

Centre for Employment Relations, Innovation & Change

LEEDS UNIVERSITY BUSINESS SCHOOL



UNIVERSITY OF LEEDS



Employer Engagement in Active Labour Market Programmes in the UK and Denmark: Final Report



Policy Report No. 8

CERIC

Centre for Employment Relations, Innovation & Change

Jo Ingold
Meenakshi Sarkar
Danat Valizade
Reece Garcia
Frederike Scholz

Acknowledgements

Financial support for this research project was provided by an Economic and Social Research Council Future Research Leaders Award (ES/K008617/1). The authors are grateful to Professor Mark Stuart and to the Project Advisory Board members for their advice and support throughout the project. The authors also wish to thank colleagues at our partner institution, Aalborg University (Denmark) for their assistance with this research, in particular Professor Thomas Bredgaard. Grateful thanks to Anastassia Belynskaia for the report design.

About the authors

Jo Ingold is Lecturer in Human Resource Management and Public Policy at Leeds University Business School and Principal Investigator for the research project

Meenakshi Sarkar is a doctoral researcher in the Centre for Employment Relations Innovation and Change

Danat Valizade is Lecturer in Quantitative Methods at Leeds University Business School

Reece Garcia is Senior Lecturer in Employment relations and HRM at Manchester Metropolitan University

Frederike Scholz is a doctoral researcher in the Centre for Employment Relations Innovation and Change

About CERIC

Leeds University Business School's *Centre for Employment Relations, Innovation and Change (CERIC)* engages with contemporary issues in the area of work and employment that have direct policy relevance and significance. Members of CERIC have a recognised external reputation and an outstanding track record of publications at the level of international excellence.

Research conducted by members of CERIC has led and contributed to not only academic debate but provided an importance evidence base for policy makers. Engagement with end-users and knowledge translation forms a central component of the research activity of much of the Centre's work.

We are committed to ensuring that our research informs policy and practice. If you or your organisation make use of the research findings in this report in your policy design and/or delivery, please let us know by contacting j.ingold@leeds.ac.uk.

Contents

Acknowledgements	2
About the authors	2
About CERIC	2
Contents	3
List of Figures	4
List of Tables	4
Summary	5
Chapter 1: Introduction	6
1.1 Methods	6
1.2 Literature Summary	6
1.3 The UK and Danish contexts.....	7
Chapter 2: Research Findings – Employers	10
2.1 Characteristics of the employer sample	10
2.2 Employer participation in programmes	11
2.3 The public employment service (Jobcentre Plus and Danish Jobcenters)	14
2.4 Employers’ views of programmes.....	15
2.5 Depth of employer engagement	18
2.6 ‘Instrumental and relational’ engagement.....	20
2.7 Inter-organisational relationships.....	21
2.8 Employers’ recruitment and selection process	24
2.9 Recruitment of disadvantaged labour market groups	24
Chapter 3: Research Findings - Providers	29
3.1 Provider characteristics	29
3.2 Employer engagement methods	29
3.3 Reasons for employers’ engagement.....	31
3.4 Barriers to employer engagement	34
3.5 Depth of employer engagement	36
3.6 Inter-organisational relationships.....	38
3.7 Providers’ ‘Success Mantras’	41
Chapter 4: Conclusions and Recommendations	43
4.1 Conclusions.....	43
4.2 Recommendations	44
References.....	48
Appendix: Main ALMPs featured in interviews in the UK and Denmark	49

List of Figures

Figure 1: Size of employers, UK and Denmark	10
Figure 2: Sector of employers, UK and Denmark	10
Figure 3: Standard Occupational Codes of employers, UK and Denmark.....	10
Figure 4: Employer participation in programmes, Denmark	11
Figure 5: Employer participation in programmes, UK	11
Figure 6: Depth of engagement, UK and Denmark	19
Figure 7: Reasons for not engaging in programmes, UK and Denmark.....	19
Figure 8: Reasons for engaging in programmes, UK and Denmark.....	20
Figure 9: Size of organisations in interview samples, UK and Denmark	29
Figure 10: Sector of organisations in interview samples, UK and Denmark.....	29
Figure 11: Providers' sales process	30
Figure 12: The triangular employer engagement relationship	38
Figure 13: Model of employer engagement success.....	41
Figure 14: A model of instrumental and relational employer engagement.....	43

List of Tables

Table 1: Recruitment methods used (multiple response)	24
Table 2: Examples of modifications to the recruitment process	28

Summary

This report presents findings from a comparative mixed methods study of employer engagement in active labour market programmes (ALMPs) ¹ in the UK and Denmark.² The report focuses on findings from 103 in-depth semi-structured qualitative interviews with employers and organisations delivering (ALMPs) ('providers') ³ in the UK⁴ and Denmark.

- Employers in both countries were positively disposed towards unemployed candidates but were critical of ALMPs, which they considered unsuited to their needs.
 - Employers felt that benefit conditionality and ALMPs could 'tarnish' candidates and were dissatisfied about receiving large numbers of job applications as a result of conditionality and entitlement conditions, particularly in the UK.
 - UK employers were discouraged from engaging in ALMPs due to the large number of programmes and providers, lack of knowledge and clarity about their value and how to access them.
 - Danish employers were more knowledgeable about ALMPs and positively disposed towards them but felt that they were not focused on hiring individuals into sustained, permanent employment.
- Employers considered themselves to be engaged when they felt committed towards ALMPs. In the UK, 23% of employers considered themselves to be engaged on an 'instrumental' (ad hoc) level and 33% on a 'relational' (in-depth, sustained) level. In Denmark the figures were, respectively, 35% and 40%.
 - Danish employers had greater institutional trust in government policy and programmes. This translated into stronger inter-organisational trust (between employers and providers). Inter-personal trust (between individuals from employer and provider organisations) could augment this but was not crucial to employer engagement.
 - By contrast, in the UK institutional trust was extremely weak, leaving more 'gaps' to be filled by providers through the development of inter-personal relationships with employers. However, although these relationships were critical to employer engagement, they were also fragile.

¹ ALMPs are government programmes that aim to move benefit claimants into employment.

² The first phase of the research was a survey of employers in the UK and Denmark (see Ingold and Valizade, 2015).

³ 'Providers' include the public employment service and organisations contracted by government at national or sub-national levels.

⁴ England, Scotland, Wales and Northern Ireland

Chapter 1: Introduction

This report presents findings from a comparative mixed methods study of employer engagement in active labour market programmes (ALMPs) in the UK and Denmark. In the first phase a survey of over 1,500 employers in the UK and Denmark was undertaken (see Ingold and Valizade, 2015). This report focuses on findings from the second phase.

1.1 Methods

In the second phase, 103 in-depth semi-structured qualitative interviews were conducted in the UK (England, Scotland, Wales and Northern Ireland) and Denmark during 2015 and 2016. The sample was comprised of employers and organisations delivering ALMPs in both countries, including the public employment service and organisations contracted by government at national or sub-national levels ('providers'). The employer samples comprised 40 in the UK and 20 in Denmark and were with the person responsible for recruitment in each establishment. The provider sample was comprised of 26 in the UK and 10 in Denmark. Additionally, interviews were undertaken with five key policy informants across the two countries, in order to provide current policy context for the interviews.

The employer sample included participants from the first phase telephone interviews, which were representative of the business populations in each country,⁵ with some additions, including large businesses in the UK. The provider sample was comprised of employer engagement staff and was derived from two routes. Firstly, individuals that employers had named as key contacts for their involvement in ALMPs, with the intention that both sides of the relationship could be

analysed (Marchington and Vincent, 2004). Secondly, in order to construct a sample that was representative of the different types (private, public and third sector) and sizes of organisations in the employability sectors in both countries, the provider sample was boosted by some additions, approached through networks and through cold calling.

Interview length ranged from 20 minutes to two hours. All except four (employer) interviews were transcribed in full. Data were coded and thematically analysed using Nvivo software. In all cases, the confidentiality and anonymity of organisations and individuals was protected and both the University of Leeds' and the British Sociological Association's ethical guidelines were adhered to.

1.2 Literature Summary

The first phase employer survey focused on measuring employers' participation and their engagement in ALMPs in the two countries. Participation was measured in terms of their involvement in ALMPs. In order to measure employer engagement, two clusters of employers were identified from the survey data (Ingold and Valizade, 2015, p.24). Firstly, those who were engaged in ALMPs at an 'instrumental' or ad hoc level. Secondly, those who were engaged at a 'relational' or in-depth and sustained level.⁶ The second phase of the research focused on exploring further employers' engagement in ALMPs.

'Employer engagement' has increasingly been used by policymakers and practitioners. However, despite employer engagement in ALMPs being critical to their success, to date it is still an under-explored area of research. van Berkel et al (2017) have defined employer engagement as "the active involvement of employers in addressing the societal challenge of promoting the labour market participation of vulnerable groups" (p.503). Bredgaard

⁵ See Ingold and Valizade (2015: 13).

⁶ For a short literature review on the measurement of employer engagement in studies to date, see Ingold and Valizade (2015, pp.9-11).

(2017) has distinguished between the behaviour and attitudes of employers towards ALMPs, identifying four types of employer (the committed, the dismissive, the sceptical and the passive). Ingold and Stuart (2015) have suggested that employer engagement in ALMPs is distinct from mere involvement or participation and has two 'faces': on the one hand, employer involvement with ALMPs; and, on the other hand, the attempts by providers of employment services to engage employers. Additionally, they argue that employer engagement in ALMPs is more successful when engagement is sustained and based on relationships built up with employers (Ingold and Stuart, 2014), drawing attention to both sides of the employer engagement relationship (employers and organisations delivering ALMPs). This suggests that inter-organisational relations (IORs), including the role of collaboration, partnerships and networks is important to employer engagement.

IORs focus on relations between - rather relations within - organisations (Williams, 2002: 105). Drawing specifically on Macneil's relational contract theory, Blois' (2002) study of business-to-business 'exchanges' has conceptualised IORs on a spectrum from one-off (discrete) to relational (many). As in the survey report, in this report Blois' framework is used to analyse the type and degree of employer engagement in different types of ALMPs in the UK and Denmark. A critical underpinning of IORs is the fostering of trust. Bachmann (1999) examined trust in business-to-business relations in Britain and Germany. He argued that in Britain system trust was low due to a relatively low level of institutional regulation and weak embeddedness of social interactions (including highly decentralised industrial relations). Trust between businesses was sporadic and, when it did occur, was likely to derive from personal trust based on individual experiences. By contrast, in Germany system trust was stronger as it was produced in the context of the institutional framework, characterised by tight regulation and a strong institutional order. In Germany

individuals were trusted as representatives of their organisations, rather than as individuals. Similarly, in another study of business-to-business relations in the UK, Marchington and Vincent (2004) suggested a framework depicting IORs at the institutional, organisational and inter-personal levels. They suggested that, in the absence of strong institutional and organisational-level forces, there may be localised incentives for parties to engage in close inter-personal cooperation (Marchington and Vincent 2004, p. 1053). However, inter-personal relations are fragile in situations that lack strong institutional or organisational-level influences (Marchington and Vincent 2004: 1050).

Based on this literature, the following research questions guided this study, focusing on the role of IORs in employer engagement in ALMPs:

1. What are the characteristics of employers which do and do not engage in ALMPs? Are there differences in these characteristics between the UK and Denmark?
2. What are the reasons (institutional, organisational and inter-personal) why employers do or do not engage in ALMPs? Are these reasons different in the two countries?
3. What are the different types and degrees of employer engagement and how and why do these differ across the two countries?
4. How do different configurations of organisations and different contracting modes impact on employer engagement in the two countries?

The next section provides some detail on the UK and Danish contexts for the research.

1.3 The UK and Danish contexts

Since the widespread expansion of ALMPs across European and OECD countries in the 1990s, the UK and Denmark have been viewed as pioneers of these policies and programmes. The research aimed to examine two countries

with similar ALMP policy trajectories but with different institutional contexts. Both countries have liberal, flexible labour markets, with Denmark having the most flexible ‘hire and fire’ regulations in Europe after the UK but supported by the Danish model of ‘flexicurity’.⁷ Denmark has a strong tradition of social partnership through tripartite bodies at the national and regional levels; the UK lacks this, although the ‘municipalisation’ of Danish employment policy from the late 2000s has somewhat weakened its traditional social partnership model (Bredgaard 2017, p.7).

In Denmark the Ministry of Employment and the Danish Agency for Labour Market and Recruitment (STAR) are responsible for national legislation. STAR’s regional divisions and eight labour market councils (RAR) are responsible for contact and coordination with 94 municipal Jobcenters (public employment service) that, in turn, implement ALMPs, or ‘activation’ (*aktivering*) (STAR, 2015). In the late 2000s, Denmark experimented with mandatory contracting-out of employment services (including administrative services). This coincided with the devolution of employment policy and the introduction of municipality-led Jobcenters. However, economic evaluations demonstrated that outcomes from contracted provision were not better than those resulting from the public employment service (Jobcenters). Consequently, municipalities now have authority to decide whether and which activation services to contract out. Additionally, economic evaluations demonstrated that activation delivered by private employers resulted in better employment outcomes than activation delivered by Jobcenters (Bredgaard, 2017, p.8). This has led to activation being focused largely on two key programmes: *Virksomhedspraktik* (business enterprise

training/internships) and *Løntilskud* (wage-subsidized jobs). The other key activation programme in Denmark is *Flexjobs* for disabled people, offering subsidized, permanent jobs under special conditions and involving in-work support and reduced working hours (Etherington and Ingold, 2015: 151).

On 1 January 2016 a new State Reimbursement Reform was introduced that changed the mechanisms by which municipalities are reimbursed by national government for their spending on certain social security benefits.⁸ The aim of this is to encourage municipalities to invest in more effective and ‘meaningful’ activation, in order to move unemployed groups into (sustained) employment or education.

At the time of the research, a number of policy initiatives in Denmark had also sought to make employers more central to ALMPs. This included an employment reform in 2014 (following the recommendations of the Koch Labour Market Commission) that emphasised the importance of implementing ‘company-oriented’ activation, following criticisms from employers and from the Minister for Employment. STAR introduced a number of initiatives across three ‘service tracks’ for employers (recruitment service, up-skilling and staff retention). This included attempts to better coordinate services for employers across municipalities and the introduction of a new national hotline (*Jobservice Denmark*) across municipalities as a ‘single point of entry’ for large or nationwide companies.

In the UK the Department for Work and Pensions (DWP) is responsible for employment policy and for the commissioning and delivery of ALMPs, including through Jobcentre Plus (public employment service) in England, Wales

⁷ The Danish flexicurity model is a ‘golden triangle’ of a flexible labour market with flexible rules for hiring and firing employees (about 25 per cent of Danish private sector workers change jobs each year); unemployment security (a legally specified unemployment benefit at a relatively high level); and active labour market policy.

⁸ The two main categories of benefit recipients in Denmark are those who have unemployment insurance via Unemployment Insurance Funds (linked to the trade unions) and uninsured unemployed, who receive social assistance (or ‘cash’) benefits.

and Scotland.⁹ In England, the Department for Education¹⁰ separately oversees post-compulsory education and skills, largely through the Education and Skills Funding Agency (ESFA).¹¹ Since the late 1990s, across the UK external providers from the private and third sectors have been involved in the delivery of ALMPs, in addition to Jobcentre Plus. This began with the New Deal programmes (1998-2010) and other ALMP provision, such as Employment Zones and Pathways to Work. Involvement of agencies other than the state in ALMP delivery expanded exponentially under the 'Work Programme' introduced in 2011 across England, Wales and Scotland as a comprehensive employability programme for long-term unemployed individuals and disabled people assessed as 'fit for work'.

The Work Programme signalled a shift from the existing provider payment model (largely based on job entry) towards a focus on 'sustained' employment, incentivised by a payment-by-results (or outcome-based funding) model. In practice the Work Programme as a national level contract has sat alongside a number of other ALMP initiatives, including those funded by the European Social Fund, local authorities and the devolved nation governments. This included the Work Choice programme for disabled people not routed to the Work Programme¹² and programmes delivered by Jobcentre Plus, including Sector-based Work Academies¹³ lasting up to 6 weeks and involving pre-employment training, a work experience placement and a guaranteed job interview.

In terms of employer focus within ALMPs in the UK, there have been attempts to bridge the gap between employers and public employment and skills policy. This began with

the Manpower Services Commission from 1973, the Training and Enterprise Councils (1990-2001) and, latterly, through the New Deal Task Force¹⁴, the National Employment Panel (from 2001) and the UK Commission for Employment and Skills (UKCES) (2008-2017). In 2011 a network of 39 Local Enterprise Partnerships (LEPs) was introduced in England (along with Enterprise Zones in Wales and Employability Partnerships in Scotland) as voluntary partnerships between local authorities and employers to lead regional economic growth. Following the closure of the UKCES in 2017, the responsibility for coordinating the requirements of employers with regard to ALMPs now largely lies with LEPs (and their devolved nation equivalents), local authorities, Jobcentre Plus at regional and local levels and a changing network of providers contracted to the DWP's national contracting framework for employment service delivery (and the ESFA's skills funding contracts). Under new devolution powers, such as City Deals and Growth Deals, some areas now directly contract their own employability and skills programmes.

Having introduced the study, the next section presents the findings, beginning with the interviews with employers in both countries.

⁹ In Northern Ireland the Department for Employment and Learning commissions its own ALMPs and has its own JobCentre network.

¹⁰ Until April 2017, the Skills Funding Agency operated under the authority of the Department for Business, Innovation and Skills.

¹¹ In Wales this is delivered via the Welsh Government's Department for Education and Skills.

¹² On which the Work and Health Programme for long-term unemployed and disabled people (from 2017) is modelled.

¹³ Available in England and Scotland and as 'Routeways to Work' in Wales.

¹⁴ Linked to the New Labour governments' New Deal programmes

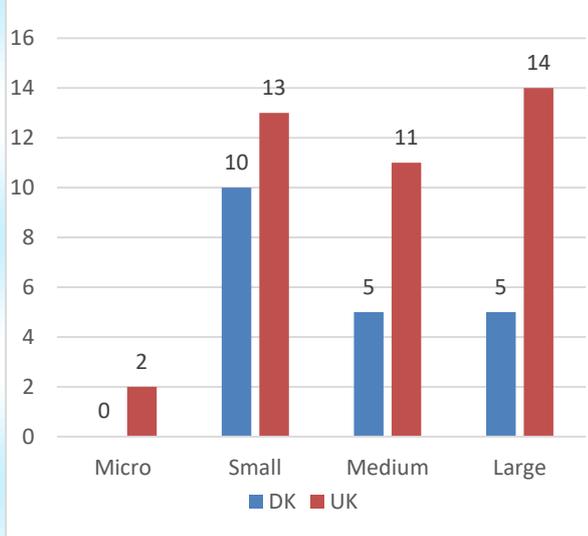
Chapter 2: Research Findings – Employers

This section presents the findings from the interviews with 40 employers in the UK and 20 in Denmark.

2.1 Characteristics of the employer sample

Figure 1 shows the size of organisations in the employer samples in both countries.

Figure 1: Size of employers, UK and Denmark (number)



Micro	0-9
Small	10-49
Medium	50-249
Large	250+

Figure 2 shows the sector of organisations in the employer samples in both countries. The dominance of public sector employers in the Danish sample is representative of the Danish business population however Danish public sector employers are more likely to cooperate with Jobcenters but less likely to employ individuals from ALMPs into ‘ordinary’ (non-subsidized) employment (Bredgaard, 2017).

Figure 2: Sector of employers, UK and Denmark (number)

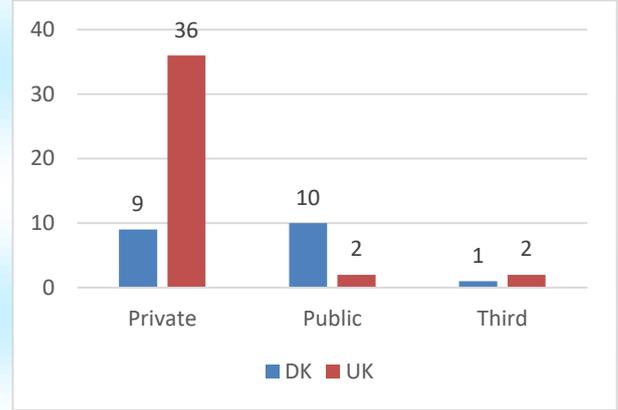
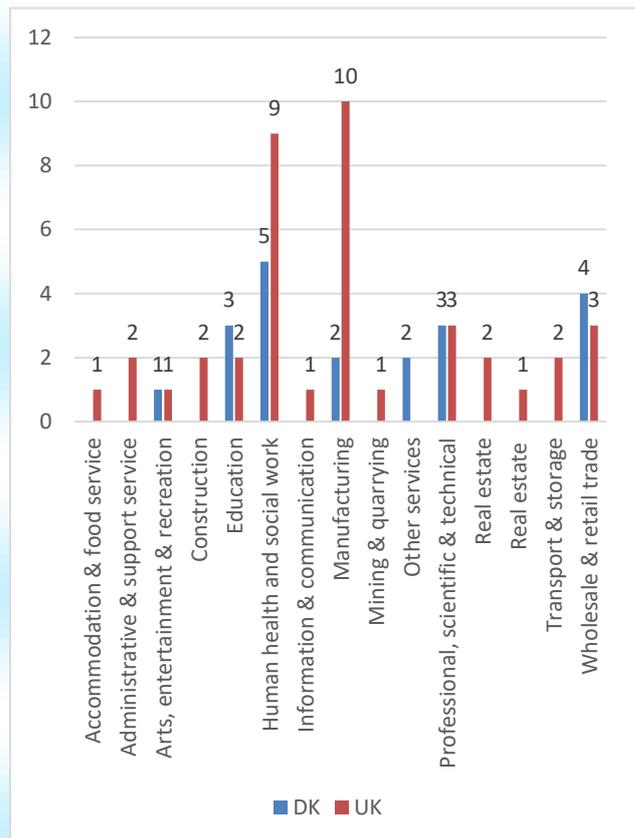


Figure 3 shows the Standard Industrial Classification (SIC code) of organisations in the employer samples in both countries.

Figure 3: Standard Occupational Codes of employers, UK and Denmark (number)



2.2 Employer participation in programmes

In the employer survey, a distinction was made between employer participation and ‘employer engagement’ (Ingold and Valizade, 2015). Participation measured involvement in programmes but engagement was a combined measure that included involvement, use of HR-related services and recruitment from programmes.

In the interview phase, it was notable that every single Danish employer interviewed had taken part in at least one programme and often in more than one. By contrast, amongst UK employers, programme participation was more sporadic. This accords with the survey data, where, although the level of employer *participation* in programmes was similar across both countries (72.4% in the UK and 78.4% in Denmark), in terms of more in-depth *engagement*, in Denmark 59.7% of employers were relationally engaged, compared with only 31% in the UK.

In Denmark, employer knowledge about programmes was widespread but UK employers demonstrated a lack of knowledge of programmes (or knowledge that was outdated). Often employers were unsure about the names and details of programmes in which they may have participated. Figures 4 and 5 below show the programmes in which employers had participated and the Appendix contains key information about these programmes.

UK employers were very familiar with apprenticeships over and above other ALMPs, perhaps because apprenticeships are a clear brand that has been heavily promoted by recent governments. By contrast, in Denmark apprenticeships for young people are not considered to be ALMPs but are educational/vocational programmes. Adult apprenticeships (for those aged over 30) are, on the other hand, considered to be ALMPs, as participants are unemployed and without vocational qualifications.

Figure 4: Employer participation in programmes, Denmark (number)

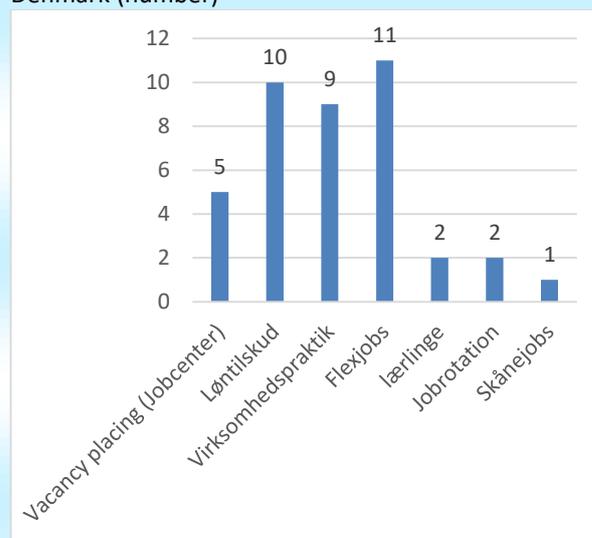
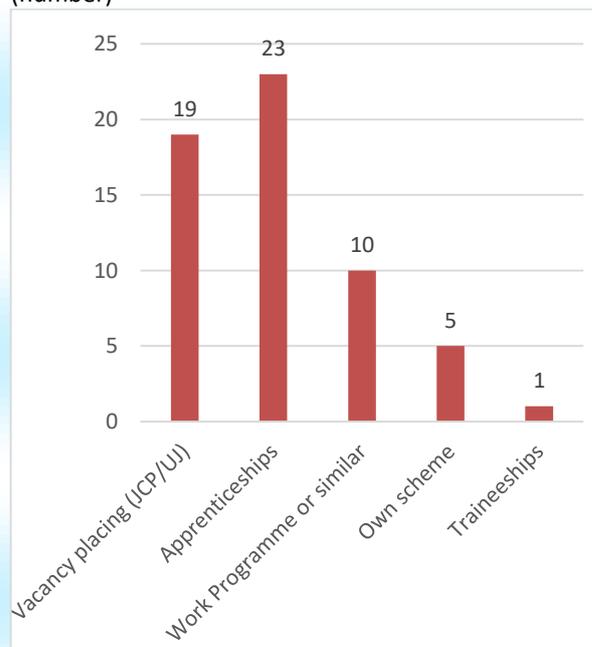


Figure 5: Employer participation in programmes, UK (number)



In the UK 23 employers interviewed had taken part in apprenticeships, ranging from ‘one or two every year’, to some organisations having four or five and the largest organisation (part of the NHS) reporting 400 apprentices over six years. Apprenticeships were popular with employers who wanted to ‘give young people a chance’ and to ‘develop talent’ in their organisation. The ‘cost-effectiveness’ of apprentices was also viewed as attractive. Apprenticeships were more popular in particular organisational areas (e.g. administration) but, where they had been

successful, employers looked to extend the reach of apprenticeships into other business units.

The majority of the employers interviewed in both countries had strong internal labour markets in their organisations. On the one hand, this meant that internal candidates were prioritised for vacancies and there were opportunities for progression for individuals recruited from ALMPs. On the other hand, this limited opportunities for those from outside, including from ALMPs.

The majority of UK employers who had participated in programmes stated that they had employed individuals from ALMPs, although these were mainly via apprenticeships. Apprentices were either recruited into full-time permanent positions from the start or were offered such roles at the end of their training. A small number of employers had had their apprentices 'poached' by other employers, with the attraction of a pay rise or a change of location but most employers were fairly understanding about this. In a few cases, employers stated that recruits were with them for a few weeks, or had been recruited into fixed term positions. Employers were critical of the low level of the government's advertised apprentice wage, which they felt was off-putting for candidates, although most stated that they paid above this. Many employed specifically stated that they did not offer temporary positions or zero hours contracts and were particularly critical of the latter. This contrasts with the prevalence of zero hours contracts amongst the survey sample.

Amongst Danish employers, recruitment from programmes was more mixed. This was largely because the key programmes were short-term, with (in employers' views) no apparently explicit intention that employers would hire

from them.¹⁵

Amongst Danish employers who had hired from programmes, there was a mixture of permanent contacts and fixed term contracts and the number of individuals recruited ranged from a small number to some reporting that they had recruited around half of the ALMP participants routed to them. Where programme participants were recruited, employers said that they appreciated being able to see their potential in a realistic work situation provided by programmes such as *Løntilskud* (wage-subsidised jobs) and *Virksomhedspraktik* (internships in businesses). Reasons for not hiring were a lack of demand in organisations or because employers did not perceive that candidates from ALMPs had the requisite skills or qualifications. Employers talked about using *Virksomhedspraktik* for individuals to undertake additional tasks that were useful for the organisation, rather than a specifically identified job role. In these cases the individual did not necessarily progress into a more permanent role in the organisation. In a small number of cases in Denmark individuals had progressed through a number of different programmes in one organisation.

In terms of the process of participating in ALMPs, in the UK the majority had contacted providers themselves, rather than vice versa. In some cases employers reported that contact from a provider was purely serendipitous. In Denmark provider contact was more mixed, with some employers having been contacted by Jobcenters, while for others it was the other way around, based on employers' own knowledge of programmes. A small number of Danish employers had written partnership agreements with municipalities but these were less of a feature in the UK, unlike in the early stages of the Work Programme (see Ingold and Stuart, 2014, p.14). In one case a Danish

¹⁵ This finding is likely to be skewed by the large number of public sector organisations in the interview sample and relates to the historical presence of a quota scheme for individuals receiving public wage subsidies, which

often did not lead to ordinary (non-subsidized) employment. The scheme was abolished in 2016 and since then the number of public wage subsidies has declined.

retailer had agreements with over 70 out of 98 municipalities and five staff managing the relationship with them.

With regard to the decision to participate in programmes, in a few cases it was ‘companywide’ and in other cases it occurred when a Chief Executive or Director met with an individual from a provider, or knew them already. For most respondents in both countries though the decision to participate in programmes was taken at a local level. However, a key issue for larger organisations was the amount of people that needed to be involved or included in order to make the decision. In one successful example of a large UK retailer working with prisons to offer job opportunities to ex-offenders, the internal approach to participation was described *“relatively rogue, I think that’s probably the best way to do it...I kind of tagged it alongside, and then I hijacked a couple of meetings at the last minute” (large retailer - UK)*. However, once an initial decision had been made, going forward this could continue at a devolved level. Many UK employers stated that a ‘champion’ within the organisation was important to the decision to participate in a programme but emphasised that, in cases where the existing champion had left, it was critical to quickly identify another.

Danish employers did not identify champions as being important. One Danish retail manager talked about how, although as a manager he was committed to taking programme participants wherever they could in their stores, ultimately the decision was devolved to team managers:

“So we have, let’s say, in a store, we have ten openings for what we call that group of people, unemployed employees or -. So that means that the municipality will put them in the store, we will give them a mentor and regular follow up and teach them how to conduct the job. And then after, that could be between 4 weeks and 13 weeks, we will

decide who of them could actually stay in the job”

(large, retail - Denmark)

In both countries, the decision to participate in ALMPs was balanced with the impact on, and resource implications for, other employees.

In both the UK and Denmark, in some cases providers selected candidates for employers and in other cases it was the other way around. In a small number of cases, employers advertised job vacancies and a preferred candidate happened to be on a particular programme. Some employers were happy with the candidates selected by providers; others would have liked to have more say over the choice. In both countries candidates tended to undergo exactly the same recruitment and selection process as others applying outside of ALMPs (see sub-section 2.8). However, in some cases in the UK, employers specifically offered work experience or work trials (lasting from a couple of days to, in one case, up to three months) and assessment days. Some employers had developed bespoke and structured programmes in partnership with a provider, usually trialling this on a small numbers basis initially. The following quote highlights how this could work:

“they have a one day taster day first of all. If they get through the taster day, there’s a four week work experience programme (with a buddy), but at the end of those four weeks, budgets permitting and individuals permitting, if they get through and they are successful then there’s a real opportunity for a job”

(large, retail - UK)

The next section looks at employers’ views of the public employment service.

2.3 The public employment service (Jobcentre Plus and Danish Jobcenters)

Employers in the UK had used Jobcentre Plus for vacancy-placing, including using Universal Jobmatch¹⁶ and some employers advertised all of their vacancies through this channel. A significant positive of using Jobcentre Plus was that it was free and, for some employers, it was viewed as being the fastest and easiest way to recruit. However, a number of employers commented about their previous (often dated) personal and tailored service (sometimes with a named account manager) from Jobcentre Plus, including easy placement of vacancies over the phone. However, most employers were overwhelmingly critical about the more recent shift in the provision of Jobcentre Plus services to 'digital by default', describing 'Universal Jobmatch as 'not user-friendly' and 'antiquated'. For most employers, the lack of follow-up from Jobcentre Plus was also problematic, although some talked about how Jobcentre Plus local office staff had made 'tweaks' to their system, e.g. taking vacancies over the phone.

In both countries, the lack of a tailored service resulted in employers being sent candidates who were of 'poor quality', were unsuitable, or ill-prepared, or who did not turn up to interviews. Examples given were candidates not having attributes specified in the job description, such as relevant industry experience, or candidates being unable to drive when the person specification required a driving licence. UK employers talked about receiving large numbers (often hundreds) of applications, which employers attributed to Jobcentre Plus as a result of requirements to apply for a certain number of vacancies each week to receive benefits. Many employers were critical of a system that they perceived as making individuals 'jump through hoops' in order to 'tick boxes', rather than individually

targeting of employability support to particular individuals. The following quote about an assessment day illustrates this:

"DWP sent this lad along and his confidence was zero so he sat there...and other than telling us what his name was, he said nothing all day. I got a bit angry, not with him but with DWP because I thought – they've put him in a position where at the end of the day his confidence will be lower than what it was"
(large, retail - UK)

Some employers perceived that Jobcentre staff were very targets-orientated and felt pressured to take on people despite their reservations:

"Fundamentally it sounds like there's an error with the system that these candidates have to go through in order to go through the motions in applying and receiving Jobseekers Allowance, if that's why they're driven to come to interviews"
(large, retail - UK)

While employers conceded that this process could sometimes yield good candidates, the necessary filtering required caused increased and often unmanageable demands on their time and resources. Conversely, some employers said that they had advertised with Jobcentre Plus and received very few suitable candidates and felt that the roles should have been 'better promoted' in the local offices. For the majority of UK employers, placing job vacancies with Jobcentre Plus had resulted in successful recruitment in only a few cases, particularly in recent periods.

Where UK employers had had direct contact with Jobcentre Plus staff, they were critical of 'sporadic' contact and not having a single point of contact. However, some employers did

¹⁶ Online vacancy-placing service (job board) run by the Department for Work and Pensions.

speak positively about more in-depth collaborations with Jobcentre Plus, such as assessment days and application interview workshops. These may have been part of Sector-based Work Academies although employers were unaware of this programme by name. Other employers had overcome the risk of being inundated with job applications by advertising job vacancies via Jobcentre Plus but requiring candidates to apply directly to them. Most employers viewed Jobcentre Plus as largely being a route for unskilled or low-skilled pools of labour, although some employers also acknowledged that, particularly more recently, the candidate caseload at Jobcentre Plus had changed and included 'some very highly skilled experienced people'. A number of employers also spoke of their own, or of family members', personal negative experiences of being a benefit claimant:

“people’s assumptions about people who are out of work and they’re scroungers and that they don’t want to work and all this, I think there’s an awful lot of Jobcentre staff who have that opinion”
(medium, third sector - UK)

Danish employers had placed vacancies with Jobnet (equivalent to the UK Universal Jobmatch). Employers found this helpful, especially if they needed to recruit employees quickly but they had not always successfully appointed through this method. Danish employers also talked about receiving large numbers of applications for vacancies which they then had to sift themselves. Similarly to the UK, Danish employers were critical of the lack of follow-up from Jobcenters after they had routed candidates to them, although this view was less widespread than in the UK.

As in the UK, Danish employers perceived that Jobcenters were largely a route for unskilled or low-skilled pools of labour, rather than specialists (although some Danish Jobcenters offered specialist support for professional-level jobseekers). Employers perceived that

Jobcenters were largely focused on 'pushing' unemployed groups to exit the system, with little regard for employers' needs, or for the needs of individuals. As in the UK, there appeared to be significant variation in terms of service quality from different Jobcenters. However, there was also a fine balance between proactivity and aggressive marketing:

“Some Jobcenters have a high performing, are really also at the forefront of this and trying to push it and redevelop the area, but other municipalities are really lagging behind. If it’s the employees there or the way they are doing business, I don’t know”
(large, retail - Denmark).

Danish employers held similar criticisms as UK employers about candidates not always being well-prepared for interviews. Some Danish employers reported that Jobcenters had been responsive to their feedback about sending them unsuitable candidates, however they also felt that Jobcenters needed to do more upfront work in preparing candidates for jobs. Additionally, although employers felt compelled to assist people into work, they also felt able to say 'no' to Jobcenters if they lacked capacity at a particular time. Some Danish employers had also attended meetings at local Jobcenters where they could find out about programmes offered. Although Danish employers did not encounter as many different programmes as UK employers, they nevertheless expressed concern about regular changes to rules regarding activation, which they found frustrating. Employers also perceived that Jobcenters had latterly become too focused on 'regulations'.

The next section examines employers' perspectives on the ALMPs in each country.

2.4 Employers' views of programmes

Employers in the UK were critical of the number of different programmes and

providers delivering them: “there seem to be an awful lot of different schemes and different providers” (small, private, real estate - UK). Another employer felt that: “the whole system is nuts” (small, private, manufacturing - UK). Employers were confused about the different types of providers and the programmes and initiatives offered and how to choose between them. Employers also highlighted concerns about providers’ motives and the processes underlying programmes:

“it’s difficult to know exactly what’s going on. Because there’s no one apprenticeship body that takes people after leaving school and says ‘Right, this is it.’ There seem to be different bodies and you don’t know what they are doing differently and you’re also not too sure of their motives, whether they’ve got profit motives, therefore they tend to encourage you to take people who might not be suitable”
(small, manufacturing - UK).

Employers in both countries were critical about the direction of government policy with regard to ALMPs. The following quote summarises the views of many UK employers about the policy ‘hyperactivity’ and ‘initiative-itis’ of UK employment and skills policy:

“I would imagine it works pretty much like this – it’s a Government scheme, it would fail, it would be a disaster and 18 months down the line, two years down the line it would be something else and it will be renamed and it will be something else because that didn’t work”
(medium, third sector - UK)

In the UK employers were critical of the expectations that government placed on employers and the assumptions made by government about how businesses are likely to behave:

“if we go bust the Government’s not going to come round and say ‘Ah, you did a great job there and you had all these people working, we’ll give you some money”
(small, mining - UK)

Many employers perceived government employment policy was based on an incorrect construction of the policy problem, focused purely on ‘the unemployment figures’, rather than any consideration of what employers wanted, or whether programmes were appropriate to their needs.

From a recent survey of Danish employers, Bredgaard (2017) identified a dominant group of ‘dismissive’ employers, with negative attitudes towards ALMPs who did not participate in them. The more positive views towards ALMPs in the current study may reflect the dominance of public sector organisations in the Danish sample. A number of Danish employers talked about feeling it was a ‘duty’ to offer opportunities to people who might otherwise not access them and of this being a part of the ‘Danish way of thinking about the unemployed’, suggesting that it was more ingrained than in the UK context:

“normally I think we are open for it but sometimes in our organisation it just doesn’t fit in and then we say no...We use our effort and we are happy for the extra help, most of the time”
(small, public sector - Denmark)

Danish employers talked about the importance not only of being (voluntarily) disposed towards programme participation but also of having adequate resources at a particular time to accommodate unemployed people in their organisation, in order to allow mentors or managers to provide sufficient support. One employer described the programmes as a ‘win-win situation most of the time’ because they acquired an additional pair of hands and, at the same time, unemployed individuals gained work experience. Employers appeared to

accept that some participants required more resources for less gain but that this was balanced by the possibility of finding a good employee.

Similarly to UK employers, Danish employers were critical of the direction of activation policy but the criticisms were qualitatively different. Danish employers felt that activation was not focused on ‘sustained’ or ‘ordinary’ (non-subsidized) employment but, instead, on merely ‘getting them out into companies’, regardless of whether individuals were likely to secure a permanent job and on ‘short-term placements to meet Jobcenters’ performance targets’. They were also critical of Jobcenters ‘forcing’ individuals into workplaces, regardless of whether or not they were capable of working at that time:

“my impression with the Jobcenters is that it’s like they have a goal set up from their leaders that they have to put this many and this many people out in the companies. And sometimes it doesn’t seem as if they want to get a permanent hire, that’s not a priority, they just want to get people out”
(large, manufacturing - Denmark)

In terms of specific programmes, UK employers interviewed were broadly happy with apprenticeship delivery. Many were happy with the apprenticeship education delivered outside the workplace, perceiving it to be fairly general but providing a ‘good theoretical grounding’ in a sector. Others found it lacking, being more of a ‘tick box exercise’. Some employers also felt that some providers (particularly colleges) appeared to be ‘disconnected’ from the workplace environment. Employers’ main concerns were around quality and being sent the ‘right’ candidates and about the extent of off-the-job training and how this dovetailed with workplace learning. The main barriers to taking

on apprentices was employers not having the ‘right-shaped opportunities’, lack of knowledge and lack of contact from providers about the apprenticeship offer. Some employers anticipated that the new Apprenticeship Levy¹⁷ would lead to ‘significant changes’ to their recruitment in order for them to utilise this opportunity but cautioned that there was an ‘upper limit’ to the number of apprentices organisations could accommodate.

There was little mention of apprenticeships amongst the Danish employer sample, largely due to the very different vocational education system in Denmark. A few Danish employers considered that sometimes the time spent in education outside programmes was too long to be out of the workplace (in one case around three months), that college-based learning was not customised to the workplace and, as a consequence, more resource input was required from managers to fill the gap.

In terms of programmes other than apprenticeships, UK employers felt that the needs (and ‘well-being’) of ALMP participants were not always taken into account. Employers felt that those delivering programmes needed to be realistic about the sectors and workplaces they were attempting to send candidates into and that there was often a gap in understanding, which could impact on the quality of matching of candidates to employers. However, this could be bridged when providers visited employers and engaged in dialogue with them.

In terms of Danish employers’ views of specific ALMPs, *Løntilskud* (wage subsidies) helped employers to offer work trials or realistic job previews and reduced their perceived risks of taking on people who were not necessarily work-ready. In Denmark wage subsidies were important in persuading an employer to employ individuals that they would not usually

spent on apprenticeship provision in their organisations.

¹⁷ The Apprenticeship Levy was introduced in April 2017 and requires employers with a pay bill of over £3 million each year to pay a levy of 0.5%, which can be

have considered and, in larger firms, to employ larger numbers of them. One reason given by a number of employers was the high wage costs in Denmark, which meant that a significant commitment to recruiting individuals from programmes was required. However, employers felt that *Løntilskud* was not able to offset the costs of having individuals who might require more support from co-workers and line managers. Employers also expressed concern that *Løntilskud* were open to abuse by some employers. They were concerned *Løntilskud* could be (wrongly) used to replace existing staff, could push employers to provide temporary opportunities that were unlikely to lead to anything more permanent and merely ‘ticked a box’ for benefit eligibility. However, for employers that did not necessarily diminish their usefulness for helping unemployed people to obtain work experience, access networks and potentially source jobs while receiving unemployment benefit.

Despite not being considered a financial incentive for employers per se, work trials in the UK can fulfil a similar function for employers as wage subsidies in Denmark, although in the UK unemployed individuals receive far less remuneration, as they receive benefits rather than a wage. However, for Danish employers, *Virksomhedspraktik* (business internships) were a more directly comparable programme to UK work trials, although the former were usually of longer duration (three months and sometimes six months). A small number of Danish employers felt that three months was a short time for individuals to learn specific workplace skills (this was to some extent sector-dependent). However, a small number of employers who had hired participants felt that the placement was a helpful work trial/realistic job preview.

UK employers liked work trials for the same reason, as well as having an opportunity to assess individuals in a ‘real’ environment. This was in contrast to the limitations of interviews

(see 2.8). It also avoided the risk of sunk costs such as (in the care sector) paying upfront for DBS checks, uniforms and initial mandatory training. However, employers felt that work trials should be paid rather than individuals merely receiving benefit. For the majority of UK employers, financial incentives that were part of ALMPs¹⁸ were a ‘sweetener’ but were in and of themselves insufficient to employers to recruit someone that they would not have otherwise taken on. The reasons for this largely related to whether organisations had capacity in their organisations in the first place, as well as the availability of other potential resources, such as line manager time required to support individuals. Employers were sceptical of programmes that offered ‘somebody for nothing’, which they felt was wrong and often did not fit with their personal or organisational values. At the same time, employers who had received incentives stated that these had not been publicised at the point of involvement and that they had had to pursue the payments themselves, which was time-consuming.

The next section examines the depth of employer engagement in ALMPs in the two countries.

2.5 Depth of employer engagement

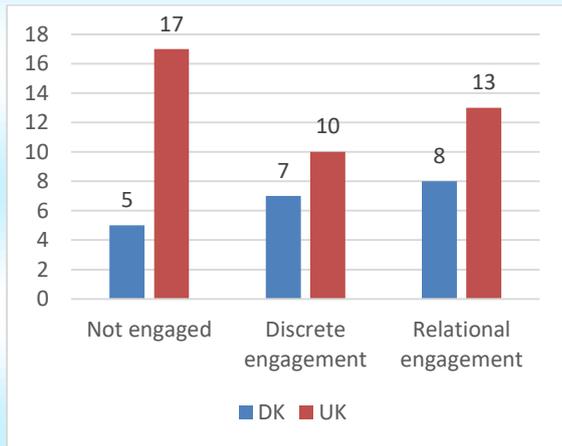
From the interview data, the depth of employer engagement across the two countries was categorised (see Figure 6 below). Employers considered themselves to be engaged when they felt as if they had commitment towards a programme/s. This engagement could be on an ‘instrumental’ or ad hoc basis (such as involvement in one-off activities), or ‘relational’ (sustained and in-depth). In the UK a majority (43%) of employers interviewed considered themselves as ‘not engaged’ in ALMPs, compared with a smaller proportion of Danish employers (25%).

¹⁸ Such as the AGE apprenticeship grant or the Youth Contract Wage Initiative (for 16-24 year olds) that was

introduced in 2012 and ended earlier than originally planned in 2014.

In both countries a significant proportion of employers considered themselves to be engaged, either instrumentally or relationally (see Figure 6 below). In the UK 23% of employers were engaged on an instrumental level and 33% on a relational level; in Denmark the figures were (respectively) 35% and 40%.

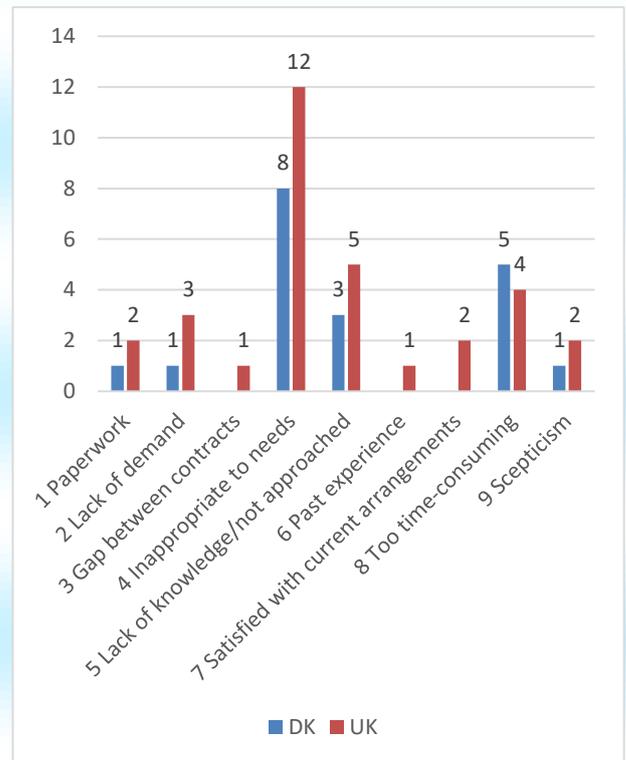
Figure 6: Depth of engagement, UK and Denmark (number)



The reasons employers gave for not being engaged are categorised in Figure 7 below. The most popular reason was that ALMPs were ‘inappropriate’ to employers’ needs. This covered a range of issues in both countries and included perceptions that programmes would not provide the staff required, or that the programmes were not suitable for employers’ requirements. Another key reason for not engaging was lack of knowledge, or simply not being approached by providers. This accords with previous research undertaken with different samples of employers and providers in the early stages of the Work Programme (Ingold and Stuart, 2014). The implication from the present study is that little seems to have changed in this regard in the intervening period, except that employers are more familiar with apprenticeships. UK employers in particular reported that there was no easily accessible place online to find out about the range of employability and skills programmes

available in particular local areas and they lacked the time to trawl for information.

Figure 7: Reasons for not engaging in programmes, UK and Denmark (number, multiple response)



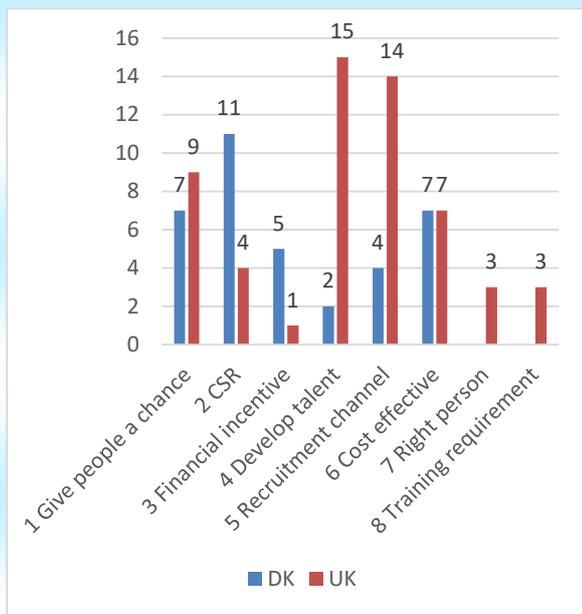
Examples of comments made by employers who were ‘not engaged’ were around there being no ‘real engagement’ from providers. This included a lack of contact from them and employers having to initiate contact, that individuals from provider organisations ‘did not understand their business’ or ask for feedback from them and that employers were unclear about the level of engagement expected from them.

The reasons given for engagement are categorised in Figure 8 below.¹⁹ In the UK the most popular reasons were to develop talent and that ALMPs were another recruitment channel. In Denmark the main reasons for engaging were corporate social responsibility and to give people a chance.

¹⁹ In terms of ‘training requirement’ in the UK, this tended to be where employers participated in programmes in order for candidates to obtain a required qualification, including for legal purposes. Conversely,

legal compliance could be a barrier to offering opportunities to disadvantaged candidates, e.g. background checks.

Figure 8: Reasons for engaging in programmes, UK and Denmark (numbers, multiple response)



The next section explores further the dimensions of instrumental and relational employer engagement further.

2.6 ‘Instrumental and relational’ engagement

In both countries, employers who were engaged on an instrumental level said that, although they felt engaged with programmes, they had not really been engaged on an in-depth level by providers. This could occur when employers perceived shortcomings in providers’ service provision; when there had been minimal contact from providers; or there were staff changes in provider organisations. Employers were particularly critical about providers only contacting them when there was an issue, or when paperwork needed to be completed. Employers felt that in most cases barriers could have been overcome through providers engaging in dialogue with them. Notably, some employers considered themselves to be engaged in some programmes but not in others, as the following quote illustrates:

“Very committed to the apprenticeship schemes, I would like the Work Programme to

work better. I think essentially there is an opportunity to have - people go to the Jobcentre to find a job, hopefully you would have a relationship with the Jobcentre so that you can find somebody who goes there who can work for us, that’s the aim. But it just doesn’t seem to work for us so not as committed to that”
(medium, manufacturing - UK)

There was variability in terms of employers’ perceived quality of service from providers. For employers, a key measure of success of employer engagement was the quality of the staff that they gained at the end of the process. However, some employers did not necessarily perceive that candidate quality was directly related to the employability interventions delivered by providers but could be a result of ‘good fortune’ because ‘a good candidate walked through the door’. Employers’ experience of either poor quality service or unsuitable candidates (including historical experience of previous programmes or organisations) was a stated barrier to their engagement.

Employers in both the UK and Denmark who had engaged in programmes stated that they did not want to feel pressured to always say ‘yes’ to ALMP participation or feel ‘emotionally blackmailed’ when they were not in a position to engage further. Most employers felt that, although participation in programmes could be successful for some areas of their business, it would not work in other areas. Additionally, although it could prove successful for their organisation, ongoing management of some disadvantaged employees could be resource-intensive for line managers. This meant that sometimes employers could only accommodate small numbers at any one time. Some employers felt that there was potential for them to be further engaged and anticipated that this could occur several months down the line, as the relationship with providers developed. Crucially, employers could easily become disengaged when providers did not

deliver on promises or agreements made, emphasising a critical two-way mutual exchange relationship.

Employers who were relationally engaged felt involved in programmes and, importantly, in ongoing dialogue about their involvement and felt that providers' services were tailored to their requirements. Employers felt it important that providers had a good understanding of their individual businesses and needs, as they would expect when working with a recruitment agency:

“It’s certainly quite important because we’ve worked together very much, like I would work with a recruitment agency. So they’ve come in, they’ve understood the role, got a good grasp of what we want, what we’re looking for, the type of candidate as well”
(medium, professional services - UK)

Relational engagement appeared to develop when employers were involved in dialogue that could improve the service they received. Relational engagement was, at times, seen as time-consuming and ‘hard work’ by employers but they also considered the investment worthwhile in terms of the return in levels of service. Employers acknowledged that making changes to service delivery was not possible in all cases (and was very dependent on programme flexibilities) but nevertheless they wanted to feel listened to. Employers stated that an important aspect of their engagement was how well providers engaged with their own programme participants and their needs, underscoring the interdependence between the supply- and demand-side aspects of programme design and delivery.

Some employers in both countries had had such positive experiences of participating in ALMPs that they had engaged providers to deliver other services for their workplaces, such as ongoing staff training, funded by employers themselves. For employers who were relationally engaged the trust that had

developed between themselves and providers was seen as a key ingredient of success in employer engagement: “the trust is there and I guess the mutual understanding is there and that’s why they’re so successful” (large retailer - UK). In Denmark employers linked trust to the institutional framework: “It’s a Danish thing, everything is public, we sort of just trust it” (medium, public employer -- Denmark).

The next section explores further aspects relating to institutional trust, in the context of inter-organisational relationships.

2.7 Inter-organisational relationships

A key difference between the UK and Denmark was that Danish employers had greater ‘institutional trust’ in government policy and programmes, which translated into stronger inter-organisational trust. This trust could be augmented by inter-personal trust (between individuals) but was not crucial. By contrast, in the UK institutional trust was extremely weak. The considerably weaker institutional context in the UK left more ‘gaps’ to be filled by providers when delivering ALMPs and through the development of inter-personal relationships with employers. These inter-personal relationships were critical to employer engagement but were also fragile (Marchington and Vincent, 2004). UK employers were critical about the complexity of the employment and skills ‘system’ and the large and confusing range of different programmes available. Notably, employers in Denmark had greater knowledge of programmes and the employment and skills policy context was much less complex and fragmented than in the UK.

In both countries, inter-organisational relationships were important for effective employer engagement. This involved providers going beyond the mere acquisition of job descriptions for job roles and involved them developing an understanding of the context and individual business behind it. This could

help to avoid employers being sent inappropriate candidates for jobs by being ‘in tune with their expectations’ and meant that providers could tailor their services to employers’ needs, including their employability interventions to prepare candidates for jobs. To an extent, this involved providers making judgements regarding which candidates to put forward to employers, so as not to jeopardise the relationship.

Barriers to good inter-organisational relations dovetailed with the barriers for effective employer engagement, for example, a lack of knowledge of sectors and businesses by individuals within provider organisations. A critical barrier to employer engagement in both countries was receiving contact from too many different representatives from organisations offering employability and skills provision and this was more pronounced in the UK (see also Ingold and Stuart, 2014, p.6). A key facilitator of good inter-organisational relationships was regular two-way and ‘mutual’ contact between employers and providers that meant that most barriers that emerged during the process could be overcome. As one employer stated:

“[providers] give us a bit of a feel for whether our expectations are too high, about right or whether we just need to consider something else that we haven't thought of”
(medium, professional services - UK)

In the UK employers having a single point of contact in provider organisations was important for employers’ engagement and those who did not have a single point of contact expressed the wish to have one. It was problematic when a reliable contact at a provider organisation with whom employers had built a good relationship left that organisation. Employers in both countries commented on the high level of turnover of employer engagement staff in organisations.

²⁰ Regional Development Agencies were created in 1998 to oversee economic development strategies.

Sometimes their replacements were not viewed as being as knowledgeable, or at least not until a new relationship had been built up with the employer, which could take time. However, in some cases in the UK relationships had continued with individuals in their new organisations. Employers in the North-East of England in particular highlighted that the loss of the One North East regional development agency²⁰ meant a loss of personal connections and that they no longer knew where to go for information. There were wider examples of employers recounting time spent trawling the internet and phoning providers virtually at random in order to find the right information and contacts they needed. UK employers were not familiar with Local Enterprise Partnerships or their role and did not view them as a gateway to the employment and skills ‘system’.

In Denmark contact from Jobcenters and other providers ranged from very frequent to largely infrequent (once or twice a year). No employers complained that they had not had any contact at all from Jobcenters. As in the UK, Danish employers complained that they received contact from too many different people but in the Danish case it tended to be individuals from different specialist Jobcenter departments or from different Jobcenters, rather than from a range of different organisations. One employer stated that they needed to speak to around 30 different people in Jobcenters about various programmes; another said that a member of their staff had a ‘full-time job’ communicating with Jobcenters; another had five members of staff managing the relationship with municipalities and Jobcenters; and another said that it had taken them a year to really get to grips with what Jobcenters were offering. No employers talked about the new *Jobservice Denmark* hotline. However, despite these issues, Danish employers were still largely positively disposed to participating in ALMPs. In cases where employers had asked not to be contacted for a period of time because they did not have the

They were replaced by Local Enterprise Partnerships from 2010.

capacity to accommodate participants from programmes, this request had been managed to their satisfaction by Jobcenters. In a small number of cases Danish employers had a single point of contact and reported that this worked well. Some employers who did not have a single point of contact expressed a wish to have one, to avoid being contacted by multiple Jobcenters or Jobcenter departments. However, overall having a single point of contact seemed less important to employer engagement in Denmark than in the UK. A key reason for this is likely to be the stronger institutional framework of employment and skills policy.

In both countries relationships were viewed by employers not necessarily as ‘company relationships’ but as individual relationships: ‘inter-personal’ rather than just ‘inter-organisational’. In the Danish context, inter-personal relationships were less critical to employer engagement, although they could still add value and depth to the relationship:

“But we have a good contact, due to the people that follow the flexjobbers and my caretaker now he has two persons I think he rings now and then at the Jobcenter saying that ‘Now we have room for one more.’ ‘Do you have one that can work with this or this or this or is there someone that needs –’. So there is a dialogue between them”
(medium, education, public - Denmark)

In the UK inter-personal relationships were more critical to employer engagement. This is highlighted by the following quote from an employer, who also talked about how their relationship with a provider and their ‘honest feedback’ had led to changes to the providers’ programme delivery to better support young people into work:

“even when I’m full I’ll get a phone call from either one of these guys to say ‘I’ve just met this person, they’d be perfect for your company. You haven’t got any jobs but will you see them?’ They almost sort of cherry pick my staff for me. They know me so well and they know my business so well and they know what I’m looking for”
(medium, administrative and support - UK)

In both countries, once relationships between employers and providers were established, their ongoing management was important. This included effective coordination of the methods and regularity of communications with employers and communications being direct and clear. Employers were happy to be contacted by phone once relationships were established but face-to-face contact was important initially.

In the survey of employers, membership of local or regional business associations was important for employer engagement (Ingold and Valizade, 2015, p.31). In terms of IORs with organisations other than providers, UK employers talked about their membership of local Chambers of Commerce, which some reported had not been helpful in gaining access to networks, including for skills and employability provision (although this was locality-dependent). Other organisations mentioned were Business in the Community; the Federation of Small Businesses; local authorities; sector skills bodies; and Movement to Work²¹. Danish employers talked about their relationships with organisations other than Jobcenters and providers, including *Dansk Industrie* and being members of various communications networks and networks of professionals, as well as contact with union insurance funds.

²¹ Movement to Work is a registered charity and voluntary collaboration of UK employers that aims to address youth unemployment through provision of

quality work experience and vocational training opportunities for young people not in education, employment or training (NEET).

The next section examines employers' recruitment methods.

2.8 Employers' recruitment and selection process

Recruitment and selection process

Employers were asked about their usual recruitment methods; these are set out in Table 1.

Table 1: Recruitment methods used (multiple response)

	UK	Denmark
Online job boards	26 (65%)	10 (50%)
Word of mouth	21 (53%)	5 (25%)
Agencies	15 (38%)	3 (15%)
Own website	12 (30%)	6 (30%)
LinkedIn	6 (15%)	5 (25%)
Universal Jobmatch/Jobnet	6 (15%)	3 (15%)
Press (local, national, trade)	5 (13%)	5 (25%)
Advertisement on premises	4 (10%)	-
Headhunt from competitors	3 (8%)	-
Professional associations	3 (8%)	-
Facebook	2 (5%)	2 (10%)
Twitter	2 (5%)	-
Other ²²	3 (8%)	-

The majority of employers in both countries followed the standard application and interview format for recruitment and selection and some employed competency-based interviews. Employers in the UK in particular acknowledged that interviews had significant limitations and did not provide a true

²² 'Other' included: local authority, local charities, advertisements on buses.

reflection of candidates' abilities or potential. Despite their recognition of these limitations, very few employers had introduced innovations to their recruitment processes.

Of those employers who had engaged providers to filter applications, some appreciated the time-saving advantage offered by this service; others preferred the element of 'control' by undertaking this themselves.

In both countries employers emphasised that, when selecting candidates, 'the right person for the job' was overwhelmingly important. This included having a 'good work ethic' and a 'positive attitude'. In this sense, aside from specific sectors that required particular skills²³ or for higher-level roles, employers did not consider that having particular skills or qualifications was crucial, as these could be developed through training. Other important skills mentioned were good communication skills and good customer service skills. As a 'risk reduction' measure some employers looked for candidates with work experience in a similar role or industry and a small number of employers complained that candidates lacked this. The right 'fit' for the role, team and organisation was also considered important, with some employers expressing concern about placing 'vulnerable' candidates into particular environments.

2.9 Recruitment of disadvantaged labour market groups

The data from the survey (Ingold and Valizade, 2015, p.22) suggested that the majority of employers did not view unemployed candidates negatively and, in general, considered recruiting them to be a low risk for their organisation. This was largely corroborated by the interview data, with some exceptions in particular sectors (e.g. care). In particular, in both countries employers said

²³ Sectors included childcare, transport, manufacturing and real estate.

that candidates who had been carers (for children or adults) had potentially valuable skills and that this did not constitute 'unemployment' in the true sense. In Denmark, employers felt that there were many genuine reasons for being unemployed and that individuals could be unemployed 'through no fault of their own' (particularly during recession). In the UK employers stated that they wished to know the reasons for candidates being out of the labour market and considered candidates on a case by case basis.

Although employers in both countries did not generally perceive unemployed groups negatively, some described experiences where they felt unemployed candidates did not want to work and were only applying for jobs because they were required to in order to receive benefits. A small number of employers in both countries perceived that candidates from Jobcentre Plus/Jobcenters were of very low-quality and had ended up there because they were in some way 'failures' or 'unemployable'. However, the majority perceived that, for most individuals, unemployment was often the result of 'bad luck' and circumstances that could happen to anyone. Some employers talked about their own personal experiences of unemployment, or that of family or friends. Employers appeared to understand the difficulties of securing jobs when outside the labour market and that this could result in candidates having low levels of confidence that employers felt necessitated employability interventions focused on confidence-building and on CV and interview skills. However, employers commented that sometimes applications from disadvantaged groups were let down by inadequate written skills or candidates being inadequately prepared for job interviews.

A small number of employers in both countries felt that unemployed candidates sometimes lacked a 'work ethic' and needed support, for example, to get out of bed and to work on time but just one employer felt that unemployed people did not want to work. Others spoke

positively about their experience of the work ethic of ALMP participants. Some employers felt that, although there were likely to be unemployed individuals who genuinely did not want to work, this was overplayed by certain segments of the media:

"I actually feel desperately sorry, I think the vast majority of people...of course there are some people who don't want to work and if you read The Daily Mail that's the vast majority of people out there, it's a joke. The vast majority of people want nothing more than to feel valued and be doing something worthwhile and, no, if I saw that somebody hadn't worked for however long, I would feel desperately sorry for them. I wouldn't automatically assume 'well they can't be trying'"

(medium, third sector - UK)

In both the UK and Denmark some employers' experience was that some candidates had significant personal issues that required more support than they as employers were able to offer, or meant that they were presently unsuitable for particular job roles (one example given was of a candidate who wanted to work in a school but who was afraid of crowds). Many employers were critical of the 'system' pushing people into work before their circumstances or health conditions allowed them to be work-ready. However, employers also emphasised the importance of candidates being equipped with the skills to 'sell themselves' and their experience in their application and some employers expressed frustration when this did not appear to have happened. A small number of employers raised concerns about the appearance of unemployed candidates and in particular regarding tattoos and piercings but this was largely linked to domestic trades rather than to service sector roles (see Timming, 2015).

Employers in both countries were aware of benefit sanctions and considered that this was

driving unemployed candidates to apply for some roles to which they were unsuited. Although UK employers were critical of receiving large numbers of applications as a result of benefit conditionality, they also appeared to understand that, for those out of work for a long period, applying for any and every job could become a necessary job search strategy. A small number in both countries acknowledged that some unemployed candidates might be waiting for the right opportunity but had to apply for jobs to retain their benefit eligibility.

In Denmark some employers complained that programme participants only ended up at their workplaces because they were required to do so as part of 'box ticking' on the part of Jobcenters. Reference was also made to unemployed people having to apply to 'two or three' companies a week.²⁴ Some Danish employers were also critical of Jobcenters' approaches to preventing programme participants from having any responsibilities in the workplace, which employers felt was difficult to accommodate, as well as unhelpful for individuals in building their skills and confidence.

From employers' perspectives, the 'system' of benefit claiming and enforced job seeking could effectively 'tarnish' candidates. In both countries (and to a larger extent in the UK) this was compounded by 'scrounger' narratives in the media and political discourse that portrayed unemployed groups in ways that made them less attractive prospects to employers (see also Ingold and Stuart, 2014, p.28):

“they've [the government] done well in putting stereotypes to the public and getting the public to consider that everybody that's unemployed they're all absolute shirkers and

wasters. I disagree with it, I think it's absolutely shameful that Government are putting this perception across”
(medium, education, public - UK)

Some Danish employers stated that they were put off by candidates with multiple *Løntilskud* placements on their CV. However, they also accepted that not being recruited could have been a result of exploitation or a lack of capacity in other organisations rather than an issue with the individual. A small number of Danish employers expressed concern that unemployed candidates lacked specific qualifications or skills required for job roles and that a key reason for them not being in work was a lack of education.

Some UK employers recognised that providers could route candidates to them who ordinarily would have been filtered out of the selection process early on:

“it can be a good programme and it puts people forward who maybe we wouldn't have looked at before...the big thing for me is that we might be passing over somebody who is very good but they don't sell themselves at that first stage then you're not going to look at them”
(large, human health and social work - UK).

However, with a few exceptions (see subsection 2.9.1), in general employers in neither country did not really consider that their existing recruitment and selection processes could constitute a particular barrier to their recruitment of more disadvantaged candidates and workforce diversification.

²⁴ This is likely to refer to requirements from many Unemployment Insurance Funds for benefit recipients to apply for at least two jobs per week. In the late 2000s a Ministry of Employment regulation requiring

unemployed claimants to apply for four jobs per week was abandoned, following a significant backlash from employers.

2.9.1. Disability

In both countries, employers were generally positive about employing disabled people and some (but not many) had done so, though not necessarily through ALMPs. Amongst UK employers, the main reason for not employing disabled people was because they believed that they had not received applications from disabled candidates. When asked about disability, most UK employers focused on physical disabilities, although some respondents spoke about much wider personal experience of disability. There was some evidence of a lack of understanding about the needs of disabled people in the workplace. For example, employers appeared to have fairly fixed views regarding the types of roles in their organisations that were suitable for disabled candidates, as well as the suitability of their physical workplaces. Additionally, there was some evident confusion regarding the disclosure of disability during the recruitment process. However, there were some positive stories of how employers had changed their usual approaches, in order to provide opportunities for disabled people:

“we had to make a decision as an employer as to how flexible we could make the job. So the reality was he didn't fit the job that we had available for him, but we took the decision because the site manager thought he was a really good guy, we took a chance on him and decided that actually we'll flex the job so we'll make the job a little bit different so that he could cope with it.”

(large, administrative and support services - UK)

Amongst the Danish employers, there was a clear focus on the retention of existing employees with disabilities or long-term health conditions, reflecting the popularity of the *Flexjobs* scheme. From this, Danish employers had experience of retaining employees with a range of disabilities and limiting (as well as fluctuating) health conditions, including

mental health conditions, hearing impairments, musculoskeletal conditions and cancer. Danish employers spoke very positively about the *Flexjobs* scheme and how it had allowed employees with limitations resulting from disabilities to continue to be productive and engaged members of staff. Danish employers had used *Flexjobs* to fund wage top-ups for employees working reduced hours and to fund additional employees to support them. In a few cases (in the education sector) Danish employers did not perceive that their workplace was suitable for disabled people. Danish employers felt that an important aspect of recruiting and retaining disabled people was communication and ascertaining what was possible for the individual and their disabling condition/s and what kinds of support were needed.

“They have a mentor that they can go to and of course in the first couple of days or week depending on handicap etc or what they can do they will have more support but then they will have less and less support and then work more and more normal on their own. But of course they have a coach who works with them all the time”

(large, retail - Denmark)

In both countries employers raised concerns about disabled people being 'pressured' into inappropriate roles and as employers being afraid of 'doing the wrong thing'. However, as Table 2 illustrates, there were some examples given by UK employers regarding changes they had made to their existing recruitment processes to encourage disabled candidates.

Table 2: : Examples of modifications to the recruitment process

A large retailer modified their recruitment processes to accommodate applications from disadvantaged groups (including disabled people) by linking up with a third sector organisation.
Another large retailer had set a target of employing a number of disabled people for the logistics arm of their business and engaged with local organisations. ²⁵
A medium-sized contact centre had used a 'holistic' approach about mental health. This included establishing whether triggers were work-related or personal and employing workplace strategies, such as informal coaching/mentoring.

Modifications were characterised by the importance of dialogue, of thinking differently or 'mindset' change and 'honest conversations' about the support and adjustments needed by individuals.

A small number of UK employers recounted success stories whereby they had recruited ex-offenders by engaging in partnerships with third sector organisations and with prisons. Stated challenges to this included the opening and maintaining of dialogue with prisons, the constraints posed by differing categories of prison and the wide range of geographical destinations of offenders on release.

The next section presents the findings from the interviews with providers in the UK and Denmark.

²⁵ However 'ringfencing' roles for disabled people could potentially be stigmatising.

Chapter 3: Research Findings - Providers

This section presents the findings from the interviews with 26 providers in the UK and 10 in Denmark. The first sub-section presents characteristics of the provider samples.

3.1 Provider characteristics

Figure 9 below shows the size of organisations interviewed in the provider samples in both countries.

Figure 9: Size of organisations in provider interview samples, UK and Denmark (number)

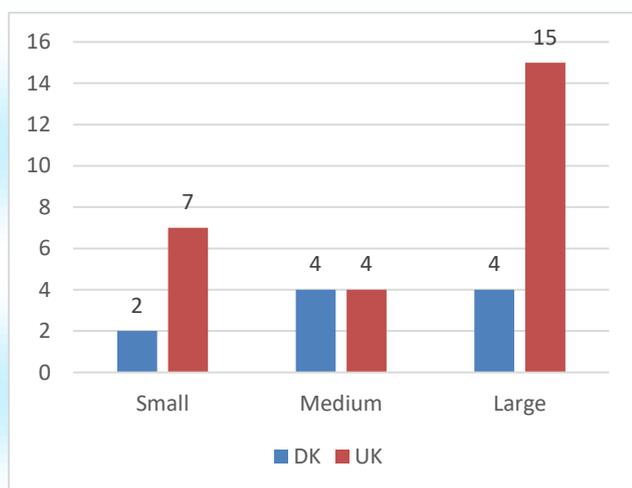
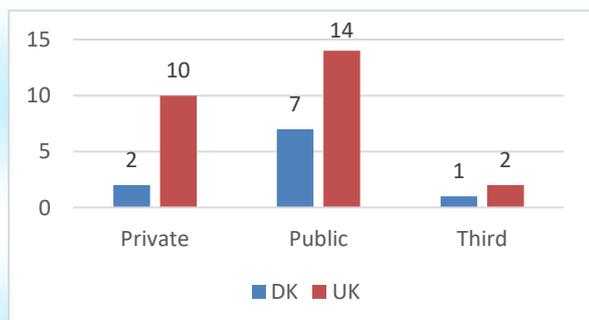


Figure 10 below shows the sector of organisations in the provider samples in both countries.

Figure 10: Sector of organisations in provider interview samples, UK and Denmark (number)



Across both countries providers engaged with employers in the following variety of Industrial

Sectors: Accommodation and Food Service Activities; Administration and Support Service Activities; Agriculture, Forestry and Fishing; Construction; Human Health and Social Work Activities; Information and Communications; Manufacturing; Transport and Storage; Wholesale and Retail Trade; with the addition in the UK of Electricity, Gas, Steam and Air Conditioning Supply. Both countries have seen a large growth in employment in the service sector (more so in the UK). Providers reported that most jobs in this sector were in retail, hospitality and care. There were sporadic demands for people with higher levels of skills, especially in Denmark, where there was a reportedly high unemployment rate amongst academics.

3.2 Employer engagement methods

Providers in both the UK and Denmark undertook a range of activities and employed various methods to attempt to secure employers' engagement. In both the UK and Denmark providers recognized this as a 'classical sales job' and approached it as such (see Ingold and Stuart, 2014, p.30). This is highlighted by the following quote from Denmark: "It's classic marketing, sales campaign, branding our products, branding our Jobcenter as a business partner" (medium, public - Denmark). Providers in both countries had some form of sales process in place, although their methods varied slightly. This was based on the classic sales cycle, depicted in Figure 11 and elaborated on further below.

Figure 11: Providers' sales process



Prospecting - In both countries, providers used traditional prospecting practices, such as cold calling, mapping, client referrals, social media (e.g. LinkedIn, Facebook, Twitter), company and municipality websites, local newspapers and local knowledge to identify prospective employers who might require candidates to fill vacancies, either currently in the near future. Providers also relied on networking to further their prospecting and to improve their chances of meeting the key decision makers in employing organisations, municipalities and LEPs. Many providers, particularly in the UK, held memberships or had some involvement with local trade bodies and employer associations but, as with employers, found that these varied by locality as to whether they gave them access to the 'right networks' of employers.

Planning & preparation - Many employer engagement staff in provider organisations emphasized the importance of planning and preparation before the initial contact telephone call with employers. Being aware of the latest labour market trends in the local area and researching the employer prior to contact were considered important, in order to anticipate employers' needs and to give a more 'professional' presentation to the employer in

the first meeting. However, providers' access to labour market intelligence was variable, depending on their organisation's data gathering and analysis and providers felt that this could be improved considerably, in order to better inform their employer engagement strategy. In both countries providers talked about conversion of telephone calls to employer leads, which were then followed up by face-to-face conversations with employers.

Approach and identifying needs - In the first face-to-face meeting with employers, providers attempted to understand the needs of the employer in as much detail as possible. It was imperative at this stage to be 'in tune' with employers' expectations and to identify any negative perceptions that they might hold regarding ALMPs or disadvantaged groups. Providers also considered this an opportunity to 'educate' employers around key policy changes and to manage their expectations about ALMPs and the candidates they could supply.

Presentation and objection handling - Most UK providers felt that they often struggled to explain what they could offer to employers, given that most employers lacked general background awareness of ALMPs and the role of providers in delivery. However, in Denmark providers tended to approach employers on the back of assumed knowledge. At this stage, providers in both countries used their 'sales pitch', which many suggested was 'carefully worded' to avoid any negativity about the service they offered or about the candidates on their caseloads, especially in the context of negative presentations of unemployed groups in the media.

Solutions - Solutions offered by providers in both countries were largely presented as 'bespoke', 'customized', or 'tailored' to suit the employers' needs. Saving time and money on recruitment and the corporate social responsibility (CSR) agenda were some of the common themes of the sales presentation (see sub-section 3.3 below). Another important

strand of support that providers offered was assistance with paperwork, which could be a barrier to employers' participation.

In terms of employer engagement methods and process, in both countries providers adopted slightly differing approaches towards employers based on their size. A key benefit of working with large employers was the economies of scale because providers' could offer 'bespoke' solutions to large employers who could then accommodate large volumes of candidates. However, a significant disadvantage of engaging them compared with SMEs was the length of time it took to make decisions about participating due to organisational hierarchies and structures, usually involving many stakeholders. Providers usually had key account managers for ongoing relationships with large employers.

On the other hand, SMEs were considered by some providers as being easier to convince of the benefits of ALMPs as they had fewer (sometimes just one) decision-maker and most SMEs did not have a dedicated recruitment team or HR department. However, providers felt that it was often difficult for SMEs to take the risk of hiring disadvantaged individuals, while large companies had more resources to accommodate particular requirements. To some extent this risk could be mitigated for SMEs as they were often keen to offer work trials or placements and (in the UK specifically) traineeships. Providers also felt that SMEs were sometimes seemingly less able (or, in some cases, unwilling) to make considerable changes to their premises for disabled people. This was compounded by the difficulties of leveraging Access to Work funding²⁶ for disabled employees that could help SMEs in this regard. Despite this, many providers identified significant potential in SMEs given their prevalence in any local area, such that if 'every SME took on one unemployed person, it could be potentially a big impact on unemployment numbers'. However, for

²⁶ Access to Work provides funding for reasonable adjustments for disabled people entering employment.

providers a key problem was that many ALMPs were designed with large employers in mind and this was exacerbated by centralized, national contracting.

The next section highlights the reasons employers engaged with ALMPs, based on providers' experiences.

3.3 Reasons for employers' engagement

In both countries providers sought to provide a balance between the business case and the CSR or 'social responsibility' (or social justice) case when approaching employers. In relation to the former, providers' experience of the key motivators for employers to engage with ALMPs were economic, such as saving money and time on recruitment and mitigating the risks of recruiting the wrong candidate, as well as access to a wider pool of candidates. Providers also felt that programmes such as work trials in the UK and *Virksomhedspraktik* in Denmark gave employers time to see candidates in a 'real' job situation before recruiting them. This accords with the data from the employer interviews. It also accords with Simms' (2017) research finding that employers engage in UK apprenticeships because of 'HR logics' or 'CSR logics'. Simms found that the most engaged employers recognized the value of both logics, while disengaged employers failed to see either logic.

In both countries, providers sought to cater to the business needs of employers. However, employers' demand was problematic in that it fluctuated depending on a variety of factors, such as seasonal requirements for labour and sector and organisation size. Providers in both countries felt there was a clear mismatch between employers' demands for labour and the skills and capabilities of candidates on programmes and this was more pronounced in the UK:

“you’ve got a thousand jobs and you’ve got 800 customers. What’s going on? A complete mismatch in skills, educational attainments, qualifications, so there’s that mismatch”
(large public provider - UK)

Providers in the UK in particular considered that the gap between the two was more than ALMPs in and of themselves could overcome. In the UK both the provider and employer interviews highlighted a severe shortage of skills and suitable candidates in the care sector and the provider interviews underscored that transportation was a critical barrier to individuals taking up jobs in this sector. There was also a significant gap in the supply of labour for skilled occupations such as electricians, carpenters and painters in both countries that ALMPs did not seem able to close. Some providers in the UK were critical about the matching of courses offered by colleges locally with the respective employer demand in particular local areas:

“I think in the past maybe with the colleges, is that they’ve probably put on courses for all the very good reasons but not necessarily matching it to what the employer demands are”
(medium, public provider - UK)

As demonstrated by previous research with providers in the UK (Ingold and Stuart, 2015), there was a balance to be struck between the vacancies available and the jobs that individuals on programmes were able to do. According to providers in Denmark, there was also a large number of unemployed academics and some Jobcenters specialized in supporting these individuals, although in some cases they had to ‘settle for ordinary jobs’ in comparison to their educational levels and qualifications. Danish providers also reported a demand for higher level IT jobs from employers but stated that there was a gap in the skills of disadvantaged groups on their caseloads.

UK providers sought to provide employers with ‘added value’ services on top of the core service of providing candidates for vacancies, or of identifying opportunities for their customers. Providers offered employers physical space for conducting interviews, offered to screen candidates for interviews and also participated in interview panels. These services were of more value to SMEs, who did not always have dedicated HR professionals to manage their recruitment and selection processes. UK providers also used innovative practices to engage employers, such as inviting them to job fairs, conducting ‘reverse job fairs’ where employers could meet candidates, as well as inviting them to conduct information days or ‘master classes’ for potential candidates in their sectors.

Providers in both countries capitalised on employers’ CSR strategies in order to position their candidates in line with employers’ ‘business needs’. In both countries providers considered that employers wished to help those in need and to give disadvantaged candidates a chance. However, in Denmark providers stated that employers were ‘expected’ to have a CSR agenda where they had to take on people who were more disadvantaged. Danish providers spoke of an employer ‘culture’ that appeared more altruistic than in the UK, perhaps linked with the greater extent of institutional trust found amongst employers. Danish providers felt that employers ‘had to take responsibility’; that this was ‘just part of being a firm in Denmark’; and was ‘a sense of duty’. Nevertheless, Danish providers agreed with their UK counterparts that employers were not purely altruistic and that they had to establish the ‘What’s in it for me?’ (WIIFM) statement for employers: “I think they have to see that they get something out of it also. I don’t think that they just do it to help the person” (small, public - Denmark).

Providers in Denmark also tried to show the value that candidates could provide to the company:

“Instead of these companies helping the clients perhaps you can talk about the client actually making value for the companies. So if we can talk about it in that way it’s not - the client is not a passive object which we tolerate. It’s more like we go from a tolerance discourse, the companies tolerate these people and help them to actually asking ‘how can they become an asset into this company?’

And they can both become an asset economically and they can become an asset socially. That’s some of the arguments we try to make”

(medium, private provider - Denmark)

In relation to CSR, UK providers used a language that appeared to be more ‘superficial’ in comparison to that used by providers in Denmark. UK providers spoke in terms of ‘tapping into employers’ CSR agenda’, ‘ticking that box for them’ and about companies having a CSR ‘target’, or being ‘tasked with engaging’ with particular groups, such as unemployed young people. There was a suggestion from the provider data that the CSR agenda of many employers in the UK was around having a ‘visible’ CSR agenda where they were ‘seen to be’ supporting unemployed people who were visibly disadvantaged as it ‘looked great’ on company websites and internal communications. Thus many providers ‘played on’ the CSR in their ‘sales pitch’. However, there was also a sense that tapping into a ‘superficial’ CSR agenda would not necessarily lead to relational employer engagement: “you want employers to not do it because it looks right, it’s about commitment” (large, public provider - UK).

In the UK some providers also emphasized the ‘social justice’ dimension of the business case for helping disadvantaged groups and, relatedly, looked for more substantial and in-depth commitment from employers, rather than ‘ticking a box’. ‘Social responsibility’ also went beyond large companies being conscious of the impact of CSR on their brand or

customer base but was also relevant to small companies wanting to ‘give back’ to their local community, such as by offering people a chance, as entrepreneurs themselves might have been given in the past:

“switch them on to wanting to, from an ethical perspective, and moral perspective, wanting to engage with us, get a good cross section of the community into vacancies, willing to invest in some perhaps ‘harder to help people’ that might need a little bit more help and support, switching those sorts of light bulbs on...And we’re almost pulling at the heartstrings a little bit and reminding them of where they once were and the leg up that they needed”

(small, public provider - UK)

UK providers specifically highlighted the inappropriateness of the Work Programme (as the dominant UK ALMP from 2011-2017) for more disadvantaged candidates. However, regardless of the programme, providers talked about the importance of conveying the ‘social justice case’ to employers by educating them about the benefits of recruiting groups such as disabled people, as well as assuming the role of ‘advocates’ on behalf of such candidates. Providers aimed to present to employers the positives of recruiting disabled people, aside from any ‘superficial’ CSR agenda, such as evidence that disabled employees are more loyal and remain in organisations for longer. Many providers voiced the importance of raising awareness of ALMPs and how they can help employers, including sharing positive stories through social media and the press, as well as through their own marketing materials. In line with providers’ suggestion (see subsection 3.5 below) that relational engagement could lead to employers accommodating more disadvantaged candidates, when negotiating with employers UK providers talked about how they tried to secure specific adjustments for disabled people, such as ring-fenced guaranteed interviews.

The next section examines the barriers to employer engagement.

3.4 Barriers to employer engagement

Providers stated that one of the key barriers to engaging employers were issues experienced by individuals on their caseloads. Providers faced challenges with individuals who had issues such as drug and alcohol addiction as they presented a particular challenge to fulfilling the expectations of employers and this had to be carefully managed in their relationships with employers. Providers also talked about attitudinal barriers, such as candidates lacking ‘confidence’ or ‘work-readiness’, such as being able to turn up ‘on time’. Some ALMP participants felt that they had ‘no skills’ to offer or were ‘stuck’ on the kind of jobs they felt able to take up. Providers acted as intermediaries between employers and candidates and engaged in managing the expectations of both:

“Sometimes it’s an attitudinal barrier which basically means sometimes their aspirations or their realism of the job market is so distant to where it is currently in the market at the moment. They sometimes don’t understand the reasons why employers don’t get back to them and that then gets them frustrated”
(medium, private provider - UK)

Providers in both countries worked with individuals on their caseloads with physical and mental health disabilities and long-term conditions, including physical disabilities, hearing or sight impairments, depression, anxiety, learning disabilities and neurodiversity. Providers echoed the data from the employer interviews in terms of the dominant focus of employers being on physical disability but some UK providers felt that, aside from physical adaptations to workplaces, disabled employees and employers could also benefit from having another member of staff to

support the individual (available under *Flexjobs* in Denmark).

Many providers acknowledged that their customers were their ‘product’ and needed certain interventions in order to be ‘work ready’ and that the ultimate goal for them was to make their customers work ready as soon as possible. Similarly to some employer perspectives, providers acknowledged that some individuals did not want to work but that they were small in number. Providers also acknowledged that many individuals on their caseloads were genuinely in need of support due to labour market restructuring and individuals needing reskilling for newer roles. In Denmark providers highlighted concerns similar to employers around the apparent focus of activation policy on short-term work placements that did necessarily lead to ‘ordinary employment’:

“to get the unemployed to go there, to go into a job and not getting paid for it, it’s a big issue...the motivation is very hard because the unemployed say ‘why should I do that, I don’t get paid and I know that it won’t be a job afterwards for me, so why?’”
(large, public provider - Denmark)

A key barrier to employer engagement that providers in both countries perceived was the negative perceptions held by employers towards the long-term unemployed and disabled people. This was also evident in Ingold and Stuart’s (2014) study but to some extent it contradicts the employer data from the current study. However, providers concurred with employers regarding the extent to which negative stereotypes about unemployed groups as ‘lazy’ or ‘scroungers’ were perpetuated by benefit conditionality policies. In Denmark, some providers struggled with the general ‘bad reputation’ of the public sector in approaching employers and said that they felt ‘scapegoated’ by politicians’. However, this is in contrast to the views of Danish employers, who demonstrated strong ‘institutional trust’

in the government policies compared with the UK. Many providers in the UK stated that they had worked hard to rebrand their services, as they felt that the wording used in official government communications did not sell the 'best image' of the employability sector to employers. Providers also felt that often employers' perceptions of ALMPs were based on 'outdated' or historical experiences that they needed to overcome:

“There probably still is perceptions that people who knock on employers' doors are only doing so to satisfy DWP that they're looking for a job when they've actually got no intention of wanting that job. And I think some of that is not actually justified. But you know how difficult it is with employers in terms of perceptions. If you ask some of the employers when they last went into a Jobcentre that's really quite interesting because it's usually quite a long time ago. They don't probably appreciate what a jobcentre looks like now, what's available”
(medium, public provider - UK)

Such perceptions were difficult for providers to overcome without getting in front of employers and being able to put their case. Providers also mentioned transportation issues in terms of the mismatch between the locations where jobs were available and where individuals lived, as many did not have their own means of transport. UK providers in particular highlighted mismatches between the locations of new stores, leisure parks and industrial parks and the available transport and accessibility for potential employees. They also emphasized the importance of planning ahead to provide workforces for new developments, including having a long lead-in time in order to up-skill and prepare candidates. Critical to this were IORs between employers, municipalities, LEPs and other organisations, in order to provide a good service to employers, as well as to support individuals into employment. UK providers talked about additional barriers for

parents due to the lack of availability and affordability of childcare. Providers in Denmark cited poor IT support as a challenge, as it was difficult to register new customers and manage large databases without the right software or platforms. In the UK, providers complained of 'too much digitization' that turned off employers, particularly small employers (a view supported by the employer data).

A further challenge for providers in both countries were changes to policies and 'too much paperwork' or 'red tape', as this led to confusion among employers. Many providers in both countries mentioned that most of their time was spent 'educating' employers about the latest policies or changes. In Denmark concerns were around rule changes, whereas in the UK the issue was more around the number of new policies and initiatives with different names, as well as changes to contracts and to providers delivering ALMPs in particular localities. Additionally, in the UK Jobcentre Plus highlighted that individuals on contracted programmes (such as Work Programme or Work Choice) were unable to participate in Jobcentre Plus local provision, even if it could be beneficial to them, or to employer engagement. Financial constraints were also felt to be barriers to employers engaging with ALMPs. Providers felt that some employers were reluctant to take the risk associated with hiring the unemployed customers due to the potential impact on their bottom line. However, in both countries providers raised concerns that some employers abused programmes to obtain 'free labour' or 'cheap labour', especially those that offered financial incentives, or allowed employers to offer extended work placements.

The following section explores providers' perceptions of the depth of employer engagement in the two countries.

3.5 Depth of employer engagement

Providers across both countries agreed on a number of fundamental principles in relation to employer engagement. Firstly, the measure of relational engagement was repeat business and greater involvement of employers in programme design and delivery (within the constraints of any given programme). This is demonstrated by the following quote from a Danish provider:

“if you have some relationship with the business because then you are nurturing and do a good service for the employer and they want to do business with you next time if they need some recruitment”
(large, public provider - Denmark)

UK providers specifically measured employer engagement on the basis of jobs or ‘job starts’ but UK providers also emphasized the importance of repeat business:

“If they come back for more. That has to be the proof doesn’t it, if they come back and they’ve seen the benefit of the young person working with them or the development you’ve given their people, if they come back for more then they’re engaged”
(large, private provider - UK)

Secondly, providers in both countries considered that relationships built on mutual trust over time were the foundation of employer engagement. This accords with evidence from the employer interviews. Providers also felt that employers trusted them when they were engaged in their recruitment processes or in their future workforce development plans. Being able to provide employers with ‘bespoke’ programmes was important for employer engagement, however this was constrained by the programmes offered and the lack of in-built flexibility. A key difference between

Denmark and the UK articulated by providers was that, while in the UK, programmes were designed for a specific group of customers, in Denmark, providers could offer customized programmes for a broader range of individuals.

The survey data demonstrated that employer engagement had a positive impact on employers’ recruitment of disadvantaged groups. Once a relationship was established, providers could engage in dialogue with employers about offering them more disadvantaged candidates from their caseloads. However, this was difficult in the early stages of an employer relationship, before it had been ‘tested’: “I think it’s almost once you are working with people and they can see what you can bring to the table, they’re then open to other options and other ideas” (small, private provider - UK). Similarly, in Denmark providers said that, once a relationship with an employer was established, they could move from employers offering *Virksomhedspraktik* to trying to persuade them to recruit individuals into ‘ordinary [non-subsidized] employment’. This is further illustrated by the following quote from a UK provider that highlights how, once relational engagement was established, this could lead to employers routing more disadvantaged candidates to employers, as well as employers utilizing a broader range of ALMPs (‘repeat business’):

“I think what the definition is of a true engagement relationship with an employer is one that we can say ‘Look we’ve won this piece of business, we need somewhere to put young people on a three-week placement, would you take somebody from us?’ Then really support them and then probably be able to have a conversation about apprenticeships with them, about Work Programme, about school, work experience, so it’s where you’ve got that level of integration...I think people underestimate how difficult that is and how long it takes to develop that” (large, private provider - UK)

Yet, in neither country did providers take their relationships with employers for granted and they were aware that they could be prone to challenges. Providers were also aware that this was a fragile relationship (Bachmann, 1999: 10-11, 21) and that they were ‘only as good’ as the last individual they routed to employers, or the last service they provided. If providers sent unsuitable or inappropriate candidates to employers, they would be likely to lose the trust of the employer, and their relationship with them. Therefore, sending the ‘right person’ to employers was critical to repeat business and an ongoing relationship. This accords with the employer data, which also demonstrated that, although this may sound straightforward, in practice some providers were falling short of employers’ expectations.

A third similarity between providers across the two countries was that some providers had developed their own benchmarks relating to depth of employer engagement, on which they based their service offer to employers. This included measures such as a ‘gold, silver, bronze’ hierarchy that arose from dialogue with employers and diagnoses of their requirements. Another notable difference between the UK and Denmark was that Danish providers were more cautious about the kinds of employers in which they invested their time and energy, as they expected a certain return on investment (ROI) of their time and money. In the UK providers appeared reluctant to say ‘no’ to employers who might not be offering quality jobs of sufficient duration. However, this did not prevent UK providers offering different levels of servicing to employers based on their perceived commitment to ALMPs.

In the UK, providers emphasized a similar idea of ROI and the necessity of ensuring a ‘quid pro quo’ on both sides of the employer engagement relationship. Just as it was important for providers to fulfil employers’ expectations of offering a particular candidate or service, it was equally important for employers to fulfil providers’ expectations regarding opportunities for programme

participants. One provider summarised the negotiation of expectations on each side of the employer engagement relationship as a ‘high value, low value proposition’ that involved providers identifying through dialogue with employers what was high value to the provider and what, in turn, constituted high value to an employer. One example of this was the high value to employers of reducing the cost of overheads and high value to providers of ensuring guaranteed job interviews. The advantage of such a value calculation was that each party in the relationship could potentially offer services that cost them relatively little but were of high value to the other. This is similar to Covey’s (2008, p. 131) depiction of trust deposits and withdrawals in each side of a relationship.

For providers, employer engagement was about inter-personal relationships and, once relationships with employers were established, about ongoing management and negotiation. This meant being honest with employers about what providers could deliver within the constraints of programmes and funding. It was preferable to under-promise and over-deliver, rather than vice-versa:

“People buy into people...they want honesty, they want reliability, they want genuine feedback, they don’t always want to hear ‘Yes, we can.’ I think sometimes it’s important for them to hear ‘Actually no we can’t but I tell you what, we’ll try and find you someone who can’”

(small, private provider - UK)

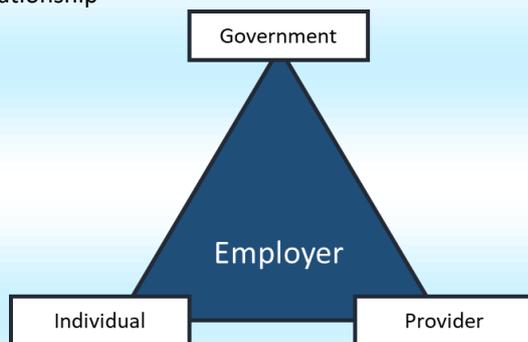
As the following quote illustrates, most providers acknowledged that the employer was the most important person in the relationship:

“whilst the candidate is important...our biggest customer is the employer because without the employer we can’t do anything, if we don’t find a range of employers who are

willing to take people on...The end user is the employer”
(small, private provider - UK)

However, there was some confusion, and even tension, for UK providers regarding who the real ‘customer’ was in the ‘triangular’ relationship between employers, providers and the DWP (see Figure 12 below). Programme participants were generally referred to by providers as their ‘customers’ but in both countries providers served different ‘masters’ with varying needs and requirements from each relationship at any one time. This is explored further in the next section on inter-organisational relationships (IORs).

Figure 12: The triangular employer engagement relationship



3.6 Inter-organisational relationships

Providers in both countries recognized that, in order to provide a good service to employers, they sometimes had to partner with other organisations.

In the UK context of contracted provision, large providers worked with a number of smaller and/or specialist providers in formal sub-contracting arrangements. Many UK providers partnered with local colleges, apprentice hubs, LEPs and employer bodies such as the Chamber of commerce, Federation of Small Businesses, training associations, charities and trade unions in relation to the design and implementation of training programmes.

Some UK providers had realized that to provide a comprehensive service to meet employers’ needs often required working with other (often competing) organisations. Such providers had engaged in ‘coopetition’, i.e. collaborative arrangements with their competitors (Nalebuff and Brandenburger, 2002). This appeared to have changed throughout the maturation of the Work Programme (see Ingold and Stuart, 2014, p.33) and providers mentioned the role of networking in establishing and maintaining these relationships:

“we’ve always been a very good bolt-on to colleges or other agencies that don’t have that in-house but are quite happy to work in partnership with us. So the partnership is made up of a variety of manufacturing employers, all big companies but all with a similar demand or need...we’re very, very, very partnership. Very. And sometimes to our detriment because it takes a lot of time and you don’t always get the same back but to me it’s important for us. We definitely can’t do this alone”

(small, private provider - UK)

In the UK providers’ most successful employer engagement strategies involved offering a spectrum of programmes or services to employers. For contracted providers, this was dependent upon the DWP and/or (E)SFA contracts they had been awarded. It was also common for providers in the UK to expand through mergers and acquisitions (M&A), a feature that was not evident in Denmark given the smaller number of contracted providers. Some of these M&A provided a certain business advantage in terms of sheer size and reach, as well as enabling providers to offer a broader spectrum and a potentially ‘seamless’ and ‘progressive’ offer to employers, for example: traineeships, apprenticeships, ALMPs, in-work support, in-work training and up-skilling of employers’ existing staff.

Sector-based Work Academies (SBWA) were cited by Jobcentre Plus staff as a similarly successful employer engagement strategy that combined a number of elements that employers liked (work experience and pre-employment training). Staff felt that critical advantages of SBWA were their ability to focus on employers' needs and their capacity to 'involve employers from day one'. SBWA were also cited as good examples of IORs, as they often involved partnerships with external organisations, such as colleges (who, in turn, accessed their own funding streams) and sometimes provided initial employer leads. Such IORs were sometimes built on existing partnerships.

"We've recently had a call centre who were recruiting so we worked with our employability partners, we arranged a call centre training course that would take our customers through a programme, give them some work experience within that environment as well. Then the employer had a pool of people who had very recent training, up to date skills that they could then recruit from"

(medium, public provider – UK)

In Scotland there seemed to be more of a 'culture' of partnership-working (see Lindsay et al, 2013). Providers talked about working very closely with local authorities and their employability teams, including through Community Planning Partnerships, as well as Skills Development Scotland²⁷:

"We work very closely with each local authority to have what we call an employability pipeline and what happens is that at the outset of the year they all come together, all the key partners, the local authority, Skills Development Scotland, obviously DWP, and we will look at the locality and we will say 'Right, what's gonna

be the employer needs? What's the skills shortages?' This is the type of training that we would look to provide within that particular locality. And then we would look to run courses accordingly"

(medium, public provider - UK)

In Denmark, partnerships with other providers were not as usual as in the UK, partly due to the smaller number of providers other than Jobcenters. Contracted providers tended to offer specialist support and it was more usual in Denmark for Jobcenters to try to work together, in order to offer the services that employers required that went beyond municipal boundaries. Danish providers talked about involving other organisations to support unemployed individuals, particularly in specific sectors such as construction or for higher skilled jobs. This tended to be through 'advisory boards', which comprised of employer organisations, trade unions and experts who met regularly to discuss labour market trends, opportunities and mutual concerns. Many providers in Denmark also stressed mutual cooperation with municipalities, which was less of a feature in the UK (with some exceptions). Danish providers acknowledged a growing realization that cooperation with other organisations was beneficial both to employer engagement and to supporting individuals into work:

"During the last years, I have seen a high interest in cooperating about the labour market, meaning the companies getting what they need and the unemployed to get a job again...in the beginning when I started here, things were more closed, we were not cooperating so much between sectors, between trade unions and schools, Jobcenters, institutions. But now there is a much more open minded attitude to cooperate, to make things happen"

(small, public provider - Denmark)

²⁷ The national skills body for Scotland.

In both the UK and Denmark, providers acknowledged the crucial role of the public employment service but there appeared to be an ‘us and them’ divide. In both countries contracted providers felt that the public employment service was too focused on making unemployed individuals fit into the workplace, rather than ‘finding the right workplace for the client’. Danish providers were critical of the ‘big partnerships that the Jobcentres make with companies’. Although in the UK contracted providers engaging in service level agreements or formal partnerships with employers were a feature early in the Work Programme (see Ingold and Stuart, 2014), UK providers appear to have largely moved away from this model.

In the UK providers felt that relations between themselves and Jobcentre Plus had improved compared to the early stages of the Work Programme, when caseloads were high and individuals were easier to move into employment without the necessity of IORs. However, relations with Jobcentre Plus were still ‘hit and miss’ with particular local offices. Most UK providers did not view Jobcentre Plus favourably and felt that sometimes they were working ‘at odds’ with regard to helping individuals. Providers sometimes perceived Jobcentre Plus as the ‘benefits police’, as being slow and providing a poor service. A number of providers cited examples of Jobcentre Plus staff making it difficult for unemployed individuals to attend interviews as they were inflexible about signing-on appointments. Some providers had overcome this challenge by brokering co-location arrangements with Jobcentre Plus, which meant that customers could schedule their adviser appointments at the same time as their signing appointments. Some providers in the UK mentioned the importance of having good relationships with Jobcentre Plus in terms of being ‘preferred suppliers’ for call-off contracts for specialist provision at local levels.

The UK employer interviews highlighted employers’ frustration with the lack of follow-

up from Jobcentre Plus staff when they had routed candidates to interviews. Although there has been insufficient resource within Jobcentre Plus for some years to provide such follow-up (and this seems likely to continue in the future), the interviews with local Jobcentre Plus offices highlighted that employer engagement staff nevertheless engaged in follow-up with particular employers. Despite a clear lack of resources, this was critical to their employer engagement activities and to ongoing relationship management with employers.

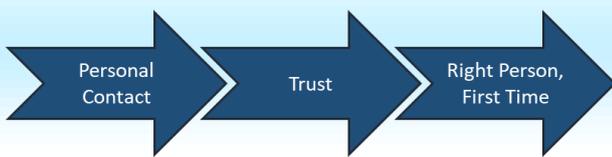
Many UK providers considered recruitment agencies to be their competition and some viewed the sector as offering poor quality and insecure job opportunities. However, others had brokered and maintained ‘partnership’ relationships with them, in order to route individuals into work. A tactic adopted by some providers in both countries was to position themselves to employers as a free, ‘cost-neutral’ or ‘fee-free’ recruitment agency, particularly when in competition with recruitment agencies for employers’ business. However, UK providers emphasized the importance of ‘hiding the wiring’ from employers about the processes underpinning ALMPs. In both countries from the employer and provider interviews one motivation for employers to use providers’ services was the idea of a ‘free’ recruitment service. However, to avoid employers equating a ‘free service’ with poor quality, providers (more so in the UK) tended to re-word their offer as ‘fully funded’ instead. Some UK providers complained of losing some staff to recruitment agencies, who had begun working in the ALMP sector when the recruitment industry contracted during the recession but were now attracted by a growing buoyant recruitment industry able to offer higher salaries and bonuses (see Ingold and Stuart: 2015, p.34).

The final section of the provider data focuses on providers’ perceived ingredients of success in employer engagement.

3.7 Providers' 'Success Mantras'

For providers in both countries there were 'success mantras' for employer engagement that comprised specific dimensions (see Figure 13 below). Firstly, providers in both countries considered 'personal contact' to be a key factor in relational employer engagement. Secondly, trust was the foundation of the employer-provider relationship. Thirdly, providers worked to build trust by putting the 'right person for the job, first time, every time'.

Figure 13: Model of employer engagement success



Personal contact – In line with the employer data, providers in both Denmark and the UK were aware that employers preferred to have a 'name and a face' when dealing with providers and that they preferred to have a single point of contact (although notably the employers interviewed did not always have this in practice). This was also evident from the employer interviews. One provider in Denmark reflected what they had heard from employers: "we need one person, we don't want to work together with a provider or with the Jobcenter, we want to work together with Bill, with Jane" (medium, private - Denmark). A UK provider emphasised:

"it's always about people so people will never ever remember what you did for them or why you did it...but they'll always remember how they made you feel...I'm only as good as my name. I know I work for [name] but it's my name that I'm selling every day"
(small, private provider - UK).

Trust - In both countries, trust was considered to be the bedrock of the employer-provider relationship. Trust also depended on individual/s who serviced the employer, so it was imperative to have the right person to

manage the account. Many providers followed a key account management strategy for large employers. Honesty and transparency in agreements and 'keeping your word' were key ingredients of a trusting relationship. Providers also perceived that speed of response or action helped them to 'win the confidence' and trust of employers. Providers felt that trust was easier to maintain with employers when caseload volumes were low, however when dealing with large volumes, there was an increased chance of making a mistake with the match, which could potentially damage the trust in the relationship. This is illustrated by the following quote from Denmark:

"you have to win their confidence that you actually keep an agreement and that if you say something that's what you're gonna do. So you have to gain that trust and be reliable as a good partner for them and do a good service for them"
(large, public provider - Denmark)

This is echoed by the following quote from a UK provider:

"the relationship is huge, so it's massive but the trust element will always be there. You lose the trust, you lose the relationship, end of, you've not got an employer. And therefore your engagement is zero"
(large, private provider - UK)

Right person, first time – Ultimately, the 'right person, first time, every time' was a key factor in building and maintaining employers' trust. In line with the employer data, providers also mentioned that employers were keen to employ individuals with the 'right attitude'. With some industry exceptions, providers' experience was that employers were not too concerned about technical skills but instead looked for 'soft skills' and the 'right behaviours'. Employers were interested in 'motivated' candidates with a 'work ethic' who would turn up on time every day, be polite, and

were honest. Some providers tried to emulate a workplace-like environment while preparing candidates, in order to increase their work-readiness. This sometimes included investing in training suites to mimic real workplaces in particular industries, as well as programmes in partnership with employers, such as Sector-based Work Academies run by Jobcentre Plus and their equivalents devised by contracted providers.

The following section presents concluding comments and recommendations from the research for policy and practice.

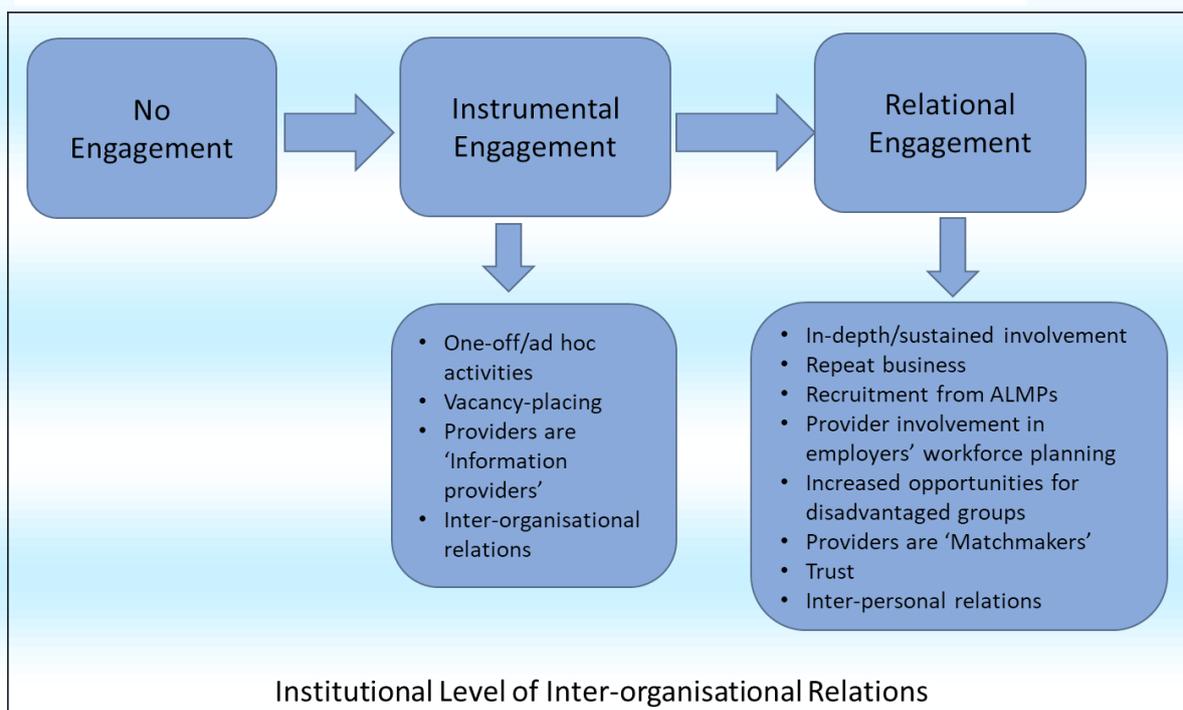
Chapter 4: Conclusions and Recommendations

4.1 Conclusions

The aim of this research was to obtain data from both employers and providers as two ‘sides’ of the inter-organisational relationships (IORs) involved in employer engagement in ALMPs. There were striking similarities between both providers’ and employers’ articulations of the reasons for employers engaging or not engaging in ALMPs, as well as the depth of engagement and the role of IORs. As ‘labour market intermediaries’ (Ingold and Valizade, 2017) providers had important roles

Figure 14 depicts a model of employer engagement along a spectrum, based on data from both phases of the research. The model is underpinned by the framework for inter-organisational relations at the institutional, inter-organisational and inter-personal levels (Marchington and Vincent, 2004) set out in Chapter 1 of this report. The institutional level of IORs provides the context; instrumental engagement is characterised by inter-organisational relations; and relational engagement by inter-personal relations. Providers could use such a model as a diagnostic tool to inform their strategy for servicing the needs of particular employers. For example, a provider may assess that the likelihood of an employer becoming relationally engaged is low and offer a minimal

Figure 14: A model of instrumental and relational employer engagement



as ‘information providers’, providing information to employers about candidates and providing information to candidates about job vacancies (Bonet et al, 2013). Providers also had a role as ‘matchmakers’ (Bonet et al, 2013) by deploying employability interventions to prepare candidates for job roles, improving matching of candidates to jobs and being ‘advocates’ for disadvantaged candidates, in dialogue with employers.

servicing strategy. Where an employer is considered to have a higher likelihood of being relationally engaged, providers could offer a more comprehensive service, based on the employers’ needs.

4.2 Recommendations

All research participants were asked for suggestions for improving employer engagement in ALMPs. The recommendations below reflect these views.

Recommendations for UK government (national, local and regional)

- In their current form, ALMPs are not working very effectively for employers.²⁸ Employers lack knowledge about programmes, do not recognise their potential benefits and consider them inappropriate to their needs.
- Employers perceive that ALMPs are not designed with their needs in mind and are too focused on the ‘deficiencies’ of unemployed individuals, which does not constitute a positive sell.
- The policy and legislative framework could be improved considerably to provide a more solid foundation for employer engagement. Less complex, fragmented programmes would make it easier for employers to engage, as well as programme continuity and stability. The smaller number of providers for the Work and Health Programme to an extent acknowledges this issue.
- Changes need to be urgently made to avoid employers receiving large numbers of job applications from benefit claimants in order to fulfil conditionality requirements, as this is damaging to employers’ views of initiatives. A critical aspect of this is better targeting of applications to employers.
- Devolution is an important opportunity to improve employer engagement in the

design and delivery of initiatives and to create programmes that are responsive to local needs:

- Employability and skills initiatives should be developed to fit local and regional labour market requirements.
 - High quality and granular data at local and regional levels are needed to determine the current and future job opportunities and skill requirements and the barriers to work for individuals in those localities.²⁹
 - There should be less competition amongst providers in local labour markets.
 - A clear, simple and comprehensive online resource for employers would be valuable. This needs to be clearly-advertised, with clear signposting for employers to follow-up with local contacts.
 - To avoid too many organisations trying to contact employers, central contact points or hubs are needed for employers in local areas and regions to showcase the programmes on offer and to provide diagnostics and signposting.
 - Local Enterprise Partnerships (LEPs) should facilitate inter-organisational working between employers, regional and local business networks, local authorities and other specialist organisations.
- ALMPs need to take as their starting point employers’ current and forecasted employment and skills needs in specific localities.
 - Employers, government and providers need to recognise that employers’ recruitment and selection processes can be significant barriers to the recruitment of disadvantaged groups.

²⁸ See also Ingold and Stuart (2014)

²⁹ In Denmark ‘labour market monitoring’ includes a biannual analysis of labour market conditions and an annual business survey. STAR also monitors changes in employment and unemployment in the eight Regional

Labour Market Council areas and their municipalities and the Ministry of Finance produces predictions of changes in employment and unemployment three times a year (STAR, 2015).

- Jobcentre Plus - the range of initiatives available to employers and how they can access them needs to be clearer. Jobcentre Plus needs a clearer identity for approaching employers, needs to be more focused on employer needs and be more responsive to meeting them, including being flexible about 'digital by default', especially for SMEs.
- Encourage employers who are relationally engaged can powerful be advocates to other employers, including through local and regional business networks.
- Given that employers value apprenticeships above other ALMPs, consideration should be given as to how to translate these benefits into other provision. Merging Skills Funding Agency and DWP funding and reporting would also help to provide a more comprehensive offer to employers for both job entry and skill enhancement, particularly in the context of replacement ESF provision.
- Well-resourced long-term programmes are needed to address disadvantaged labour market groups with multiple barriers to job entry:
 - There should be a policy shift away from ALMPs aimed at specific categories of claimant. Instead, employment support needs to be genuinely tailored towards individual needs in their employment journey.
 - Programmes should be less (hard) target-driven. A start has been made to address this through the Locations Strategy Framework, where outcomes are linked to local strategies objectives, rather than imposed targets. A focus on softer outcomes in terms of movement towards work is needed.
 - Ring-fenced funding for programmes targeted towards specific industries with critical labour shortages (e.g. health and social care) would be beneficial.
 - There needs to be more focus on retention and progression once individuals move into work.
 - Providers should have flexibility to offer time-limited wage subsidies to encourage employers to recruit specific individuals.
- To maximise resources and provide a better service to employers, more organised mechanisms for sharing evidence-based good practice across different providers and localities are needed, along with improved mechanisms and incentives for Jobcentre Plus and contracted providers to collaborate.

Recommendations for UK Providers

- Multi-agency teams (or hubs) are needed (e.g. comprised of work coaches/caseworkers, social workers, health and housing specialists) to triage the support needs of individuals in a more joined-up way *before* they approach employers.
- Individuals need to be equipped with good employability skills, such as confidence-building, communications, interview skills and soft skills.
- Employer engagement teams should devise strategies to effectively service employers with different needs:
 - Messaging to employers should be simple: ascertain their individual organisational needs, offer a range of services (even if this means signposting to other organisations) and make take-up easy.
 - Employer engagement staff need to visit employers and provide a 'diagnostic' function with regard to matching their business needs with the programmes available.
 - Providers need to be responsive. For example, for new industries/employers in a locality,

providers should identify their recruitment and skills needs and work backwards to service these requirements.

- Every employer should have a single point of contact or account manager, from initial engagement through to ongoing relationship management. Providers should ensure contingencies in the event of staff absence/exit.
- Strategies are needed to address resourcing and skills requirements within the employability and skills industry workforce, including in relation to specialist support (e.g. disabilities).
- Providing a good service to employers requires ‘coopetition’ (collaboration amidst competition) amongst providers, as well as sharing of data on good practice.

Recommendations for UK employers

- More employers need to recognise the wide range of benefits of a diverse workforce, including the benefits of employing disabled people (including productivity and adding assets to the organisation, as well as the ‘wasted talent’ if they remain outside the labour market).
- Many employers would benefit from accessing specific advice/guidance about the benefits of a diverse workforce and particularly around disability and recruitment and retention of disabled employees (e.g. declaring disability during recruitment, Access to Work and managing ‘disclosure’ to co-workers).
- Employers should give consideration to how they could modify their recruitment and selection processes, in order to encourage applications from disadvantaged groups. Employers would benefit from accessing advice from specialist organisations, including employability and skills providers.

Employers should also be willing to provide extra support to disadvantaged individuals that require it.

Recommendations for the Danish government and municipalities

- The benefits of programmes such as *Virksomhedspraktik* needs to be made clearer to employers given the perception that such programmes are not focused on moving individuals into sustained, non-subsidized employment.
- Employers need to be convinced of the tangible business benefits to companies of participating in activation, particularly beyond altruistic motives.
- Jobcenters and providers should ensure that more disadvantaged candidates are ‘activation-ready’ before sending them out to companies.
- Reduce the amount of bureaucracy linked to changing regulations to make it easier for employers to become involved in programmes.

Recommendations for Danish providers

- Unemployment insurance funds need to be aware that requiring individuals to apply for a certain number of jobs per week is damaging to some employers’ views of activation programmes and unemployed candidates.
- Encourage Jobcenters and contracted providers to work together more effectively.
- Advertise Jobcenter and other specialist services to employers and make it easy for them to become involved.

- Ensure good job matches from the beginning and offer continued and ongoing support to both individuals and employers.
- Employers need to be convinced that participation in programmes is in the interests of companies; there should be a clear and demonstrable value to them.
- Jobcenters (and providers) need to offer a single point of contact for employers and should follow up and manage regular communications with them, informed by individual employers' views about how they would like Jobcenters and other providers to work with them on a local basis.
- College-based learning should be better customised to the workplace context.
- Programme participants should be better-prepared for interviews and for the workplace and have a realistic idea about job roles before they approach employers.

Recommendations for Danish employers

- Employers beyond the public sector need more education about the benefits of employing disadvantaged labour market groups for their businesses (e.g. productivity and adding assets to the organisation, as well as the 'wasted talent' if they remain outside the labour market).

References

- Bachmann, R. (1999). *Trust, power and control in trans-organisational relations*, Working Paper No. 129. Cambridge, University of Cambridge.
- Blois, K. (2002). 'Business to business exchanges: a rich descriptive apparatus derived from Macneil's and Mengers' analysis', *Journal of Management Studies* 39(4): 523-551.
- Bonet, R., Cappelli, P. and Hamori, M. (2013). 'Labour market intermediaries and the new paradigm for human resources', *The Academy of Management Annals*, 7: 1, 341–392.
- Bredgaard, T. (2017) 'Employers and active labour market policies: typologies and evidence', *Social Policy & Society* 1-13. doi:10.1017/S147474641700015X
- Covey, S.M.R. with Merrill, R. (2008) *The Speed of Trust: The one thing that changes everything*, New York: Pocket Books.
- Ingold, J. and Stuart, M. (2014) *Employer engagement in the Work Programme*. CERIC Policy Report No. 5, Leeds: CERIC.
- Etherington, D. and Ingold, J. (2015) 'Social dialogue, partnership and the Danish model of activation of disabled people: challenges and possibilities in the face of austerity', in Grover, C. and Piggott, L. *Work, welfare and disabled people: Is employment really the answer?*, Bristol: Policy Press, 145-160.
- Ingold, J. and Stuart, M. (2015) 'The demand-side of active labour market policies: a regional study of employer engagement in the Work Programme', *Journal of Social Policy* 44(3): 443-462.
- Ingold, J. and Valizade, D. (2015) *Employer engagement in active labour market policies in the UK and Denmark: a survey of employers*, CERIC Policy Report No. 6, Leeds: CERIC.
- Ingold, J. and Valizade, D. (2017) 'Employers' recruitment of disadvantaged groups: exploring the effect of active labour market programme agencies as labour market intermediaries', *Human Resource Management Journal* 27(4): 530-547.
- Lindsay, C., Osborne, S. and Bond, S. Mar (2013) The 'new public governance' and employability services in an era of crisis: challenges for third sector organisations in Scotland, *Public Administration*, 92(1): 192-207.
- Marchington, M. and Vincent, S. (2004) 'Analysing the influence of institutional, organisational and interpersonal forces in shaping inter-organisations', *Journal of Management Studies* 41(6): 1029-1056.
- Nalebuff, B.J. and Brandenburger, A.M. (2002) *Co-opetition*, London: Profile Books.
- Simms, M. (2017) 'Understanding employer engagement in youth labour market policy in the UK', *Human Resource Management Journal*, 27(4): 548–564
- STAR (2015) *Self-assessment 2015 from the Danish Agency for Labour Market and Recruitment*, Copenhagen: STAR.
- Timming, A.R. (2015) 'Visible tattoos in the service sector: a new challenge to recruitment and selection', *Work, Employment and Society* 29(1): 60-78.
- van Berkel, R., Ingold, J., McGurk, P., Bredgaard, T. and Boselie, P. (2017) 'An introduction to employer engagement in the field of HRM. Blending social policy and HRM research in promoting vulnerable groups' labour market participation', *Human Resource Management Journal Special Issue: Employer engagement*, 27(4): 503-513.

Appendix: Main ALMPs featured in interviews in the UK and Denmark

UK		
Programme	Details	Eligibility
Work Programme	Employability support under a 'black box' model, including job preparation (interview skills, CV writing), work experience (up to 2 years)	Mandatory for 18-24 year olds 9 months' unemployed; over 25s 12 months unemployed; and Employment and Support Allowance recipients assessed as 'fit for work'
Apprenticeships	Combines on-the-job training with classroom learning and a wage (1-5 years)	No upper age limit but age dictates funding eligibility
Traineeships	Education and training programme with work experience; precursor to apprenticeships	16-24 year olds
Work Trials	For jobs of 16 hours or more per week, lasting at least 13 weeks (max. duration 30 days but must be agreed with Jobcentre Plus in advance)	Any benefit recipient
Denmark		
Programme	Details	Eligibility
Løntilskud (wage-subsidized jobs in the public and private sectors)	Most costs are refunded by the Jobcenter. The proportion of people in wage subsidies in a company should be 'reasonable' compared to the number of 'ordinary' employees ³⁰ (max. duration 6 months)	Unemployed individuals
Virksomhedspraktik (enterprise training)	Provides unemployed individuals with work experience in public or private workplaces (duration up to 13 weeks, but can be extended)	Unemployed individuals who would find it difficult to obtain work under normal circumstances
Flexjobs	Employers pay wages and receive a subsidy from the Jobcenter to cover additional expenditures (max. duration 5 years; can be extended if working ability has not improved)	People with permanent and major reductions in work ability
Lærlinge (adult apprenticeships)	Combined education programme and on-the-job training; pay is equivalent to minimum wages for unskilled work	Those aged over 30 years or people with obsolete skills or education
Jobrotation	Funds unemployed people to temporarily replace employees participating in education and training programmes (max. duration 12 months)	Ordinary employees replaced by unemployed people
Skånejobs	Sheltered jobs on special terms with wage subsidies; can be full-time or part-time	Early retirees and those with reduced work capacity

³⁰ To avoid substitution, replacement, or firing of 'ordinary' non-subsidized employees.



Centre for Employment Relations, Innovation and Change
Leeds University Business School
Maurice Keyworth Building
The University of Leeds
Leeds LS2 9JT
United Kingdom

+44 (0)113 343 6321

<https://business.leeds.ac.uk/research-and-innovation/research-centres/ceric/>



UNIVERSITY OF LEEDS

Leeds University Business School

ISBN 978 0 85316 354 1