

Four case study firms are explored more closely in the report. The researchers find direct benefits to the employing firms. For instance, two of the firms have implemented organizational innovations at the workplace level as well as at the corporation level, as direct consequences of Addisco-related student assignments. The researchers also find benefits related to «better knowledge flows» and that experiences of LLL also makes it easier to utilize each other's strengths. An example in this regard is that of engineers getting a better understanding of and respect for other fields, such as law or project management. This has facilitated better cooperation in the workplace, and features as an important goal for a leading technology firm:

«[...] we want to build interdisciplinary relations and utilize our resources better in that way. This is an important part of our strategy and we work quite systematically with it. [...]».

-Director in technology firm

A manager in a different firm emphasizes that the type of competence that the Addisco students acquire is beneficial for building a more coherent understanding of how the workplace works:

«I see that they [FLT-members] have a better understanding of how the company works after taking the [Addisco] courses. Engineers, operators... they see beyond their own tasks and this is good for us.».

-HR-manager in manufacturing firm

In interviews, FLT-members in the selected firms also emphasize that they have gained more respect and curiosity for science based knowledge after they started LLL. In an innovation perspective, this can be highly important for Norwegian competitiveness. The researchers from WRI also find that those who have completed Addisco-courses want to influence decisions in the companies they work at because the LLL has contributed to higher perceived skills and higher confidence.

Recommendations

WRI's report recommends that FLT's scholarship fund arrangement should be included in future collective agreements. Considering the positive effects for members and employing firms, the researchers suggest that FLT and their partner enterprise organizations should consider to expand the arrangement. The scholarship fund and Addisco also serves as an example for other unions and enterprise organisations.

A general effect of the scholarship fund is that these kinds of arrangements lower the threshold for considering lifelong learning. WRI particularly supports the idea that the fund targets LLL that yields formal education credits. This is important, as formal qualification is becoming a more important currency in current and future labour markets.

WRI also considers the subsidiary Addisco to be a success and indeed a prerequisite for securing many of the positive effects that the report refers to. This is because:

- Addisco is important to strengthen external employability. This is as asset to the individual in volatile labour markets and it also strengthens the restructuring capacity of those labour markets.
- Addisco's system of administrative facilitation secures a high implementation rate.
- Addisco is important for coupling LLL courses to working life.
- Addisco's strategy for facilitating completion of academic degrees or diplomas is sound because it enhances the formal power position and mobility opportunities for individuals in a labour market that puts more emphasis on higher formal education.

WRI also concludes that providing financial support to members that wish to take LLL courses outside Addisco is important because it gives the individual more freedom of choice. This freedom is important in instances where Addisco does not offer courses that are appropriate to the individual's career strategies. However, the study also suggests that this freedom can be a double edged sword as the desire to embark upon specific courses may be a result of a negotiation with the employer. In some of these cases, this negotiation reflects a skill enhancement need that should be funded by the employer. A number of applications to the scholarship fund are rejected on this basis every year.

WRI recommends that FLT and Addisco work harder to promote the scholarship fund and the education opportunities through Addisco in companies that are covered by the collective agreement. This may strengthen the positive effects at the workplace level further, and may also contribute to higher *internal* mobility as managers become aware of individuals that have carried out LLL. It will also contribute to legitimizing the scholarship fund arrangement in the Confederation of Norwegian Enterprise's (NHO) member firms.