

What do employers want from an aligned employment and skills system?

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Introduction

In recent years, there has been a vast amount of change taking place in the employment and skills sector. The UK currently lags behind its European neighbours in terms of qualifications and skills, and there is concern that much needs to be done in the sector to ensure that the UK remains internationally competitive. The primary goal of the Integrated Employer Offer is to ensure that employers receive a seamless service, ensuring that employment and skills products and services are responsive and demand-led. Due to the recent recession in the UK, more people have become unemployed and will need to retrain or enhance their skills to re-enter the labour market. As a result, it is imperative that employers are able to obtain a joined-up approach to employment, skills, and business advice and support.

The Department for Work and Pensions (DWP) and the Department for Business, Innovation and Skills (BIS) commissioned Ipsos MORI to undertake research on what employers want from an aligned employment and skills system, and the extent to which employers, employer representatives and stakeholders in the system currently think it is joined-up. The study comprised of a review of existing research on employer perceptions, plus qualitative research comprising of 41 in-depth interviews with stakeholders in Government and public sector agencies, employer representative bodies and employers of varying sizes and sectors across England.

Following the election of a new UK Government in May 2010, this research has been published under a changing policy environment and some Government organisations or services cited may have been dissolved, renamed or rebranded, or had

their responsibilities deferred elsewhere. The findings should be considered in this context, although the messages behind what employers want from an aligned system remain relevant. As a first look at employer and stakeholder views, this research should also be viewed as part of ongoing wider evidence gathering on the alignment of employment and skills.

Findings

Awareness of employment and skills services

The study found that large employers were generally more aware of employment, skills and business support services than small and medium enterprises (SMEs). Furthermore, in many cases employers had misperceptions of the full scope of support offered by organisations. Many thought that Jobcentre Plus could only help recruit blue-collar workers. Some thought that Acas was more of a rule setter than an advice-giving organisation. There was also confusion over the extent of skills support, leading some employers to think there was little information and advice about assessing their overall training needs and how to grow their business.

Overall however, SMEs often felt a sense of information overload, with contacts from employment and skills organisations that were not always relevant to their business. Large employers tended not to complain of too much information, but rather of inconsistent information from different organisations. However, employers themselves were reactive to provision, expecting relevant employment and skills services to come to their door. Employers suggested resolving this dilemma by having better coordinated information, rather than more

information, sent through established channels such as trade magazines, via employer representatives or through HM Revenue & Customs (HMRC).

Use of employment and skills services

Employers reported a geographically-patchy employment and skills system, with examples of good and bad experiences. Positive experiences often involved an effective account manager who could guide employers through an enquiry, or included follow-up contact, for example having someone in the service call you back to make sure everything was running to schedule. Employers wanted consistent account management and some complained that the role changed hands too frequently, with progress being undone. They also wanted a continued sense of progress after the initial contact, having their enquiry officially logged and being guaranteed that someone would get back to them with a relevant response in an agreed timeframe. Major factors in negative experiences were bureaucracy and inflexibility. This included having to provide the same details to different organisations and not being able to access data in the most straightforward way. Many employers were also disappointed by the quality of unfiltered Jobcentre Plus candidates, having been unaware that they were unfiltered, suggesting a need to manage expectations.

Some employers had not used Government employment and skills services at all, despite being aware of them. Within this, some felt their employment and skills needs were already met by established contacts within employer representatives or in the private sector. Others mistakenly thought they were ineligible for Government services or assumed they would be bureaucratic. However, some employers noted that it was currently a good time in general to engage employers who would be more willing to use free Government services following the recession.

Aligning employment and skills services

The study found that employers were very keen on the idea of an aligned employment and skills system. Firstly, many said they wanted a 'one-stop-shop' for accessing Government services, generally envisaged as a diagnostic service from which generalist advisers would signpost employers to specialists in different organisations. However, employers were split on whether there should be a single first-stop-shop, or separate ones for employment, skills and redundancy support. Some thought that Jobcentre Plus already provided this first-stop-shop for recruitment and Acas provided redundancy support, respectively, suggesting that the foundations for this model are already in place. However, many SMEs thought an equivalent first-stop-shop for skills and planning for growth was currently missing. In addition, while some large employers felt they already had a first-stop-shop in the form of their national account managers in Jobcentre Plus, they were potentially missing out on information and advice about skills as well as recruitment. Many stakeholders and employer representatives were keen for a single Government organisation to become the default first point of contact in a joined-up system, though some employers preferred to access employment and skills services via their established contacts.

Secondly, there was a perception that organisations that worked across recruitment and skills did not always talk to each other as much as they should behind the scenes. Some stakeholders saw different organisations as working towards different goals or targets, leading to organisations not only failing to cooperate but actively competing with each other, such as through an unwillingness to share employer contacts or to engage in joint marketing. Various stakeholders agreed that joint working was not currently centrally-driven but relied on the efforts of a few frontline stakeholders. A sense of 'initiative churn' also made some stakeholders cynical about aligned employment and skills and whether this was just another short-lived initiative. This made them question whether they should commit to the idea.

Improving employment and skills service delivery

The study found that some stakeholders felt that DWP and BIS could do more to instil a culture that supported integration, for example by having explicit joint objectives. One stakeholder also suggested developing a single commissioning process, allowing organisations to pool their budgets to fund projects. Employers also suggested specific ways in which they thought bureaucracy could be reduced to deliver a more joined-up service. This could be done through more shared contacts databases or a central computer system to store a company history. Time spent on paperwork could also be reduced if Jobcentre Plus could provide employers with support for completing their payroll for new recruits on temporary contracts.

Typology of employers

The study identified four broad segments of employers with different priorities in a joined-up system. The first group were those employers of all sizes that had an established relationship with Government services. Although they tended to be the most satisfied with the system, there was a risk that those engaged exclusively with Jobcentre Plus were not getting information and advice on skills. Moreover, if their contacts moved on without a formal handover, this could make them disengage.

The second group were SMEs that were completely new to the employment and skills system. These employers present a chance to establish a first-stop-shop for Government services by signposting them there from these other websites. The third group were employers that had already established a relationship with an employer representative body. They often thought relevant support was not available because it did not arrive via their existing channels, so might benefit from more signposting via employer representatives. Finally, there was a fourth group which consisted of employers who were generally uninterested, with informal contacts in private sector recruitment agencies or training providers, who felt no need to access Government

provision. This group may, however, benefit from knowing what Government services could do beyond funding individual training programmes, such as support for growing a business.

Recommendations

On the basis of these findings, the report makes a number of recommendations on how to improve employers' views of the employment and skills system:

- to improve joint-working, stakeholders should consider developing joint aims and objectives across existing employment and skills services. They should also attempt to coordinate how they talk about services, how they share employer contacts, and their feedback and handover processes, all of which may keep employers engaged without the need to offer additional services. Across all services, policy teams should highlight local good practice examples of this kind of joint working for others to replicate;
- to make existing joint-working more visible, Jobcentre Plus should try, as a matter of course, to signpost employers to local colleges and training providers and to any funding available. This may require investing in further guidance for existing national account managers to ensure they have an overview of skills as well as employment services. Jobcentre Plus should also aim to develop a more consistent filtering service across its offices and consider charging for this;
- to have an identifiable first-stop-shop for services, DWP and BIS should consider using an existing service, one that employers are familiar with, as the default first-stop-shop for SMEs. Advisers in this service should be interpreters of the system, who can assess business needs and then guide employers to the relevant specialist service;
- finally, to signpost employers who prefer not to engage with the prescribed first-stop-shop, stakeholders should use employers' existing relationships with HMRC and with employer representative bodies as a low-cost way of engaging employers.

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You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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