

# A qualitative study exploring employers' recruitment behaviour and decisions: small and medium enterprises

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## Introduction

There has been much emphasis on raising the employment rate in the UK in recent years and policy has increasingly been geared towards increasing the labour market participation of people with traditionally high rates of non-employment, such as disabled people. The introduction of the Employment and Support Allowance with increased conditionality can be seen as an attempt to get more disabled people into work and participating in work-related activity, which raises questions about employment opportunities in the labour market for disabled people.

This report presents findings from a qualitative study concerned with exploring the recruitment behaviour and decisions of employers in small and medium enterprises (SMEs) in the UK, and how these might relate to the employment of disabled people. Despite the prevalence of SMEs in the UK economy, relatively little is known about their recruitment procedures and how these might relate to the employment of disabled people.

## Methodology

The research was carried out by the Social Policy Research Unit at the University of York in 2009-2010, at a time which coincided with an economic recession in the UK and which the majority of employers taking part in the study were affected by. The qualitative research was designed with a clear policy focus and application in mind: to facilitate better the Department's engagement with SME employers in relation to the employment integration of disabled workers.

The main methods used in the study were:

- literature review;
- sixty in-depth interviews with 30 employers;
- focus groups with employers; and
- follow-up telephone interviews with a selection of employers.

Research on employment interviews is often criticised for using an experimental methodology. A key element of the design in the present research was to identify employment vacancies as they were advertised by employers and to use these to ground the exploration of recruitment decisions in SMEs in as close to real time as possible. In this way the study sought to situate employers' experiences of and attitudes towards disabled people in a meaningful context and to limit any problems with recall in retrospective interview accounts. Employers were interviewed before and after they had made their recruitment decisions. To avoid generating socially desirable responses, the employers were assured of anonymity of firm and location.

## Factors influencing the recruitment decisions of SME employers

Employers' recruitment decisions were made with a consideration of the economic and labour market context, which operated to constrain their recruitment choices. Employers were focused on attaining flexibility, maintaining productivity, lowering their costs and increasing profit margins. Taken together these concerns informed their quest to find the best person for the job or someone

who 'could do the job'. Successful candidates were chosen in relation to a range of factors which can be related to the business concerns and needs of SMEs:

- **Flexibility:** employers sought someone with a flexible attitude to work and a willingness to perform other roles, especially in an economic recession.
- **Competence:** could the person do the job properly?
- **Reliability:** would the person be at work when they were supposed to be?
- **Stability:** personal stability could be taken by some employers as a sign of reliability.
- **Location:** employers perceived that employees living close to their workplace would be able to minimise costs and disruptions associated with travelling to work.
- **Attitude to work:** a strong work ethic was valued by employers.
- **Personality:** personable employees were thought to enhance customer relations, especially in the service sector.
- **Honesty:** employers wanted someone they could trust with the best interests of the business.

Employers perceived a number of risks to their business of employing inappropriately. For example, incompetent or rude staff would risk reputations, customers and ultimately the business itself. There were also potential risks perceived to other staff and customers when the role involved was related to the direct care and security of others, for example, care work or food preparation.

## Employing disabled people: SME employers' attitudes and experiences

Employers held varying understandings of the concept of disability, which could mean that the term was rendered meaningless for some because it disclosed little about actual health conditions or their severity. Whilst some employers did not consider there would be any difference in employing someone with either a physical or a mental health

condition, other employers thought that a mental health condition would be more unpredictable and therefore harder to manage in the workplace. Employers perceived difficulties in employing people with fluctuating health conditions because of the unpredictability that absences at short notice would introduce to work routines. Most employers also argued that employing a disabled person would depend on the specific role that was available and whether or not they 'could do the job' with their health condition.

For those employers in the study who had recruited people with (past) health conditions, their primary concern was whether the conditions were stable and manageable and whether they would affect the person's ability to 'do the job'. In all of these cases the successful candidates were seen to be the best people for the positions. Employers' experiences of working with disabled people varied. Some recounted very positive experiences, others less so.

Employers perceived that the main uncertainties around employing (more) disabled people were:

- the (un)suitability of the built environment;
- risks to productivity;
- risks to the disabled person, other staff and potentially customers, especially where the work was considered to be relatively dangerous; and
- potential negative impact on other staff if they had to compensate for any lost productivity.

Employers also lacked detailed information and knowledge on specific health conditions and this made it difficult for them to judge the potential of a disabled applicant in any specific role.

Whilst employers recognised the rights of disabled people to participate in paid employment, and that they should therefore be considered on an equal basis for employment opportunities, they did not consider that they in the SME sector should be obliged to employ disabled people. In this respect they considered that larger businesses operating with economies of scale and able to allocate fixed and knowable roles to staff would be much better placed. This is reflected in the finding the SME

employers concerned would mostly consider making changes to the hours worked rather than the tasks involved in a role.

## SME employers' perceptions of policy levers and validity of arguments for employing disabled people

Some employers in the study considered that the vacancies they had advertised were not at all suitable for disabled people. Other employers mentioned a range of policy levers which they would find potentially useful and which can be related to overcoming their uncertainties in employing disabled people. For example, employers were keen to find the best person for the job and so thought that a job broker to match disabled applicants to specific employment vacancies would be helpful in this respect. Employers also perceived that the wider workforce would also need to be educated about disability issues in order to combat wider discriminatory attitudes and reassure staff about the capabilities of disabled workers. Employers would also value a channel which provided them with information on health conditions and the capabilities of applicants with different kinds of impairment and health conditions. Work trials were also seen as a relatively risk-free way of assessing a candidate's suitability for a particular role.

The provision of financial help was seen as crucial for some employers who argued that SMEs were unlikely to (be able to) fund adaptations to the build environment or purchase expensive equipment for the benefit of one employee. To varying extents, employers perceived that there were a range of arguments that could be made to SME employers for the recruitment of disabled people, including:

- brings diversity and a different view point;
- disabled workers are as productive as non-disabled workers;
- enhances employer reputation and image;
- shows employer commitment to the workforce;

- positive impact on staff morale; and
- more innovation to business due to diversity.

Ultimately however, employers stressed that the core concern of whether the disabled person could 'do the job' would take primacy.

Policy levers which make it easy and financially worthwhile, or at least do not penalise SME employers financially for employing disabled people and which are well publicised would be thought useful by employers. Several of the suggestions made by employers are already DWP policy initiatives, Access to Work, Disability Employment Advisors and job brokers, for example. However, knowledge about these initiatives was found to be low amongst the sample group.

## Policy implications

That the recruitment decisions of employers were made with a consideration of the economic and labour market context poses questions for the ability of DWP policy to influence the wider economic context and the policy implications outlined below reflect this constraint:

- Providing SME employers with the option of accessing training in best practice in the recruitment process.
- Tailoring the language about disability so that it is meaningful to employers (and the wider society) and providing them with information on the social model of disability to highlight the assumptions and attitudes which can disable people with health conditions and impairments.
- Providing appropriate points of contact for information about employing disabled people including information on the relevant legislation and on specific health conditions for employers who might then be able to make better decisions on the potential of a disabled applicant in a given role.

- Being proactive in informing SME employers of the current help available to them to employ disabled people: including help with adaptations and equipment, with wage subsidies, with job brokering and work trials and with information needs about employing disabled people. This might help with the perceived financial costs of adapting the built environment in employing disabled people.

In such ways SME employers may be better informed of the positive contribution that disabled people could make to their organisations on the one hand and the potential for any associated financial costs to be met by government on the other.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 84712 989 5. Research Report 754. June 2011).

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

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