Centre for Employment Relations, Innovation & Change
LEEDS UNIVERSITY BUSINESS SCHOOL

Employer Engagement in Active Labour Market Programmes: Final Report[1] - Executive Summary

This summary draws together findings and recommendations from a comparative mixed methods study of employer engagement in active labour market programmes (ALMPs) in the UK and Denmark. The first phase of the research was a survey[2] of over 1,500 employers in both countries. This summary largely draws on the second phase - 103 in-depth semi-structured qualitative interviews with employers and organisations delivering ALMPs ('providers') in the UK[3] and Denmark.[4]

Employers

- Employers considered themselves to be 'engaged' in ALMPs when they felt committed towards them. 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%.

- Employers in both countries were positively disposed towards unemployed candidates but were critical of ALMPs, which they considered unsuited to their needs.

- Every single Danish employer interviewed had taken part in at least one ALMP, often in more. Among UK employers, participation was more sporadic.

- In both countries, the lack of a tailored service could often result in employers being sent candidates who were of 'poor quality', unsuitable, or ill-prepared.

- Employers were critical about the lack of follow-up from the public employment service (Jobcentre Plus, UK and Danish Jobcenters). However, some had experienced good service from local office staff who had made adjustments to their usual offer.

- In both countries a key reason for not engaging in ALMPs was that employers perceived them as inappropriate to their needs. Another key reason for not engaging was lack of knowledge, or simply not being approached.

- In the UK the majority of employers had proactively contacted providers themselves but in Denmark it tended to be the reverse. However, employers (particularly in the UK) complained of being contacted by too many different organisations.

---

[1] For full report see: Ingold et al (2017) *Employer Engagement in Active labour Market Programmes in the UK and Denmark: Final Report, CERIC Policy Report No. 8*, Leeds: Centre for Employment Relations Innovation and Change.

[2] For the full survey report see Ingold and Valizade (2015) *Employer engagement in active labour market policies in the UK and Denmark: a survey of employers, CERIC Policy Report No. 6*, Leeds: CERIC.

[3] England, Scotland, Wales and Northern Ireland

[4] These organisations include the public employment service and organisations contracted by government at national and sub-national levels.

- Employers' decisions to participate in ALMPs tended to be taken at a local level. Once relationships between employers and providers were established, their ongoing management was critically important.

- Having a 'single point of contact' in provider organisations was important for UK employer engagement. This was less important to employer engagement in the Danish context, possibly due to the stronger institutional framework for employment and skills policy.

- In both countries, employers were generally positive about employing disabled candidates. However, only a small number of UK employers had employed disabled people, and not necessarily through ALMPs. In Denmark it was more prevalent, usually through the Flexjobs scheme.[5]

- In both countries very few employers had made changes to their recruitment and selection processes to encourage candidates from disadvantaged groups.

- Employers in both countries 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.

- UK employers were very familiar with apprenticeships over and above other ALMPs.

- The majority of UK employers who had participated in ALMPs had recruited individuals from them.

- In the UK institutional trust in public policies was extremely weak, leaving more 'gaps' to be filled by providers through the development of inter-personal relationships between individuals from employing organisations and providers. However, although these relationships were critical to employer engagement, they were also fragile.

- Danish employers were more knowledgeable about ALMPs and positively disposed towards them but felt that they were not focused on sustained, non-subsidized employment.

- Among Danish employers, recruitment from programmes was more mixed. This was largely because the key programmes were short-term, and (in employers' views) lacked an explicit intention that employers would hire from them.

- Danish employers had greater institutional trust in government policy and programmes. This translated into stronger inter-organizational trust (between employers and providers). Inter-personal trust could

[5] The Flexjobs scheme offers subsidized jobs under special conditions for individuals with reduced working capacity. It also includes in-work support and reduced working hours.

augment this but it was not crucial to employer engagement.

Providers

- Providers in both the UK and Denmark undertook a range of activities and employed various methods to attempt to secure employers' engagement and most recognized it as a 'classical sales job'.

- Providers in both countries had some form of sales process in place comprising: *Prospecting*, *Planning & preparation; Approach and identifying needs; Presentation and objection handling; Solutions.*

- 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.

- Providers across both countries agreed on a number of fundamental principles in relation to employer engagement: (1) The measure of relational engagement was repeat business and greater involvement of employers in programme design and implementation; (2) Relationships built on mutual trust over time; (3) The usefulness of developing benchmarks for assessing the potential depth of employer engagement, on which providers based their service offers.

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

- 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 this required 'coopetition' (collaboration amidst competition).

- In both countries providers had 'success mantras' for employer engagement: (1) 'Personal contact' was a key factor in relational employer engagement; (2) Trust was the foundation of the employer-provider relationship; and (3) Providers worked to build trust by putting the 'right person for the job, first time, every time'.

Recommendations for the UK

- In their current form, ALMPs are not working very effectively for employers. Employers lack knowledge about programmes, do not recognise their potential benefits and consider them inappropriate to their needs.

- Less complex, fragmented programmes would make it easier for employers to engage, as well as continuity and stability of programmes. 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.

- Rules regarding the number of job applications that need to be made to fulfil conditionality requirements must be

urgently reviewed in light of the damage to employers' views of initiatives.

- Devolution is a critical opportunity to improve employer engagement in the design and implementation of initiatives and to devise programmes that are responsive to local needs.

- 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 the employment journey, with less 'hard' targets.

- 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.

- 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 focused on employer needs and be more responsive to meeting them, including being flexible about 'digital by default', especially for SMEs.

- To maximise resources and to provide a better service to employers, more organised mechanisms for sharing evidence-based good practice across different providers, programmes, cohorts and areas are needed, along with improved mechanisms and incentives for Jobcentre Plus and contracted providers to collaborate.

This report is based on research funded by the Economic and Social Research Council Future Research Leaders Award (ES/K008617/1): *How do inter-organisational relations affect employer engagement in welfare to work programmes in the UK and Denmark?*

For more details about the research: http://business.leeds.ac.uk/research-and-innovation/research-projects/how-do-inter-organisational-relations-affect-employer-engagement-uk-and-denmark/

Publications from the research:

Ingold, J., Sarkar, M., Valizade, D., Garcia, R., Scholz, F. (2017) *Employer Engagement in Active labour Market Programmes in the UK and Denmark: Final Report, CERIC Policy Report No. 8*, Leeds: Centre for Employment Relations Innovation and Change *https://lubswww.leeds.ac.uk/fileadmin/webfiles/ceric/Documents/CERIC_Policy_Report_8.pdf*

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: https://lubswww.leeds.ac.uk/fileadmin/webfiles/ceric/Documents/CERIC_Policy_Report_6.pdf*

If you use our findings, or would like more information please contact:

Dr Jo Ingold (Principal Investigator)
Leeds University Business School
University of Leeds
Leeds LS2 9JT UK
j.ingold@leeds.ac.uk
@EmpEngW2W

Centre for Employment Relations, Innovation & Change