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Employers, Recruitment and the Unemployed

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Report 325

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The Institute for Employment Studies

The Institute for Employment Studies is an independent, international centre of research and consultancy in human resource issues. It has close working contacts with employers in the manufacturing, service and public sectors, government departments, agencies, professional and employee bodies, and foundations. Since it was established over 25 years ago the Institute has been a focus of knowledge and practical experience in employment and training policy, the operation of labour markets and human resource planning and development. IES is a not-for-profit organisation which has a multidisciplinary staff of over 60. IES expertise is available to all organisations through research, consultancy, training and publications.

IES aims to help bring about sustainable improvements in employment policy and human resource management. IES achieves this by increasing the understanding and improving the practice of key decision makers in policy bodies and employing organisations.

Formerly titled the Institute of Manpower Studies (IMS), the Institute changed its name to the *Institute for Employment Studies* (IES) in Autumn 1994, this name better reflecting the full range of the Institute's activities and involvement.

Contents

1. Introduction and Main Findings

This research looks at employers' attitudes towards, recruitment of, and rejection of, unemployed jobseekers. It is concerned with both the long term unemployed (LTU), and unemployed people in general. It draws on a representative sample of 800 UK employers, investigated by telephone survey and face-to-face interview during the latter part of 1995 and early 1996.

Research aims and objectives

In one sense, the report may be read as a general updating of our knowledge about these concerns. This is an important aim as labour market conditions change considerably over time, and employers' recruitment activities (and their consequences for the unemployed) are obliged to mirror such changes, not only in terms of volume, but also in terms of procedure. Furthermore, our knowledge itself is built up gradually over time, through successive studies, and we have been concerned here both to extend and develop themes and findings established in earlier studies.

More precisely though, our study has four principal aims, as follows:

1. to investigate employers' perceptions of the unemployed, particularly LTU
2. to identify what employers perceive to be the main barriers to unemployed people gaining work
3. to assess how far those perceptions influence the likelihood of the unemployed getting a job, and
4. to investigate employers' views of the role of government programmes for the unemployed.

The first two aims produce an assessment of employers' general perspectives on the unemployed, how this varies between different kinds of employer, different labour markets, *etc.* In particular, it provides an assessment of the *particular criteria* against which employers evaluate unemployed applicants, to the extent that they differ from those used for all applicants. They tell us what importance is attached by employers to different aspects of the unemployed applicant's personal

characteristics, experience and qualifications. For example, employers might be particularly interested in:

- how they became unemployed in the first place
- how long have they been out of work
- whether there is any history of repeated spells of unemployment
- what they were doing while unemployed
- how obviously hard they have tried to get a job.

The third aim draws together the practical and procedural aspects of the vacancy filling process with the attitudinal results, to identify the *particular* hurdles which might disadvantage the unemployed applicant. For example, these might involve:

- the way in which the vacancy is declared and advertised
- the application process favoured
- the shortlisting and selection methods used
- who is conducting the selection.

Thus, all three of these aims produce an identification and assessment of the particular features (both objective and subjective) of the vacancy-filling process to which unemployed applicants might be particularly vulnerable. By inference, they additionally identify aspects which work the other way, and particularly advantage the unemployed applicant.

This leads on to the fourth aim of the study. To what extent do employers feel that public programmes for the unemployed address these features of unemployed jobseekers to which they, as recruiters, pay particular attention? Are public programmes perceived by employers as, in some sense, offsetting the disadvantages under which the unemployed are labouring, or do they, by contrast, see them as irrelevant? Thus, both through direct questioning, and by inference from findings about their attitudes and practices, the research contributes to a better understanding of employers' views about the most advantageous aspects of these programmes, such as:

- job related skill training
- basic skill training
- work experience
- enhanced motivation to take work
- intensified/better informed jobsearch
- better presentation
- temporary placement possibilities
- subsidised recruitment *etc.*

To the extent that the research can identify those features which are most likely to influence employers' decision-making about the unemployed as potential recruits, then it will be in a strong position to assess the content of, and balance between, different programmes designed to assist the unemployed to find work.

Research issues

As noted above, there exists already quite a substantial body of research into employers' attitudes towards the unemployed, and how these translate into barriers to their recruitment. The conceptual and methodological problems which such a study throws up are not therefore new, and have been tackled, with lesser or greater degrees of success, elsewhere.

The main questions outlined above do not adequately resolve some remaining conceptual and practical issues with which the research tries to deal. There are four outstanding issues that the research therefore tackles.

1. Conceptualising employers' attitudes

Employers' perceptions of the characteristics of the LTU are both varied (between different types of employer) and multi-faceted. They are comprised, in varying proportions of ignorance, of caution, sympathy, and self-interest, and drawn from a mix of real experience, folklore and prejudice. In short, they are very complicated, and an immediate issue confronting this research is simultaneously to capture that complexity, but also to reduce it to simpler indicators, which have more easily disentangled implications for the style, composition and intent of public programmes designed to help the unemployed.

We have used a two-fold distinction to help us categorise employers' attitudes. Employers may see the unemployed in general, and the LTU in particular, in two different ways, corresponding to two different conceptions about how the labour market works.

Some would stress the **heterogeneity** of the workforce, and the competitive/selective processes of the labour market, leading to a clustering of people of relatively low value to employers among the unemployed. They would have considerable empirical evidence to bolster this view (LTU do tend to be outside the prime age groups, have more health problems, less skilled, less experienced, less well provided with testimonials and references, *etc.*). In the eyes of this group, the unemployed are unemployed because they lack the attributes which make them desirable.

Others would stress the **state dependence** of the unemployed, and the corrosive effects of being out of work, on motivation, aspiration, self confidence, relevance of skills and experience, *etc.*

They, too, could call on serious empirical evidence to support their perceptions. In their eyes, the unemployed lack attractive attributes because they are unemployed.

This research attempts to assess the relative strength and incidence of each perspective, and how this related to the independent variables on which we have collected data (sector, size, location, experience of recruiting unemployed people, nature of recruitment/selection process, *etc.*).

It is immediately obvious that the sorts of help, advice and support given to the unemployed jobseeker would vary greatly according to the balance of attitudes. To the extent that the heterogeneity view is dominant, just about the only things that would help the unemployed are a generalised increase in the volume of employment, and/or a substantial increase in the skill portfolio which they can offer to employers. By contrast, if the state dependence view is more important, then strategies aimed at easing the unemployed back into the labour market (on placement or work experience or in temporary jobs), or accentuating their positive attributes (motivational, maturity, *etc.*) would make more sense.

2. Attitudes and practices

In some measure, the recruitment and selection *practices* used by employers reflect the dominant *attitudes* of the recruiters. But they also have a life of their own, and are influenced by a very wide range of factors. The study therefore identifies:

- who is actually involved in the recruitment, and their separate roles
- the procedures adopted by recruiters at each stage of the recruitment process, systematically assessing the probable impact of each particular procedure on unemployed applicants
- the criteria applied in selection (again, drawing out the likely implications for unemployed applicants)
- the evidence against which these criteria are assessed.

3. Employer awareness of recruits' status

It is quite clear that employers are not always aware of the status of individual recruits prior to recruitment. Previous work has found many employers who had recruited LTUs, but did not know that they had and conversely, many who had not, but insisted that they had. In this research, the sample source (ES records) provided objective verification of the reality, but in our research, we only have the (evidently unreliable) assessment of the employers themselves to go by.

We tackle this by drawing together what employers say about the selection criteria they use, and the evidence they gather, to verify how likely they are to know whether or not previous recruits had been unemployed and if so, for how long. Secondly, we limit the scope of the *particular* questioning to a single identifiable vacancy filled during the recent past.

4. Rejection

Previous studies have not adequately dealt with evidence which is more readily available than that pertaining to LTU recruits; *ie* LTU rejections. We have used the opportunity presented by the focus on recent vacancies, to ask about the applicants who did not get them and, in particular, about the criteria did they not meet.

Research methodology

A detailed description of the methodology used, and the results obtained, is presented at Appendix 1. However, we briefly summarise it here for the general reader.

The principal research vehicle was a telephone survey of employing establishments in the UK. A questionnaire was devised by IES, revised in the light of DfEE comments, piloted, and subsequently revised again. The main fieldwork, using CATI procedures, was conducted in November/December 1995 and January 1996. We sought and achieved 800 completed responses.

The sample was drawn randomly from *Connections in Business*, but structured by Standard Industrial Classification (to reflect the sectoral distribution of employment), and establishment (employment) size. The procedure adopted here was to oversample among the larger establishments (to ensure that a sufficiently large number were covered) and then to reweight the results, so that they reflected the actual distribution of establishments by size (and sector). Random selection provided a reasonable range of establishments by location, and hence by local level of unemployment.

A small number of establishments were followed up for more detailed face-to-face interviews. The selection criteria were (1) to provide a reasonable range of size and sectoral coverage, (2) to cover differing labour market conditions, and (3) to include employers who had, and had not taken part in public programmes to assist the LTU.

Structure of this report

The report which follows is divided into six further chapters, as follows:

Chapter 2: Recruitment and selection: what the literature says.

Chapter 3: Recruitment and selection in policy and practice: research results.

Chapter 4: Employers and unemployment: what the literature says.

Chapter 5: Recruiting the unemployed: research results.

Chapter 6: Rejecting the unemployed: research results.

Chapter 7: Attitudes towards the unemployed: research results.

Appendix 1 discusses the methodology in detail.

Appendix 2 gives details of the sample structure.

Appendix 3 shows the final telephone interview questionnaire.

Appendix 4 contains the bibliography of sources and references.

Main findings

Here, we summarise the main findings contained in the report. For convenience, we outline the findings of the primary research according to successive chapters. The two literature-based chapters are only briefly described.

Chapter 2: Recruitment and selection: what the literature says

This chapter examines the main features of the recruitment and selection process, as identified in the literature. It provides background to the recruitment practices and procedures investigated in the primary research. The issues covered in this chapter are presented within three broad areas:

- defining the job and person requirements
- recruitment channels used, and
- selection techniques.

Chapter 3: Recruitment and selection in policy and practice: research results

This chapter describes the recruitment and selection practices and procedures actually deployed among our 800 respondent establishments. It deals with the general features of the recruitment context and process, then moves on to consider more specific details through reviewing those practices actually used during their most recent recruitment exercise.

General recruitment

- Of the 800 establishments questioned, 74 per cent of all respondents had recruited people in the last 12 months.
- The largest establishments, with over 250 employees, were the most active recruiters with nearly their entire sample (*ie* 97 per cent) having filled vacancies over the last 12 months.
- Only 151 establishments (21 per cent) of all those who had recruited had filled vacancies internally, and 130 (18 per cent) restricted advertising to existing employees only.
- Whilst in larger organisations the internal labour market soaked up one-fifth of vacancies, external applicants still had access to 89 per cent of all the vacancies in these establishments.
- Nearly 60 per cent of establishments said they had standard procedures for recruitment to all jobs.
- Public sector and larger establishments almost invariably had standard procedures for all jobs, but smaller establishments in production and the private sector frequently had no standard procedures.
- Seventy-six per cent of all those who had ever recruited, routinely collect information about a candidates employment status.

Recent recruitment exercise

- A wide range of occupations was represented, with just over a quarter being vacancies for managers, professional and technical staff. Clerical and secretarial, personal and protective service, sales staff and plant and machine operatives were more evenly balanced overall (16, 15, 12 and 11 per cent respectively).
- A large majority of did not state any educational or vocational qualification as a minimum requirement.
- Relevant experience was a far more common minimum requirement for the most recent job.
- The majority of these vacancies were for permanent posts (88 per cent). More temporary jobs were being offered in the service industry and the public sector and less were identified in small and production establishments.
- Most recruitment exercises had been for a single vacancy.
- The average number of applications for each vacancy was not particularly high, at 20.4 applications per vacant position.
- The most common methods overall employed to attract suitable new recruits appeared to be: open advertising; informal methods such as word of mouth or a personal recommendation; and the Jobcentre.

- These were also stated to be the most effective channels in terms of producing the successful recruit. Public notices/shop windows, speculative applications and private vacancies were less productive.
- Advertising based on word of mouth is more important in smaller and medium sized establishments than the largest establishments involved in the survey.
- More of the largest establishments use the more costly recruitment channels, such as open advertising and private agencies.
- Informal methods, such as word of mouth and public notices in shop windows, appear to be slightly more common amongst establishments where levels of unemployment are higher in the local labour market and *vice-versa*.
- Almost half of all the recruiting establishments were using informal channels to advertise their vacancies, through existing employees, these channels could be working to disadvantage a significant number of unemployed people.
- Face-to-face interview was the most common selection technique used (88 per cent of respondents). Other techniques which also appeared generally to be quite significant overall included references, a trial period, an application form and formal shortlisting.
- Public sector and larger establishments appeared overall to have the most formalised selection processes. A larger number of the smallest establishments used a more informal interview and a trial period in selection.
- In the majority of cases, the managing director (MD) or the line manager, directly responsible for the new recruit, was involved in the interview process. Outside the larger establishments, personnel specialists usually played a minor role.
- Criteria such as reliability, honesty, and integrity, motivation, attitude and keenness were the most important factors in making the most recent selection. These criteria were closely followed by basic skills, such as numeracy and literacy.
- History of employment and age were of least importance.

Chapter 4: Understanding unemployment

This chapter examines the main issues in the literature regarding unemployment and the experiences of unemployed people. Again, as with chapter two, it acts as a background to the findings regarding unemployment from this study, which are presented in the latter chapters of this report, and sets them within a broader context. The areas explored in this literature chapter can be represented as:

- the nature and characteristics of the unemployed

- recruitment and the unemployed
- attitudes and beliefs towards the unemployed, and
- the experience of government programmes.

Chapter 5: Recruiting the unemployed

This chapter looks at policies and practices influencing the likelihood of recruitment from among the unemployed.

- Recruitment from among the unemployed was widespread; half our respondents had done it in the past year.
- The unemployed represent a significant inflow of labour for those drawing on them at all; on average, these establishments had filled nine vacancies each during the past year, representing about six per cent of their current stock of employees, and about one-third of these vacancies (35 per cent) were taken by individuals believed to be unemployed.
- The likelihood of recruiting from the unemployed was much higher than average among larger establishments, and slightly higher than average among public sector respondents and those with experience of taking part in public programmes.
- The incidence of such recruitment is positively correlated with the rate of unemployment in the local labour market.
- Nearly one-third of our respondents believed that they usually or fairly often took on short term unemployed, and one-fifth never or rarely did so.
- The incidence of this regularity in hiring falls to one-fifth for the long term unemployed, with close to one-third rarely or never taking them on.
- Of those who had recruited any unemployed, fully half said they would do so to 'any occupation'. Beyond this, there was some tendency to cite the more unskilled positions.
- Close on two in three recruiters do not perceive any obvious advantage in the unemployed *per se*, but insofar as there are perceived advantages, they are mainly to do with the personal characteristics of, and early/immediate availability of such applicants.
- Two in three of those taking on the unemployed, saw no great difference between them and other recruits in their performance as employees, and rather more recall a positive experience than a negative one.
- Less than one-third (29 per cent) of our establishments had ever had any involvement with any government programmes to help the unemployed. Participation was much more common among larger, public sector and service industry establishments, and correspondingly lower among smaller, and (mainly private sector) production industry establishments.

- About one-third of participants who had used government programmes had taken part in Training for Work/ Employment Training (TfW), and two-thirds in Youth Training (YT). No other programme was so widely cited.
- Establishments who participated in any programme are more likely than those who had not, to:
    - have taken on a recruit directly from unemployment in the past year
    - judge that hiring a short term unemployed person is a 'usual' or 'very frequent' occurrence, and
    - judge that hiring a long term unemployed person is a 'usual' or 'very frequent' occurrence, but
    - are no more likely to regard the unemployed as offering any significant advantage to them as employees.

Chapter 6: Rejecting the unemployed

This chapter builds on the previous one by considering the factors which led, or might lead, our respondents to reject unemployed applicants.

- Half our recruiters thought that a history of unemployment was a relevant selection criterion, but only nine per cent thought that it was a very important one. Thus, the fact of being unemployed is likely to be taken into account by many employers, but not as a critical feature of their selection.
- A quarter of recruiters thought that duration of unemployment matters in assessing job applications, and this fraction rises with the size of the establishment in question.
- Employers are least concerned about duration of unemployment among applicants for the least skilled vacancies.
- Among respondents who said that duration did matter, the mean duration at which point they would 'think twice' was just over nine months.
- Both the incidence of this 'thinking twice', and the extent to which it would lead to rejection, rise with duration of spell.
- In their *general* experiences of assessing unemployed applicants, potential employers are most sensitive to:
    - any perceived shortcomings in the motivation of unemployed jobseekers. This factor was cited as discouraging by over one-fifth of recruiters, and more than twice as often as any other category of shortcoming.
    - shortcomings in the human capital of unemployed applicants
    - the deterioration of their value as employees during an extended spell of unemployment.

- Those who had rejected an unemployed applicant for their most recent vacancy confirmed these concerns. The three most frequently cited shortcomings were:
    - *motivational*: 44 per cent of these respondents had rejected unemployed applicant(s), citing shortcoming in motivation, attitude or keenness
    - *previous job experience*: a similar proportion, 43 per cent, believed that their rejected unemployed applicant(s) lacked sufficient experience in a job similar to the one they were then filling
    - *basic skills*: one-third (32 per cent) cited shortcomings in basic skills as a perceived shortcoming of the rejected unemployed applicant(s).
- Taking account of all the most relevant explanatory factors, multivariate analysis indicates that the likelihood of recruiting the unemployed is most strongly determined by:
    - the establishment's rate of labour turnover
    - establishment size
    - ownership
    - participation in public programmes, and (less strongly)
    - local levels of unemployment.
- These factors correctly predict the likelihood of recruiting an unemployed person in 78 per cent of cases.

Chapter 7: Attitudes towards, and beliefs about, the unemployed

In this chapter we distinguish between two sets of beliefs about the unemployed, as outlined earlier. To reiterate, *heterogeneous beliefs* turn on the supposed sifting processes of the labour market, which imply that people are unemployed because they are the least valuable as employees. *State dependence beliefs*, by contrast, emphasise the deterioration of such value through the impact of unemployment on individuals.

- In general, our respondents demonstrated little evidence of the primacy of heterogeneous beliefs about unemployment; that is to say with beliefs that unemployment reflects the relatively lower calibre of the unemployed.
- Thus, three of the four most strongly reported attitudes were:
    - anybody can be unemployed; it doesn't tell you anything about them
    - recruiting an unemployed person is no more risky than recruiting an employed one, and
    - unemployed people do offer skills which employers like us need.

- These attitudes are reflected in day-to-day recruitment and selection practice; the more strongly they are held, the more likely are we to observe evidence of recruiting both short and long term unemployed individuals.
- By contrast, respondents demonstrated a relatively strong attachment to state dependent beliefs; *ie* beliefs that the experience of unemployment itself renders individuals less attractive through demoralisation and deterioration.
- Thus we observe:
    - very weak attachment to the idea that skills and nascent abilities hold up well as the duration of unemployment lengthens; and in particular
    - strong support for the view that behavioural characteristics, such as motivation, self confidence and work disciplines, deteriorate with lengthening spells of unemployment.
- Those who report that they usually or often recruit LTU, appear least to recognise deterioration in skill, motivation and work disciplines.
- Generally speaking, these belief sets are not held by two different groups of employer. Heterogeneous beliefs are slightly more evident among respondents in smaller and private sector establishments, but state dependent beliefs are more widely shared.
- As a result, state dependent beliefs are only rarely building on a heterogeneous base. Only 12 per cent of respondents share both belief sets. The readiness of these respondents to recruit the unemployed in general, and the LTU in particular is markedly low.

2. Recruitment and Selection: What the Literature Says

This study has attempted to investigate employers' attitudes to the unemployed and to explore how this affects their recruitment. For such an investigation, it has been necessary, first, to examine the practical and procedural aspects of the recruitment and selection process in organisations. This has made it possible to:

- understand what factors are influencing employer orientations to recruitment generally
- identify what is regarded as important when filling vacancies
- establish where the process may be working potentially to disadvantage or to discriminate against the unemployed.

This chapter examines the main features of the recruitment and selection process, as identified in the literature, and, by so doing, sets a broader context for the recruitment practices and procedures, specifically investigated in the 800 participating organisations in this study. The actual practices of these participating organisations are presented in more detail in Chapter 3. The areas to be considered in this chapter (Chapter 2) include: defining the requirements; recruitment channels; and selection techniques.

2.1 The recruitment process, according to the literature

Although there is no one best universalistic recruitment model as such, much of the personnel management literature referring to recruitment and selection has tended to put forward an orderly sequential approach. In the main, this has been rather prescriptive, normative and generally geared towards improving the overall effectiveness and efficiency of the recruitment and selection process. As such, recruitment and selection has generally been espoused as the fundamental means by which an organisation sets out to search for, attract and select the appropriate number of high quality candidates to meet its organisational needs (Windolf and Wood, 1988; Storey and White, 1994). The primary way usually suggested to achieve this is by formalising the process and making it objective, equitable, rational, efficient, systematic and, arguably, more scientific (*eg* Thomason, 1978; Blackburn and Mann, 1979; Hedges, 1982; Jenkins, 1986; Attwood, 1989; Torrington and Hall, 1991).

In recent years, the need to formalise recruitment and selection and to develop defensible procedures has, arguably, intensified. This has largely been in response to: an increase in social awareness; the rising concern for achieving equality of opportunity in employment; and an associated need to avoid discriminatory practice which tends to work against certain groups in the labour market, such as the disabled, ethnic minority groups and the unemployed, especially the long term unemployed (Watson, 1994; Iles and Salaman, 1995). Organisations have generally been encouraged to introduce more overt, standardised, scrutinised and professional personnel practices, where there is less room for inequitable, subjective judgements, attitudinal prejudice and discrimination, and where recruitment and selection decisions aim to be fairer and more reliable as well as effective. The recent impetus for formalisation has, thus, come from a variety of sources. These include: the Institute of Personnel and Development in its professional Code of Practice; the Industrial Training Boards in their guidance for identifying training needs; legislation, and Codes of Practice of the Commission for Racial Employment and the Equal Opportunities Commission, aimed at reducing the extent of discriminatory practice; and increasing economic pressures during the 1980s and 1990s, requiring that people are used more efficiently and effectively, and organisations acquire the right number of people with the right skills.

However, the existence of a more formalised recruitment process does not expressly and unequivocally reflect 'best,' non-discriminatory practice. Jenkins (1986), in particular, believes there is a large gulf between 'professional' practices and reality. Moreover, Windolf and Wood (1988) suggest from their empirical findings that, 'recruitment practices are not as sophisticated as the professional model implies' (p.1). Thus, even where formal systems do exist line managers, personnel specialists and general internal organisational politics may intentionally or unintentionally subvert the objectives of the process causing direct or indirect forms of discriminatory practice to prevail (Collinson *et al.,* 1990; Ahmad and Hardcastle, 1991; Watson, 1994). If these effects are to be alleviated and the problems faced, in particular by minority groups such as the unemployed, to be reduced, it is important to have an awareness of each of the stages involved in the recruitment and selection process. Only this will make it possible to see where potential bias and discrimination may be introduced, albeit indirectly or unintentionally.

Discussions outlining recruitment systems usually consider three stages in the process:

- defining the requirements
- attracting candidates (recruitment channels), and
- selecting candidates (selection techniques) (Wood, 1986a).

2.2 Defining the requirements

The first stage of the recruitment process, according to many personnel management texts, depends on analysing and defining the purpose, responsibilities, and duties of the job. These are usually essential requirements to the job which are fundamental to its successful and effective completion. It follows that it is then possible to identify the most crucial attributes and personal characteristics required, by a prospective candidate, to undertake the job. A more systematic approach to job analysis ideally presents this information in the form of a job description and person specification. Rodger's *Seven Point Plan* (Rodger, 1970) and Fraser's *Fivefold Framework* (Fraser, 1971) are often employed to structure, organise and assist this process by categorising the areas to be considered under seven or five broad headings respectively. Such techniques are often reported to formalise and standardise the process, and thus reduce the extent of discretion and room for unfair personal or 'snap' judgements.

Personnel management texts generally also suggest that job descriptions and person specifications should be regularly evaluated and updated to take account of dynamics of organisational uncertainty and change. Managers need to be aware and prepared as far as possible for changes which may affect the demands of a job and the characteristics needed to deal with them. Such action is deemed necessary to avoid a reduction in the effectiveness of the recruitment process, and to ensure that job requirements do not become outdated and that managers do not exclude people they should in fact consider, and *vice-versa*.

Employers have, therefore, generally been encouraged to adopt a more systematic approach to defining jobs, as a means of formalising and improving the overall effectiveness of the recruitment and selection process. However, research suggests the use of job descriptions and person specifications is still not widespread. Indeed, Mackay and Torrington (1986), in their survey of personnel management, stated that systematic job analysis was employed in under half of their companies studied. In addition, Windolf and Wood (1988) have reported on the basis of their empirical work that, 'job descriptions are not widely used' (p.1). Furthermore, even when job descriptions and person specifications are employed, there may still be problems of bias associated with their use and/or development. As the job analysis process is, by its very nature, quite subjective, it does still tend to be very much dependent on personal judgement, and the opinions of managers who analyse the jobs decide what is important and guide the process. This is regardless of any attempts by the organisation and/or personnel department to standardise and formalise the process. Certain managers, in practice, may decide to adhere less rigidly to official procedures or equal opportunities policies, or may not employ techniques such as the Rodger's *Seven Point Plan*. It thus may not always be possible to enforce organisational policy. As a consequence,

what Jenkins terms an informal managerial model prevails which may be more susceptible to discriminatory practice and attitudinal prejudice.

Another problem relates to selection criteria identified. For instance, job descriptions and person specifications typically specify selection criteria. The literature distinguishes between two types of criteria; 'suitability' and 'acceptability' criteria. The former usually relates to the technical and work-related skills necessary to do the job, and the latter to social and behavioural characteristics, such as appearance, attitude, manner and maturity. Some have suggested that the application of 'accept-ability' criteria, in particular, can foster discrimination (Jenkins, 1986) because it may rely on potentially biased judgements about what is socially acceptable or 'relevant'. This is exemplified by what Oliver and Turton (1982) call the 'good bloke syndrome.' Such criteria may be more susceptible to stereotypic opinions and prejudice, and work to disadvantage minority groups, particularly when it is considered that acceptability criteria may be more important to employers (Murphy and Sutherland, 1991). The effects of such criteria are, however, difficult to substantiate with practical examples and hence, less surprisingly, there is a lack of supporting empirical research evidence.

Another problem with the job analysis process is that, in practice, job descriptions and person specifications are generally infrequently updated (Watson, 1994). Indeed, 'recruitment procedures are normally a product of custom and practice; they are often not consciously evaluated . . . [and] evaluation is not routinely carried out' (Windolf and Wood, 1988, p.1). Furthermore, in a recent survey of employers conducted for Social and Community Planning Research (SCPR, Hales, 1992), only a quarter of establishments had undertaken any form of review of recruitment procedures. This could potentially work to disadvantage minority groups, such as the unemployed, especially if traditional, outdated criteria, which has since proved to be discriminatory is still emphasised as an important job requirement.

In recent years, some employers, in an attempt to develop a more objective selection criterion, have begun to use occupational competences and/or standards in making selection decisions. These generally focus on specific aspects of job performance. The National Council For Vocational Qualifications was established in 1986 to develop a coherent national framework for occupational competences. This was introduced in the form of National Occupational Standards and National Vocational Qualifications (NVQs). National Occupational Standards, formulated by Industry Lead Bodies in consultation with Awarding Bodies, have been used to devise performance criteria for the various NVQ elements and units making up a particular NVQ. Employers may chose to use both the Standards and NVQs, or only employ one of them. In 1991, the CBI published a programme of National Education and Training Targets for the

country to work towards which were approved by the TUC. These were eventually endorsed by the government in the second Competitiveness White Paper in 1995. The intention has been to introduce strategic goals and measurable performance indicators in the training system and to improve the country's national education and training performance. However, despite the setting of these targets, the introduction and take up of NVQs and the level of general awareness amongst employers has been slow to take off. Indeed, in early studies, Spilsbury (1993) reported a general lack of understanding on the part of employers as to how NVQs can meet their needs, what levels and degrees of specialism are appropriate, and the costs of implementation. Their use initially as an alternative and more objective selection criterion was thus undoubtedly restricted. However, recently, the signs have been more promising. Indeed, the *Skills Needs in Britain* survey (Spilsbury *et al*., 1995) has suggested an increase in employers' awareness and take up of NVQs. Of those employers (with 25 or more employees) who had heard of NVQs/SVQs, 45 per cent offered them to employees. Awareness of NVQs of employers in this survey has also steadily increased, from 63 per cent in 1992 to 89 per cent in 1995. Furthermore, 59 per cent of all employers were found to have taken NVQs/SVQs into account when selecting new employees.

2.3 Recruitment channels

Once job requirements have been defined, the next stage of the recruitment and selection process involves attracting potential candidates. This is achieved through labour market recruitment channels. These include:

- formal channels, such as: Jobcentres; the Careers Service; private agencies; and open advertising, including local and national papers, trade and specialist press; and
- informal channels, such as: 'word of mouth'; noticeboards; waiting lists; personal recommendations; and speculative applications.

Personnel management texts tend to suggest that employers can make informed and considered decisions about which channel to use, based on a number of key factors. These include: cost considerations; past experience; the nature of the job vacancy; the quality and type of candidates; and the speed and effectiveness of the service offered by a particular recruitment channel. There is some doubt, however, as to whether this is achieved in practice (*eg* Manwaring and Wood, 1982).

There have been numerous empirical studies seeking to catalogue the recruitment and selection channels used by employers. These empirical studies have been conducted at a mix of regional and national levels (*eg* Elias and White, 1991). The most frequently cited and reliable of those taking a broader

national perspective have been undertaken on behalf of the Employment Service: namely, Social Community Planning Research (SCPR, Hedges, 1982; Hales, 1992), and Industrial Facts and Forecasting Research (IFF, 1988). These studies have intended to understand what factors are influencing employer-orientations to recruitment and, hence, whether there is a tendency to adopt more formal or informal channels. These studies have also provided an important insight into how potential recruits may be affected by different orientations to recruitment. This has, in particular, given some indication as to how minority groups like the unemployed in the labour market could potentially be disadvantaged by the adoption of particular recruitment channels.

Such empirical work (*eg* Hedges, 1982; Hales, 1992; Manwaring, 1984; IFF, 1988) demonstrates that employers often use more than one channel for individual vacancies (Atkinson *et al.,* 1994a). Indeed, the latest SCPR survey (Hales, 1992) suggested employers, on average, use just under two channels for each engagement. According to Atkinson *et al.* (1994a), employers frequently take a 'belt and braces' stance where a formal, slower, more costly, open approach runs alongside an informal, cheaper and faster approach.

Research seems to suggest that the use of recruitment channels can become a problem for the unemployed if employers rely too heavily on an approach for attracting candidates that is working against the unemployed. For instance, an employer may only use open advertising and avoid Jobcentres because it is known to supply unemployed applicants. In addition, employers may only adopt informal recruitment channels. It has been suggested that these channels, which depend on personal recommendations, making social contacts, networking, and mixing, in particular, with individuals who are already employed, may prove to be more closed and restrictive to those out of work (Meager and Metcalf, 1988). This is believed to be because unemployment has been found to foster social isolation, with the unemployed being far less likely than the employed to socialise with people outside their own household or those who remain in employment (Gallie, 1994). It follows that by mixing primarily with other unemployed people, those out of work may be less likely to hear informally about job vacancies, and therefore may be more disadvantaged (White, 1991; Gallie, 1994). Informal channels, such as personal contacts made through family, friends and acquaintances have been found to represent a very important way of finding information about a prospective job (Holzer, 1988; White and McRae, 1989), but undoubtedly to only a few.

These problems remain throughout unemployment. Since unemployed people experience a reduction in their disposable income, their ability to socialise, particularly in ways requiring money, diminishes (White, 1991; Dawes, 1993; Gallie, 1994). For instance, in Dawes' (1993) study, 84 per cent agreed or strongly

agreed they could not afford to go out much while unemployed. If unemployed people socialise at all they tend to turn to more inexpensive types of leisure activities. A transition in leisure activities often appears to take place so their social network will be dominated by other people out of work. Dawes (1993) found few of his LTU respondents used personal recommendations or informal speculative applications within their job seeking. Moreover, White (1991) found that less than half of the unemployed in his study were regularly able to make vital jobsearch contacts. It was suspected that this was because the friends and social contacts of unemployed people were unemployed themselves, rather than informal job brokers.

Past studies seem to point to an increase in the use of informal recruitment channels, particularly through the early to mid 1980s (Hedges and Courtney, 1977; Hedges, 1982; Ahmad and Hardcastle, 1991). This growth is believed to be due to the benefits such methods have offered employers over other recruitment channels: in terms of, for example, cost, convenience, speed of filling vacancies, suitability of recruits in terms of their level and type of skills, and their ability to fit into the work group; and increased 'control' over the process (Manwaring, 1984; Jenkins, 1986). In particular, employers appear to like the fact that individuals identified and selected on the basis of an informal contact and personal recommendation from, for example, an existing employee are generally more effective and reliable, and lead to more successful selection decisions (Iles and Salaman, 1995). However, it does mean that if employers continually favour these informal channels, which are frequently closed to unemployed groups, recruitment processes are likely to continue to greatly disadvantage those out of work.

It is important to examine the findings of empirical studies, like those mentioned earlier, looking at the factors influencing the take up and application of different types of informal and formal recruitment channels. It is only by examining these in more detail that it will be possible to explore the way in which these factors and recruitment processes may be working to disadvantage the unemployed. The main factors include: labour market conditions; type of occupation; size of recruiting establishment; and location of recruiting establishment.

2.3.1 Labour market conditions

It is generally reported that formal procedures are employed more frequently where labour market conditions are tighter and more difficult (Ahmad and Hardcastle, 1991; Atkinson *et al.,* 1994a), with the converse true when labour market conditions are slacker. The latter case has been supported in the work of Wood (*eg* 1982), at the London School of Economics, who examined the recruitment processes of organisations during the 1980s recession. He suggests: 'the main effect of the recession has been an intensification of informal channels' (p.40). From this, it could

be inferred that in times of economic recession, when unemployment is more severe and labour markets are slacker, unemployed people, in general, may be more disadvantaged by the growing emphasis and reliance on informal recruitment channels. These channels, as already seen, due to social isolation, can exclude them from the recruitment process. If employers in the recent recession in the 1990s have depended on such methods, this could have important implications for the unemployed.

However, these general observations are not supported by all research evidence. There is, in fact, some disagreement as to precisely how recruitment methods are affected by changes in the labour market, and thus empirical findings in this regard should be interpreted with caution. Indeed, Elias and White (1991) in their study of six local labour markets, observing only slight differences in recruitment methods between areas, concluded that: 'the labour market does not have a particular impact on methods selected by employers to recruit labour' (p.45).

Further, Ford *et al.* (1986), reporting on changes in the labour market associated with the 1980s recession, identified an increase in the use of formal channels. Indeed, they suggested that the growth of a more flexible and peripheral workforce, comprising more temporary, sub-contracted and part-time employees, may even be inhibiting the operation of informal channels and communication processes.

Others have suggested that changes in labour market conditions also impact on selection criteria. Work conducted by Jenkins *et al.* (1983), for instance, during the 1980s recession has suggested that at such a time, employers tended to raise their acceptability criteria and to emphasise the importance of, for example, flexibility, stability and reliability. Such factors could, arguably, work to disadvantage unemployed applicants. Those people, in particular out of work for longer periods of time or experiencing intermittent spells of employment, and hence recurrent unemployment, may have difficulty meeting this criteria (White, 1983; Robinson, 1988).

Atkinson *et al.* (1994a) have also suggested that in slacker labour markets recruiting employers tend to intensify their shortlisting and selection criteria. In addition, employers are believed to move towards recruitment channels which will contain the number of applicants. Employers, thus, tend to reduce the number and range of recruitment channels employed, especially those that are more expensive, and the number of applicants coming through those channels (see also Meager and Metcalf, 1988). In association with these developments, employers may focus more attention on the internal labour market and fill vacancies from within, through, for example, staff transfers and promotions. Advertising vacancies internally amongst existing employees may stimulate information transfer through informal channels. Again, such an approach is unlikely to enhance

recruitment opportunities for the unemployed, excluded from existing employee networks.

The emphasis, however, on criteria has been disputed by Wood's (1982) work. He stated: '[employers] do not generally change what they ask for in the light of changing levels of unemployment. Indeed, the primary response to changes in local labour market conditions is not through criteria' (Windolf and Wood, 1988, p.2). Even when confronted with labour shortages, he reports that employers remain reluctant to reduce their selection criteria, preferring instead to search more extensively. The IFF (1988) findings appear to support this. They suggested that, as efficiency and competition rose during the 1980s: 'employers are having to undertake a wider "trawl" in their search for suitable recruits. . . . the pool of unemployed are not immediately satisfying employers' more demanding requirements' (p.17). It certainly appears that there is no clear relation between labour markets, changes in the levels of unemployment and recruitment processes.

2.3.2 Type of occupation

The methods used by employers also appear to cluster by occupation. According to the findings of the SCPR (Hedges, 1982) and the IFF (1988), one-third of non-manual vacancies and one-half of manual vacancies are filled employing informal methods. The Jobcentre is used for almost two-thirds of retail and catering vacancies, but less than one-third of managerial positions. National newspapers advertise one in seven managerial posts, but only one in fifty skilled manual vacancies. The trade press also advertises more managerial positions, accounting for about one-third.

For SCPR (Hales, 1992) findings, broadly similar patterns are evident, although the occupational and recruitment channel categories varied slightly. Again, informal methods were employed to fill a substantial proportion of vacancies, accounting for over 48.4 per cent of the managerial vacancies, and between nearly a quarter to a half of the craft occupations, non-manual jobs (including personal services, clerical and sales); and the manual operative, assembly and routine/unskilled jobs (if the recruitment channels classified as direct applications, personal recommendations and re-employed employees are taken collectively to represent informal channels). The Jobcentre was still less influential in the recruitment of managerial occupations (three per cent), having more importance in the recruitment for non-manual posts (ranging from 14 per cent to 16 per cent) and, in particular, manual operative, assembly (16 per cent) and routine/unskilled jobs (23.6 per cent). The use of the press was quite variable. It had a higher use in the recruitment for managerial and routine unskilled positions (35 per cent), but was less prevalent in the recruitment of other occupations (craft/skilled workers, 18 per cent; operatives and assembly

workers, 16 per cent; personal services, 14 per cent; clerical, 16 per cent; and sales, 14 per cent). Private agencies were generally employed less frequently in the recruitment process, except in the case of managers. Over a quarter of managerial and professional posts had been filled through this recruitment channel.

These findings are important because they demonstrate that occupational clustering of recruitment channels is not only prevalent but that it has largely persisted for some time. It is thus fundamental that unemployed applicants are aware of these conventional occupational recruitment channels and pursue those commonly used by employers for their respective occupation. Hence, for example, it is important that unemployed managers do not focus too heavily on Jobcentres as a primary means of jobsearch. However, it does also imply that if an employer suddenly modifies their recruitment behaviour from the expected, and does not use the traditional recruitment channels for attracting candidates of a particular occupation, those relying on convention will be excluded.

2.3.3 Size and location of recruiting establishment

The SCPR (Hales, 1992) findings also identified patterns by establishment size and employment service region. Broadly, it appeared that informal channels were slightly more important in smaller establishments. In contrast, for larger establishments, the locally paid for press was more important. In addition, Elias and White (1991) have suggested that large employers use a greater variety of recruitment channels. Although small employers may be favouring informal channels on grounds of cost or convenience, this could be working to disadvantage the unemployed.

In relation to Employment Service regions, the SCPR found that the Jobcentre was used least in London and the South-East, and most in Wales and Scotland; followed by the North, Yorkshire and Humberside. In contrast, in London and the South-East, fee-paying agencies and the trade press were more important. Those employers in localities who chose not to advertise vacancies via the Jobcentre may find their actions greatly disadvantage the unemployed. Jobcentres are known generally to supply potentially large pools of unemployed people. By advertising vacancies through alternative recruitment channels in these areas, such as the fee-paying agencies, employers may simply be restricting unemployed people's access to information about vacancies.

2.4 Selection techniques

Once an appropriate number of candidates has been attracted in the recruitment process, it is necessary to make a selection. There are a variety of methods used by organisations to collect information about candidates for selection purposes. These are commonly referred to as 'filters', because they filter out unwanted

applicants. These techniques or filters include: bio-data, usually collected via letters of application, application forms, CVs, and references; peer evaluation; interviews; tests, such as psycho-metric and personality tests; and assessment centres, using a combination of selection techniques. The main intention of these selection techniques, according to the literature, is to ensure that the selection procedures are reliable and valid. In other words, that the techniques consistently measure the abilities and skills of prospective candidates that they are intended to measure, and therefore that the selected candidate closely matches the requirements of the job.

Some researchers are wary of the use of certain 'filters' in the selection process. The problem with filters is that they may be based on standards or criteria that are indirectly working to disadvantage certain groups, as indicated earlier. Ahmad and Hardcastle (1991), for example, report on research that has filtered out candidates on the basis of average 'white' personality test scores. Since Wood (1986) has found a higher use of filters in informal recruitment channels, this again could have important implications for the recruitment prospects of unemployed people.

Studies through the 1980s and 1990s have continued to show a generally unquestioning reliance on the interview, coupled with references, as the primary selection technique (*eg* Gill, 1980; Robertson and Makin, 1986; Windolf and Wood, 1988; Clark, 1992; Atkinson *et al.,* 1994a; Watson, 1994; Newell and Shackleton, 1994). Some have criticised this reliance on inter-views, believing that this is an *ad hoc* inferior selection method, based on intuition and subjective judgement and susceptible to abuse (Brown, 1975; Honey, 1984; Anderson and Shackleton, 1986; Collinson *et al.,* 1990). Some of these critics suggest managers should draw more widely upon alternative selection technology, which they state are less subjective, more valid, reliable and cost effective. These include biodata, testing, assessment centres and self-evaluation. (Anderson and Shackleton, 1986; Newell and Shackleton, 1994; Watson, 1994).

Little research is available on the different approaches to interviewing. The literature suggests greater reliability and validity of the interview technique can, and should, be achieved through planning, formalisation and the use of systems such as the aforementioned Rodger's *Seven-Point Plan* (Rodger, 1970) and Fraser's *Fivefold Framework* (Fraser, 1971). The intensity and rigorousness of the interview process is also believed to improve the reliability and efficiency of selection. This may help to explain Mackay and Torrington's observations (1986) that the intensity of the interview process varies with occupation: For manual employees, the single interviewer is most common; for non-manual workers interviews are more commonly conducted by a line manager and a personnel manager; and for managerial staff, panel interviews are employed. Since managerial positions have more responsibility and status, it follows that greater

efforts are taken to ensure the right recruit is employed first time for these occupations.

However, some research has suggested that: 'most firms are not oriented towards testing, systematising and standardising interviewing or validating procedures' (Wood, 1986, p.7). It supports the view that selection processes frequently foster personal judgement and informality, but this is not assumed by managers to be automatically synonymous with irrationality, discrimination and unsatisfactory selection decisions. Herriot (1984) has also spoken of the importance and benefits of 'faith validity', based on the interviewers judgements. In addition, procedures are frequently reported to be heavily scrutinised for evidence of any potentially discriminatory conduct. However, some research has suggested that, in practice, (Jenkins, 1986; Wood, 1986; Collinson, 1987) validation and text book approaches are restricted by managers' lack of discretion, power and ability to enforce the standards associated with so called 'best' practice. This could have important ramifications if selection processes, in reality, remain 'unchecked'.

There is a belief that occupational psychologists need to transfer research developments more effectively to personnel and industrial practitioners, to encourage a wider adoption of more varied recruitment and selection techniques at an organisational level. Technical solutions to recruitment which increase general validity and cost-effectiveness, and reduce subjectivity, will never solve all recruitment problems, because in practice they will have variable application. Some tests valid in one situation could be unsuitable in another. Researchers suggest managers need therefore to be taught how to apply different techniques to different situations, to recognise their shortcomings and to identify and alleviate potentially discriminatory practice (Anderson and Shackleton, 1986; Watson, 1994).

3. Recruitment and Selection in Policy and Practice: Research Results

This chapter examines in detail the recruitment and selection practices actually employed by all the recruiting establishments in this study. The chapter is divided into two parts. The first part deals with general features of the recruitment process, such as: broad characteristics of the recruiting establishments; the number and type of vacancies; the extent of standardisation in the overall process; the level of recruitment difficulties experienced; and the knowledge of employment status. The second part of the chapter moves on to consider more specific details of establishments' recruitment and selection process. The particular practices used by the recruiting establishments to fill vacancies are examined through the most recent recruitment exercise.

3.1 The general recruitment process

3.1.1 Characteristics of the recruiting establishments

Our respondents were asked to provide information about their recruitment activity. In general, this covered the last 12 months unless recruitment had not been undertaken within this time. The information collected was intended to give us an indication of how many employers in the sample were involved in recruitment, and variations in the type of employers recruiting.

First, the 800 employer respondents taking part in the survey were asked to identify whether they had, or had not, taken part in recruitment. Their responses were then analysed by varying characteristics of the recruiting establishments. These mainly included sector, ownership and size. The results are presented in Table 3:1.

Table 3:1 reveals that of all respondents questioned in the survey, a total of 706 (88 per cent of the sample) had undertaken recruitment at some time in the past. Of these, 591 respondents (74 per cent of all respondents) had recruited people in the last 12 months, and 107 had recruited at some time over the last ten years (13 per cent). A further 94 of the 800 respondents (12 per cent) said they had never recruited. Eight respondents either had recruited but did not know exactly when, or did not respond to the question.

Table 3:1 Nature of the recruiting organisations

	Those who have recruited from outside the establishment in the last 12 months		Those who have recruited from outside the establishment in the last 10 years	
	N	%	N	%
Total number of recruiting employers (N = 706)	591	74	107	13
Sector				
Production	108	73	17	42
Services	483	74	91	53
Ownership				
Private	485	75	83	53
Public	91	67	23	53
Other	15	78	—	—
Number of employees				
1-49	428	68	103	51
50-249	137	94	5	54
250+	24	97	1	51

Base: All respondents (N = 800)

Notes: Figures and percentages given in the tables do not always add up to 100 because the data has been weighted and rounded up to integers.

In most of the tables which follow, drawing from the survey, we have used a more-or-less consistent set of variables, cross-tabulated against the variable in question. These are SECTOR (we have used a simple production/services dichotomy), OWNERSHIP (a simple public/private split, there being very few third sector respondents), EMPLOYMENT SIZE (current headcount, banded into three size bands), SCHEME (whether or not the establishment had ever taken part in any public programme to assist the unemployed), UNEMPLOYMENT (a three way split according to the level of unemployment in the local labour market), and LTU (how far the establishment regarded the LTU as a usual, occasional or proscribed source of recruits). Considerations of space and relevance have been a stronger guide than consistency however, and not all tables restrict themselves to, or draw fully on, this core set.

Source: IES survey

The results thus show that recruitment had been quite widespread in the past. Indeed, nearly three-quarters of the production and service sector establishments, and between two-thirds to three-quarters of the public and private sector establishments, had recently undertaken recruitment. As might be expected, largest establishments, with over 250 employees, appeared to be the most active recruiters, with nearly their entire sample (*ie* 97 per cent) having filled vacancies over the last 12 months. This compared to just over two-thirds of the smallest establishments (*ie* with between one to 49 employees).

Just over half of those who had not filled any vacancies in the past year had recruited at some time in the last ten years. The characteristics of these remaining establishments were found to be evenly balanced by sector, ownership and size. So, around half of the remaining production and service sector establishments, and half of the smallest, medium and the largest establishments respectively, had recruited at some time during the

last ten years. Similarly, just under half of these establishments had not recruited at all.

3.1.2 Number and type of overall vacancies

The next series of questions was intended to provide more detail about the nature and extent of vacancies that recruiters in this sample were trying to fill, and how the vacancies were advertised. Employers were asked to identify:

- if they had advertised vacancies externally or had restricted advertising to those existing employees who were already working within the organisation
- whether they had filled vacancies internally, by giving a post to an existing employee (*eg* through a promotion or internal transfer), or had recruited someone from outside the organisation, and
- the number of vacancies they had been trying to fill.

The main rationale behind this line of questioning was to: establish how much recruitment had been undertaken; examine the balance between internal and external forms of recruitment; and primarily, to establish whether there was any chance that unemployed people could be disadvantaged. For instance, an over reliance within the recruitment process on advertising and offering posts internally, to the exclusion of external applicants, could, in the long run, greatly disadvantage those unemployed and located within the external labour market.

The results presented in Table 3:2 show the proportion of employees recruited from outside the establishment in the last year (N = 591). Only respondents recruiting in the last year were asked to quantify levels of external recruitment, since it was assumed that recruitment over longer periods would be more difficult to recall. Recruitment from outside the establishment included replacement recruitment and filling new posts, and

Table 3:2 Number of employees recruited from outside the establishment in the last 12 months (per cent)

Number of employees recruited	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
1-9	72	78	71	73	66	89	32	13
10-24	14	13	14	16	5	8	32	16
25-99	9	6	10	8	17	1	30	30
100+	1	1	1	1	2	—	1	20
Don't know/ no response	4	2	4	2	10	2	5	21

Base: All respondents who recruited from outside the establishment in the last 12 months (N = 591)

Source: IES survey

excluded internal appointments, transfers and promotions, unsuccessful and incomplete recruitment exercises, and the appointment of agency staff. The average number of such recruits was 11; however, the overwhelming majority (428, 72 per cent) recruited between one and nine employees, and only 24 per cent of all establishments had recruited ten employees or more from outside the establishment. The rate of recruitment was equivalent to 25 per cent of the current stock of employees.

This overall pattern was generally repeated for all characteristics of the sample establishments. The exception, unsurprisingly, was for the medium and largest establishments. These establishments tended to have recruited a larger number of people than average, with 20 per cent of the largest establishments (*ie* with more than 250 employees) taking on over 100 employees in the last year.

Our findings suggest that only 151 establishments (21 per cent) of all those who had recruited, had filled vacancies internally. Of these, 130 (18 per cent) had restricted advertising to existing employees only, and hence never opened the vacancy to anyone outside the organisation. Most recruiting establishments, therefore, did seem to be offering most of their vacancies to the external labour market. The obvious explanation for the relatively marginal role of the internal labour market is the size structure of establishments; we recall that three-quarters of these employ less than 50 staff.

Table 3:3 shows the overall number of vacancies filled internally. Table 3:4 also reveals how many of the internally filled vacancies were only open to existing staff. Table 3:3 shows that the majority of recruiters overall (69 per cent) filled a fairly small number of vacancies (between one and four) with existing staff. Indeed, most of them (79 per cent in Table 3:3 and 77 per cent in Table 3:4) had filled no more than nine vacancies internally. These tables clearly show that the larger establishments tended to offer more internal vacancies as well as external vacancies. For instance, a quarter of the largest establishments, with over 250 employees, had filled over ten vacancies internally in the last

Table 3:3 Number of employers who have filled vacancies internally with an existing employee (per cent)

Number of vacancies filled internally	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
1-4	69	64	70	66	75	89	66	12
5-9	10	9	11	13	4	4	12	26
10+	8	18	7	10	5	—	12	25
Don't know/no response	12	9	12	11	16	8	10	37

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Table 3:4 Number of employers who have filled vacancies internally which were *not* open to outside applicants (per cent)

Number of vacancies filled internally	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
1-4	69	64	70	70	62	94	57	15
5-9	8	7	8	9	3	—	14	19
10+	13	25	11	14	11	5	18	27
Don't know/no response	10	4	11	7	24	—	11	39

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

year, which was higher than average. Thus overall, employers in the sample appeared to be offering similar total numbers of vacancies internally as externally.

It did, however, appear that a slightly greater proportion of some organisations, who filled vacancies internally, were filling a greater number of them without opening them to the external labour market. For instance, a slightly higher proportion of organisations in production, services, and the private and public sector were filling over ten vacancies in the last year, without offering them outside. This would seem to imply that when vacancies are offered to existing staff and are closed to the external labour force, they involve slightly greater numbers of vacancies and hence employees.

These recruitment figures overall would seem to suggest that those outside the establishment were generally not too disadvantaged by the recruitment behaviour of the smaller establishments in this sample. Of the 706 employer respondents who had ever recruited, only 18 per cent (130) restricted vacancies solely to their existing workforce, and hence did not open them to individuals outside the establishment. Indeed, as earlier figures show, 74 per cent of establishments (591 respondents) were known to have offered vacancies to the external labour market. However, on the occasions that internal appointments were *only* available to existing staff, they were likely to be offered to a larger number of employees than average.

We can pursue this different balance between internal and external recruitment by momentarily unweighting the sample to allow us to consider the larger establishments in more detail. In the unweighted sample, we find some 424 establishments: (1) with 50 or more employees, (2) who had recruited in the past year, (3) who could estimate how many people they had taken on. Looking just at these larger establishments, we find that over half (56 per cent) also had vacancies that had been filled by existing employees in preference to recruits, and about half (49 per cent) of these larger establishments again had vacancies filled in this way that had never been open to external recruits. It is possible that some of these employers could, through their

Table 3:5 Internal labour market share of vacancies in larger establishments, recruiting establishments with more than 49 employees

	Total	As proportion of all staff	As proportion of total vacancies
	N =	%	%
Staff	171,680		
Total vacancies:	23,219		
— Recruits	18,386		
— Internal substitutes	2,247		
— Internal only	2,586		
Vacancy rate:		14	100
— Open vacancies (recruits, internal substitutes)		12	89
— Closed vacancies (internal only)		2	11
Recruitment rate		*11*	*79*

Base: N = 424

Source: IES survey (unweighted)

preference for internal candidates, be disadvantaging those in the external labour market.

Of course, the degree of openness depends both on the number of employers mixing internal and external selection and on the number of vacancies which they together generate. Looking at the latter, Table 3:5 shows that these 424 establishments generated some 23,219 vacancies in the previous year: about 14 per cent of their current stock of employees. Of these vacancies, 89 per cent were 'open' to external recruits, and 11 per cent were 'closed'; *ie* restricted to internal applicants only. However, within the 'open' vacancies, internal applicants were favoured over external recruits for one case in every ten, with the result that the external recruits only took 79 per cent of the vacancies.

It is a matter of judgement how far one regards such jointly contested vacancies as truly open, but so far as the outcome is concerned, we observe that an active internal labour market soaked up one-fifth of vacancies, denying them (either by design or outcome) to external applicants. It should also be noted that in larger establishments, especially when vacancies are filled internally, this internal movement does usually ultimately lead to a vacant post which is externally advertised. Thus, unless workloads are substantially reduced, vacancies will eventually become open to the external labour market.

We return now to the weighted database, in which the smaller establishments predominate.

3.1.3 Extent of standardisation of recruitment

We asked the employer respondents in our sample about the extent of standardisation in their recruitment process. This was intended to give us an indication of the extent to which they had attempted to formalise recruitment and, by so doing, to reduce the likelihood of any potentially discriminatory practice which can, in particular, work to disadvantage groups like the unemployed.

Nearly 60 per cent of establishments (400 weighted respondents), shown in Table 3:6, said they had standard procedures for recruitment to all jobs. This was raised to over two-thirds when taking into consideration those establishments who had standard procedures for some, but not all, jobs. Public sector and large establishments, in particular, appeared to employ very standardised recruitment procedures, with 86 per cent and 76 per cent respectively, having standard procedures for all jobs. In contrast, a higher proportion of smaller establishments (*ie* between one and 49 employees) in production and in the private sector had no standard procedures. The cut-off point for such standardisation seems to come at, or possibly below, 50 employees; over one-third of smaller establishments have no standard procedure; above 50 this proportion falls below one-fifth.

On the basis of these figures, however, it appears that the majority of establishments in this sample, superficially at least, are trying to be more formal and systematic in their recruitment process. Whether this formalisation is reflected in each distinct stage of recruitment and selection is examined later in Chapter 4.

3.1.4 Recruitment difficulties

To gain a more complete picture of the recruitment behaviour and activity of the establishments selected in the sample, it was felt necessary to explore the extent and nature of any problems

Table 3:6 Standardisation of recruitment procedures (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
We have standard procedures for recruitment to all jobs	57	41	60	50	86	53	68	76
We have standard procedures for recruitment to some, but not all jobs	9	12	9	10	7	9	13	7
We have no standard procedures; it depends on the circumstances	33	44	31	39	7	38	19	16
Don't know/no response	1	3	—	1	—	1	—	—

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Table 3:7 Those employers experiencing recruitment difficulties (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
Yes	41	43	40	43	29	37	54	33	32	45	44
No	55	51	56	52	68	58	43	59	63	53	50
Don't know/ no response	4	5	4	5	3	5	3	8	5	2	6

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

encountered during recruitment; namely recruitment difficulties. Looking at the overall figures for the incidence of recruitment difficulties, it appeared that recruiters' experiences were not entirely clear cut. Indeed, those recruiters who were experiencing difficulties, and those who were not, was almost evenly balanced. Thus, whereas just over half the respondents overall (55 per cent) reported having no difficulties finding suitable people to fill vacancies, just under a half (41 per cent) said they did experience problems with recruitment (Table 3:7). That said, fewer of the public sector employers, and the smallest and largest organisations, appeared to have recruitment difficulties.

We grouped our responding organisations according to the current unemployment rate in their travel-to-work area, to identify the local labour market conditions where establishments experiencing recruitment difficulties were located. The unemployment categories in Table 3:7 are *high* (greater than 9.5 per cent), *medium* (seven to 9.5 per cent), and *low* (less than seven per cent). It appears that where unemployment levels are higher, more recruiters have been experiencing recruitment difficulties (*ie* 44 and 45 per cent, compared with 32 per cent). This suggests that the incidence of labour shortage is determined more strongly by the character of the establishment in question than it is by the rate of unemployment locally.

The data collected from the qualitative face-to-face interviews with a selected number of respondents from the telephone survey, provided an opportunity to explore some of the difficulties establishments had been experiencing in more detail. On the basis of these responses, the reasons for recruitment difficulties have been tentatively organised into a number of categories. These appear mainly to include those establishments who:

- **were recruiting specialist and/or technical people who had a very particular type of skill**. These skills were often prone to frequent change, very modern and up to date, and advanced, and this accounted for their scarcity. These difficulties could be in areas specific to the establishment and business, or reflected skill shortages and changes experienced more widely within the industry as a whole.

- **wanted a broad range or a very particular combination of skills**. These establishments often looked, for instance, for a mix of traditional skills, personal qualities and more up to date skills related to, for example, developments in new technology. These employers seemed to have difficulty finding people suitably qualified in all the areas they required.
- **had a less attractive package of terms and conditions** or working environment to offer prospective employees, and therefore had difficulty attracting enough suitable or high calibre people. In some cases, this was stated by the respondent to be because the employer could not easily afford to pay the 'market rate'.
- **had a less desirable location**. This was either too rural and isolated, for example, and so was both difficult and costly for many people to travel to, or was in an expensive area, such as London, where living costs and relocation costs were thought to be too high.

3.1.5 Knowledge of employment status

Recruiters were asked in the telephone survey if they routinely attempted to identify and confirm whether an individual who was applying for a post was employed or unemployed (*ie* their employment status). This was intended to give an indication of the relevance of an applicant's employment status to an employer and the extent to which such information may feature in the overall recruitment process. Seventy-six per cent of all those who had ever recruited (543 respondents) reported that they do routinely collect information about a candidate's employment status. As demonstrated in Table 3:8, the majority of these tried to establish this when a candidate first applied, or at the interview (80 per cent and 12 per cent respectively). Slightly more establishments than average in production, the private sector, small establishments, and in areas with medium to low unemployment, left the pursuing of this sort of information to the interview stage.

It was of particular interest in the face-to-face interviews to obtain more qualitative details about what sorts of information regarding unemployment was pursued by those responsible for recruitment, and how important it was in making a selection decision about the candidate. From these interviews, it appeared that recruiters generally do not consider employment status on its own to be an important criterion in the selection process. Indeed, all recruiters interviewed stated categorically that, taken alone, it would not be enough to reject a candidate outright. However, it did generally form the basis for further questioning. Thus, if an individual was found to be, or to have been, unemployed, it was generally felt to be particularly important to establish:

Table 3:8 Stage when employment status information collected (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
When they first apply	80	81	80	76	96	77	90	84	81	72	88
When you shortlist	3	1	3	4	—	3	2	6	2	6	1
At interview	12	14	12	15	2	15	5	5	15	15	8
Later than this	1	—	1	1	—	2	—	1	—	3	—
Other	1	3	—	1	—	—	3	—	—	—	2
Don't know/ no response	2	—	2	2	1	2	1	4	2	3	1

Base: All those who routinely collect information about employment status (N = 706)

Source: IES survey

- the reasons why they became unemployed
- their employment history and any periods of recurrent unemployment
- their duration of unemployment, and
- what they had done during their time out of work.

Most of these were inferred or directly questioned in any standard application form, and this would explain how such information was generally obtained and analysed prior to the interview stage.

Reasons why a person became unemployed seemed quite important to recruiters. Whilst employers may view factors such as redundancy and personal problems favourably, reasons such as dismissal, conflict with manager, 'not enough money', 'hated the job' were seen in a more negative light. However, although a single spell of unemployment was seen to be acceptable, employers appeared less obliging towards recurrent periods out of work as this was seen to be indicative of unreliability, instability, a poor work attitude and a lack of commitment. As one respondent explained:

> *'The most important thing a person needs to work here is commitment and the right attitude. We don't expect people to be committed for a lifetime or anything, they just need enough to show that they can be relied upon. If someone has moved from job to job this sends off the alarm bells.'*

Along similar lines, another also reported:

> *'Unemployment itself is not important; there are a lot of positive reasons for being unemployed and honesty is the best policy. What is more important is that they have had stable employment. We require people who can show that they are reliable and committed, won't continually let us down, and will have a regular employment pattern.'*

Although recruiters were more accepting overall about redundancy, as it was seen to be a much more common phenomenon 'these days', they were still likely to be suspicious of an individual who had continually been made redundant. Repeated redundancies were seen to indicate a weaker or problem candidate, who again was unreliable and perhaps lacked commitment. An individual could not keep being so 'unlucky'!

> *'Redundancy is acceptable as a reason for being unemployed, especially now when it is so much more common. If the whole places closes down it's hardly someone's fault. But the number of times is important. If someone is continually made redundant, for example, say four times or more, this implies there may be a problem with them. We would wonder, are they really committed? What's wrong?'*

Duration of unemployment, again on its own, was not automatically seen in a negative light. Thus, it did not necessarily follow that someone unemployed for some time was more likely to be rejected. It appeared the level of importance attached to duration of unemployment depended on a combination of factors, such as an individual's age, skill level, personal circumstances, their work experience, the occupational area they had been working in, and were now applying to work in. For those individuals out of work for a longer time, it seemed these factors could initially be influential. For instance, some recruiters stated they may be more wary of an older candidate with a good range of skills and work experience who had been out of work for some time, unless there were other mitigating circumstances. So employers appeared more understanding if they could relate to the reasons given and considered them to be valid. Recruiters, for example, were more receptive to younger individuals who had lacked opportunity and hence work experience, and were trying to gain their first step on the employment ladder.

It was generally stated to be very important to establish what an individual had done during their time out of work. Indeed, it was implied that someone who had creatively used their time, and actively involved themselves in activities such as voluntary work, jobsearch activities and training throughout their period of unemployment, was more likely to be viewed in a more positive light than a short term unemployed person, who had remained inactive in the labour market. The range and type of activities pursued were seen to be indicative of an individual's character and attitude.

The sorts of activities undertaken during a spell of unemployment, which were generally favoured by interview respondents (or those few who raised the issue), were:

- **an active jobsearch regime**: While not greatly impressed by a frenzied but aimless jobsearch record, recruiters wanted to see that an applicant was taking jobsearch seriously, and to confirm that the applicant had not just been stirred to apply

for their vacancy after a period of quiescence by some unknown factor.

- **keeping their hand in**: We have pointed to employer concern about the atrophism of workplace-related disciplines and attitudes. Recruiters wanted to see evidence of some (almost any) activity which would keep such disciplines honed; this might be charity or voluntary work; it might be a hobby or directed activity; or anything involving consistent, focused and purposive activity on the part of the applicant.
- **training**: Recruiters saw participation in some form of human capital development as a positive sign of seriousness and commitment in the applicant. This was particularly so if it was obviously voluntary and applicant directed. While the intrinsic content of such training might be useful or not to the recruiter, the evidence of motivation, application and seriousness was rarely overlooked.

3.2 Specific recruitment procedures of last known appointment

More specific questions about the recruitment process focused on one particular job; namely the vacancy filled most recently through recruitment from outside the establishment. As before, this only included replacement recruitment and filling new posts. Using the most recent appointment was seen as the most random, consistent and systematic way of selecting a 'typical' recruitment exercise. It also had the benefit of being fairly fresh in the respondent's mind and was assumed to be easier to recall and describe.

First, details were collected about the characteristics of the job. Then, further details of the recruitment process itself were explored. The job characteristics included: the type of job; minimum requirements to undertake the job; the salary; the number of contractual hours; and the permanency of the job.

3.2.1 Occupation characteristics of most recent recruit

The type of jobs recruiters were trying to fill have been coded according to the Standard Occupational Classifications. Table 3:9 shows that the employers were recruiting individuals to a fairly wide range of occupations, from managers and professional staff; through clerical, secretarial, craft and related staff; to plant and machine operatives. Appointments of managers, professionals and technical staff, accounted for the biggest number of recently filled posts, comprising 27 per cent of all recent appointments reported. Public sector establishments appeared to recruit more professionals (22 per cent) than average, although fewer managers and administrators (four per cent), as did larger, service establishments. Larger establishments were also appointing more managers.

Table 3:9 Occupation of most recent recruit (per cent)

Job title/occupation	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Managers and administrators	7	8	7	8	4	7	8	11
Professional occupations	14	9	15	12	22	13	16	16
Associate professional and technical	6	5	7	7	4	6	9	8
Clerical and secretarial	16	19	16	14	26	15	19	26
Craft and related	4	12	3	5	—	5	1	2
Personal and protective service	15	—	19	14	22	14	21	8
Sales	12	5	14	15	2	13	8	13
Plant and machine operatives	11	33	7	14	1	12	11	7
Other	13	10	14	12	19	15	7	10

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Jobs falling into the categories of clerical and secretarial, personal and protective service, sales staff, and plant and machine operatives, were more evenly balanced overall, accounting for 16, 15, 12 and 11 per cent respectively of the most recent jobs identified by all establishments in the sample. Within these groups, more public sector and large establishments recruited clerical and secretarial staff (*ie* 26 per cent each). More public sector establishments also recruited personal and protective service workers, as did medium sized establishments and those in the service sector. However, sales staff, and plant and machine operatives, were less likely to be recruited in the public sector. Sales staff were appointed more in private, service industries (15 and 14 per cent), and plant and machine operatives in production (33 per cent). The craft and related workers comprised the smallest number of posts overall, accounting for only four per cent of all the appointments. These workers were employed most by the production industry (*ie* 12 per cent of these employers) and were not recruited by any public sector establishment.

Minimum job requirements

Recruiters interviewed in the telephone survey were asked about the minimum requirements for the most recently filled occupation they described. This was primarily to give a greater insight into each occupation, and to establish what sort of factors were identified as important in a typical recruitment exercise. Tables 3:10, 3:11 and 3:12 set out the main requirements by the characteristics of the recruiting establishments.

With regard to the use of qualifications, the findings can only be partial. Indeed, the high 'don't know/no response' in Tables 3:10 and 3:11 can only suggest that many employers may not have set minimum education and vocational requirements. Educational requirements, including GCSEs, 'A'/'AS' Levels and Degrees were stated to be relevant to only just over one-quarter of all recruiting employers in the sample, but each of these was to a rather minor proportion of recruiters. For instance, GCSEs were mentioned as minimum requirements in only ten per cent of recruiting establishments overall, Degrees in just eight per cent, and 'A'/'AS' Levels in only two per cent. Although these are small numbers, on closer examination it appears that educational qualifications are more relevant to public sector and larger establishments, particularly GCSEs and/or Degrees, as these qualifications were cited by more recruiters in these establishments. In contrast, educational qualifications were less relevant to smaller, production industries in the private sector. Even fewer recruiters mentioned vocational qualifications, with NVQs from Levels 1 to 3, and BTEC qualifications, being cited as minimum requirements by less than four per cent of the complete sample of respondents (*ie* 28 out of 706 weighted respondents).

Table 3:10 Minimum educational requirements (per cent)

Educational qualifications	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
GCSE	10	5	12	8	21	10	10	16
'A'/'AS' Level	2	4	2	2	1	1	3	9
Degree	8	4	9	6	18	7	11	19
Other	8	9	8	8	9	9	6	8
Don't know/no response	71	79	65	73	43	70	63	44

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Table 3:11 Minimum vocational requirements (per cent)

Vocational qualifications	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
NVQ1	1	—	1	1	—	—	2	1
NVQ2/BTEC1	2	—	2	2	3	2	3	1
NVQ3/BTEC National	1	—	1	1	—	1	—	2
Other	12	10	12	9	23	12	13	13
Don't know/no response	84	90	84	87	74	85	82	83

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Table 3:12 Other minimum requirements (per cent)

Other qualifications	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Experience	37	45	35	35	46	35	43	44
1 to 6 years' experience	14	18	13	14	8	15	15	19
Experience in specified area	5	3	3	3	1	3	4	4
Specified qualifications	3	7	3	4	—	3	3	5
Literacy and numeracy	3	—	2	2	1	2	3	2
Typing skills/experience	2	1	3	3	—	3	1	—
Personality	2	—	2	2	—	2	—	—
Computer literate	1	2	1	1	—	2	—	1
Clean driving licence	1	3	1	1	—	1	—	1
Apprenticeship served	1	3	—	1	—	1	—	1
None	5	1	6	5	6	6	3	4
Don't know/no response	28	10	31	26	34	—	2	4

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Recruiters were also asked to specify other minimum requirements which may be stipulated, in addition to or instead of the educational and vocational requirements. These are pre-sented in Table 3:12. By far the most important requirement in this section, mentioned by 37 per cent of all respondents, was general work experience for no specified time period. This was cited by slightly more recruiters in larger establishments, production industries and the public sector. General experience was followed by a measure of experience quantified in time, such as one to five years experience, and specific experience gained within a particular area. These were reported as relevant requirements by 14 and five per cent of all recruiters respectively. Production industries and larger establishments were slightly more likely to stipulate this more specific type of experience.

Other factors mentioned far less commonly, by two to three per cent of overall respondents at most, included: apprenticeship served, basic skills such as literacy and numeracy, typing skills, computer literacy and a clean driving licence. Five per cent of respondents overall failed to identify any additional minimum requirements for the job and a further, fairly significant proportion, at 28 per cent did not respond at all, or did not know about such requirements.

Salary for the most recent job

All those respondents who had ever recruited were also asked to identify the specified gross salary for the most recent position filled. Salary estimates were expressed per annum (359 weighted

respondents), per month (seven weighted respondents), per week (108 weighted respondents), and per hour (123 weighted respondents), as shown in Table 3:13. From these responses, it appears that between one-quarter to just over one-third of the jobs had salaries between £10,000 to £17,499. Indeed, 43 per cent of all recruiting establishments reported salaries below £17,500 per annum. Perhaps less surprisingly, larger establishments, which would be expected to have more resources available to them, generally appeared to pay higher salaries. All reported salaries were converted to their weekly equivalent to aid interpretation and comparison of the data. These are presented in Table 3:14.

Table 3:13 Gross salary of recent job (per cent)

Salary	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Per annum								
Under £10,000	17	14	18	17	21	18	17	15
£10,000 to £17,499	26	34	24	23	36	24	32	32
£17,500+	8	9	8	6	14	5	16	26
Per month								
Under £650	—	—	—	—	—	—	—	—
£650+	1	—	1	1	—	1	—	—
Per week								
Under £150	8	7	9	8	11	8	11	1
£150+	7	12	6	8	—	8	3	4
Per hour								
Under £4	9	3	10	11	1	10	7	3
£4+	9	7	9	10	3	10	5	6
Don't know/no response	15	14	16	17	13	17	9	14

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Table 3:14 Weekly salaries for the most recent job (per cent)

Weekly salary	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Under £140	33	25	35	37	20	35	31	12
£140 to £217	32	44	30	37	9	34	25	36
£218 to £290	19	16	19	14	38	18	21	17
Over £290	16	15	16	12	33	13	23	35
Mean weekly salary	204	196	206	186	280	194	227	263

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

The data in Table 3:14 show that two-thirds of all the jobs filled by employers in this sample received salaries of below £218 per week. Indeed, the mean weekly salary appeared to be £204 per week. Only 16 per cent of the recruiters quoted weekly salaries of more than £290. Larger establishments (£263 per week) and those in the public sector (£280 per week) appeared to have higher salaries than the overall average (£204), undoubtedly because they were recruiting more managers and professionals (see Table 3:9). In contrast, small establishments (£194), production (£196) and the private sector (£186) were paying the lowest average weekly wages, presumably to some extent because smaller establishments had less resources, and some of these establishments were recruiting lower level staff, such as plant and machine operatives.

Contractual hours

It was also of interest to examine the number of contractual hours specified by the sample employers for these most recent occupations (see Table 3:15). The responses were very evenly distributed overall. Indeed, the mean number of hours worked was found to be 33 and this varied very little by type of organisation; the exception being the public sector, which had slightly fewer hours. However, there were some interesting differences in hours worked.

People recruited to small establishments in the services and the public sector were more likely to be working 30 hours or less. This seemed to suggest a higher concentration of part-time workers in these areas. In contrast, a greater number of jobs in production and the private sector, in particular, required at least 38 hours or more. This suggests that organisations are beginning to adapt to changes in the working environment and the growing emphasis on factors such as flexibility, cost effectiveness, efficiency and performance, in different ways. Some may be taking on a greater number of more adaptable part-time

Table 3:15 Contractual hours worked (per cent)

Number of hours worked	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
30 hours or less	28	6	33	25	47	31	20	11
Over 30 to less than 38 hours	28	27	29	27	29	24	41	59
38 hours +	34	61	28	40	6	35	34	20
Don't know/no response	10	5	11	8	18	11	5	10
Mean number of hours	33	38	31	34	26	32	34	35

Base: All those who have ever recruited at this establishment (N = 706)

Note: This includes full-time and part-time jobs

Source: IES survey

workers who can be employed more flexibly to meet variations in business activity. Others, such as in production (61 per cent), may be expecting to achieve high productivity with a smaller number of staff, working more intensely for longer hours. Larger organisations appeared less likely to use either strategy, and more of their most recent jobs required between 30 to 38 hours.

Overall, around 60 per cent of employers were recruiting for jobs that required working for longer than 30 hours. Thus, the majority of these posts were more likely to be full-time positions.

Permanency of job

The majority of jobs examined within the survey were found to be permanent (Table 3:16). Indeed, an overwhelming 88 per cent of all respondents who had ever undertaken recruitment said their most recent job was permanent. More temporary jobs were being offered in the service industry and the public sector, which when considered in relation to the higher incidence of part-time work, again appears to support a move to more flexible working arrangements. Small organisations in the production industries seemed particularly unlikely to offer temporary contracts.

Thus, to summarise, while the jobs identified by respondents were fairly broadly based, there were several similarities in terms of their described characteristics. For instance, very few recruiters mentioned qualifications, either educational or vocational, as distinct minimum job requirements, and experience, whether general or within a specific field, was generally more relevant. Furthermore, despite increasing trends towards employment flexibility and temporary contracts highlighted in the media and literature, most of the jobs were said to be permanent.

However, there were some important differences between establishments. More public sector and large establishments tended to cite qualifications and experience as minimum requirements, presumably because they were recruiting more professionals and managers. Experience was also particularly important to production establishments, probably because they were recruiting a higher number of craft workers and operatives, requiring very particular types of skill. This appeared to mirror differences in pay, with public sector and larger establishments

Table 3:16 Permanency of job (per cent)

Is it a permanent or temporary post?	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Permanent	88	97	86	92	67	91	78	82
Temporary	11	3	13	8	28	9	21	14
Don't know/no response	1	—	1	—	5	1	1	4

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

paying a higher weekly wage than average. The number of hours worked also covered quite a broad range, with two-thirds of employees in new jobs expected to work for less than 30, or more than 38 hours, a week. These may have been adapted to increase flexibility and to meet variations in working practices. Working hours, thus, seemed far more varied than the standard contractual hours of the past, associated with a more traditional full-time post.

3.2.2 Volume of vacancies

All respondents who had recently recruited were first asked to specify how many vacancies they had been trying to fill within the last recruitment exercise, and then how many vacancies they actually filled. This provided a partial indication of the ease with which employers filled vacancies, and the extent to which they may have had difficulty obtaining the employees they wanted, or had to modify their recruitment intentions. They also gave an idea of the scale of a typical recruitment exercise.

Perhaps less surprisingly, the data show that larger establishments were hoping to fill more vacancies on average, and smaller and production establishments less than average. The similarity between the data in Table 3:17 and 3:18 demonstrates

Table 3:17 Number of posts hoping to fill (per cent)

Number of jobs	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249	Large (250+)
1	78	88	76	78	81	80	73	67
2 to 3	15	9	17	16	11	17	13	5
4+	5	3	6	6	4	2	13	21
Don't know/no response	1	—	1	—	5	1	1	7
Mean N =	2	1	2	2	1	1	2	5

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Table 3:18 Number of posts actually filled (per cent)

Number of jobs	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
1	79	91	77	79	81	81	74	70
2 to 3	15	4	17	16	11	16	14	7
4+	5	4	5	5	3	2	11	18
Don't know/no response	1	—	1	—	5	1	1	5
Mean N =	2	1	2	2	2	1	2	5

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

very little change between recruiters' intentions and actual behaviour. There is, therefore, very little deviation between the number of vacancies they hoped to fill and the number they actually filled. Indeed, the majority of recruiters in the sample (around 78 per cent) who hoped to fill one vacancy did actually succeed in filling only one vacancy. However, as more respondents (20 per cent, 146 respondents) hoped to fill two or more vacancies than they actually did (20 per cent, 139 respondents), there does appear to be instances where some recruiters actually filled fewer vacancies than they were hoping to. These minor changes between the intentions and actual level of recruitment, particularly evident in production and larger establishments, could be due to modifications in employer practice, as a result of changes in business activity or some recruitment difficulties, for example. Indeed, from the results reported in Section 3.1.5, it appears that some recruiters in the sample have experienced recruitment difficulties. However, without follow-up data these inferences can only be indicative rather than absolute. Indeed, since they are so small they may not be due to real variation in employer behaviour but rather, due to inaccuracies in recalling precise recruitment data on the part of the recruiting respondent.

3.2.3 Applicants

Respondents responsible for recruiting were also asked about the volume of applicants who applied for the post in their most recent recruitment exercise. This was intended to give an indication of the labour market conditions at the time of the appointment. From Table 3:19, it appears that for over two-thirds of the most recent vacancies filled, there were no more than 24 applicants for each vacancy. Indeed, only 19 per cent of recruiting establishments overall reported there being more than 25 applicants at any one time.

Larger establishments (76 applicants) and those in the public sector (65 applicants) reported a higher number of applicants than average. This may have been because these establishments

Table 3:19 Number of applicants applying for jobs (per cent)

Number of applicants	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
1 to 5	35	39	34	38	24	39	24	10
6 to 24	33	38	32	31	33	32	35	33
25 to 99	15	16	14	16	9	11	25	20
100+	4	1	5	3	11	4	5	13
Don't know/no response	13	6	15	12	23	13	12	23
Mean N =	26	15	29	19	65	23	28	76

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

were offering higher weekly salaries, or that the jobs were perceived as better in some way. In fact, only ten per cent of jobs in large establishments attracted fewer than six applicants. In contrast, those jobs in production (15 applicants) and the private sector (19 applicants) were generally attracting less interest.

Thus it appears that despite the general slackness of the national labour market and fairly high levels of unemployment across the country, recruiting establishments overall in this sample were generally not inundated with applications during their last recruitment exercise.

In summary, we observed that most recruitment exercises had been for a single vacancy; very few were for multiple ones. The mean number of vacancies was 1.6. The mean number of applicants for each recruitment exercise was 26. This evens out to an overall figure of 20.4 applications per vacant position. There is a modestly positive correlation with the local rate of unemployment, but the relationship is weak.

More importantly, this provides us with some insight into the selection problem facing the recruiter. With a very high number of applications to sift, it might not be surprising if unemployment was used, albeit perhaps unacknowledged, as a sifting criterion, if not a formal selection one. But this evidence lends relatively scant support for this possibility; the average number of applications is not particularly high; the need for some sifting mechanism is not demonstrated.

3.2.4 Recruitment channels used

Our survey asked respondents about the recruitment channels they had used in their most recent appointment to attract applicants and advertise the post (Table 3:20). The most common methods overall employed to attract suitable new recruits appeared to be: open advertising, including local and national newspapers and specialist trade/journals; informal methods, such as word of mouth, or a personal recommendation from an applicant's past employer, friend, colleague or relative; and the Jobcentre. Each of these channels was used by around half of the respondents overall. Open advertising appeared slightly more important for larger establishments in the services and public sector. Advertising by word of mouth appeared less common in the public sector and was used, in particular, by more establishments in production industries and the private sector. The Jobcentre was slightly less common amongst production industries. Public notices/shop windows, private agencies and internal notices were employed less often, with 85, 88 and 94 per cent of recruiting establishments in the sample overall respectively, stating that they did not use these recruitment channels.

Table 3:20 demonstrates some interesting differences by establishment size. For instance, advertising based on word of mouth

Table 3:20 Recruitment channels used (per cent)

Channel	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Open advertising	51	35	54	47	66	48	57	59
Word of mouth/personal recommendation	49	58	47	54	25	49	50	35
Jobcentre	44	36	46	46	41	43	49	43
Speculative application	27	28	27	30	15	25	35	33
Public notices/shop window	14	7	16	15	15	14	19	6
Private agencies	11	16	9	9	17	7	19	30
Internal notice	1	1	1	1	2	1	3	3
Other	4	7	3	3	10	5	4	14

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

is more important in smaller and medium sized establishments than in the largest establishments involved in the survey. Thus, whereas nearly one-half of smaller employers use this technique, only one-third of larger employers use it. In contrast, more of the largest establishments use the more costly recruitment channels. Indeed, nearly 60 per cent of the large employers use open advertising compared to 48 per cent of the smallest establishments. In addition, whilst nearly one-third of large employers use private agencies, only seven per cent of the smallest establishments employ this method. This seems to support the observations mentioned earlier in Chapter 2 (*eg* Hales, 1992; Atkinson *et al.,* 1994a) that small employers tend to favour informal channels, which may be less costly and more convenient.

It was of further interest to try to establish the effect of changes in the labour market upon selection and use of recruitment channels. This was ascertained by examining levels of unemployment in an establishment's local labour market and asking recruiters whether they had experienced recruitment difficulties in their last recruitment exercise (Table 3:21). The groupings of the varying unemployment rates are as before (see Section 3.1.5).

Table 3:21 presents the local unemployment rates by the type of recruitment channels used. Our findings do appear to offer partial support for the observations in the literature (*eg* Ahmad and Hardcastle, 1991; Atkinson *et al.,* 1994a), which suggest that tighter labour market conditions and lower levels of unemployment encourage employers to place more emphasis on formal channels. For instance, formal methods such as open advertising, private agencies and the Jobcentre do tend to be used by more establishments in our sample located in areas where unemployment is lower.

Table 3:21 Recruitment channels used by local labour market factors (per cent)

	Local unemployment rates			Recruitment difficulties	
Channel	**Low**	**Medium**	**High**	**Yes**	**No**
Open advertising	55	45	53	49	55
Word of mouth/personal recommendation	39	56	50	54	45
Jobcentre	45	50	37	51	39
Speculative application	28	29	26	36	23
Public notices/shop window	4	19	19	22	9
Private agencies	16	5	11	15	8
Internal notice	2	1	1	1	2
Other	7	5	4	4	6

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

In contrast, more informal methods such as word of mouth and public notices in shop windows appear to be slightly more common amongst establishments where levels of unemployment are higher in the local labour market. This would thus appear to have more in common with the observations of Wood (1982) that a recession and an increase in unemployment increases the use of informal channels, rather than that of Ford *et al.*, (1986) which suggests the contrary. The use of speculative applications appears to vary little by variations in levels of unemployment, being just over one-quarter in all categories; low, medium and high. It appears possible, therefore, that those establishments who are recruiting from the local labour market are affected in their choice of recruitment channels by general levels of unemployment. This was examined further by looking at the incidence of recruitment difficulties, which are another general, albeit only partial measure, for an establishment's labour market experiences (Table 3:21).

From our findings, it does not appear possible to see clearly how the selection of different formal and informal recruitment channels is affected by the experience of recruitment difficulties. Unlike variations in levels of unemployment, our findings relating to recruitment difficulties do not completely confirm observations in the literature (*eg* Ahmad and Hardcastle, 1991; Atkinson *et al.,* 1994a). Since the occurrence of recruitment difficulties is often associated with lower levels of unemployment, if we had complete alignment with the literature we would expect employers experiencing recruitment difficulties to be using more formal recruitment channels.

However, whilst it appears that those employers experiencing recruitment difficulties in the labour market use some formal channels, such as the Jobcentre, more often than those who are

not, this is not the case for other formal methods, such as open advertising. Indeed, open advertising is actually used more in our study by employers who have not been experiencing recruitment problems (*ie* 55 per cent of employers). In addition, those experiencing difficulties also employ more informal channels such as word of mouth/personal recommendations, than those who are not (*ie* 54 per cent compared to 45). This lack of clarity may be because: recruitment difficulties are not a simple measure of the labour market; an employer may not be recruiting from the local labour market; employers have not accurately reported the actual situation; or the recruitment difficulty only applies to the most recent recruitment, and not more generally.

The effectiveness of different recruitment channels

In this section, it was important not only to establish the extent of use of these various recruitment channels but their perceived effectiveness to those individuals responsible for recruitment in the recruiting establishments. A measure of this was obtained by asking recruiters:

- first, to rate how effective each channel they had used had generally been in attracting suitable people (on a scale of one to five, identified below in Table 3:22), and
- second, to confirm whether or not the channel had actually produced the successful recruit.

Considering the mean effectiveness scores in Table 3:22, it can be seen that open advertising was found to be the most effective channel overall, achieving a score of 4.1. The more informal

Table 3:22 Effectiveness of recruitment methods used in most recent selection (per cent)

Method	How effective was this method in attracting suitable people? * (Score) 1	2	3	4	5	Don't know	Mean score	Produced recruit
Open advertising	2	3	10	12	24	—	4.1	36
Word of mouth/personal recommendation	6	6	7	12	18	1	3.6	23
Jobcentre	11	5	13	7	7	1	2.9	15
Speculative application	3	5	8	6	5	1	3.5	6
Private agencies	1	1	2	2	4	1	3.6	7
Public notices shop window	2	1	2	5	3	1	3.4	7
Internal notice	1	1	1	1	1	—	3.7	1
Other	1	1	1	1	3	1	4.7	3

Base: All those who have ever recruited at this establishment (N = 706)

** Note: 1 = not very effective and 5 = very effective*

Source: IES survey (weighted data)

channels, such as word of mouth/personal recommendations were also rated quite highly, with 18 per cent of respondents giving these types of channels a score of 5 ('very effective' rating). In contrast, the Jobcentre was seen to be the least effective recruitment channel of those rated by respondents, with a score of 2.9. In general, however, most employers in the sample seemed relatively satisfied with all the recruitment channels mentioned. Indeed, most of the mean effectiveness scores were above the mid point of 3 and were, therefore, nearer to the very effective rating of 5 on the scale.

Open advertising, word of mouth/personal recommendations and the Jobcentre were, in addition, stated to be the most effective channels in terms of producing the successful recruit (Table 3:22). Thirty-six per cent of respondents said they had filled their most recent vacancy using open advertising, 23 per cent using word of mouth and personal recommendations, and 15 per cent of establishments produced their new recruit through the Jobcentre. Public notices/shop windows, speculative applications and private agencies were less productive, being stated to have successfully identified the new recruit by only seven, six and seven per cent of establishments in the sample respectively. It is of particular interest that although the Jobcentre was rated as one of the least effective means of recruitment, it was the channel third most likely to produce the successful recruit. This highlights an inconsistency in employers' views. Thus, although they may not rate the Jobcentre as highly as other channels, they are prepared to acknowledge that it is quite effective in securing jobs.

On the basis of this information, in Table 3:22 it appears that a fairly large proportion of establishments were using formal recruitment channels to attract people, and therefore were exposing their vacancies to a wider audience within the external labour market. Indeed, formal recruitment channels were amongst the most common channels used. Furthermore, it is of particular interest to note that the Jobcentre, where a particularly large pool of unemployed people is known to be located, was one of the channels most frequently used; although it was not found to be quite as productive. Establishments were therefore not completely excluding those unemployed in the external labour through the choice of recruitment channels.

However, it should be emphasised that almost half of all the recruiting establishments were also using informal channels to advertise their vacancies, through existing employees. These channels could, as the literature suggests (*eg* Meager and Metcalf, 1988; White, 1991; Gallie, 1994), still be working to disadvantage a significant number of unemployed people who may be cut off from these forms of employment based contact. It appeared broadly that unemployed people located in areas of higher unemployment, attracted to work in smaller establish-ments, in production industries and the private sector, where the use of such informal channels appeared more likely, could be at the

greatest disadvantage. To examine these effects on the unemployed job seeker more explicitly, it was decided to take the analysis of recruitment channels one stage further. This involved exploring how varying recruitment channels affect the accessibility of vacancies to jobseekers.

Recruitment channels and the jobseeker

Among those interested in the efficiency of labour markets, and more precisely the access to employment opportunities of unemployed jobseekers, there is one important concern. This is primarily to bring into line the way in which the unemployed seek out vacancies for which they might wish to apply, with the way in which employers make them known. The discrepancy is familiar:

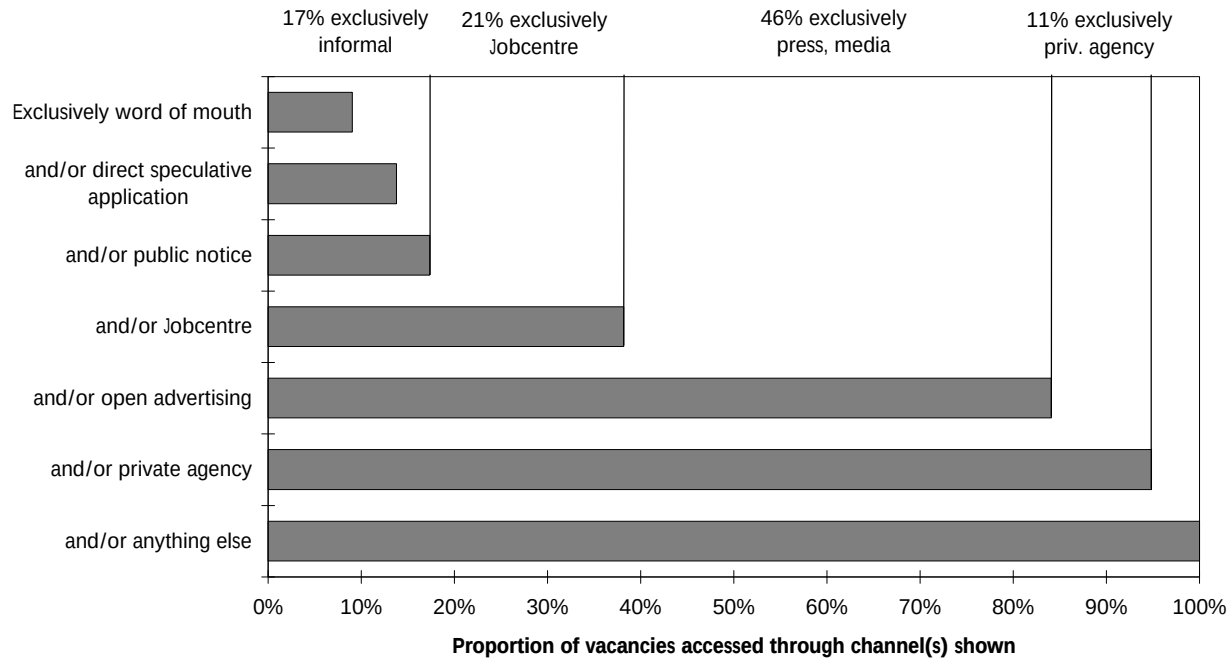
- many vacancies are never formally advertised, but are filled informally to minimise cost and maximise the suitability of applicants; but by contrast
- as duration of unemployment lengthens, informal methods of jobsearch tend to wither as contacts, motivation and resources dry up.

So is the outcome; unemployed jobseekers' scope to find work is restricted by their not enjoying full and ready access to as many job opportunities as they could. What remains in question is exactly how far their horizons are so constrained, and our results can throw some light on this.

We know that employers tend to use multiple methods to solicit applicants for their vacancies (*eg* Hales, 1992); a common combination is to supplement a formal notification of a vacancy through (say) registration at the Jobcentre, or advertising in the media, with an informal approach, putting the word out through existing employees (Atkinson *et al.*, 1994a). We know that the former is more pronounced in tighter, or more formally structured labour markets, and the latter is more common among smaller, less well-heeled employers, and for less skilled jobs. What we know less about is the general patterns through which such combinations influence the visibility of vacancies to jobseekers, and we have presented our data on recruitment channels to show this.

In Figure 3:1 we have presented the seven channels which were used to alert putative applicants to the most recent vacancy among our respondents, in descending order of cost/formality to the employer in question. Thus, word of mouth is cheaper/easier than subsequent channels; open advertising and private agencies tend to be at the opposite end of the price/formality spectrum. Starting with word of mouth, we show the *cumulative* proportion of these vacancies which were notified using each successively more costly/formal method.

Figure 3:1 Cumulative vacancy notification (last vacancy filled)



Source: IES survey

Quite clearly, the combinations of channels used will vary by occupation, by employer and by local circumstances. The point is however, that we can now estimate the general effect on the accessibility of vacancies to jobseekers, according to where, and how, they look for jobs. Figure 3:1 shows that 17 per cent of these vacancies were notified to jobseekers exclusively through informal means, such as word of mouth, personal recommendation, speculative application, public notice *etc.* As a result, a jobseeker who only used the Jobcentre to search for vacancies would probably miss out on them altogether. However, nearly 40 per cent of vacancies were notified through some combination of Jobcentre and informal methods. Our jobseeker would double his/her access to vacancies by using both. They would more than double it again if they also used the media: a further 46 per cent of vacancies were notified exclusively through the media. Bringing private agencies into scope would bring a further tenth of vacancies into sight.

3.2.5 Selection methods

Our findings, in line with the literature (*eg* Gill, 1980; Robertson and Makin, 1986; Windolf and Wood, 1988; Watson, 1994), show that by far the most common selection technique used in the most recent appointment was the face-to-face interview (Table 3:23). This was employed by 89 per cent of all recruiting establishments in the sample. Other techniques which also appeared generally to be quite significant overall included references, a trial period, an application form and formal shortlisting. These methods were used by 76, 68, 65 and 61 per cent of all establishments respectively. Informal interviews, security checks and

Table 3:23 Selection methods (per cent)

Selection methods used	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Formal face-to-face interview	89	70	93	89	92	87	97	91
Reference	76	53	81	72	94	72	87	93
Trial period	68	67	69	69	64	67	75	57
Application form	65	48	69	61	82	59	82	80
Formal shortlisting	61	45	65	55	90	54	82	86
Informal interview	32	52	28	37	9	33	32	22
Security checks	26	10	30	22	51	24	35	31
Skill tests	21	27	19	20	26	20	22	32
Personality/intelligence tests	14	17	13	15	11	11	14	10
Telephone screening	13	15	13	14	8	14	11	18
CV	—	—	—	—	—	—	—	3
Other	1	—	2	2	—	2	1	1
Don't know/no response	1	—	—	—	—	—	1	—

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

skill tests, although much less common overall, were still used by between one-quarter to one-third of the respondents in the survey. A CV was mentioned specifically by only one respondent.

Public sector establishments appeared overall to have the most formalised selection, with their process generally far more likely than average to include an application form, formal shortlisting, referencing, a formal face-to-face interview, security checks and, albeit to a lesser extent, testing. This undoubtedly reflects the fact that, for many years, public sector establishments have had to set an example for private sector establishments to follow, particularly in relation to people management and industrial relations matters (Farnham and Horton, 1996). This has tended to make the public sector more advanced in some areas of personnel practice, and hence more aware of professional codes of conduct in relation to, for example, equal opportunities and training issues as they apply to practices such as recruitment and selection.

It appears that larger establishments have a slightly more formal selection process than the smaller establishments. Thus, a greater proportion of the largest establishments used references (93 per cent), application forms (80 per cent), formal shortlisting (86 per cent), security checks (31 per cent), skill tests (32 per cent) and telephone screening (18 per cent) in the selection of their last employee. Over 20 per cent fewer of the smallest establishments actually reported using references and application forms, and 30

per cent fewer, shortlisting. In addition, a larger number of the smallest establishments used a more informal interview and a trial period in the selection process. This may reflect the fact that their selection process is less formal. The trial period may be intended to provide the opportunity to counteract any potentially less reliable or ineffective selection decision.

Therefore, as well as having more formal recruitment processes, larger establishments do also appear to employ more formal selection techniques. According to the literature, such recruitment and selection behaviour may primarily reflect differences in costs and spending power. Thus, larger employers may generally expect to have a greater abundance of resources to invest in more expensive and sophisticated recruitment and selection practices and techniques. As a consequence, they may be able to go to greater lengths to increase the reliability, validity, cost-effectiveness and fairness of their recruitment exercise. In addition, they may be able to gain a better access to a wider and higher calibre labour market. The greater formalisation in recruitment and selection and the use of a more varied range of selection techniques in larger establishments may be intended to achieve this.

When the nature of selection techniques is examined in relation to conditions in the local labour market the patterns are less clear cut (see Table 3:24). The use, thus, generally of different selection techniques tends to be fairly evenly balanced amongst establishments under a variety of labour market conditions.

Table 3:24 Selection methods used by local labour market factors (per cent)

	Local unemployment rates			Recruitment difficulties	
Selection methods used	**Low**	**Medium**	**High**	**Yes**	**No**
Formal face-to-face interview	91	93	84	90	89
Reference	75	74	79	73	78
Trial period	72	64	70	73	66
Application form	59	64	71	65	65
Formal shortlisting	56	61	67	56	65
Informal interview	31	31	34	33	32
Security checks	26	24	29	28	24
Skill tests	30	18	15	17	25
Personality/intelligence tests	16	15	10	13	14
Telephone screening	12	17	10	11	13
CV	—	1	1	—	—
Other	1	3	2	—	3
Don't know/no response	1	3	1	1	2

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

However, some interesting, although only slight, differences are displayed. In partial support of the observations of Atkinson *et al.* (1994), discussed earlier (Chapter 2), when labour market conditions are slack and unemployment levels are higher, a relatively high proportion of establishments are still using more formal selection techniques, such as formal shortlisting (67 per cent of these employers) and application forms (71 per cent), in their selection. This may be deemed necessary to deal with greater numbers of applicants of more varied quality. If this is combined with the results from Table 3:22, regarding variations in recruitment channels by unemployment levels, it appears, in line with the literature (*ie* Atkinson *et al.*, 1994), that when there is an abundance of people in the labour market, many establishments are keeping their selection processes more formal, and hence being more selective, while recruitment channels are informalised to keep costs down.

However, it should be emphasised that a fair proportion of establishments experiencing tighter labour market conditions and lower unemployment, for example, are also still using an array of formal selection methods, such as formal interviews (93 per cent of employers), references (75 per cent of employers) and tests (46 per cent) as well as application forms (59 per cent) and formal shortlisting (56 per cent). It appears in our sample at least that establishments may be less directly affected in the use of selection techniques by variations in levels of unemployment. Put another way, a lot of establishments appear to use formal and informal selection techniques regardless of certain labour market variations.

Interviewer

It was also of interest to this study to establish who exactly in each of the recruiting establishments had been involved in the selection process. All those respondents who reported they had used a formal or informal interview were asked who took part. The responses are listed in Table 3:25. This provides an indication

Table 3:25 Identity of interviewer (per cent)

Interviewer	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
MD/proprietor/chief executive	45	57	43	47	31	50	31	20
Line/departmental manager	44	29	47	40	59	38	59	67
Personnel/HR representative	21	16	22	16	46	15	34	61
Other	10	9	10	9	17	10	11	3
Don't know/no response	5	7	5	6	—	6	2	—

Base: All those who had used a formal or informal interview (N = 678)

Source: IES survey

of the extent to which the establishment, usually through the personnel department, has attempted to formalise and standardise the process as highlighted earlier in the literature in Chapter 2.

In the majority of cases, it appears that the managing director of the organisation, or the line manager directly responsible for the new recruit, was involved in the interview process. These were mentioned by 45 and 44 per cent of all recruiting establishments respectively. In small establishments, in production and the private sector, interviews were more likely to be undertaken by the managing director. In larger establishments, in service industries and the public sector, the line or departmental manager is more important.

Personnel and human resources representatives generally played a much more minor role overall, only being involved in interviews in just over one-fifth of establishments contacted. The exception to this was in the largest establishments where it is suspected personnel departments are more established. It is thus possible, as the literature suggested (*eg* Jenkins, 1984), that in the absence of personnel managers, and with the greater involvement of line management, a more informal managerial model is prevailing in the selection process. This may subvert employment concerns for fair and equitable practice, albeit unintentionally, in favour of more pressing business and cost concerns associated with a line management role. However, such inferences can only be tentative without any direct and explicit confirmatory evidence.

Selection criteria

Recruiters were asked in the telephone survey to specify what criteria had been relevant in selecting someone in their most recent appointment, and how important each criterion was. The responses are displayed in Table 3:26. In Figure 3:2, these responses have been converted into single importance ratings to accentuate the extent of variation attached to each criterion by respondents. These importance ratings have been calculated on the basis of the percentage of respondents who have responded to each criterion and the level of importance they have attached to it. The higher the rating the greater the level of importance.

On closer examination of the findings in Table 3:26 and Figure 3:2, it can be seen that criteria such as reliability, honesty and integrity, and motivation, attitude and keenness, were the most important factors in making the most recent selection. Ninety per cent and 85 per cent of recruiters rated these as very important and in Figure 3:2 they are seen to have the highest importance ratings, at 390 and 382 respectively. These criteria were closely followed by basic skills, such as numeracy and literacy, which were considered to be very important by just over two-thirds of respondents (Table 3:26) and had an importance rating of 354 (Figure 3:2). Previous experience, health and

fitness, and reference from previous employer were generally of more moderate importance, being cited as very important by around 40 per cent of recruiters in Table 3:26, and having an importance rating of just over 300.

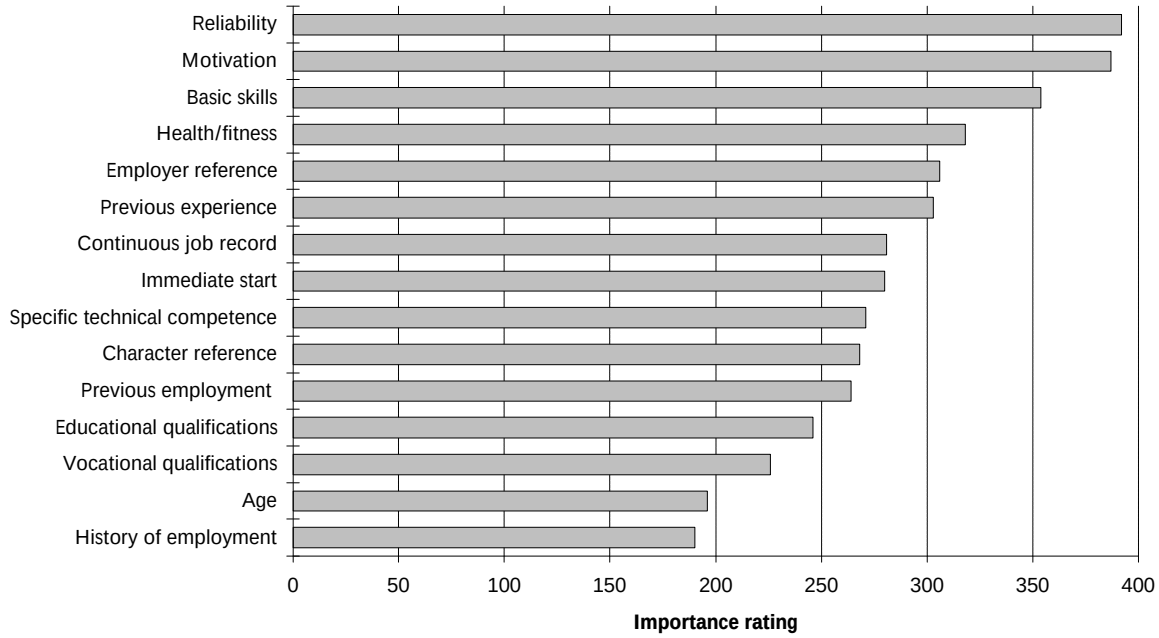
Table 3:26 Important criteria in most recent selection (per cent)

	Importance				
Criteria	**Irrelevant**	**Minor**	**Fairly**	**Very**	**Don't know**
Basic skills (literacy, numeracy)	4	5	25	65	1
Educational qualifications	26	30	21	23	1
Vocational qualifications	35	28	15	20	2
Specific technical competence	23	20	21	35	1
Previous experience in similar job	13	14	31	41	1
Previous employment in similar organisation	21	22	30	26	1
Stable relatively continuous job record	18	12	38	30	1
History of employment	48	26	13	9	3
Age	42	30	19	8	1
Health/fitness	8	8	43	40	1
Motivation/attitude/keenness	1	1	13	85	1
Reliability/honesty/integrity	1	1	8	90	1
Reference from previous employer	12	12	35	40	1
Character reference	24	16	25	33	1
Immediate/quick start	18	16	36	28	2

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

Figure 3:2 Important criteria in most recent selection



Source: IES survey

In contrast, history of employment and age were probably felt to be of least importance as selection criteria. Indeed, they were felt to be irrelevant by almost half of the respondents (Table 3:26) and received the lowest importance ratings, at just over 190. Furthermore, age and history of employment were said to be very important by only eight per cent and nine per cent of respondents, and of minor importance by 30 per cent and 26 per cent respectively. These were followed by educational and vocational qualifications. Between one-quarter and one-third of respondents cited these as irrelevant in their selection decisions, and a similar number felt them to be of minor importance.

Considering the observations reported within the literature (*eg* Jenkins, 1984), in the last chapter, the importance of personal traits, such as reliability, honesty, and integrity, motivation, attitude and keenness, in the selection process is particularly interesting. Such traits are undoubtedly examples of social and behavioural 'acceptability' criteria. This, as noted earlier, relies very heavily on personal judgements, and can be very susceptible to personal opinions and prejudice. This suggests that the recruitment processes described by the respondents in the survey, may be open to bias and discriminatory 'snap' judgements. An unemployed applicant, for instance, expected to be uncommitted and lacking in motivation may be perceived to be this way, and as a consequence may be greatly disadvantaged in the selection process.

In addition, the lack of emphasis on educational and vocational qualifications as an important selection criteria is also of particular interest. Occupational standards and varying levels of NVQs were thought by some to offer the potential to be a far more objective selection criterion (see Chapter 2). However, if as suggested by our findings, employers are not recognising or using the qualifications, the potential for this use has undoubtedly remained limited. Indeed, these are amongst the lowest importance ratings (Figure 3:2).

Table 3:27 demonstrates what criteria is relevant to what types of establishments. This is intended to establish whether different establishments were emphasising different things in the selection process, and therefore to indicate the implications of using particular criteria for individuals in the labour market.

On the basis of this information it can be seen that:

- similar criteria were rated as being the most relevant by a large majority of all establishments; namely motivation, attitude and keenness, reliability, honesty and integrity, basic skills and health and fitness
- other criteria tended to be of more moderate relevance, such as previous experience in a similar job or in a similar organisation, stable continuous job record and reference from previous employer

Table 3:27 Relevant criteria in most recent selection (per cent)

Criteria	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
Basic skills (literacy, numeracy)	91	90	91	90	97	89	97	97	96	90	87
Educational qualifications	48	62	45	45	62	42	67	66	52	47	46
Vocational qualifications	31	37	30	31	39	23	58	44	40	30	24
Specific technical competence	55	69	51	54	53	48	76	64	62	49	55
Previous experience in similar job	72	66	74	72	65	69	83	88	78	62	80
Previous employment in similar organisation	55	60	54	55	59	54	59	70	65	52	50
Stable relatively continuous job record	70	75	68	71	55	68	76	66	67	68	76
History of employment	22	22	23	23	25	16	40	40	23	22	23
Age	35	40	34	39	16	37	34	16	25	38	43
Health/fitness	85	92	83	87	72	87	81	78	78	90	86
Motivation/ attitude/keenness	97	100	97	97	97	97	98	99	98	98	96
Reliability/honesty/ integrity	98	100	97	97	99	98	98	99	100	98	95
Reference from previous employer	75	51	81	71	99	72	83	88	78	74	73
Character reference	55	37	60	56	43	54	63	58	64	50	53
Immediate/quick start	63	67	62	67	33	62	67	52	53	71	62

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey

- of the least relevance generally, were criteria such as educational and vocational qualifications, history of employment, age and character reference.

There seemed to be quite a lot of similarity overall across the different establishments in terms of what factors were regarded as relevant in selection. That said, there were some interesting differences too. For instance, more large establishments than the small ones also considered previous experience and employment, educational and vocational qualifications, specific technical competence and reference from previous employer to be relevant in their last selection process. This is particularly interesting when it is considered that overall factors such as qualifications were not seen as important (see Table 3:26).

In contrast, a greater proportion of smaller establishments than large ones considered criteria such as health and fitness, immediate quick start and age as relevant in selection. This seems to suggest that large establishments may generally use a greater range of criteria in their selection process and by so doing are more thorough and rigorous about their selection decision. Larger establishments also appear more concerned with direct measures of an individual's technical ability to do the job. This appears to provide further support to the finding that larger establishments do tend to have more formalised and rigorous recruitment and selection processes.

Although overall establishments experiencing different labour market conditions show much alignment with many other establishments, there are some minor differences. Employers located in areas where unemployment is low appear to attach slightly more relevance than average to vocational qualifications, technical competence, and previous employment in a similar organisation. They are thus still regarding fairly technical aspects for the job, and overall show no signs of having obvious skill shortages and having to modify their requirements. Conversely, however, in areas where unemployment is high, a stable, relatively continuous, job record and previous employment in a similar organisation are considered slightly more relevant. It is possible that those establishments exposed to higher unemployment, and hence more unemployed applicants, may attach more relevance to criteria such as a stable job record as a way of quickly reducing the overall number of applicants.

Public sector and production establishments also, like the large establishments, attached more emphasis to educational qualifications than other establishments, on average. References were of slightly less relevance than average in production, but previous employment in a similar organisation and specific technical competence were slightly higher. The public sector placed much emphasis on employer references, but factors such as a stable job record, quick start and age were slightly less relevant than other establishments. Thus although motivational factors and so called acceptability criteria were, arguably, very influential in the selection process, some broad measures of technical competence and ability to do the job were still playing a role. The question is, to what extent does one outweigh the other in practice? This is impossible to establish purely on the basis or responses from recruiters in these sample establishments. These findings, however, can at least confirm the fact that 'acceptability' criteria nevertheless play a very influential role.

Use of a job description or person specification?

Not only was it important to identify what criteria recruiters had been using, but also to establish the extent to which this criteria had been formalised within a job description and person specification. As the literature has shown, this can often help to

Table 3:28 Did you use a job description? (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Yes	73	68	74	67	97	68	84	93
No	25	29	24	30	3	28	16	7
Don't know/no response	3	3	3	3	—	3	—	—

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey (weighted data)

Table 3:29 Did you use a person specification? (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Yes	45	36	47	37	80	39	59	76
No	53	61	51	60	20	58	41	23
Don't know/no response	2	3	2	3	—	3	—	1

Base: All those who have ever recruited at this establishment (N = 706)

Source: IES survey (weighted data)

reduce the room for personal judgements, subjectivity and possible attitudinal prejudice.

From Table 3:28 it can be seen that job descriptions, used to define the purpose, responsibilities and duties of a job, were the most common selection tool used by recruiters. Indeed, 73 per cent of respondents had used a job description in their most recent recruitment exercise. This pattern was generally reflected in all types of establishments, and was the most likely amongst public sector and larger establishments. In contrast, over half of respondents had not used a person specification (Table 3:29), which specifies personal characteristics required for the job. The exception to this was, again, larger and public sector establishments who used person specifications as well as job descriptions. Overall, therefore, employers appeared to be more intent on measuring the tasks, responsibilities and duties of the job and were less concerned about clearly defining and stipulating the most essential abilities, personal characteristics and attributes required by an individual to undertake the job.

The qualitative face-to-face interviews made it possible to explore the use of job descriptions and person specifications. These appeared to confirm, in line with the survey data, that job descriptions were the preferred selection tool. Indeed, recruiters interviewed seemed uncertain about the differences between the two documents. Job descriptions seemed to serve a number of common purposes:

- they guided and assisted managers in the recruitment and selection process, so that they were clearer about the responsibilities, duties and tasks involved in a job, and more focused, systematic and organised in their selection decision
- they provided clear details about the position for grading and job evaluation purposes, and assisted in industrial relations processes
- they guided employees within their jobs/work so that they were clear about their responsibilities and what was expected of them
- they set out pay and conditions to inform managers and employees alike
- they provided potential recruits with information about the job, so that they could be more prepared for what was involved.

However, there appeared to be a neglect amongst recruiters towards the purpose and function of a person specification, and many recruiters did not seem to be explicitly specifying and setting down standard or minimum requirements of the more personal characteristics and attributes required for the job. This is quite interesting, especially when it is considered that personal factors, such as motivation, were identified earlier as important selection criteria.

In some cases, the documents were not valued at all. Some recruiters thought they inhibited change, progression and development. As one respondent explained:

> *'I don't favour job descriptions myself because they are too static. I don't have much faith in them. They do not allow for change within the job and flexibility because they try to constrain the job within set boxes or categories. Jobs need to change more frequently than the job description can.'*

In such an instance, it is possible that the benefits of using a job description or person specification, in terms of formalising the selection process, being clear about the criteria required, and reducing the room for personal discretion, attitudinal prejudice and 'snap' judgements, may be subverted. The manager's overriding desire to maximise flexibility in the labour force, to strive for change and to optimise business performance, appears to be taking precedence over concerns for overt, equitable and non-discriminatory practice.

3.3 Involvement of the unemployed in last known appointment

Once we had explored the general details of the most recent recruitment exercise amongst those recruiting establishments in our sample, it was necessary to examine more specifically how the process had affected any unemployed people involved in the

recruitment process, if at all. This fairly specific analysis of the last recruitment exercise consisted of three key stages. It was necessary:

- first, to establish how many and what sorts of unemployed people had actually applied for the post
- second, to identify if any unemployed applicants had successfully secured any of the most recent posts, and
- third, if any posts had been filled by unemployed applicants, it was necessary to learn more about the details of the job they had been recruited to, and to make inferences where possible about the recruitment and selection process they had experienced.

This line of analysis had a number of key intentions. Primarily, it intended to establish how successful unemployed people had been, in a randomly selected recruitment exercise. It was of particular interest to establish if there were any differences in the numbers of unemployed people taken on by type of establishment or its locality. By exploring the number and type of applicants it was intended to ascertain the likely relationship between the recruits and those applying. For instance, was a lower number of unemployed recruits due to a generally lower number of unemployed applicants?

In those instances where the posts were known to be filled by unemployed applicants, the data was also intended to provide more information about the type of jobs unemployed people may be recruited to in terms, for instance, of the level of skill. Also, it was hoped to gain more details about the type of person recruited, in terms of their duration of unemployment, age and gender. It was thought that this may provide some indication of how the recruitment process itself had affected their chances of success. Were there, for instance, any selection practices that were likely to be discriminating more against the unemployed? It was hoped this information would provide more comparative data, which could be examined in relation to the more general information, regarding recruitment of the unemployed, presented in later chapters. No formal pre-determined definition of unemployment generally was provided. Respondents were allowed to use their own interpretation of who was, or was not, classed as unemployed, as would be the case in any genuine recruitment exercise. In contrast, long term unemployment was defined. This was classed as being out of work for six months or more.

3.3.1 Existence of unemployed applicants

Recruiters questioned in the telephone survey were asked if they knew how many of the people who applied for their last vacancy were unemployed. Table 3:30 gives an indication of the extent to which the respondents in this study were aware of the employment status of these applicants. It shows that nearly two-

Table 3:30 Do you know how many of the applicants were unemployed? (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
Yes — one or more u/e	47	43	48	46	57	51	37	31	47	49	46
Yes — none were u/e	16	20	16	16	15	18	13	14	21	19	10
Can't tell if u/e	25	24	25	26	21	23	30	35	24	24	26
Don't know	11	13	11	12	6	9	20	20	9	8	18

Base: All those who ever recruited at this organisation (N = 706)

Source: IES survey

thirds of all respondents who had ever recruited felt that they did know about their applicants' employment status. Just under 50 per cent reported that one or more of their applicants had been unemployed, and only 16 per cent stated categorically that none of the people who had applied had been out of work. The extent of this awareness, however, varied by types of establishment.

Larger establishments were slightly less aware than smaller establishments, with 50 to 55 per cent of recruiters respectively in these establishments stating that they could not tell, or did not know, how many applicants were unemployed.

This difference was presumably because, as seen earlier (Tables 3:18; 3:19), larger establishments were dealing with larger numbers of applicants (*ie* 76 on average), candidates and vacancies (*ie* five on average in the last year), and therefore found it more difficult to remain in touch with them all and to monitor their progress. Furthermore, private sector establishments were slightly less familiar with their applicants than public sector ones, and establishments in production and services had fairly similar levels of awareness about employment status. There were no major differences by varying labour market conditions.

3.3.2 Volume of unemployed applicants

Those recruiters who stated that they had had unemployed applicants were asked to specify exactly how many of them were unemployed. This amounted to 333 weighted respondents. This information is presented in Table 3:31. Nearly three-quarters of these respondents overall stated that between one and five of their applicants had been unemployed, and only four per cent reported having more than 25 people applying who were out of work.

Larger establishments and those in the public sector appeared to have slightly larger numbers of unemployed applicants, particularly at the 25 and above level for the public sector.

Table 3:31 Number of applicants thought to be unemployed (per cent)

	All	Produc-tion	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
1-5	74	74	74	75	71	76	69	47	74	78	71
6-24	21	25	21	24	12	20	26	48	25	22	18
25+	4	1	5	1	17	4	5	3	1	—	11
Mean number	*9*	*5*	*10*	*5*	*26*	*9*	*8*	*8*	*4*	*5*	*18*

Base: All those who had one or more unemployed applicants (N = 333)

Source: IES survey

Indeed, in the public sector establishments, the proportion of unemployed applicants expressed as a proportion of the average overall number of applicants in the public sector (Table 3:19) was as much as 40 per cent. In larger establishments, the higher numbers of unemployed people are presumably, again, because they were generally dealing with larger numbers of vacancies and applicants. Perhaps less surprisingly, recruiters located in areas of high unemployment were also attracting larger numbers of people out of work (*ie* 11 per cent of respondents in the 25+ category).

3.3.3 Existence of long term unemployed applicants

Those recruiters who felt that they had had some unemployed applicants were asked if they thought these applicants had been long term unemployed (Table 3:32). Long term unemployment was defined as being out of work for six months or more. The distribution of these responses was more evenly balanced and more respondents were unsure about the extent of long term unemployment. Over half of the respondents stated that they could not tell or did not know whether individuals had been long term unemployed or not. Of those that did give a more confident reply, these were divided between those who felt none of their applicants had been long term unemployed (nearly one-

Table 3:32 Do you know how many of the applicants were long term unemployed? (per cent)

	All	Produc-tion	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
Yes, one or more were LTU	26	26	26	22	44	24	37	27	37	24	20
Yes, none were LTU	21	28	20	25	5	23	11	32	23	20	21
Can't tell if they were LTU	35	33	35	38	27	36	31	21	28	43	33
Don't know	18	13	18	15	24	17	21	21	12	13	26

Base: All those who said they had unemployed applicants (N = 396)

Source: IES survey

Table 3:33 Number of applicants thought to be long term unemployed (per cent)

	All	Produc-tion	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
1-5	90	89	90	92	85	94	84	29	86	97	88
6+	10	11	10	8	15	6	16	71	14	3	12
Mean number	*4*	*2*	*4*	*4*	*4*	*2*	*5*	*6*	*6*	*2*	*4*

Base: All those who had one or more unemployed applicants (N = 333)

Source: IES survey

quarter), and those who identified one or more long term unemployed people amongst their applicants (just over one-quarter of respondents).

It was of interest to note that the likelihood of having long term unemployed applicants was slightly higher than average in medium sized and public sector establishments, and those located in areas of low unemployment.

3.3.4 Volume of long term unemployed applicants

All those recruiters who reported that they had had long term unemployed applicants were asked to specify exactly how many of them were long term unemployed (Table 3:33). Since this amounted to quite a small number of recruiters (104 weighted recruiters), findings can only be tentative and should be viewed with caution. The numbers of long term unemployed applicants mentioned were generally much smaller than the volume of unemployed applicants reported by respondents. It is not clear whether this is because respondents had fewer details about the unemployed applicant, such as their duration of unemployment, or whether there were generally fewer long term unemployed people. The majority of employers (90 per cent) stated that no more than five of their applicants had come from the ranks of the long term unemployed and the most common average number, for different types of establishment, was four.

However, the exception to this was amongst the largest establishments. Over 70 per cent of respondents in these establishments said they had six or more long term unemployed applicants and the average number of long term unemployed applicants was found to be six. This added further support to the idea that the establishments selected were generally recruiting more people and therefore were proportionally dealing with bigger numbers. However, the relatively small numbers of respondents to this question should also be borne in mind. It may be that the respondents questioned in this sample have had much more involvement with the long term unemployed than other large establishments elsewhere.

Table 3:34 Estimates of how many were unemployed (per cent)

	All	Produc-tion	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
None	5	1	6	6	1	6	5	1	1	13	3
Fewer than a quarter	8	9	8	9	1	4	17	9	6	5	11
More than a quarter fewer than a half	3	—	3	3	3	3	1	8	6	—	2
Half	8	6	9	6	22	10	5	2	4	5	13
More than a half fewer than three-quarters	2	1	3	3	—	3	2	1	1	1	4
More than three-quarters	3	—	4	4	—	5	—	—	—	4	5
Don't know	70	83	67	69	73	69	70	79	82	72	61

Base: All those who didn't know how many were unemployed (N = 256)

Source: IES survey

3.3.5 Estimates of the number of unemployed applicants

Those who stated in Table 3:32 that they could not tell how many of their recent applicants were unemployed, were asked if they could estimate a possible number.

The responses to this are displayed in Table 3:34. The majority of these respondents were still unsure, and following this second line of prompting, 70 per cent stated that they still did not know how many were unemployed. In addition, nearly one-fifth of respondents felt that a half or fewer of their applicants had been unemployed, and five per cent on reflection said none had been. Public sector establishments, again provided some of the highest estimates for unemployed applicants.

3.3.6 Estimates of the number of long term unemployed applicants

Any respondents who were unsure how many of their applicants were long term unemployed (Table 3:32) were also prompted to give an estimate. As with estimates for unemployed applicants, in Table 3:35, the majority of respondents overall (66 per cent) stated that they still did not know if any applicants were long term unemployed. In addition, a further 27 per cent of recruiters said that only a half or fewer of their applicants were long term unemployed and three per cent said none were.

Table 3:35 Estimates of how many of the applicants were long term unemployed (per cent)

	All	Produc-tion	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
None	3	—	4	4	—	2	8	2	8	3	1
Fewer than a quarter	15	20	14	10	38	15	17	10	15	3	25
More than a quarter fewer than a half	5	—	6	6	—	4	7	4	6	10	1
Half	7	2	8	8	1	8	3	3	1	7	10
More than a half fewer than three-quarters	2	—	2	2	—	2	—	1	—	—	4
More than three-quarters	2	—	3	3	—	3	1	—	—	6	1
Don't know	66	78	64	66	61	66	63	80	70	71	59

Base: All those who didn't know how many applicants were long-term unemployed (N = 706)

Source: IES survey

3.4 The identity of the most recent recruit

3.4.1 Employment status

Those recruiters who stated that they had had at least one unemployed applicant were asked if the person they had most recently recruited had been unemployed. This amounted to 329 weighted respondents. As Table 3:36 shows, the majority of these respondents (over 70 per cent, 233) reported that their last recruit had in fact been unemployed. It therefore appeared that unemployed people had, in the last recruitment exercise at least, been given a lot of opportunities and had thus not generally been disadvantaged. However, given that the figure was so high, it was queried whether the last recruitment exercise recounted by respondents had, in fact, been typical. It is possible, for instance, that some respondents were affected by the topic of this research study and thus over reported their recruitment of the unemployed. Hence, they may have spoken about the last time they had recruited an unemployed person, thinking it was also the last time they had recruited. They also may have recalled their appointment of an unemployed person, believing it to be of more interest to this research study. Such effects could over inflate the actual level of recruitment of the unemployed.

On closer inspection of these responses, it appeared variations in local labour market conditions did not seem to dramatically alter the likelihood of taking on, or not taking on, unemployed people. However, there were differences by establishment type. For instance, slightly more public sector establishments than average had taken on unemployed people, and slightly less

Table 3:36 Was the person you last appointed unemployed? (per cent)

	All	Produc-tion	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
Yes	71	65	72	69	82	72	63	57	70	74	69
No	27	30	26	28	18	25	35	43	27	25	28
Don't know	3	5	2	3	—	3	2	_	3	1	3

Base: All those who appointed one person and said they had unemployed applicants (N = 329)

Source: IES survey

larger establishments. The former may be affected by the fact that because the public sector employers receive a higher average number of unemployed applicants (*ie* 26 unemployed applicants, as shown in Table 3:31 earlier) they are simply more likely to take on unemployed people.

In the latter case, it is possible that the more formal recruitment and selection process identified in larger establishments earlier (Table 3:23), combined with the generally higher average number of applications (*ie* 76 applicants per job, as shown in Table 3:19), is more likely to lead to rejection of the unemployed applicant. Indeed, when dealing with high numbers, for instance, whether someone is unemployed or not, may become a quick and effective way of reducing the volume of applicants to a manageable level. The nature of the criteria, in particular, as seen earlier (Table 3:27), emphasised by many larger employers, such as previous experience in a similar job, previous experience in a similar organisation, educational qualifications, specific technical competence and stable relatively continuous job record, are all factors which may be more difficult for an unemployed person to satisfy. This is especially the case if they have been out of work for some time, and have had little opportunity to update skills and experience.

3.4.2 Duration of unemployment

Those establishments who had recruited someone from the ranks of the unemployed to their most recent vacancy were asked how long this unemployed individual had been out of work. As indicated in Table 3:37, just over one-third of all these respondents said 'for less than six months' and over 40 per cent said 'more than six months'. Overall, employers therefore seemed equally likely to recruit both long term and short term unemployed people.

It appeared that more public sector employers, medium sized establishments and those located in areas of high unemployment had taken on long term unemployed people. Very few recruiters in the public sector (eight per cent), in particular, stated that they had recruited short term unemployed applicants. It is not possible to state categorically why this is the case. On the basis

Table 3:37 Approximately how long had they been unemployed? (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)	Low U/E	Medium U/E	High U/E
Less than six months	35	31	36	44	8	35	29	79	34	33	37
More than six months	42	44	42	35	63	41	56	12	29	34	57
Don't know/ no response	23	25	22	20	30	24	15	9	37	33	6

Base: All those where the person appointed was unemployed (N = 233)

Source: IES survey

of this information, it seems that these employers are less discriminatory to those out of work for a long time. Not only are they demonstrating that they are prepared to consider people for their jobs but to take them on as well. It appeared that the existence of formal selection methods, such as shortlisting, known to be present in these establishments (Table 3:23), were not necessarily discriminating against the unemployed, as they have in earlier studies (*eg* Meager and Metcalf, 1988). It was possible instead that the use of less formal types of selection criteria in these organisations may be benefiting the unemployed and/or that individuals were being given a greater chance to prove themselves. Since the likelihood of recruiting the long term unemployed increased in areas where unemployment was higher, it was possible that some experience of, or contact with, the unemployed was making these types of employers more receptive to those out of work and more willing to give them an opportunity.

In contrast, the largest employers, with above 250 employees, appeared more likely to recruit short term unemployed people, with 79 per cent having done so. This again, as stated earlier, may be related to the fact that more larger employers seem to require evidence of more technical competence and ability to do the job, which long term unemployed people, by being out of work for some time, may find more difficult to demonstrate. Those employers in areas of lower unemployment seemed slightly less likely than average to know how long the recruit had been out of work. This is perhaps because they generally dealt with smaller numbers of people out of work, and were thus less thorough with their general enquiries about unemployment.

3.4.3 Age of last recruit

All recruiters who had undertaken the most recent appointment were asked to state the age of their appointee. The ages were generally fairly evenly distributed (Table 3:38) although there were fewer in the oldest age group above 55. Thus, nearly one-third of employers recruited someone under 25, around one-third appointed someone between 25 and 30, and just over a quarter had taken people on between the ages of 36 to 45.

Table 3:38 How old was the person you last appointed? (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Under 25	29	36	27	33	11	32	19	17
25-30	33	34	32	30	43	29	44	45
36-45	26	18	28	25	28	25	30	17
46-54	10	5	11	9	18	11	6	18
55 or more	1	3	1	2	—	2	—	—
Don't know/no response	1	3	1	2	—	2	1	3

Base: All those who appointed one person (N = 560)

Source: IES survey

Table 3:39 Was the person you last appointed male or female? (per cent)

	All	Production	Services	Private	Public	Small (1-49)	Medium (50-249)	Large (250+)
Male	45	71	38	51	13	44	47	45
Female	55	29	62	49	87	56	53	55

Base: All those who appointed one person (N = 560)

Source: IES survey

3.4.4 Gender of last recruit

With regard to the gender of the last recruit, it appears overall that the numbers of males and females was reasonably balanced. Although slightly more employers overall stated that they had recruited females (55 per cent of respondents) than males (45 per cent), the differences were not that great. Variations were more apparent by different type of establishment although not by varying size. For instance, whereas production establishments seemed more likely to have recruited males, those establishments in the services and the public sector appeared to recruit females. Given that more men are traditionally attracted to production work, this seems less surprising. In addition, since it was noted earlier that the most recent jobs in the public and service sectors seemed to have quite variable part-time hours, and women are generally more likely to be found working such hours, this too tends to be in line with expectations.

3.4.5 Occupation of unemployed recruit

The occupations of the most recent vacancies filled by an unemployed person are displayed in Table 3:40. From this, it appears that the jobs unemployed people are more likely to secure are within the clerical and secretarial field, personal and protective services, and as plant and machine operatives. Jobs

Table 3:40 Occupations of recent unemployed recruit

	%
Managers and administrators	4
Professionals	3
Associate professionals	4
Clerical and secretarial	17
Craft and related	5
Personal and protective services	25
Sales occupations	9
Plant and machine operatives	14
Other	20

Base: All those where the person appointed was unemployed (N = 233)

Source: IES survey

requiring the highest level of skill and experience, such as management and professional positions, were less likely to be filled by someone unemployed. This would appear to confirm earlier assertions suggesting that unemployed people may find more difficulty demonstrating that they still have the necessary skills and experience for such jobs. This is especially the case if they have been unemployed for longer.

In summary, it can be said that in the last recruitment exercise at least, the unemployed did not seem to be greatly disadvantaged. Indeed, 71 per cent of establishments overall reported having taken someone on from the ranks of the unemployed. Most recruiters were also able to still recall the employment status of their applicants. However, as stated earlier (Section 3.4.1), this high level of recruitment is unlikely to be typical and should be viewed with caution.

For the majority of those who had unemployed applicants (74 per cent), no more than five were generally felt to be unemployed. That said, the overall mean number of unemployed applicants was found to be nine. Considering that the overall number of applicants establishments attracted was on average only 26 (Table 3:19), this means that about 35 per cent of all applicants in the last recruitment exercise were likely to be unemployed. However, larger establishments, and those in the public sector, did seem to receive more applications than average from people out of work.

Public sector establishments were likely to take on more unemployed people, but larger establishments recruited slightly fewer. Thus, larger establishments were possibly screening their unemployed applicants more stringently. The largest establishments also appeared more likely to recruit those unemployed people who had been out of work for shorter periods, whereas the public sector employed more long term unemployed people.

The preference of larger employers to recruit short term unemployed applicants may be related to the type of occupation they were recruiting for. Larger establishments were shown earlier (Table 3:9) to be filling management positions and, as our results in Table 3:40 above show, the unemployed were generally less likely to be recruited to such posts. It thus may also be the case that large establishments could not find long term unemployed people with the necessary experience for the positions they were trying to fill. Overall, however, employers seemed equally likely to recruit short term or long term unemployed people, so it does not appear, in these most recent appointments at least, that the long term unemployed were at a much greater disadvantage than the short term unemployed.

4. Employers and Unemployment: What the Literature Says

To be able to fully comprehend, and contextualise, employer attitudes towards unemployed people and their recruitment behaviour, it has been necessary first to learn more within the literature about the nature and composition of unemployment itself. This is particularly in terms of the general personal characteristics of unemployed people. Only then will it be possible to understand the basis for certain employer beliefs, regarding the unemployed.

This chapter examines the main issues in the literature within four broad areas. This can be represented as: the nature and characteristics of the unemployed; recruitment and the unemployed; attitudes and beliefs towards the unemployed; and the experience of government programmes. Again, as with Chapter 2, it sets a background to the findings from this study, which are presented in the following chapters.

4.1 The nature and characteristics of the unemployed

Research evidence has shown that unemployment in Britain, particularly long term unemployment, has traditionally been concentrated within working class occupations. This is especially the case among manual occupations and to a lesser degree among the less skilled, more routine and lower paid jobs (Banks and Davies, 1990; Daniels, 1990; White, 1994). It appears, in particular, that those experiencing long term unemployment are generally in poorer health, are male, and possess fewer educational, technical and occupational qualifications, especially amongst the younger long term unemployed age group (Banks and Ullah, 1987; Banks and Davies, 1990; White, 1983; 1994). Subsequently, in technical and professional occupations unemployment is usually more limited. The unemployed are also likely to consist of greater proportions of disadvantaged groups in the labour market, such as ethnic minorities and those with disabilities (Banks and Davies, 1990; Daniels, 1990; White, 1983; 1994).

Many unemployed people have been found to be independent and single. Those who are married tend to have a greater number of children, or are carers for other household dependants. (Daniel, 1990; Dawes, 1993). In contrast, those who are single and have children are reported to be the most likely to find employment (Dawes, 1993). Research has also shown that the

unemployed are more likely to be older. Indeed, Dawes (1993) has suggested that the middle age group, aged from 35 to 55, were the least effective at finding work. Furthermore, White (1983) has found that the young, and those unemployed for shorter durations, had the best likelihood of finding re-employment. However, although the proportion of older workers is quite high, younger workers are still over-represented (Benoit-Guilbot, 1994; White 1994). Furthermore, Daniel's (1990) work implies that many of the unemployed have experienced recurrent spells of unemployment, and are therefore more likely to be in work only for shorter periods of time.

Unemployment has also traditionally demonstrated marked and long running industrial and regional variations. It has tended to be higher amongst traditional manufacturing and production industries experiencing continuing decline, and also where there has been a history of instability, such as in construction, catering and the hotel industry. LTU in particular has had a broad base. Approximately two thirds of LTU people have come from large firms or in the public sector, and about one-third have worked for smaller firms. As there has been a shift in the structure and composition of employment through the latter half of the twentieth century, the composition of unemployment has been modified. Thus, in association with an increase generally in technical and professional occupations in recent years within the expanding financial and businesses services sector, there has been a rise in the proportion of unemployed professionals (Hasluck and Green, 1994). However, the incidence of unemployment and LTU has remained highest in the contracting, production and construction industries amongst skilled and unskilled manual workers.

Unemployment has generally been greater in northern Britain, including parts of north-east and north-west England, and Scotland. However, more recently, the growth in unemployment, although still prevalent in these traditional areas, has become more rapid in parts of the South-East, South-West and East Anglia, especially where the economy is linked to London (Banks and Davies, 1990; Hasluck and Green, 1994; White, 1994; *Employment Gazette*, 1995).

For simplification, Dawes (1993) has organised the characteristics of the unemployed into three broad categories. These are represented as: inherent, behavioural, and human capital characteristics.

- **inherent characteristics**: these are characteristics such as age, gender, ethnicity, health and disability, which are permanent. They are usually innate and include things that individuals would have little, if any, control over.
- **behavioural characteristics**: these characteristics are a direct result of people's actions and behaviour. They are, therefore, strongly indicative of a person's personal feelings, reasoning

ability and individual judgements. Such characteristics include: motivation, commitment, and confidence; geographical mobility and commuting, and jobsearch strategy.

- **human capital characteristics**: these refer to those characteristics which are valued within the labour market. These include: educational, technical, occupational and skill-based qualifications; literacy, numeracy; work experience; and labour market history.

Researchers like Dawes (1993) have examined the characteristics of the unemployed and LTU to identify which characteristics are the best determinants of an individual's likelihood of first becoming, and then remaining, unemployed. Although from the compositional evidence already examined it might appear that the inherent and human capital characteristics, such as age and levels of skill, are the most effective determinants, such inferences should be interpreted with caution. In certain cases, a particular characteristic may be a consequence of the experience of unemployment itself rather than something that has given rise to it. For example, an individual's level of skill may be low because of the corrosive effects of unemployment and does not mean that they always lacked desirable skills. It is thus important to establish the genuine root cause and effect, and to avoid iterating any preconceived ideas and beliefs about the nature and causes of unemployment.

4.2 Recruitment and the unemployed

Very little research has focused explicitly on employers' perceptions of unemployed people, or more specifically has explored to what extent employers' approaches to recruitment may be influenced by their attitudes and beliefs towards the unemployed. Much of the research evidence that is available has noted a general reluctance by employers to recruit unemployed people, especially LTU.

A survey of over 1,000 employers in the US, Japan, West Germany, France and Britain, conducted in 1988, revealed that two out of five employers were reluctant to hire the LTU (quoted in Robinson, 1988). Another survey of 64 employers, conducted in a wide variety of manufacturing and service industries, reported that the unemployed experience much prejudice when seeking jobs (Crowley-Bainton, 1987). Sixty-five per cent of employers had doubts about interviewing unemployed applicants. While only ten per cent of employers would screen out the newly unemployed when recruiting, 50 per cent would screen out those who had been out of work for a year or more. Only ten per cent preferred unemployed applicants. In addition, 75 per cent thought that the interview of the unemployed was worse than those already in work. In a Confederation of British Industry survey conducted in 1994, employers identified a lack of experience and skills as reasons for not recruiting the LTU.

Indeed, there was found to be a wide gap between the skills and qualifications of the LTU, and the demands of the contemporary labour market.

Probably the most detailed study of employers' recruitment practices and intentions relating to the unemployed is that undertaken by Meager and Metcalf (1987, 1988). This involved a postal survey of 456 employers in four different labour markets, followed by case studies of 31 employers. They found that one-third of employers claimed to have recruited the LTU. Supplementary data suggested that at least as many again had recruited LTU without knowing the fact. Overall, therefore, unemployed people did at least have access to some vacancies. However, 'the LTU were at risk of rejection simply because they were LTU in at least half the jobs studied' (Meager and Metcalf 1988, p.18). Thus, the unemployed did appear to be disadvantaged solely on the basis of being unemployed.

Their study also revealed a number of other interesting key findings. First, they found the likelihood of employers recruiting unemployed people and the nature of the recruitment process varied for occupational types. The unemployed were more likely to be recruited into manual occupations than non-manual, and as the level of skill decreased, within most manual and non-manual occupations, the proportion of organisations recruiting unemployed people increased. In addition, in line with earlier observations in the literature (Mackay and Torrington, 1986), the selection process of higher skilled non-manual occupations tended to be more rigorous than lower skilled occupations. In the former, the LTU were more likely to face shortlisting, less likely to be selected for interview and most likely to have their employment history taken into consideration.

Second, the propensity to recruit LTU increased with establishment size, so larger organisations were more likely to recruit the LTU than smaller organisations. Seen another way, this could mean that smaller firms were more likely to discriminate against the unemployed than larger firms. This may, in line with SCPR (Hales, 1992) findings, be because smaller firms commonly rely on informal channels. However, it was not known to what extent the higher recruitment amongst the larger firms was simply a reflection of the fact that these organisations were simply more aware when they had employed the LTU.

Third, the tendency to recruit the LTU varied between labour markets, and appeared to be greater where unemployment was higher. Thus, employers in areas where labour markets were slacker, and the incidence of LTU was greater, appeared to discriminate less than employers in areas of low unemployment.

Fourth, the LTU appeared to stand more chance of recruitment with employers who developed more informal selection techniques. Since some recruiters were more inclined to reject

the LTU on paper, there was found to be a greater propensity to recruit the unemployed if formal shortlisting processes were absent. Indeed, automatic rejection prior to interview was perceived to be one of the most major barriers for the LTU. However, once through to the interview stage, the LTU's chance of recruitment was found to increase. This was largely because an individual, once at an interview, had a better opportunity to explain their employment history and could demonstrate their personal attributes more effectively.

Fifth, Meager and Metcalf (1987) found some correlation between employers' recruitment to temporary vacancies and recruitment of LTU. Qualitative interviews suggested one-third of employers were more willing to recruit LTU on a trial or temporary basis. This was also partially supported by postal survey data, which showed that 33 per cent of employers who had recruited LTU in the last three months had also filled temporary vacancies.

Sixth, the study found that history of previous employment, although not the most important selection criterion, did feature in the selection process. The characteristics of applicants mentioned most frequently by employers as relevant to selection were personality, attitude and motivation, health and fitness. Previous job history (based on experience, a stable work record and references) featured as the next most often mentioned characteristic, along with skills, training and educational background.

Finally, the study identified a greater than average use of informal, closed recruitment channels to fill lower level occupations, where LTU are generally concentrated. Indeed, up to one-third of vacancies were filled in this way. It was suspected that since such closed channels often exclude disadvantaged groups, this was reducing the chances of success of a significant minority of the unemployed.

4.3 Attitudes and beliefs towards the unemployed

Previous research has also explicitly explored employers' attitudes towards the unemployed (*eg* Meager and Metcalf, 1987; Crowley-Bainton, 1987). This has generally attempted to find evidence of any attitudinal prejudice or discrimination which could potentially be working against the unemployed and restricting their recruitment. It has also often aimed to explore the justification for any strong or persistent attitudes and beliefs. Meager and Metcalf (1987), whilst generally examining the nature of employers beliefs, also more implicitly attempted to explore why employers rejected the LTU and what attributes they felt the LTU lacked.

The commonest attitude towards the LTU was that they lacked motivation. Unemployment was thought to cause a lack of, or loss of, work habit. Employers, consequently, had doubts about

LTU's reliability, timekeeping, absenteeism and general lack of discipline. The next belief cited was inability to do the job. This was stated to be either due to: a lack of practice; a deterioration of skills; or due to a general lack of innate skills and ability, and inadequate education and training. The lack of practice was reported most frequently for skilled and semi-skilled work. The next most commonly stated response related to the attitudes of the unemployed applicants themselves. These employers believed unemployed people's attitudes lacked flexibility and suitability, particularly in relation to remuneration, career aspirations and hours. It frequently amounted to a measure of the extent to which individuals would 'do as they were told'. However, some employers in the study believed these aforementioned qualities were temporary and could be rectified on re-employment.

A minority of employers' views merely reflected a general hostility and prejudice to the unemployed, often regarding LTU as the individual's own fault. Other negative attitudes mentioned were that the LTU had poor presentation, performed worse at interview, were despondent, demonstrated resentment and anticipation of rejection, and were 'begging for a job'. A few employers, in contrast, considered LTU as a desirable attribute for unskilled workers as it increased motivation. Indeed, they believed the LTU worked better because they were grateful to have a job.

Those employers who generally felt unemployed applicants had lacked certain attributes, or who expressed negative attitudes towards the unemployed, were divided equally between two broad viewpoints. There were those who attributed the lack of desirable attributes to the corrosive effects of unemployment. This amounted to a quarter of the case study employers. Unemployment, in their view, limited the opportunity to practice skills and caused people's motivation, commitment, self confidence and skills to deteriorate over time. The unemployed, therefore, lacked the necessary attributes simply by virtue of being unemployed. The alternative view, which accounted for a further quarter of employers in the study, believed the unemployed represented those groups in the population who had always possessed inferior skills, attributes and motivations. Many of these individuals were just thought to be less able or had received inadequate training and education. According to this view, competitive selective processes, operating in the labour market, had already selected the most employable, highly skilled and technologically able individuals. The unemployed, thus, represented those remaining in the labour market with the least to offer an employer. These people lacked the skills irrespective of whether they were unemployed or not. Those who believed unemployed people lacked skills due to the corrosive effects of unemployment were less likely to blame the unemployed than proponents of the latter view.

Dawes' (1993) work, in line with Meager and Metcalf's findings, has also suggested that employers have more sympathy for those unemployed candidates who can 'convince the recruiter that they were an innocent victim of unemployment' (p.68). Indeed, employers generally, in Dawes' study, saw the decision to recruit someone unemployed as a 'brave one'. Overall, the LTU were considered to be characterised by a loss of discipline, confidence and motivation, and by bitterness, resentment and an attitude problem.

The work of Crowley-Bainton (1987) supported many of these negative views. According to her findings, unemployed people are often perceived by employers as unenthusiastic, fatalistic, and as frequently expecting to fail in interviews. Some employers also believed the unemployed 'brought it on themselves'. Unemployment was seen to have a debilitating effect. Employers thus described unemployed applicants as self-pitying, defensive, aggressive and depressed. In some cases, they were conversely seen as over-anxious and too enthusiastic.

Crowley-Bainton (1987) also found that some managers were wary of unemployed applicants who had been made redundant or dismissed. There was a belief that unskilled work was readily available, and employers were thus suspicious of the motivations of unemployed people, particularly those who had been out of work for a long time. This can be seen as a particular disadvantage when it is also associated with a poor attitude to work, a lack of commitment and being 'work shy'.

A lack of motivation has frequently been cited by employers and researchers alike as a common characteristic of the unemployed (*eg* see Robinson, 1988), and therefore has often acted as a deterrent to employing them. Research in this vein generally argues that prolonged unemployment demotivates people, leads to greater disaffection, a poorer psychological state, a loss of work commitment and a less positive jobsearch attitude. As a result, the LTU lose their ability to search for, and hold down, a job (Banks and Ullah, 1987; Mitchell and Flynn, 1988; Robinson, 1988). Such factors are only believed likely to accentuate the risks to an employer of taking such a person on. This view, however, has been disputed by some empirical research evidence. Banks and Davies (1990), for instance, state: 'a fall off in job seeking can be seen as a response that reflects a realistic appraisal of unemployed people's chances of success' (p.10), rather than merely being indicative of a reduction in commitment to finding work. Their argument has been supported by others such as Robinson (1988). The action can thus be seen as a defence mechanism that prevents an individual experiencing continual rejection.

Other research has suggested that demotivation, or a reduction in the psychological well-being of unemployed people, is a short term or temporary response to unemployment, and that an individual's motivation recovers very quickly once they find

employment again (Jackson *et al.,* 1983; White and McRae, 1989). Resigned and fatalistic feelings experienced during unemployment appear, therefore, simply to be a consequence of joblessness. Moreover, for some people returning to work after a spell of LTU, it has been found that the experience of unemployment tends to increase the value of the job to the individual, especially in areas such as employment security, financial rewards and relationships at work (Payne and Jones, 1987). In such a situation, the anticipated risks of recruiting someone who has been unemployed appear unfounded.

In contrast to the earlier propositions, further research has also demonstrated that the unemployed, rather than having less commitment to employment than the employed, are likely to be more committed. Indeed, such research has found no indication that there is a fall in the centrality of employment to the values of the unemployed over time (Gallie, 1994). In addition, Banks and Davies (1990) report that there has generally been a failure to confirm the work shy stereotype of the unemployed.

The research evidence thus appears to suggest that it may be wrong for employers to assume the unemployed lack motivation and work commitment. Any apparent demotivation seems to be a function of unemployment, and not an inherent or permanent characteristic. Thus, unemployed people returning to work should not be considered to be a greater risk. Such stereotypical attitudes, if persistently held by employers, are only likely to serve as a source of prejudice and a barrier to unemployed people's effective recruitment. However, various negative attitudes do still seem to prevail. Another example of this relates to views regarding the flexibility or otherwise of the unemployed, and their willingness to adapt to alternative types of jobs with different levels of pay.

Meager and Metcalf (1987), and Crowley-Bainton (1987), for instance, have both separately found occasions where employers have cited inflexibility among unemployed people as another particularly negative attribute of the unemployed, and a potential deterrent to their recruitment. It appears that some employers believe that the unemployed are not prepared to trade down as much as they should, and to be more flexible in terms of salary, skills and status of jobs. Again, this often relates to the rationale that there is 'plenty of work for the taking', albeit of varying skill levels, pay and ability. The notion of pay inflexibility, in particular, among unemployed people, and how it affects their employment activity, has attracted a lot of research interest. Much of this has been examined in relation to the benefits system.

There has been much debate over the effects of the system of social security benefits upon the unemployed, in terms of: their likelihood of obtaining employment and associated commitment to finding work; their wage expectations; and their duration of unemployment. Some believe (*eg* Lancaster and Nickell, 1980;

Atkinson and Micklewright, 1985; Nickell *et al.,* 1989) that the level of benefit can act as a disincentive to unemployed people and discourage them from finding work. Such a viewpoint has attracted particular attention, especially when implications are considered in the light of training programmes such as those provided by the government and employers, to provide those who are unemployed with employment opportunities, and to assist unemployed people back to work.

According to this disincentive effect, the unemployed are said to set a reservation wage. This is the minimum level of pay an unemployed person would expect before returning to work. It is usually set in relation to the level of unemployment benefit and past earnings. Some researchers have suggested that those whose benefits form a fairly substantial proportion of their previous earnings when last employed have less commitment to work, and thus take longer to regain employment. If benefit levels, and hence the reservation wage are too high, the effect is thought to be accentuated. In line with this view, it follows that an unrealistic reservation wage set above the 'going rate' by someone out of work for some time, will only serve to act as another factor to deter employers from recruiting them.

As well as problems with the level of benefit, unemployed applicants are also believed by some to be affected by the nature of the benefit system. Again, it is important to establish the basis for such an interpretation, as it could have considerable implications for supply side programmes aimed at assisting the unemployed. According to this view, it is the rigidity and inflexibility, in particular, of the administration of the social security system for paying benefits, which is thought to deter the unemployed from accepting employment (*eg* McLaughlin *et al.,* 1989). This is particularly so where the employment is uncertain, of a short or fixed term, and poorly paid, and the benefit's administrative system is slow to pay, inefficient and prone to errors. This is because people who are receiving benefit rely on continuity of income. They may therefore have difficulty waiting, between periods of employment and unemployment without any income, for the social security system to process their claim. If the benefit system is continually slow to process benefit claims, it follows that any regular transitions from unemployment to employment and back again may lead to considerable financial hardship. As a consequence, it is thought that individuals may decide not to seek some sorts of 'risky' or temporary employment. Some research has shown, however, that this strategy is not adopted by all of the unemployed, and indeed may only involve a minority. In Dawes' (1993) study, for instance, although managing the transition from benefit to wages was problematic, it had not prevented anyone in his sample from accepting employment, and less than one-third said that the benefit system could act as a disincentive. Those who did, were primarily young couples with dependants. It is likely then that such a viewpoint only applies to particular types of people;

namely those on low levels of income, with a number of dependants to support.

Various researchers also reject the arguments surrounding the benefits debate generally, and have found no supporting evidence. For instance, Lynch (1982) reported that the reservation wage had no significant effect on the duration of unemployment. In addition, unemployment benefit was not a significant predictor of the reservation wage. White (1983; 1991) found in his studies of unemployment and the reservation wage that people were so keen to find work that they generally abandoned any prior expectations about pay as soon as they received a job offer. In addition, those receiving higher levels of benefit did not reduce their job search activity (White and McRae, 1989). Similarly, the *North Tyneside Survey* reported that job offers were readily accepted rather than waiting for a higher paid job (quoted in Banks and Davies, 1990, p.12). Daniel (1990), in his work of the unemployment flow, found that there is a tendency for the unemployed to always see any period out of work as a temporary 'setback' until they find another job. Such a view would appear to conflict with the notion that as soon as someone becomes unemployed they set a new standard of living and an appropriate reservation wage, associated with the benefits argument. Indeed, Banks and Ullah (1987) and Fryer (1991) found little evidence in their work that the unemployed find unemployment attractive or were work shy.

Furthermore, Dawes (1993) concluded from his analysis that people did not limit their attempts to find work in jobs that offered their reservation wage. In addition, he found that the setting of such a wage was not dictated by self perceived ideas about an individual's worth in the labour market. Rather, the minimum level of pay was reported to reflect the minimum household and subsistence costs.

In addition, Gallie and Vogler (1994) report that 'the empirical evidence for such a 'benefits effect' is very mixed' (p.10). Arguments have frequently been based on: dated economic data and predicting the likely action of rational economic actors; have depended on hypothetical marginal estimates of benefits in modelling exercises; have used samples confined solely to registered unemployed men; and do not consider the structure of households and other costs and sources of income. Furthermore, there has reported to have been no 'recourse to empirical data on the causes of work commitment' (p.10). On the basis of their own empirical work, Gallie and Vogler (1994) found little evidence that variations in flexibility over pay had any general impact on chances of employment. Indeed, 'those who were more demanding about the pay they expected had very similar chances of obtaining a job to those who were less demanding' (p. 140). Further, using a direct measure of 'financial stress' developed by Heady and Smyth (1989), to test the financial difficulties that unemployed people experienced, Gallie

and Vogler failed to find any relationship between this and the time taken to obtain employment. They therefore concluded: 'financial incentives and pressures are not of central importance in explaining people's chances of finding work' (p.145).

Statistical evidence collected across Europe also appears to conflict with the benefits argument. Thus, instead of countries in Europe with the highest rates of long term unemployment having the highest levels of unemployment benefits, many countries with some of the highest unemployment benefits, such as Sweden, Finland and Norway, have the lowest unemployment rates. Indeed, cases of long term unemployment are barely in existence, if at all (Benoit-Guilbot, 1994). Benoit-Guilbot, having reviewed the statistical evidence, reports: 'none of the more serious attempts to show the impact of unemployment benefit on the level of unemployment, and on that of long term unemployment in particular, has produced no more than partial and limited results. . . . unemployment benefit has little appreciable effect on the return to work' (p.7). In addition, he states: 'there is no apparent overall correlation between the level and/or duration of unemployment benefit and the rate of long term unemployment' (p.7). Burtless (1987), in his study of levels of unemployment benefit and unemployment in the UK, France, Sweden, West Germany, Sweden and the USA, also could not explain differences in unemployment by differences in 'jobless pay'. It is thus vital to establish the basis for any research 'evidence', views or beliefs, and to examine the balance of evidence before drawing any firm conclusions. Some of the aforementioned research studies have attempted to explore directly the origins and basis for certain beliefs towards the unemployed.

Crowley-Bainton's (1987) work suggested negative attitudes expressed by employers had been influenced by negative past experiences. This was, however, not the case in Meager and Metcalf's (1987) study. They found that those employers who had more personal work contacts with the unemployed were more favourably disposed, and previous experience of recruiting LTU generally improved employers' attitudes. A greater number of redundancies in a company was also found to make employers better disposed to the unemployed and lowered hostility. Redundancy appeared to make employers more aware of the difficulties of redundant workers gaining re-employment. In addition, the location of the employing organisation also seemed important. Those employers located in tight labour markets with some skill shortages appeared to be more hostile and had more negative attitudes than those in areas where unemployment was higher. They thus concluded: 'possession of negative attitudes was generally associated with lack of evidence for them' (Meager and Metcalf, 1988, p.18). Consequently, they suggested that prejudice had probably played a more important role in the formation of more negative views. In the light of some of the earlier propositions, this is a particularly interesting finding

which needed to be more fully explored within the realms of this empirical research study.

The beliefs and attitudes, therefore, towards the unemployed are hardly clear cut. Whilst some researchers and employers clearly hold some negative views, and regard the unemployed as demotivated, lacking in commitment, skills, work ethic and the like, and regard them as a greater employment risk, this by no means represents the only or sole position or viewpoint. Indeed, much of the research evidence seems to actually question the foundation for such beliefs, suggesting many are not based on fact or experience, but preconceived ideas and occupational myths. Furthermore, it also does not appear to be exactly certain how widespread these negative views are in the labour market or even what effect they generally have in practice on the recruitment process, and hence the long term prospects of unemployed job seekers. This research project has attempted to begin to confront such research questions and to begin to shed light on many of these issues.

The government has attempted to override potentially negative attitudes such as those mentioned, and help the plight of many of the unemployed through developments in public policy and the introduction of public training programmes, specifically for those out of work. These have varied considerably in their nature, and whilst serving a number of specific purposes have, arguably, in general, intended to: improve individuals' jobsearch activities; increase their confidence and effectiveness at finding work; enhance and/or refresh their skill levels and work experience; and, by so doing, forge greater links between employers and the unemployed, improve the overall employability of those out of work, and reduce overall levels of unemployment in the labour market. The experiences of scheme participants, such as employers and those unemployed, clearly warrants regular and repeated exploration. The following section examines the key programmes in the literature that are currently involving employers and unemployed people, and general experiences to date.

4.4 Experience of government programmes

The Employment Service (ES) is the main agency responsible for planning and overseeing programmes designed to assist the unemployed back to work. Traditionally, the ES has been geared towards planning and overseeing training programmes intended to enhance the skills and employability of unemployed people, and to guide and develop their approaches to jobseeking. This has generally required the ES to keep abreast with variations in the spatial distribution of the unemployed, and to adapt programme provision accordingly to meet changes in local requirements and circumstances. More recently, a greater emphasis has also been placed on creating incentives, primarily for prospective employers, to assist the unemployed in getting back into work.

This is evident in initiatives such as the new Jobseeker's Allowance, which came into effect in October 1996.

A number of public initiatives have been developed to assist the unemployed. These mainly involve: the Restart Programme and Courses; the Job Interview Guarantee (JIG); Jobclubs; Job Review Workshops; and Jobsearch Seminars; Work Trial; Youth Training (YT), to help the young unemployed; and Training for Work (TfW) (formerly known as Employment Training (ET) until 1993, and Community Programme from 1986 to 1988). Most of these initiatives apply to those people who have been out of work for longer periods. This is usually taken to be at least three months. However, according to the ES there are officially three categories of long term unemployed people:

- the longer term unemployed — those unemployed for six months or more
- the long term unemployed — individuals unemployed for a year or more, and
- the very long term unemployed — those who are unemployed for a minimum of two years.

Some initiatives have specifically encouraged employer involvement, and arguably, by so doing, have attempted to forge stronger links between employers and the unemployed. These initiatives primarily include: JIG; WT; TfW; YT; and Workstart.

4.4.1 Job Interview Guarantee

JIG was launched in 1989 and has been operating nationally since April 1991. Under this scheme, employers agree to offer an interview to those unemployed for six months or more in return for a package of enhanced recruitment services from the ES. JIG services include: matching and screening of clients to jobs, job preparation courses, adopted Jobclubs, customised training for employers, and until 1994, WT (see later). Funding for JIG peaked in 1993-94 at £3.3 million to finance 300,000 places (*Employee Development Bulletin*, October 1995).

The principal component of JIG is the matching and screening of the unemployed applicants (British Market Research Bureau, 1992). This involves the ES reviewing their work and educational experience, skills and training, and matching them for an employer to the requirements of a job. However, research suggests (Finn, 1993; BMRB, 1992) that some employers are not actually aware when they are using the service. Employers, believed by the ES to have participated in JIG, were later questioned about the matching and screening service. Only 35 per cent said they were aware of the service, and only 21 per cent said they had used it.

On average, all employers were provided with about six candidates for each job vacancy, and employers reported successfully filling 97 per cent of their vacancies through the matching and screening service. Overall, candidates were found to be satisfactory, with relevant experience and qualifications, and a significant minority (20 per cent) were very suitable. Forty per cent of employers felt that there had been a real improvement in the standard of candidates provided by the Jobcentre. Overall, two-thirds of all employers were very, or quite, interested in using matching and screening, and those employers in particular who knew they were using the scheme were very positive.

Job preparation courses may then be provided. These are organised by an external training provider in association with a prospective employer to prepare an applicant for the job. These courses primarily focus on improving the interview technique, reviewing skills, and building overall confidence about returning to work. These courses have not only proved to be beneficial for participants but also employers (Finn, 1993; BMRB, 1992; MORI, 1993). Indeed, employers state they have: improved retention rates; provided time and cost savings; assisted team building; identified large numbers of motivated applicants; helped to improve the company's public image; and provided training in company specific areas. Customised training courses, which provide more specific skills training, have also been developed. These too have been found to provide employers with certain benefits. Employers have appreciated having: a course tailored precisely to their needs; being supplied employees with scarce skills; increasing their pool of skilled labour; and in smaller companies, reducing financial risks (BMRB, 1992; Finn, 1993).

The Adopted Jobclubs element of the JIG scheme is where an employer adopts a Jobclub and offers to interview all its applicants. Research (BMRB, 1993) indicates that employers see no real benefits to this scheme over the standard process of informing vacancies to the Jobcentre, unless companies required large numbers of unskilled or semi-skilled workers.

4.4.2 Work Trial

WT was originally a component of the JIG scheme. It emerged as an independent programme in 1994. WT allows individuals who have been unemployed for six months or more to try out a job for up to 15 days, while remaining on benefit and receiving travelling expenses. WT only takes place where the employer has a vacancy. The aim of WT is to increase the take up of jobs by the ES clients but the main focus of the trial is on the employer, not the individual. Figures available until April 1995 show that 62 per cent of over 17,000 participants went on to find work (*Employee Development Bulletin*, 70, 1995).

WT offers a number of benefits. For instance, it gives the individual an opportunity to demonstrate to employers what

they can achieve; the employer provides a written assessment, *ie* a reference of an individual's performance; and it provides advocacy so that a participant and employer can consult with the ES if any difficulties are encountered.

In an evaluation of 24 employers who took part in the WT programme, there was found to be widespread support for the WT concept and 22 employers were prepared to continue with the programme (ES, 1993). This was for a variety of reasons. It was stated to enable employers to: evaluate employees on a trial basis before committing themselves to offering permanent, full-time employment; recruit staff in a shorter time and at reduced cost; find reasonable people; improve organisational cashflow; and assist the unemployed in finding work. Employers felt overall they were given an appropriate choice of candidates. Virtually all employers thought it was a good idea to maintain their contacts with the ES after the WT and that communications with the ES were satisfactory. As WT was thought to be a low priority issue which did not involve employers in a lot of work, employers were more tolerant of problems. Indeed, they felt more able 'to accept it and move on' (ES, 1993, p.iv).

4.4.3 Training for Work

TfW primarily provides training for 'long term unemployed' adults, out of work for over 26 weeks. The programme is also intended for other groups, such as those with special needs, lone parents and work returners. TfW is the responsibility of Training and Enterprise Councils (TECs), but people are often referred to TfW during Restart counselling. TfW not only aims to provide individuals with better work-related skills but also supplies jobsearch training. Participants are encouraged as far as possible to gain vocational qualifications or credits towards qualifications. Training is usually a mix of: on-the-job, employer placements; project placements, generally undertaken in work-shops or in the community; and formal training, usually off-the-job and classroom based. For many, however, employer placements are the most valued, since they provide relevant practical training and work experience. Those on the scheme generally receive a training allowance based on the benefit rate they received immediately before they joined the programme, plus a premium of £10 a week. Despite recent budget cuts, TfW remains one of the biggest government programmes, providing training for 225,000 unemployed people during 1995-96 (*Employee Development Bulletin*, 70, 1995).

One study conducted in 1991 examined employers' experiences on the predecessor of TfW, ET (Clemens and Hedges, 1991). This explored the reasons for employer involvement in such schemes. Employers appeared attracted to: a source of extra and affordable staff; assisting the unemployed back into the labour market; people with organisation specific training; and trying out prospective employees. The average length of training was 35.6

weeks. Over four-fifths of employers were fairly satisfied with ET trainees and seven out of ten felt that ET would increase trainees' chances of being offered a job at their establishment. Employers cited benefits such as: having an extra pair of hands; trying people out; providing a new avenue for recruitment; and acquiring 'cheap labour'. Sixty-five per cent felt overall that their organisation had gained from ET.

Another study examined the TfW programme (Atkinson, 1994). This explored the role of the three key groups in the programme, particularly in relation to jobsearch training: *ie* eight TECs who manage TfW locally; 50 training providers who deliver it; and 400 participants who took part in it. On average, each participant spent 20 weeks on TfW. There was, however, in particular, much variation in the nature and level of jobsearch training. Four out of ten received jobsearch training, and three out of ten would have liked it but did not have the opportunity. The average success rate of those leaving TfW in 1993-94, and finding work, was 26 per cent. The TECs with higher success rates were those who placed more emphasis on establishing links for participants to enter employment immediately after completing the TfW programme.

An IRS survey (*Employee Development Bulletin*, 70, 1995) examined 93 employers' perceptions and experiences of three government schemes: TfW, JIG and WT. Overall, ignorance of the programmes was quite common. Only 24 employers recruited individuals from at least one of the government schemes. There was a variety of reasons for involvement in these schemes, including to: reduce recruitment costs; alleviate recruitment problems and 'hard-to-fill' vacancies; overcome temporary labour shortages; assist in a government funded environment programme; and help the unemployed. Employers most frequently hired a small number of recruits for semi and unskilled manual, and routine clerical work. A stated worrying finding was that some employers reported that recruits obtained from TfW and JIG had not received pre-entry training, when in fact many do. This called into question the quality and relevance of pre-entry training on these programmes. Many employers had an interest in the continuation and extension of the schemes.

Some research has attempted to analyse the regional incidence and penetration of ES programmes. The penetration rate of different programmes is defined as the number of training scheme participants expressed as a proportion of the total longer term unemployed. This research (Hasluck and Green, 1994) has found that ET/TfW was serving an increasing number of unemployed people from 1989 to 1991. However, from 1991 to 1992, the penetration rates fell. This was said to be as a consequence of both an increase in long term unemployment and a fall in ET/TfW participants at this time. There was reported to be a growing dis-association between the recent growth in unemployment and provision for the unemployed through ET/TfW. Indeed, in areas where unemployment growth was most marked, the decline in

ET/TfW was found to have been most severe. Moreover, there was no correlation between changes in the numbers of priority unemployed claimants, and the numbers of such groups taking up places on courses. The authors concluded that there was a need to review both the level and type of service provision for the unemployed, and the incidence of long term unemployment, on a more regular basis so that resources could be redirected and provision made available to new clients, regions and occupations, as and when appropriate.

4.4.4 Youth Training

Measures to help the young unemployed have existed since 1978, albeit in various forms. These measures have primarily been intended to provide work experience, and a foundation in vocational training, for those aged from 16 to 25. Although this is primarily a training measure to assist young trainees to achieve NVQs/SVQs, and as such is not strictly a programme for the unemployed, this has in fact often assisted young people who are out of work. It is for this reason that youth training has been included in this study. The first main attempt to deal with youth training was the Youth Opportunity Scheme. This was replaced by the Youth Training Scheme (YTS) in 1982. YTS was originally one year's training, but in 1986 it was extended to a two-year scheme, offering 20 weeks of off-the-job training. In 1989, the two-year traineeship was abandoned and a more 'flexible' Youth Training (YT) programme was introduced. This was to be more outcome driven and centred around the achievement of NVQs and SVQs. The delivery of YT became the responsibility of TECs provided by local employers. In 1991, the government announced that YT was to be replaced by Youth Credits by 1996. These are to be controlled by the TECs and LECs, and encourage the achievement of a minimum of NVQ and SVQ Level 2. The overall aims are set out in the NTETs (National Training and Education Targets). For instance, it is hoped that by 1997 at least 80 per cent of young people will attain NVQ/SVQ Level 2.

Between 1983 and 1992, the government spent a total of £7.86 billion on youth training schemes, and for 1991/92, 51 per cent of all YT leavers and 69 per cent of all completers were finding employment. YT, however, has experienced cuts over this time. Although some, at least, of the decline in YT funding is due to demographic changes, and the increase in staying-on rates, TECs have been quoted as saying that 'funding for YT is inadequate to deliver sufficient quality training places' (Keep, 1994, p.306). Furthermore, there have been some problems with the proportion of YT leavers gaining qualifications. From 1990 to 1992, the national average of YT leavers securing qualifications was 35 per cent). Moreover, the introduction and take-up of training credits is believed to have been hampered by the recession and the slackening of the youth labour market (*Personnel Management*, 1991; Keep, 1994).

4.4.5 Workstart

More recently, special help has been provided for the 'very long term unemployed'. Workstart is one such scheme, piloted in 1993 to assist those continuously out of work for two years or more. This provided a subsidy to employers of £2,340, paid over 52 weeks, to encourage them to recruit someone who is drawn from the ranks of the very long term unemployed. In a study of the scheme (Atkinson *et al.*, 1994b), involving 400 employers, it was found that half of the employers felt their unemployed recruits had been very suitable, and 80 per cent met employers' expectations. Moreover, nearly two-thirds of employers found the recruits had the necessary skills to complete the job, three-quarters had a quite satisfactory commitment to the job and only nine per cent reported major shortcomings. Workstart met its main aim of creating a vacancy, where it would not have otherwise existed, and ensuring a VLTU selection in 46 per cent of the vacancies.

5. Recruiting the Unemployed: Research Results

This chapter looks at policies and practices influencing the likelihood of recruitment from among the unemployed.

Just over half our 706 respondents who had recruited at all, had recruited at least one person from unemployment during the previous 12 months, as Table 5:1 shows. We observe from it that the likelihood of an establishment taking on anybody from unemployment was slightly higher than average among public sector respondents, and those with experience of taking part in public programmes, was much higher among larger establishments, and correspondingly lower among those who said that their usual practice steered them away from unemployed recruits in general, and LTU in particular.

These findings are perhaps not very surprising; after all, bigger establishments generally have more vacancies, and so might be expected to take on the unemployed more often, simply by chance. Similarly, public sector establishments tend to be larger than private ones, and establishments who say that they never recruit LTU might well be expected to demonstrate lower than average recruitment of all kinds of unemployed. However, it does suggest that the more formal recruitment and selection procedures generally found in precisely these larger establishments, do not prevent them from recruiting unemployed jobseekers; it may of course make them more selective among this cohort.

We observe also that the incidence of such recruitment declines with the rate of unemployment in the local labour market, as Figure 5:1 shows. We grouped our responding establishments according to the current unemployment rate in their travel-to-

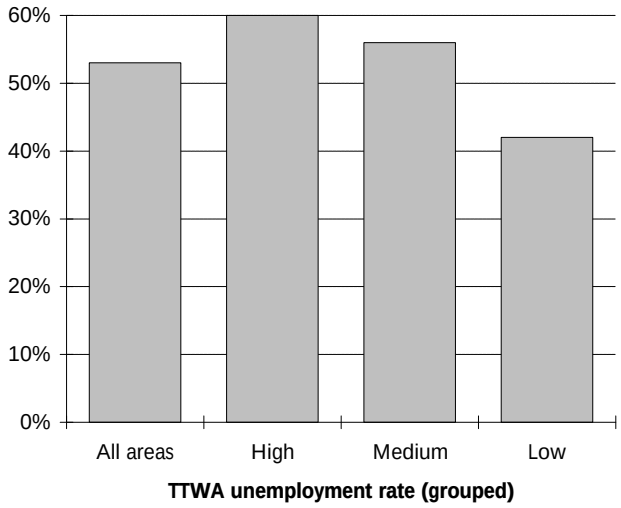
Table 5:1 Did you recruit anyone directly from unemployment in the past 12 months? (per cent)

	All	Public sector	Small 1-49	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./Rare rec. LTU	Never rec. LTU
Yes	53	58	46	74	78	66	74	48	34
No	41	38	49	19	7	31	23	48	64
Possibly, can't tell	5	5	4	6	14	3	3	4	2
Don't know	1	—	1	—	—	—	—	—	—

Base: All those ever recruiting at their establishment (N = 706)

Source: IES survey

Figure 5:1 Proportion of establishments recruiting an unemployed jobseeker in past year



Base: All those ever recruited (N = 706)

Source: IES survey

work-area, according to the variance from the average for our respondents. The groupings are *high* (greater than 9.5 per cent) *medium* (7 to 9.5 per cent), and *low* (less than seven per cent). We can see that in the areas of highest unemployment, the incidence of recruitment among the unemployed was much higher (at 60 per cent) than it was in the lowest (42 per cent).

As with evidence from the last recruitment exercise (Chapter 3), it appears that unemployed people were not overly disadvantaged by the reported recruitment behaviour of the participating establishments.

Indeed, it is evident that a significant number of establishments were receptive to taking on unemployed jobseekers; with just over half our establishments taking them on in the past year. But what does this mean for the success of the unemployed in securing a share of the vacancies? Unfortunately, not all employers provided us with sufficient numerical data to enable us to calculate the proportion of vacancies generally taken by the unemployed in the past year on the same basis. However, by restricting the sample somewhat to include only:

- those who recruited at all during the year
- those who gave a total for current number of employees
- those who gave a total for the number of vacancies filled in the past year
- those who gave a total for the number of recruits who were unemployed,

we arrive at a total of 534 cases. Table 5:2 shows the extent to which the unemployed secured their vacancies. On average, these employers had filled nine vacancies each during the past year,

Table 5:2 Extent and composition of recruitment in the past year

	Total	Mean
Number of employees	27,256	51.02
Number of recruits	4,766	8.92
Number of unemployed recruits	1,705	3.19

Note: Sub-sample; N=534 establishments

Source: IES survey

representing about six per cent of their current stock of employees, and about one-third of them (35 per cent) were taken by individuals believed to be unemployed.

These findings confirm a strong participation of the unemployed in securing access to vacancies and success in being hired. They confirm the well-established pattern flows on and off the unemployment register, and they indicate a relatively high level of familiarity and comfort among recruiters with selecting the unemployed from among applicants.

To investigate this 'comfort factor' more closely, we asked those 706 respondents who had ever recruited how usual it was for them to recruit among the unemployed. In view of the fact that flows out of unemployment are significantly higher among those with the shorter spell, we asked separately about short term (*ie* under six months) and long term unemployed. The results are shown in Table 5:3.

Looking first at all these respondents, we can see that nearly one-third of them believed that they usually or fairly often took on short term unemployed. This contrasts with about one-fifth for the LTU. At the other end of the spectrum, about 20 per cent said that they rarely or never took on short term unemployed, and this rises to 29 per cent for the LTU. Clearly, as duration of unemployment increases, so the ready familiarity with hiring reduces, and the positive disinclination to do so intensifies.

So far as the short term unemployed are concerned, it is in the public sector that recruitment seems most usual, with nearly 40 per cent falling into the 'usual/fairly often' grouping (compared with 28 per cent in the private sector). As establishment size increases, so too does this familiarity, but then it falls again among the larger establishments. This may indicate a growing likelihood of recruiting from this cohort as the volume of recruitment rises, perhaps subsequently inhibited (though not extinguished) by the growth of more formal recruitment and selection procedures.

As we might expect, those establishments which had taken part in any public programme to help the unemployed are much more likely to be familiar with recruiting them (with 37 per cent in the top two rows, as opposed to 27 per cent among non-

Table 5:3 When recruiting, how usual is it for you to take on people who have been out of work? (per cent)

	All	Public Sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme Particip.	High U/E	Medium U/E	Low U/E
Short Term Unemployed									
Usually	8	17	6	15	12	12	13	7	3
Fairly often	22	22	20	25	29	25	23	25	16
Occasionally	37	31	38	33	45	41	32	36	46
Rarely	18	19	19	17	9	15	15	18	22
Never	2	1	2	1	—	—	—	3	1
DK (*ie* not sure)	11	10	13	8	5	4	15	8	11
DK (*ie* can't tell)	2	—	2	1	—	3	2	3	1
Long Term Unemployed									
Usually	7	17	5	14	5	12	10	8	2
Fairly often	14	11	14	13	20	16	14	16	13
Occasionally	42	49	43	35	55	48	44	40	42
Rarely	24	14	23	28	19	19	22	19	31
Never	5	3	6	2	—	2	3	9	3
DK (*ie* not sure)	7	6	8	7	1	1	7	6	9
DK (*ie* can't tell)	1	—	1	1	—	2	—	2	—

Note: All those ever recruited (N = 706)

Source: IES survey

participants). Finally, the familiarity declines markedly with the local rate of unemployment, as one might expect that it would, if only on grounds of fewer unemployed applicants. However, the decline is very steep; in the highest unemployment areas, establishments are twice as likely (at 36 per cent) to fall into the 'usual/fairly often' grouping than they are in the areas with lowest unemployment (19 per cent). This cannot be explained by the tightness of these labour markets; in fact, familiarity with recruiting short term unemployed is much higher (38 per cent in the 'usual/fairly often' group) among establishments reporting experience of labour shortage, than among those without shortage problems. This suggests that the position of the establishment in the pecking order in their local labour market is likely greatly to moderate any labour market effect.

Turning now to the recruitment of the LTU, we observe a similar pattern, albeit at a slightly lower level of familiarity. Thus recruitment of LTU is also more commonplace among public sector establishments, in medium sized establishments, in high unemployment labour markets, and among scheme participants.

A focus at the ends of these spectrums is important if we are to understand the kind of establishments which are most, and least likely to hire unemployed people. But for all the categories

Table 5:4 What occupations would you generally recruit unemployed people to? (per cent)

	Recruiters
Managers/administrators	1
Professional occupations	2
Associate professionals	2
Clerical/secretarial	11
Craft & related	3
Personal service	6
Sales	10
Plant/machine operatives	10
Other occupations	12
Any occupations	50

Base: All those ever recruited, save those who 'never' recruit the unemployed (N = 696)

Note: Multiple response question

Source: IES survey

considered, respondents tend to cluster in the middle ground; close to half of them in virtually all the categories occasionally recruit among these groups. They do not seem to be (or do not admit to being) guided by anything other than pragmatism; neither angling towards nor away from the unemployed *per se*.

This pragmatic view comes strongly to the fore again when considering the kind of jobs that the unemployed might normally be recruited for. We asked all these respondents, save those who said that they never recruited the unemployed, what occupations would they generally recruit unemployed people for. We found that fully half of them said 'any occupation'. Beyond this, there was some tendency to cite the more unskilled positions, as Table 5:4 shows.

We have seen that 30 per cent of our recruiting establishments usually or often recruit from the unemployed, and 21 per cent from among the LTU. While we have also observed that this is sometimes associated with experiencing labour shortage (and so the choice may in some sense be constrained), we can hardly presume that they do so in the face of generalised dissatisfaction with this recruitment source. Indeed, as we will discuss below, we observed that two-thirds of those who (however rarely) had recruited unemployed people found them to be 'about average' or 'no different from average' as employees.

In discussing the hiring of unemployed applicants, it is important to ask therefore whether recruiters find that unemployed people offer them any particular *advantages* as employees; we will be discussing *disadvantages* in the next chapter. Accordingly, we asked a simple open-ended question of all those who had ever recruited at their establishment: 'Do you think that unemployed people might have any particular advantages to you as an

Table 5:5 Do you think that unemployed people might have any particular advantages to you as an employer? (per cent)

	All	Public sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./rare rec. LTU	Never rec. LTU
Likely to be motivated/keen	16	9	16	16	29	16	23	14	17
Able to start quickly	16	31	13	25	23	21	24	16	1
Flexible	1	—	1	1	1	1	2	—	—
Realistic about pay/conditions	2	—	2	1	2	4	4	2	—
Likely to have skills	1	—	1	1	—	—	—	1	—
Other	2	—	2	3	1	2	2	3	—
No answer	62	62	65	65	51	59	50	63	81
Don't know	4	1	3	—	—	2	1	4	1

Base: All those ever recruiting at their establishment (N = 706)

Note: Some respondents gave more than one response and so response rates may total more than 100

Source: IES survey

employer?'. Their coded responses are shown in Table 5:5. We can immediately see that close on two in three recruiters do not perceive any obvious advantage in the unemployed *per se*. This need not imply that they perceive disadvantages of course, but simply that for them there are no overt positive advantages.

Insofar as there are perceived advantages, it is clear that they are mainly to do with the personal characteristics, such as being motivated and keen, and the early/immediate availability of such applicants. There is some indication that these attributes are somewhat more widely recognised among larger establishments, and those who often recruit LTU. Indeed, the more regular a source of recruitment the LTU are, the more likely are employers to see advantage in their keenness to work and their ready availability for it. Participation in public schemes does not seem to produce a significant increase in such recognition, at least in any expressed form.

The likelihood that they may bring special or scarce skills is barely acknowledged, nor is their flexibility or possible readiness to accept less than top notch rates of pay and/or conditions of employment. Interestingly, such factors are equally rarely cited even by those who say they usually or often take on LTUs.

The potential advantages that unemployed individuals may offer employers was explored in more detail in the qualitative face-to-face interviews. Despite the fact that the respondents' comments were probed in more depth, the responses given were very much in alignment with those in the telephone survey and added very little extra (listed in Table 5:5). They thus formed similar categories. For instance, many comments concerned the personal characteristics, state of mind and level of motivation of the unemployed such as they: were more committed; work very

hard; are more enthusiastic; are willing to learn; are more likely to stay; are more loyal; have a higher work ethic; and so on. Other similar comments referred also to their flexibility, such as they: are eager to please and fit in; are used to change; and are very adaptable. Respondents were unwilling, however, to say how influential these factors had been in the selection of unemployed individuals. But these observations did offer support for those in the literature (*eg* Jackson *et al.,* 1983; Payne and Jones, 1987; White and McRae, 1989). Motivation, if lower during unemployment, does seem to recover once employment is found again, and individuals seem to value their jobs more on re-entering employment.

5.1 Involvement in government programmes

Public programmes for active labour market intervention on behalf of the unemployed are, of course, individually evaluated. We do not aim here either to replicate or to surpass such individual studies, but rather to consider the incidence of participation in general, and the relationship with recruitment and selection outcomes in particular.

We found that less than one-third (29 per cent) of our establishments had ever had any involvement with any government programmes to help the unemployed. There may of course be additional establishments which had taken part in local, community and private charitable ventures, but our experience suggests, and our subsequent interview results confirm, that most respondents were not sufficiently well informed about who managed or originated such programmes, to make subtle distinctions between (say) TEC and government led programmes. Thus, we are confident that this global figure is a reasonable reflection of participation in schemes/programmes/ interventions on behalf of the unemployed in general among employers. However, due to the fairly low numbers (*ie* N = 202) involved in schemes, care should be taken in interpreting findings.

Table 5:6 shows how this experience of participation was reflected in different kinds of establishment. We observe that participation is much more common among public sector establishments, and correspondingly lower among (mainly private

Table 5:6 Experience of participation in government programmes to help the unemployed (per cent)

	All	Public sector	Production sector	Small (1-49)	Medium (50-249)	Large (250+)	High U/E	Medium U/E	Low U/E
Yes	29	50	20	26	37	47	31	30	25
No	69	49	78	72	60	52	68	67	73
Don't know	2	—	2	2	3	1	1	3	3

Base: All those who had participated in government programmes (N = 202)

Source: IES survey

Table 5:7 Comparison of mean number of programmes participated in

	Mean no. of Programmes
All participants	1.811
Public sector	2.081
Private sector	1.744
Production industries	1.618
Service industries	1.844
Smallest establishments (<50 employees)	1.848
Largest establishments (250+ employees)	1.912

Base: All those who had participated in government programmes (N = 202)

Source: IES survey

sector) production industry establishments. Thus, the ownership and activity of the establishment seem to be crucial influences on the likelihood of their participation in such programmes.

Furthermore, establishment size appears to be an important influence; the rate of participation among the largest establishments (with over 250 employees) is almost twice as high (at 47 per cent) than among the smallest (under 50 employees, 26 per cent). By contrast, although the likelihood of participation does vary positively with the rate of unemployment locally, the effect is generally less marked than for the more establishment-specific indicators.

These variations in the incidence of participation also extend to the number of programmes establishments have taken part in. Not all our participants could say what programme(s) they had participated in, but of the 193 who could, we found that nearly 60 per cent had only taken part in one, 16 per cent in two, 17 per cent in three, and nine per cent in more than this. The average (mean) number across all participants was 1.8. Table 5:7 shows how these means varied between the different kinds of establishment participating. Again, it is clear that it is in the public sector, and to a lesser extent in the service sector generally, that we observe participation in more programmes.

Turning now to the programmes themselves, we find that about one-third of participants had taken part in Training for Work/ Employment Training (TfW), and two-thirds in Youth Training (YT). No other programme was so widely cited, although Adult Training Credits was cited by 16 per cent.

Table 5:8 shows how participation in the various programmes varied between establishments. The weighted numbers are shown at the top of each column, and it will be noted that they are quite small in some cases; this should be kept in mind in assessing the results. We observe that the two dominant programmes, TfW and YT, remain so for different kinds of establishment, and

Table 5:8 Programme participation, by programme (per cent)

	All	Public sector	Production sector	Small (1-49)	Medium (50-249)	Large (250+)	High U/E	Medium U/E	Low U/E
N =	*202*	*58*	*25*	*137*	*53*	*11*	*75*	*74*	*54*
Training for Work	32	33	21	36	23	26	29	19	53
Youth Training	64	67	49	74	44	42	50	77	68
Youth Credits	3	2	4	3	2	5	1	1	6
Adult Training Credits	16	18	2	20	6	10	25	11	9
Restart	8	9	1	4	16	12	9	4	12
Job Interview Guarantee	10	10	4	11	6	8	8	1	25
Workstart	4	3	17	1	9	15	9	1	3
Work Trials	10	10	8	7	14	27	16	1	14
Community Action Programme	4	5	1	4	5	4	4	7	1
Other	21	24	2	18	31	19	38	11	13

Base: Those taking part in any programme (N = 202)

Source: IES survey

again in a rough 1:2 ratio, save for the establishments which are much more likely than average to have taken part in TfW.

Quite clearly, there is an association between the experience of taking part in public programmes to help the unemployed and a readiness to take them on as employees. We have already observed that establishments which participated in any programme are more likely than those who had not, to:

- have taken on a recruit directly from unemployment in the past year (66 per cent of participants compared with 49 per cent among non-participants)
- judge that hiring a short term unemployed person is a' usual' or 'very frequent' occurrence (37 per cent compared with 27 per cent), and
- judge that hiring a long term unemployed person is a' usual' or 'very frequent' occurrence (28 per cent compared with 18 per cent).

However, it is far from clear from the survey evidence, which is the chicken and which the egg. Does the positive experience of participation in such programmes inspire continuing recruitment from this cohort outwith the programme? Or does a familiarity with the attributes of the unemployed jobseeker encourage participation in the first place?

We can bring two pieces of evidence to inform this question. Firstly, we have already noted above that programme

Table 5:9 Would you say that your experience with employees whom you have taken on from unemployment has been? (per cent)

	All	Public sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	High U/E	Medium U/E	Low U/E
Better than average	13	10	14	12	5	15	12	17	10
About average/no diff. from average	66	70	66	61	78	56	62	64	71
Worse than average	9	14	8	16	6	22	14	10	4
Too few to say	7	3	7	6	8	4	5	5	11
Can't tell whether unemployed	2	1	2	3	1	—	5	—	1
Don't know	3	2	3	2	2	3	2	4	3

Base: All those ever recruiting from unemployment (N = 696)

Source: IES survey

participants are not much more likely to cite any particular advantage of the unemployed as employees. Indeed, they are just about as likely as anybody else not to observe any evident advantage. While hardly conclusive, this would at least suggest that a partic-ular attraction towards the unemployed is not a motive for getting involved with a programme to bring them closer to this group.

Secondly, we asked all those who had ever taken on an unemp-loyed recruit, how they would characterise their experience of such recruit(s) against the average. Table 5:9 shows their responses. We observe that two in three see no great difference, and rather more recall a positive experience than a negative one.

We can see that those who have taken part in public programmes are only slightly more likely than the sample as a whole to have found their (previously unemployed) recruits better than average. By contrast, they are three times more likely to have found them worse than average. This is not consistent with a hypothesis that identifies a positive experience with recruiting the unemployed as a motive for getting involved with programmes. Indeed, it tends to suggest two possible explan-ations, as follows :

- that programme involvement has occurred despite a significantly higher than average incidence of relatively negative experiences with recruiting the unemployed, or
- that programme involvement has itself *produced* a higher than average incidence of negative experiences, perhaps through leading participants to take on staff whom they would otherwise not have done.

In order to explore this further, we consider variations in the degree of satisfaction with unemployed recruits, according to what kind of programme the respondents had been involved

Table 5:10 Satisfaction with unemployed recruits, by scheme participation (per cent)

	All	TfW	YT	Youth Credits	Adult Trg Credits	Restart	JIG	Work-start	Work-trial	CAP	Other
Better than average	13	19	10	20	17	26	25	24	18	34	19
About average/no diff. from average	66	46	63	34	49	41	74	67	50	55	46
Worse than average	9	21	21	—	23	18	—	3	32	—	21
Too few to say	7	11	3	—	—	—	—	5	—	5	11
Can't tell whether unemployed	2	—	—	—	—	—	—	—	—	—	—
Don't know	3	4	3	46	12	16	—	—	—	5	4

Base: Those taking part in government programmes (N = 202)

Source: IES survey

with. The results are shown in Table 5:10. Before reviewing them, we should note their satisfaction relates to unemployed recruits in general, not specifically to those taken on through the programme in question (although this must account for some of them). We also note that the individual numbers for some programmes are small. That aside, we can see that a very similar pattern of response emerges whatever scheme(s) the respondents had been involved with; most (or at least many) still see little or no difference between the calibre of recruits from unemployment, and the run of the mill entrant. However, in addition, there is polarisation, with rather more than before (Table 5:9) expressing either greater or less satisfaction.

That said, the proportion finding recruits taken on from unemployment to be better than average is only a little above average for the two major programmes (TfW and ET), but is much higher than average for those finding them worse. For the other programmes the polarisation is more matched.

The face-to face-interviews provided an opportunity to explore the views and experiences of employers' regarding government programmes and schemes in more depth. The main intention was to see if it was possible to flesh out and to add more detail to the quantitative data obtained from the telephone survey. During this interviewing stage two types of respondent were visited: those who said that their establishments had participated in government programmes (scheme participants) and those who said they had not (non-participants). For the former group, interviews were intended to explore:

- what schemes recruiters had participated in and their familiarity with the schemes
- when and how they had heard of the schemes and decided to participate
- their experiences of the schemes and perceptions of any specific benefits or disadvantages, having taken part

- their views and perceptions of unemployed individuals participating in the scheme
- whether the scheme could be improved in some way, and
- whether they would be likely to participate again in the future.

For those establishments that had not participated in any scheme the line of questioning was slightly narrower. This mainly tended to focus on:

- why they had not participated in any scheme. For example, had they not been approached, had something specific about a scheme put them off, did they lack any appropriate opportunities for unemployed participants in their organisation, were they unaware of the schemes or were they not interested?
- whether they were likely to participate in the future and what factors may encourage them and other employers to participate.

All respondents were additionally questioned about their general awareness of schemes (or lack of awareness) and how they generally viewed schemes.

Overall, our interviews revealed that employers were not generally very well informed or particularly familiar with the finer details of government schemes. This was for both sets of respondents; that is, scheme participants and non-participants. Indeed, respondents were often uncertain of the precise names of schemes and had difficulty identifying who had administered them; that is, whether, for instance, they were TEC schemes or run by the Employment Service. Many scheme participants had to be prompted before they could identify a possible name for their respective schemes, and even then most were not convinced that they had actually identified the correct name and so stated: 'it was something like . . .'. One response typified the views of others. When asked, for instance, who had contacted them about the scheme that their establishment participated in, the respondent replied:

> *'Oh, it was someone from the Employment Office I think. Is that what they call themselves? Well, whatever they were at the time. I don't remember, they are always changing their name! Its hard to keep up with all the changes!'*

Scheme participants

Schemes cited and discussed were believed to include ET/TfW, WT, JIG, YT and the Jobclub element of the Restart Programme. Respondents were generally mixed between those who had participated in the schemes some time ago, and were less active now, and others who had had more recent experiences. In addition, there were those who had had a 'one off' experience,

and were not frequently involved, and those who were more regular participants. The regular participants had been involved in YT and the one-off experiences had generally involved work placements, and were most likely thought to be ET/TfW or WT. Those involved some time ago were thought perhaps to be CAP. The majority of respondents had only helped a small number of unemployed people: that is: 'one or two people from time to time', and they had not always recruited them at the end of the programme. The extent of their involvement thus showed alignment with their responses in the telephone interview examined earlier. As most respondents did not seem entirely certain about the name of the scheme they had been involved in, and were generally vague about precise details, most comments have been interpreted in a more general fashion. The exception to this is where the respondent was thought to be able to confidently talk about a scheme and refer to its name.

All scheme participants had been invited to take part in the schemes they had been involved in. They felt this was the best way that the government could hope to secure employers' participation in such schemes. Thus, the scheme organiser, whether it be the employment service or a local TEC, for example, had to be quite proactive in gaining employer involvement and persuading employers to take part. It was generally felt unlikely that employers would actively seek a scheme out, or should be expected to do so. As one respondent who had taken a more active approach explained, this could be time consuming and there were risks involved, which overall might not be perceived to be worthwhile:

> *'Last year I tried to get involved in the Work Trial scheme. It sounded like a really good idea and we wanted to provide an employment opportunity to help someone unemployed. Two people were found, through enquiries with the Employment Service, I think, who lived in another town and it was decided to relocate them. It took a long time to find appropriate people, process their application, help with their relocation, travel and so on. In the end, they just didn't turn up and that time was just wasted. They didn't contact us to apologise or anything, and neither did the Employment Service staff. That experience has really put us off doing it again. We were really angry. We went to a lot of trouble for nothing and won't be going out of our way again.'*

Another respondent's comments further illustrated such views:

> *'Getting involved in such schemes can be quite problematic, time consuming and a real headache. Once involved in the scheme there is a lot of extra reporting and paperwork to do. Although this has not necessarily put us off participating in these sorts of things, we won't be going to lots of effort to get involved. We would rather wait until we are approached.'*

This 'wait until approached' attitude is, of course, quite consistent with our earlier findings that relatively few employers see any particular advantage in recruiting the unemployed.

Respondents were probed about the best way of informing employers about different schemes for the unemployed. Respondents tended to agree that employers needed to be contacted fairly regularly to both remind and inform them about schemes, but this should not be too frequent to cause annoyance or to make employers feel 'pestered' or that scheme staff 'were on their back'. Some respondents felt that it would be better to receive literature on a regular basis to inform and remind employers what schemes were available. A few respondents had received this in the past and found it useful, and others had never received it but would have liked to. This had certain benefits, for example:

> *'I receive literature at regular intervals from the local TEC. It is good to get information because this keeps you informed about what schemes are out there. I find it very useful because I can keep it on file until I find a suitable opportunity. It then stays in my head. The advantage of this sort of literature is that you can read it at your leisure. I think employers are generally too busy to go and see people about schemes or to go to meetings. I certainly am!'*

Additionally, some respondents saw the benefits of attending a regular meeting or forum.

> *'We go about once a quarter to a meeting for all the personnel officers in the area. The meeting is also attended by the local TEC, the Jobcentre, ACAS reps and the Careers Office. Here, we are informed about new schemes and local labour market issues. We remain open minded and bring back what we've heard to the situation. This is quite informative. We can't always go but find it is useful to go sometimes and to have the option.'*

Others thought it was adequate to be contacted periodically by telephone:

> *'The Jobcentre just rings me up and asks if we can take anyone. This usually works OK. If we can take someone we will, if we can't we won't. It just depends really on being approached at the right time with the right sorts of people. Much is down to luck!'*

This latter remark also highlights another important point that a lot of respondents mentioned and which seemed to be commonly believed. Much of the process of placing individuals was down to luck and many respondents made comments demonstrating that the process of placing people was dependent on them being contacted at the 'right time'.

> *'The Jobcentre rang up and asked us if we were willing to take someone but it was the wrong time. We just weren't busy and just didn't have anything for them to do.'*

> *'Nothing has put us off doing these programmes in the future it just depends on the right person at the right time.'*

Yet there was a feeling that if a suitable vacancy came up at other times, employers would not automatically contact the

appropriate scheme organiser. There was thus an issue about not only keeping employers appropriately informed but how to actually get them involved.

Respondents were questioned about the use of incentives to inspire employer participation in government schemes. Respondents tended overall to feel that financial incentives, such as subsidies, 'holidays' from paying national insurance contributions, supplements to the unemployed participant's salary and so on, were generally a good idea. Some respondents felt that it was potentially a big risk taking on unemployed people, even for a short spell, and that some form of financial inducement helped. It provided a kind of 'insurance' in case the person proved to be unsuccessful and therefore was thought by some '*to soften the blow*'. It was felt to help to make up for the fact that the scheme had not worked and had taken up a lot of effort, and it covered some of the cost expended.

> *'These things are useful because they take the risk and sole commitment away from the employer. Any incentive helps and is a good thing, I think.'*

> *'Subsidies and financial support is a good thing for employers, especially if the individual is of a lower level of skill or experience because the risks involved are greater. If the government helps an employer cover the costs, this reduces the risk element.'*

However, respondents thought the size of these financial incentives and the system by which they were allocated was critical. Some respondents had felt that the subsidies they had received had not been large enough and the government should cover the full cost entirely:

> *'Taking an unemployed person on to train and so on can be a costly exercise in terms of time and effort. This means extra supervision and training and also demands other employees' time. Initially, it can be a big drain on the company. The government should cover employer costs, say a bit more than the standard salary. I think a lot of employers want to help the unemployed but the cost element means they can't.'*

In contrast, others thought that it was right that the cost of taking an unemployed person on should be shared by the government and the employer. It was recognised by some employers that they are at liberty to pay their trainees more if they wish:

> *'An employer should contribute to the cost, as well as the government because they are going to benefit from someone's skills. Some employers may be attracted to schemes because someone is cheaper to take on, but it's the person and the skills that count. We pay them the going rate because we think this is fairer.'*

> *'It depends what the service is but if the employer is benefiting from the unemployed participant during their training placement, they should be prepared to contribute fully to the cost. If the trainee*

benefits more from the training experiences provided by the employer, and the employer benefits little, the government should pay more.'

'It should be a shared commitment, that is half the government and half the employer. Both have something to gain.'

However, many of these respondents felt the government should make a greater contribution than it already does. In particular, it was felt by some that the unemployed individual working on a job placement should be able to receive the proper wage for the job on a par with other employees working alongside them in the establishment. Receiving a supplement to their unemployment benefit or just their income support was not seen by some as adequate in this situation, and could cause problems:

'The overriding feeling of the young round here is that YT is slave labour. If the level of pay was increased, this might act as more of an incentive?'

A few felt that the amount of financial assistance provided to an employer by the government should be related to the size of the establishment, and hence their perceived level of need. It was generally felt that smaller establishments, often with fewer financial resources to draw upon, should be given more financial assistance than larger establishments, because their need was greater. Taking on someone unemployed was likely to be a bigger risk to them and therefore should be compensated for:

'I see the benefits might be more to small companies and influence them more because they might be more hard up, and this would help them try someone out without having to worry so much about the costs involved. This would help to reduce the risks.'

'We can see how work placement schemes which employ someone on a subsidised wage may be attractive to companies, particularly small ones. They may be more likely to appreciate the cost savings of paying a lower wage. As they may also not be able to afford sophisticated forms of selection, I think they would like the option of seeing how someone performed on the job first. This would also help to keep their recruitment costs down as well.'

'Size of company is critical to the size of the subsidy. Those small employers would probably need more help than larger employers to take part in schemes. For small employers the government should cover the whole cost and larger employers a fraction of it.'

Some respondents believed that there should be a range of incentives on offer and employers should be able to choose which ever they preferred.

'Companies should be offered a number of different financial incentives because different things suit different companies. The company should then be allowed to decide which is better for them. Is it a reduction in national insurance contributions or a subsidy, for example?'

'I don't think national insurance contributions would benefit a large employer like us but it might help a small one. Different options would be good.'

However, others stated in contrast that there should just be one system of financial incentives or subsidies:

'I don't think a range of financial options is a very good idea because this can cause confusion. If there is one project and it is simple and consistent, and doesn't keep changing like a lot of these programmes so that people know exactly how it operates and how to apply, then I think it does better. It needs to be fair, easy to apply and to cause the minimum of fuss.'

Many respondents though, whilst thinking subsidies were a good idea, did feel they should not be the sole motivation for participating in a scheme:

'Subsidies are a good idea, but ultimately you need the right employee for the job. If financial inducement is the only incentive, this is wrong. If the person is not suitable, money won't help.

But not all respondents were convinced about the benefits of providing some kind of financial subsidy or incentive to encourage participation at all. As one respondent explained:

'Subsidies and financial incentives to assist employers are not a positive development. They encourage a cost emphasis straight away. Getting involved in these schemes shouldn't be about cost but giving an employment opportunity. There are broader societal benefits involved. If you emphasise cost you encourage employers to be more short term and to think what can they get out of this. People shouldn't just be a short term prospect. Employers should help for free!'

Another respondent added support to this view:

'Government training programmes for the unemployed shouldn't only be financially focused. Employers shouldn't just be thinking about the financial benefits. Schemes need a more social emphasis, which is providing people with employment prospects, giving more work, more hope and creating more jobs. I know others are financially motivated but we are not. I think this is the wrong incentive for getting involved.'

It should be remembered that the number of survey participants interviewed was quite small, and the variety of opinions expressed about subsidy was quite large. That said, it seems clear that the availability of any subsidy is generally 'helpful' rather than 'the main reason for getting involved'. It defrays costs and risk to some extent, rather than prompts participation in the first place. Almost without exception, employers were more interested in the calibre and 'fit' of the recruit in question, than with the subsidy available for his/her recruitment.

Respondents were probed about their views of the schemes and their general experiences. These had generally been varied. Some had found their experience beneficial. Indeed, a number of

benefits were cited. These included: the fact that unemployed trainees can provide a cheap source of labour; the on-the-job placement schemes (presumably like WT, TfW or YT) provide an opportunity to try people out and to allow unemployed individuals to see if they like the job; they are also a cheaper and quicker way of recruiting suitable and often good quality employees; they may relieve the work load at busy times by providing extra workers; and are a good way to find motivated people. For example:

> *'We have found some very motivated individuals who are willing to learn, committed, have good work performance, limited absenteeism and realise change is a good thing. They have a broader view of the job. You would not hear them say "not my job!".'*

> *'We thought, well, it doesn't cost much and its a cheap way of finding extra help and an extra pair of hands.'*

> *'We found the screening and matching process of the JIG scheme very useful. We built up a good relationship with the local Jobcentre and were regularly provided with good quality candidates. The process saved us lots of time in selection and recruitment, which is the main thing and we found it very efficient. The only problem is that the scheme has been disbanded now so we can't use it!'*

> *'We thought it was good to have an opportunity for an unemployed person to work here for a while just to see how they get on. It is good for the employer because they do not have to be committed to taking the person on. Its a good halfway house where you can try someone out before committing yourself and they get the benefit of the work experience.'*

This is not to deny that some 'external' advantages may also be perceived. One respondent spoke of the benefits to the company image that their involvement in YT had brought. This they had undertaken for a number of years:

> *'The YT scheme is very beneficial. It keeps young people coming into the company, is a good way of obtaining some good employees and keeps them more employable. It also has positive effects for industrial relations and public relations. People like to see the young people in the area taken care of. Taking young unemployed people on from the local community shows that the company cares about its community. Many of the young unemployed that the scheme helps are friends, children or grandchildren of existing employees, so it also lowers stress amongst the staff because they have to worry less about the future of their relatives and coping with problems of unemployment at home. Our Managing Director saw it as a positive initiative to help raise employee morale and the long term productivity in the company, and it does seem to have worked.'*

To another respondent, the benefits were associated with the knowledge that providing a training opportunity for someone unemployed was improving their employment prospects:

> *'Taking someone on in a training scheme and having the opportunity to teach them provides a lot of satisfaction. It means giving someone experience and confidence, and that is very rewarding.'*

The benefits cited clearly demonstrated that some employers had had quite positive experiences participating in the schemes. Indeed, many said they had been fairly satisfied with most of the candidates they received. The experience overall had been worthwhile and they had therefore not been deterred from participating in a scheme in the future, if a suitable opportunity existed. However, experiences were not always totally positive or trouble free. Many of these respondents had also had to be prepared to persevere with poorer, problem candidates at times, to reap the eventual, long term benefits, associated with identifying someone who was good later on. This possibly accounted for the fact that so many employer participants in the telephone survey (examined earlier) stated that they found their experience with unemployed individuals 'worse than average'. Some employers were clearly irritated at times by the quality of some candidates.

> *'Some of the people I've seen for programmes have been really shirty, with real chips on their shoulders. They obviously don't really want to be there but are just trying to satisfy the Jobcentre by going along. They turn up for interviews a real mess and only say yes and no to the answers. They are really difficult. You know this type of person is going to let you down, won't turn up and will be really unreliable.'*

> *'Some unemployed people are professional 'part-timers'! They don't want to work. They just want a temporary placement to keep the Jobcentre off their back.'*

These could cause some managers a few supervisory problems in particular when taken on.

> *'Some, as soon as they start, are a problem. They are unreliable, don't listen, keep questioning things, are poor time keepers, are slower to pick things up, and so this requires more supervision and training.'*

In some cases, the problems could be worse if groups of similar trainees were taken on from the local labour market, and thus this seemed to be a strategy to be avoided.

> *'We have found some of the unemployed youngsters from the local community a particular problem. Some of them are terrible and don't really want a job. Many truanted from school and unemployment is more acceptable to them. They lack workplace discipline and have no work ethic. It has made us very wary of certain groups and we have had to limit the number we take on in the factory because they tend to gang up and then have a negative effect on each other. They become impossible to manage. It's not the majority, but we have to watch out from past experiences. They just go on these courses to keep the Employment Office off their backs for a few months! Thank goodness they eventually grow up!'*

Problems were also thought to be aggravated at times by the low salaries these unemployed people received:

> *'We placed some people here but they just felt like skivvies. They didn't get a fraction of what the other staff were getting. They were working just as hard as the permanent staff for much less money.*

They became less committed and more unreliable, and started having time off sick. They left after a few weeks. They were paid a pittance.'

Some respondents compensated for this to keep good trainees:

'The money is really unfair because it is so poor. We paid a little bit more.'

'We decided to give extra money to those young people who were good because we wanted them to stay here permanently and to feel valued.'

Thus, some respondents did not feel it was fair to be paying individuals such low wages. This, it was perceived by some, could encourage exploitation. But not all respondents held this view about the importance of money, and felt that individuals should be made to appreciate the work experiences they were gaining as well, and how this could improve their prospects for the future:

'Payment of people on schemes is a difficult dilemma. Some people are motivated by money and some by the work experience and training. Work experience costs an employer time, energy and extra supervision. If an employee is training, they often can't do exactly the same job as a permanent employee and so should receive a lower amount. They should be made to appreciate where, how and why their pay differs from other workers and learn to value the training.'

Some respondents felt that linking the placements to the attainment of qualifications may serve to improve the value of the training/placement experience. It may also serve to act as evidence to a future employer of what an individual was capable of or what they had done. For example:

'Qualifications are often good because they give the person something concrete. It is also important for the individual to have an incentive: something to strive for and to achieve.'

But it was generally felt that these qualifications had to be valued and recognised in the labour market by employers, otherwise people would not respect or value them.

It is important to note, however, many of these problems cited were felt to be related purely to the individuals involved and were not thought to be indicative of the unemployed in general. For example:

'We had two people who dropped out. It was down to the type of people though, not because they were unemployed. They weren't mixing, wanted to disappear all the time and wouldn't do as they were told. They didn't want to work, and chatted all the time instead of working. They didn't really want to be here.'

'I remember one unemployed individual who was quite a problem. With regard to technology he was a disaster and he was too slow to learn and inflexible. It was a rush decision by management to take him on. It was his fault, as an individual I mean, his personality, not because he was unemployed. We should never have taken him on.'

'Some unemployed people I've seen have been of a very poor quality. They lacked commitment and care, were scruffy and were not interested in the sorts of work on offer. Some did not want a job at all. These people are just out to waste your time. It's not everyone unemployed, just a small minority.'

'People don't degenerate as human beings just because they are unemployed. We did have two cases recently where the individuals were very young and undisciplined, and their behaviour was unacceptable. They were always late, unreliable and wouldn't work. But generally we have not been put off unemployed people. The majority value their jobs, are very loyal and committed, and grateful to have the opportunity to prove themselves.'

It was apparent that these more negative experiences had made the respondents more cautious about getting involved in any scheme in the future, and more wary about some unemployed individuals. This had obviously influenced the future behaviour of recruiters. For instance, some stated that they were more likely to use the establishments selection processes before taking any further individuals on, rather than relying on the scheme organisers screening process. A minority of respondents had actually been put off getting involved in future schemes altogether as a result of these negative experiences. The poorer calibre of candidates they had attracted had affected their perception of the schemes:

'We recruit and deal with skilled, specialist and technical people at the top end of the labour market. Our experience of these training programmes is that they are geared towards assisting less skilled people at the bottom end of the market and these types don't really apply to us. Our poorer experiences may have been distorted because our expectations were higher. Those [employers] who require people at the lower end of the labour market may not have had such a poor experience. For us though, it's not really worth the time and effort. We can get more skilled people elsewhere.'

'We have found that the training programmes are geared to less specialist areas. There are limited options for these areas in our company so the schemes are of less relevance.'

But overall, respondents did not totally rule out the possibility of involvement in any scheme in the future.

'There are lots of good unemployed people out there. With more temporary contracts being used by employers, many people can't help being unemployed. We have found very good people in the past from the Jobcentre and will continue to.'

'We have found a lot of good quality recruits and found the scheme very useful. There are a lot of very good unemployed people.'

Nevertheless, it was thought by many respondents that there should be more screening of unemployed individuals involved in the schemes. There was a feeling by a few respondents that the scheme organisers often sent anyone for any placement, without noting whether they met the job requirements or were even interested in the placement/job. For example:

'When they have asked us if we want to take part in any scheme they have just sent anyone over. I think they just grab the first person who walks in off the street. We have seen loads of uninterested people who don't really want to do this sort of work. I think if they did a more thorough check in the first place it might be more successful.'

Another respondent said:

'In principle, the schemes are a good idea but my experience is that as well as the good people, they send poor ones too. They don't screen people at all, they just give you everyone they have on their books at the time, suitable or not.'

In association with this, respondents seemed to become irritated by the amount of time this might waste, for instance: sifting through lots of applications, some of which were poorly presented and filled in; interviewing and selecting between numerous candidates of varying quality; taking on people who at times were uncommitted and/or unsuitable and soon left; and the extra supervision time required helping or monitoring an individual for no immediate benefit to the establishment. Some respondents stated specifically how JIG had improved the screening process for jobs, but this appeared not always to be the case. Indeed, few of the respondents seemed aware of JIG.

Some respondents were also frustrated at times by the level and type of contact they had with staff administering the schemes. Experiences seemed to range from those respondents who appeared to be left almost entirely to their own devices to those who were regularly liaising with scheme staff. Those with less frequent contacts often appeared to find this a particular problem if they had a difficult trainee. They felt more support or advice would have been more beneficial to help them manage the situation:

'The scheme staff did not work very hard to help our situation at all. I don't think the person responsible was really aware of the problems with our participant and provided no solution to help when told about things. So nothing developed out of situation and the girl eventually left.'

In contrast, those with frequent contact often found this 'a real headache':

'When we have placed someone, the paperwork and communications has been a pain. The constant monitoring and reports to fill out are very time consuming. There's too much bureaucracy and they are always on your back.'

Another suggested that their initial involvement (with TfW) had been very successful, largely on account of the high quality and suitability of the (two) trainees they had been sent:

' . . . but subsequently we got worse and worse people. Eventually, I pulled out. It seemed to me that we had been hooked, with quite a lot of effort going in to find us the right blokes to start with, but then they would just send anybody.'

This highlights the need, not just to establish high standards of screening to get new employers involved, but also the importance of maintaining this emphasis to win repeat business.

Respondents had a few suggestions for improvement in relation to these sorts of problems:

- Staff administering the job placement schemes, such as WT and TfW, should ask for clear job requirements/criteria for the job. Where respondents had provided more screening criteria, it was felt to improve the process greatly.
- They should ensure they only send people who are at least interested in the job and therefore are more likely to be committed, rather than just trying to treat people as numbers and targets to be achieved and put on placement.
- Scheme staff should also screen the quality of applications to ensure unemployed applicants have filled the forms out correctly and fully, and that they are all of a good standard/ presentation. There was a general awareness of the benefits of Jobclubs in this area. It was felt that all unemployed people should be actively encouraged to attend and to improve the quality of their applications and interview performance. Indeed, in this area, a few respondents were concerned about the effects of unemployment on some individuals' confidence and self worth:

  'The longer people are unemployed, the less confident they are. They lose their self esteem. It is generally reflected in the way they come across. They are often more nervous and need help to overcome this, and to learn to cope with their experiences. The unemployed need to be encouraged to get involved in schemes like Jobclub which provide this sort of help. This restores their self esteem and confidence.'

  'Some unemployed people have a tendency to become more demotivated and depressed by their experience of unemployment. It is important to offer help and training that rebuilds their confidence. At interview some unemployed people are really out of practice. They don't know what to expect and don't perform as well because they haven't done it for so long. Jobclubs are good for this. They show how to brush up on CVs, interview techniques, and how to present themselves.'

- Staff should carefully monitor/track who they send to different establishments so that they are aware when people have not attended or have been unsatisfactory. This would enable them to take a more active role in encouraging and assisting those who have problems, and putting them on the right track. In addition, this may help to avoid the situation happening again to another unsuspecting employer.
- A few respondents also felt staff should try to ensure that individuals were only, as far as possible, sent to placements where there was an opportunity to secure a permanent job at the end, as in WT. This had important implications for the morale and commitment of the unemployed participant. It was thus also thought to be important to consider the motives

of employers for getting involved in the schemes. Those who were obviously 'just out to exploit people for what they could get, should not be allowed to take part at all'.

Respondents were asked if they had always provided employment for the individuals that they had taken on, on placements. Whilst a number of respondents had found good recruits through the schemes, not everyone had always taken people on, for a variety of reasons. This may have been because: in some cases, as already mentioned, the unemployed trainee had left the establishment before the placement ended; the trainee had been unsuitable, or felt the job was not for them; or there were changes in the level of business activity and the establishment lacked work to take someone on permanently, full time.

Non-participants

Those respondents who had not participated in any schemes were asked why they had not participated. A variety of reasons were given. The majority stated that it was mainly because: a suitable position had not been available when they had been approached; the trainee was not thought to be appropriate and did not have the necessary skills and/or ability to do the job; or because they had not been invited, and therefore it had not even occurred to them to think about taking part in a scheme. One recruiter said he had wanted to get involved but had been prevented by more senior managers:

> *'I feel we need to recruit more young people for the future and to train them internally to avoid any potential recruitment difficulties. A few years ago, I enquired about getting involved in Youth Training but I couldn't get support from my top managers. They wanted immediate returns on investment in human resources, in terms of company performance and productivity, and were not prepared to wait for young people to develop. They wanted employees to immediately contribute to the company performance.'*

Another said they had never heard of any schemes:

> *'I think the schemes need to be advertised more. I have never heard of most of the programmes organised through the Jobcentre and I don't even know who our local TEC is!'*

Some respondents, however, did say that they personally did not see the benefit of work placement schemes, like WT and TfW, to their own establishment. As one explained:

> *'We don't feel work placements are appropriate to our organisation. If we have a vacancy we want to fill it permanently and as quickly as possible with little fuss. If we are going to take someone on, we would automatically put them through our selection processes, so we feel we might as well make sure we get our selection right and take more time over this, and then we can get the right person for the job first time. Taking someone on, on a trial basis for a few months to check their performance first is not attractive to us because we don't want the*

disruption of keep going through inductions, training and supervision over and over again if the person didn't work out.'

Another had a similar point of view:

'Our company's interview process is so rigorous at the selection stage we can decide straight away whether we want someone or we don't. If we don't want someone, there is no point taking them on, on trial. Similarly, if we do want someone we can just appoint them as a permanent recruit. We think the value of schemes like WT is greater where an employer is unsure about a person and just can't make up their mind about them. For example, if an employer liked someone but they had not worked in an area for a while and were rusty, a WT would be useful, where they could be tested on the job for a few weeks to see how good they are. If we were unsure, we might want to use the scheme in this way but we haven't been yet.'

No one identified anything particularly negative with a scheme which had deterred them. Furthermore, none of the respondents were prepared to say that they did not see the value of these sorts of schemes or were put off them merely because they could not spare the time or commitment. Indeed, everyone thought the schemes were a good idea in principle.

In terms of participating in schemes in the future and how their participation could be encouraged, their responses were generally very similar to those of the scheme participants. Most seemed to speak in relation to work placement schemes. To a large extent, the likelihood of their future involvement in such schemes appeared related to luck and having the right sort of vacancy/ opportunity at the right time. Their participation thus would also depend on being regularly informed about the schemes available, and made aware by the relevant scheme organisers, who had to approach them at the right time. There was again a feeling that they would not hunt for schemes to participate in. Staff had to be informed, quick and efficient, and the quality of the candidates was also essential to the process. So individuals had to have, at the very least, the requirements for the job and some interest in the nature of the work. The comments of one non-participant seemed to capture the flavour of a lot of the others responses:

'The Jobcentre would have to be efficient like an agency. The staff need to be competent and have a database which can quickly supply the employer with a list of suitable participants of appropriate quality. We don't have time to find out about different schemes, we just need to fill the placement as quickly as possible.'

As with the scheme participants, it was also felt overall that these employers would be receptive to financial assistance to help with the costs of getting involved in any scheme. However, as before, there were differences over the level of assistance required and how such a scheme should be administered. Responses varied again, from those who felt the government should pay more, to those who felt employers should make a

contribution. Some non-participants were also again worried about a solely financially motivated scheme.

In addition, most respondents did feel that more time should be devoted by the government in reducing unemployment, to the demand side as well as the supply side. There was, therefore, a strong support for helping employers to provide more jobs. For instance:

> *'The government needs to do more and to be more socially responsible. There is a need to create more jobs. Technology has made many jobs more menial and got rid of a lot of jobs, yet there is a whole industry within the environment that could be exploited. For example, the government could create more jobs in pollution and recycling. The government should not expect people to downgrade their skills to operate machines and the like.'*

> *'Government programmes are a good idea but the government is not attacking the root of the problem, which is essentially to create more "real" jobs. They need to re-direct more money into industry, construction, transport and communications to generate the demand side. They need to allow employers to create more jobs.'*

> *'The government needs to create more jobs which will give younger people more opportunities. This is not saying they need a career and job for life, but some job for some period of time to give them an incentive and self worth. More recognition is needed about how employers can employ more women. Who will look after the children? More child care is needed. The government needs to sort out what is structurally wrong with employment. The government says it encourages flexibility but people in jobs are frightened to move because they are scared to, in case they weaken their employment security.'*

5.2 Multivariate analysis

So far, we have looked at the likelihood of a responding establishment having recruited from the unemployed in the last year, and explored how this likelihood varies with a range of other relevant factors — establishment size; public or private sector; whether the respondent has experience of public training and employment schemes; the tightness of the local labour market (as measured by unemployment rates) *etc.*

Whilst this analysis has revealed broad patterns, usually in the expected direction, in the relationship between these kinds of variables and respondents' propensity to recruit from the unemployed, it does not give a clear picture of the relative importance of the different variables, nor of how they might interact with each other in affecting this propensity. So, for example, we can observe that a higher propensity to recruit from the unemployed is associated with a higher rate of local unemployment on the one hand, and with an employer having previously participated in government schemes on the other. If however, as is likely, the latter two variables are themselves related in some way, this approach does not enable us to

disentangle the relative influence of the two factors, nor to establish whether the apparent influence of one variable is simply a statistical reflection of the influence of the other. It is plausible, for example, that a larger proportion of employers in high unemployment areas than in low unemployment areas will have had experience of participating in government schemes. In this case, if experience of a high unemployment labour market increased employers' likelihood of recruiting from the unemployed, we would observe a correlation between having participated in schemes, and propensity to recruit from the unemployed, even if the former had, in fact, no direct influence on the latter.

In order to tackle these kinds of issues, we undertook multivariate analysis. We defined a dependent variable which took the value 1 if an establishment had recruited from the unemployed in the last year, and zero if they had not.

We then estimated statistical models with this dependent variable, and a range of categorical independent variables which were deemed likely, on the basis of prior expectation and preliminary bivariate analysis, to have an influence on the dependent variable.

The models were estimated by logistic regression ('logit') techniques, which assess the effect of changing one of the independent variables (*eg* moving from the private to the public sector, or from one establishment size group to another) on the *odds* of an establishment having recruited from the unemployed in the last year. In this context, odds can be seen as an alternative way of representing probabilities; so, for example, if for a particular group of establishments, the probability of recruiting from the unemployed is ten per cent, the odds can be expressed as 'nine to one against', or 0.11.

In the logistic regression models estimated, one category of each of the independent variables (the first category in each case) is chosen as the base or reference category. Thus, in the case of establishment size, for example, the reference category is establishments with fewer than 40 employees. In the case of ownership status, it is the private sector *etc.* In the analysis, the coefficient for this reference category is set to 1.00, and the coefficients for the other values of the independent variable are interpreted relative to this reference category. A coefficient of greater than 1.00 means that the value in question of the variable increases the odds of recruiting from the unemployed, compared with the reference category. Similarly a coefficient of less than 1.00 means that the odds are reduced compared with the reference category.

Several models were estimated, incorporating a range of variables from different parts of the survey seen, *a priori*, as likely candidates for having an influence on the dependent

variable. We attempted to identify the most parsimonious model, and variables which did not contribute to the overall statistical performance of the model were excluded.[1] The model which exhibited the best overall performance is shown in Table 5:11.[2] This model successfully predicts the observed value of the dependent variable in 78 per cent of the cases (that is, knowing the values of the independent variables for a given establishment, means that we will correctly predict that establishment's likelihood of recruiting from the unemployed in 78 per cent of cases).

What do the results show? First, the largest influence on the odds of recruiting from the unemployed appears to come from the level of labour turnover experienced in the last year. High turnover establishments are much more likely to have recruited from the unemployed, than their low turnover counterparts, and this effect is statistically significant. It is unclear, of course, how far this reflects recruiters' experience of high turnover rates leading them to broaden their selection criteria, and how far it simply reflects the fact that firms with high turnover rates are more likely to have recruited *anyone*, and therefore to have come across unemployed recruits. The effect is so large, however, for it to be likely that *both* effects are at work, particularly, as the table also shows that this effect is independent of establishment size.

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[1] A variety of stepwise inclusion and exclusion algorithms were used, to ensure that the results were not dependent simply on the order in which the variables had been selected. In particular, forward stepwise selection and backward elimination algorithms were used, in each case using two different statistical tests of 'goodness of fit' to determine the criteria for variable inclusion or exclusion. These tests were based on the 'Wald statistic' (with cut-off value 0.1), and the 'likelihood ratio' respectively. The final model presented here is one which emerged from all four approaches to variable inclusion and exclusion, and we have some confidence, therefore, that it reflects the 'best model', in this limited statistical sense, among those tested.

[2] A range of diagnostic tests were conducted to examine the adequacy of the underlying model, and examine potential problems, such as points for which the models does not fit well, points that exert a strong influence on the coefficient estimates, and variables that are highly related to each other. In particular, distributions of various types of residuals were examined, including standardised residuals, studentised residuals, and logit residuals — in all cases the distributions of these residuals were satisfactory in terms of standard criteria. In addition, measures of influence, including leverage values, measures of Cook's distance, and DfBeta (the change in the logistic coefficients when a case is deleted from the model) were also examined. Whilst some measures indicated a small number of 'unusual' cases, the removal of which would improve the overall performance of the model, in no case would their removal have led to major differences in the estimated values or statistical significance of the model's coefficients.

Our second finding, then, is that 'larger' establishments (irrespective of recruitment and turnover rates) are more likely to have recruited from the unemployed (establishments with 40 or more employees have 3.3 times the odds of recruitment from the unemployed compared with their smaller counterparts).

Industrial sector is also a relevant influence, with the primary and manufacturing sector (the reference category) having the highest odds of recruiting from the long term unemployed and, perhaps surprisingly, the construction sector and the 'public, education, health and other services' sector having the lowest odds. This latter category is a 'catch all', however, and as the ownership variable shows, there is a major difference between the private sector on the one hand, and the public and voluntary sectors on the other (the latter having three times the odds of recruiting from the unemployed of the former).

Previous participation on a government scheme has a statistically significant effect in the expected direction. Those who have not participated in such schemes have less than half the odds of recruiting from the unemployed, compared with those who have. Some caution needs to be exercised here in interpreting causality, of course. It could be that successful experience of unemployed recruits/trainees through government schemes leads employers to take a more positive attitude to recruitment from the unemployed pool; it could equally be that employers who recruit the unemployed anyway have a higher likelihood of participating in government schemes. One further way of examining this question is to look at whether this relationship is modified at all by whether or not the employer in question is in a high unemployment area (and, therefore, more likely, all things being equal, to encounter unemployed job seekers).

As the results show, however, the influence of the local rate of unemployment, although in the expected direction (the odds of an establishment in a 'high' unemployment area recruiting from the unemployed are 1.4 times those of an establishment in a 'low' unemployment area), does not reach conventional levels of statistical significance.

Several possible candidates for independent variables in the model were rejected because they had little or no explanatory value (they were not statistically significant, and reduced the predictive power of the model). Three, in particular, did not perform as might be expected.

First, establishments reporting general recruitment difficulties might have been expected to have a different approach to recruiting the unemployed; in practice any influence, although in the expected direction (those with recruitment difficulties were more likely to recruit the unemployed) was small and not statistically significant.

Table 5:11 Logit estimates of the odds of having recruited from the unemployed

Dependent variable: odds of establishment having recruited at least one unemployed person in the last 12 months

Independent variable		Coefficient: Exp. (B)	Significance
SECTOR			
(Ref. category)	(Primary & manufacturing)	(1.00)	—
	Construction	0.17	0.0011*
	Distribution/hotels & catering/transport	0.37	0.0016*
	Financial & business services	0.29	0.0003*
	Public, education, health, other	0.17	0.0000*
LABOUR TURNOVER			
(Ref. category)	(Less than five per cent)	(1.00)	—
	Five per cent and less than ten per cent	11.13	0.0000*
	Ten per cent and less than 25 per cent	15.95	0.0000*
	25 per cent or more	43.37	0.0000*
ESTABLISHMENT SIZE			
(Ref. category)	(Fewer than 40 employees)	(1.00)	—
	40 or more employees	3.3	0.0000*
OWNERSHIP			
(Ref. category)	(Private sector)	(1.00)	—
	Public or voluntary sector	2.99	0.0003*
GOVT. SCHEMES			
(Ref. category)	(No previous involvement)	(1.00)	
	Previous involvement	0.42	0.0001*
LOCAL UNEMPLOYMENT			
(Ref. category)	(Less than eight per cent)	(1.00)	
	Eight per cent or more	1.43	0.0587

** indicates significance at the one per cent level*

Note: 661 cases were included in the model

Source: IES survey (weighted data)

Second, organisational 'independence', *ie* whether or not the establishment was part of a larger group or organisation (and therefore more likely perhaps to be subject to formal, systematic approaches to personnel policy), was hypothesised to have a possible influence on recruitment approach. Any such influence did not, however, feed through to establishments' propensity to recruit the unemployed. Although independent establishments were less likely to recruit the unemployed (after controlling for size) than were those which were part of a group, the effect was, yet again, small and not statistically significant.

Finally, we also attempted to secure a more direct handle on the nature of recruitment and selection procedures in the establishments, through analysis of the survey question which asked how formal or standardised the recruitment/selection process was. The variable thus constructed, however, had no statistically significant impact on the odds of recruiting the unemployed, and was, therefore, excluded from the model.

6. Rejecting the Unemployed: Research Results

In this chapter, we discuss evidence concerned with employers' decisions not to appoint unemployed applicants. We begin by looking at overt discrimination; the extent to which employers might use duration of unemployment explicitly as a selection filter. We then move on to consider employer views about the attributes of unemployed people, which might cause them to be rejected.

6.1 Explicit discrimination

Previous research has indicated that applicants were at risk of rejection purely because they were unemployed in up to half of vacancies (Meager and Metcalf, 1987). Our own research confirms this finding; for 49 per cent of our 706 respondents who gave details of their recruitment, a history of unemployment was thought to be a relevant selection criterion. But we also found that only nine per cent thought that it was a very important one. We conclude that the fact of being unemployed is likely to be taken into account by many employers, albeit not as a critical feature of their selection. Thus, 'at risk' they might be, but the intensity of that risk seems unlikely to be very high in most cases.

In order to test the sensitivity with which recruiters deployed this criterion, we asked them 'when it comes to assessing unemployed peoples' applications . . . do you think it matters how long they have been out of work?' We anticipated a response that 'it all depends on the vacancy in question', and so in order to give the question a more precise job focus, we asked it in relation to the sort of vacancy which they had last filled. Thus, the sample is those who had ever filled a vacancy: 706 establishments.

Table 6:1 shows their responses; it is evident that a quarter of them do think that duration of unemployment matters, and this fraction rises with the size of the establishment in question, and declines (as might be expected) with the propensity to take on LTU recruits. Almost half of those who say they never recruit LTU think that duration of unemployment matters in selection. The proportion does not vary much by public/private ownership, or by the likelihood of participation in public programmes for the unemployed.

Table 6:1 Does it matter how long job applicants have been out of work, in assessing their applications? (per cent)

	All	Public sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./rare rec. LTU	Never rec. LTU
Yes	25	23	23	29	40	24	20	25	47
No	74	74	75	70	58	74	79	72	53
DK	2	3	2	1	2	1	1	2	—

Base: All those who had ever recruited at this establishments (N = 706)

Source: IES survey

There is considerable variety by occupation, as might be expected, and as Table 6:2 (below) shows. It is among the least skilled vacancies that we find employers least concerned about duration of unemployment among applicants, but not exclusively so, with only 17 per cent of those recruiting to associate professional jobs agreeing that duration of unemployment mattered to them in making a selection.

We know that 80 per cent of our recruiters thought that having a stable and relatively continuous job record was in some degree relevant to their selection between applicants, and that about half thought a history of unemployment was similarly relevant. But it remains unclear exactly how sharply recruiters might respond to evidence of a spell of unemployment, and how this might vary with the duration of that spell. So, those quarter of our respondents who said that duration *did* matter were asked how long a spell had to be before they would:

- think twice about such an applicant, and
- reject them on this ground alone.

Among our 173 respondents who said that duration did matter, 43 could not say how long such a spell had to be to make them think twice. For the remainder, however, the mean duration was just over nine months. Table 6:3 (over) shows how this average varies between different kinds of job, but it must be emphasised that the number of observations is very small, and in consequence the results should be treated with caution.

Table 6:2 Does it matter how long job applicants have been out of work, in assessing their applications? (per cent)

	Management	Professional	Associated Professional	Clerical/ secretarial	Craft	Personal service	Sales	Operational	Other
Yes	54	34	17	25	32	11	23	25	17
No	46	66	81	74	69	90	77	70	77
DK	1	—	2	1	—	—	—	5	6

Base: All those who ever recruited, by occupation of vacancy (N = 706)

Source: IES survey

Table 6:3 Average duration of unemployed spell leading recruiter to 'look twice'

Occupation	% of total sample for whom duration matters	Mean duration of spell (months)	N =
Managers and administrators	54	9.5	16
Professional occupations	34	8.5	23
Associate professionals	17	9.6	5
Clerical/secretarial	25	15.5	19
Craft/skilled manual	32	3.0	9
Personal service	11	18.5	7
Sales occupations	23	9.0	19
Plant/machine operatives	25	9.2	18
Other occupations	17	6.1	15

Base: Employers indicating that duration of unemployment mattered only (N = 130)

Source: IES survey

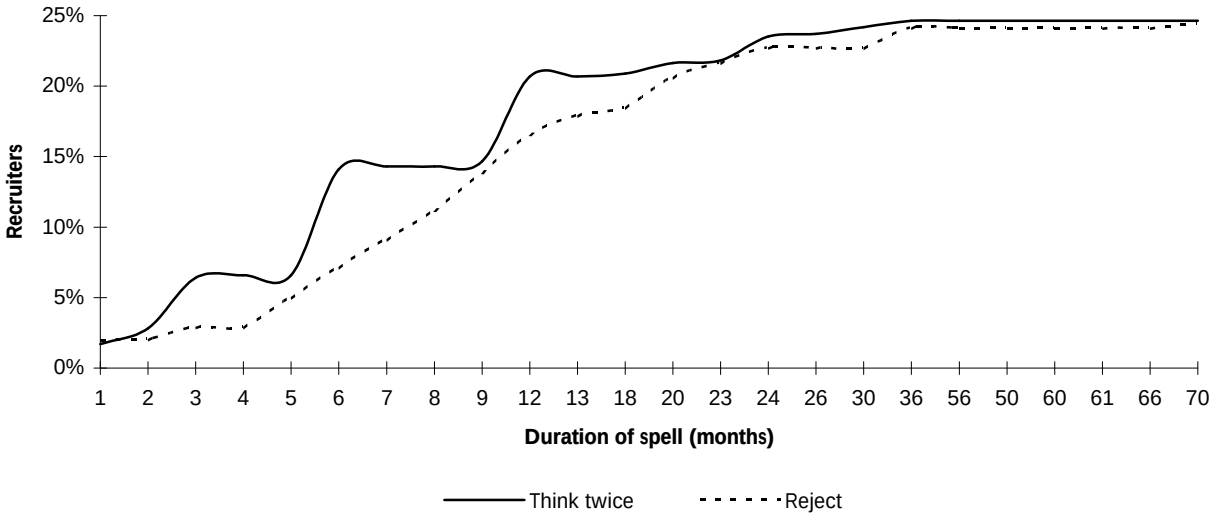
It would seem that it is the personal and protective service occupations that are least susceptible to overt discrimination in this way; only 11 per cent of those recruiting to these vacancies thought that duration mattered, and of those who did, the average duration of spell to make them think twice about an applicant was some 18 months. By contrast, one-third of establishments recruiting craft or skilled staff thought that it mattered, and they would start to think twice at three months.

In addition to this occupational diversity, there was a considerable spread of employers around the overall average of nine months, and Figure 6:1 shows their responses by duration of spell. The Y axis represents the duration of the spell of unemp-loyment immediately preceding their putative application. We note that only periods explicitly cited by respondents are given. The X axis represents the proportion who would look twice at an applicant having such a duration of unemployment. In order that the figure aligns with Table 6:1, we have included the 'don't knows' by allocating them in proportion to the durations cited by those who did.

The heavy line represents the cumulative proportion of respondents who would think twice about an applicant if they had been out of work for the duration shown, while the dotted line shows the proportion who would reject them. The plateau shape of the former seems to reflect the tendency to cite particular periods; thus we observe that three months, six months and twelve months are particularly likely to be cited. By contrast, the rejection curve is not stepped. This seems to reflect a tendency on the part of respondents to add a few (but varied number of) months to the figure cited for looking twice at an applicant.

We can see that at three months, six per cent of respondents would think twice; at six months, 14 per cent; and at a year, 21

Figure 6:1 Proportion of establishments likely to take unemployment seriously into account in selection, by duration of spell



Source: IES survey

per cent. Subsequently, all those who are going to take it into account do so at varied durations. At two years, virtually everybody who agrees that they would take it into account, has done so.

By this two year point, if duration of unemployment is being sufficiently seriously taken into account to make employers think again about an otherwise suitable candidate, it is likely to result in rejection. At lower durations, there is some likelihood that other factors might offset the severity with which unemployed applicants to these employers might be treated. Interestingly, there is a small proportion of respondents for whom any unemployment, of no matter how short a spell, would lead to rejection; this is only two per cent, however.

These findings broadly confirm our view that for relatively short spells of unemployment the risk of being discriminated against on this ground alone is relatively low. However, it does increase steadily with duration of spell, until at the two year point unemployed jobseekers will find one in five vacancies are closed to them for no other reason than their continuing inability to find work. However, it must be remembered here that the numbers are small and only apply to a quarter of the sample of establishments, who said duration of unemployment did matter.

6.2 Cumulative discrimination

If the fact of being or remaining unemployed can be shown to constitute a factor militating against being able to get a job, it is certainly not the only disadvantage that unemployed jobseekers have to struggle against. The extent to which the LTU in particular

experience worse health, enjoy fewer skills and qualific-ations, and fall outside the prime age groups favoured by employers is well known (*eg* Banks and Davies, 1990; White, 1983; 1994). It is the cumulative impact of these factors which can make it so difficult for some individuals to secure work, where others may succeed.

We have already looked at the importance attached to certain key attributes of job applicants in selecting among them (Chapter 3). We observed that age, like history of unemployment, was identified as relevant to selection by some 57 per cent of employers, but that again, it was not often cited as a very important factor.

In parallel with our inquiry about how keenly the unemployment criterion actually bit in practice, we also asked about age. In order to test the sensitivity with which recruiters deployed this criterion, we asked them 'still thinking about this kind of job (*ie* the one to which they had most recently recruited), do you think it matters how old unemployed applicants are?' Again, the sample is those who had ever filled a vacancy: 706 establishments in all.

Table 6:4 shows their responses. We can see that less than one-fifth of them do think that the age of an unemployed person matters, and this fraction declines with the size of the establishment in question, and rises with the propensity to take on LTU recruits. Public sector respondents are somewhat less likely than average to think that age matters, and the proportion does not vary at all by the likelihood of participation in public programmes for the unemployed.

Just as with duration of unemployment, we asked our respondents how old unemployed applicants had to be before their age caused the recruiter to:

- think twice about them
- reject them.

However, unlike duration of unemployment, considerations of age are unlikely to be linear; employers' preferences do not change uniformly, but tend to centre on the prime age groups to the detriment of others. Thus, in Figure 6:2 above, we have used

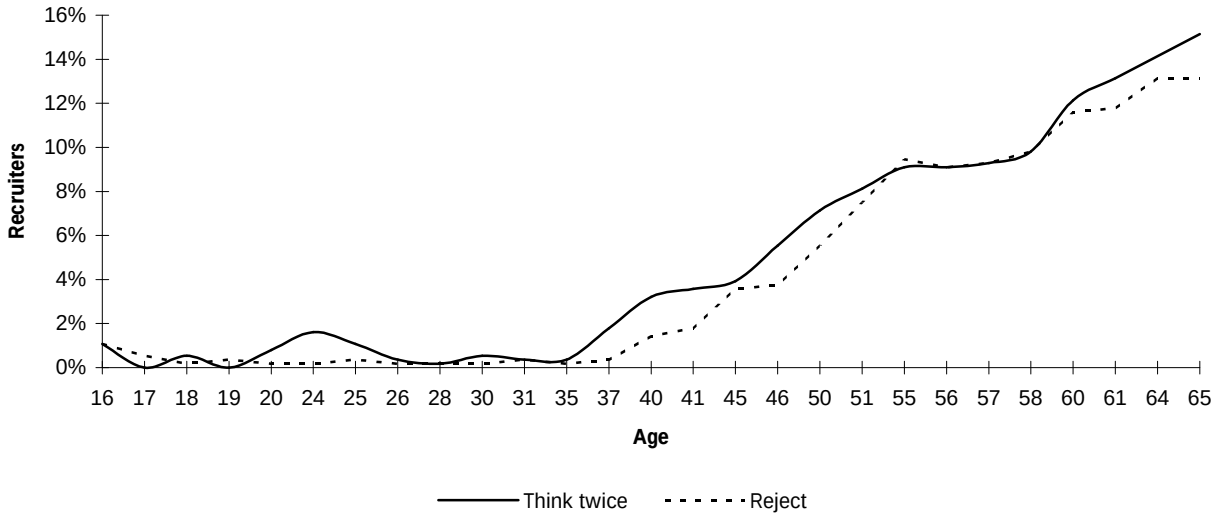
Table 6:4 Do you think it matters how old unemployed applicants are? (per cent)

	All	Public sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./rare rec. LTU	Never rec. LTU
Yes	18	13	20	13	6	18	12	20	25
No	81	84	79	86	93	82	87	79	75
DK	1	3	1	1	1	1	1	1	—

Base: All those who had ever recruited at this establishment (N = 706)

Source: IES survey

Figure 6:2 Proportion of establishments likely to take age seriously into account in selecting among the unemployed, by age



Source: IES survey

the same conventions as the earlier figure, but we have only estimated a cumulative figure after age 35.

It is evident that advancing age also counts against unemployed job applicants; by the time they are 60 they would be rejected for 12 per cent of these jobs. Although the incidence of discrimination is lower than for duration of unemployment, the gap between thought and deed is less. This suggests that although age is not necessarily a feature of recruitment, if age comes into the equation, it is more likely to count heavily against the applicant than is the fact of their unemployment. However, as with the findings relating to duration, due to the small number of respondents, respondents' results can only be indicative.

6.3 Discouraging factors

It is perhaps not surprising that relatively few employers state openly that they would reject, or seriously demur at recruiting, an individual simply because of their age or current employment status. We might perhaps expect these proportions to represent minima. For instance, it might be more accurate to say that *at least* a quarter of our respondents might take duration of unemployment seriously into account in selection.

Nevertheless, on this evidence, the fact of being unemployed in isolation does not constitute a very compelling explanation for the difficulties faced by the unemployed in securing an appointment. We ought therefore properly to look to other, rather broader factors, which might *in combination* with the fact of unemployment, disincline recruiters to take such people on.

To explore this question further, we asked an open-ended question of all our respondents: 'assuming that you wished to

recruit, what sort of factors might discourage you from choosing an unemployed applicant?'

The question was answered by almost two-thirds (61 per cent) of respondents, between them providing some 32 different kinds of response. Some respondents did give more than one response to this question. For simplicity, we have grouped them into six substantive categories, as follows. The *italicised* phrases represent the actual responses which are being grouped.

1. Duration/deterioration

This group is mainly comprised of factors indicating that re-entry into the labour market was likely to be difficult, and that in consequence employers would not wish to bear the re-start-up costs. Thus, *difficulty in getting back into working routines, depends on/want to know length unemployed, out of touch, not up to date, etc*., formed the bulk of these sort of comments.

2. Motivation/attitude/keenness

This grouping was more diverse, but centred on the demonstration (or lack of it) of positive commitment to work, proxied for the most part by avidity of jobsearch. Thus, *made little effort to find work, don't want work, unmotivated, etc*., were commonly cited. But in addition, more work-specific attitudinal considerations were found, such as *bad attitude, unreliable poor timekeeper, poor attendance, etc*. Some further responses which we have grouped here cover even broader inferences; thus*, poor application form* was evidently used both as a proxy for lack of basic skills, as well as an indicator of lack of effort in completing the documentation (*not really interested; couldn't be bothered even to complete the form properly*). Finally, *depends on what done while unemployed* stretches across both the maintenance of valuable skills by *keeping themselves busy*, but also relates to the perceived effort in seeking out potential vacancies and employers.

3. Reason for unemployment

Just as the previous grouping turns largely on evidence about what individuals have been doing to get themselves out of unemployment, this one turns on what they did, or might have done, to get into it in the first place. Thus, responses like: s*uspicious as to why unemployed, depends on/want to know reason for leaving previous job, depends on/want to know why unemployed, dismissed from previous job, etc.,* comprise the substance of this grouping. Thus, the more the story turns on, or might imply, individual blameworthiness in becoming unemployed, the more likely is the recruiter to make a negative inference about the suitability of the individual for renewed employment with them.

4. Unstable employment record

Evidence of a *poor job record* previously, a suspicion that the applicant's *job record* is unsatisfactory, or that he/she has been *in and out of work* might be taken to suggest that the applicant *can't stick at a job* and so is unlikely to stick at this one. The recruiter is assessing not just whether the potential recruit can do the job, but in this case, if he/she can, how likely is he/she to stay in it, how likely is it that there will be another vacancy to fill soon in consequence. *Lack of /poor references* might be taken to indicate an inability to build up a reputation as a good worker, on grounds of short tenure or be indicative of a poor attitude, work performance or a lack of reliability at work.

5. Character/personal attributes

As we have observed earlier, the personality, behavioural and attitudinal characteristics of potential employees do seem to be very widely and strongly rated by employers as selection criteria (Chapter 3). At one extreme, the relevant criteria are quite explicit: *criminal record, dishonest, etc.* Others appear quite subjective: *appearance,* for example may have an objective basis in the job requirements (*eg* in selling jobs) or not. Still more, *health* is likely to have an implication for subsequent attendance patterns, whereas *personality* may have myriad meanings.

6. Human capital

There were several references to the possession of skills, and/or qualifications, and/or experience, which we have grouped together as human capital concerns. These include responses such as: *question their ability to work, low ability to do job, lack of experience, lack of qualifications/education, lack of skills, lack of specified experience, lack of technical qualifications/skills, etc.*

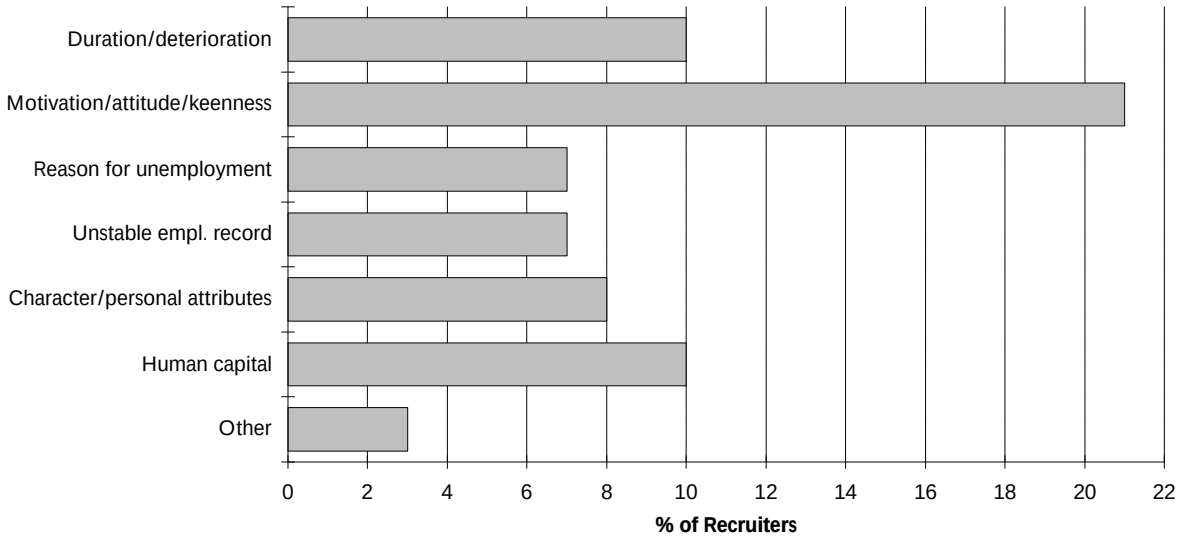
7. Other

There was a scatter of other factors cited, which did not fit readily into one or other of these categories. These included such considerations as: *bad experience with unemployed in past, and depends on job*. We have grouped these, and a small number of other, infrequent responses as 'other'.

The frequency of these seven categories of response are shown in Figure 6:3.

It is perfectly clear that employers are most sensitive to any perceived shortcomings in the motivation of unemployed jobseekers. This factor was cited by over one-fifth of recruiters, and more than twice as often as any other category of shortcoming. Perceptions of such motivational shortcomings extend from lack of effort to find work in general, to disinterest in this vacancy in particular.

Figure 6:3 What factors might put you off recruiting an unemployed applicant?



Source: IES survey

Next, about one in ten recruiters cited either shortcomings in the human capital of unemployed applicants, or the deterioration of their worth as employees during an extended spell of unemployment. Slightly fewer were inclined to identify the personal attributes or character of the applicants, and slightly fewer again to cite the reasons for being unemployed or instability of employment record.

Table 6:5 shows the distribution of the citation of these various factors between different kinds of establishment. The most evident variations seem to be that:

- Those who have taken part in public programmes for the unemployed seem to be relatively little concerned about the deterioration of attributes on account of the duration of the spell, and as the likelihood of recruiting the LTU increases, so the proportion citing this concern falls away.
- Public sector respondents, those who usually recruit LTU and scheme participants seem most likely to cite lack of motivation in applicants as a concern about unemployed jobseekers.
- Concern about stability of employment record rises with establishment size; it may be that as the professionalism/ specialisation of the personnel function increases with size, so too does the concern with labour turnover.
- As the likelihood of taking on LTU declines, so concern about the human capital of unemployed applicants rises. Perhaps employers have less contact with the unemployed and they have lower perceptions of their skills (*eg* Meager and Metcalf, 1988, Chapter 4).

Despite this evidence of variety, perhaps the most important thing to note is the relative stability of the overall pattern between

Table 6:5 What factors might put you off recruiting an unemployed applicant? (per cent)

	All	Public sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./rare rec. LTU	Never rec. LTU
Duration/deterioration	10	9	10	12	15	4	8	12	15
Motivation/attitude	21	29	22	19	6	32	32	19	23
Reason for U/E	7	—	6	7	10	5	8	6	—
Unstable empl. record	7	5	6	11	15	11	7	9	4
Character/personal	8	3	10	4	4	11	13	7	9
Human capital	10	20	10	11	22	14	5	12	18
Other	3	—	3	3	3	5	2	4	4
Nothing	7	6	5	11	11	5	5	7	7
No answer/don't know	39	36	40	33	32	31	34	39	31

Note: Some respondents gave more than one response to this question and so response rates may total more than 100

Base: All those who have ever recruited at this establishment

Source: IES survey

these different employers. With the sole exception of the largest establishments, concern about motivation and attitude among applicants is always the most widely cited factor.

However, it is important to note that around one-third did not answer this question and so either could not, or would not, identify any factors.

6.4 Specific recruitment exercises

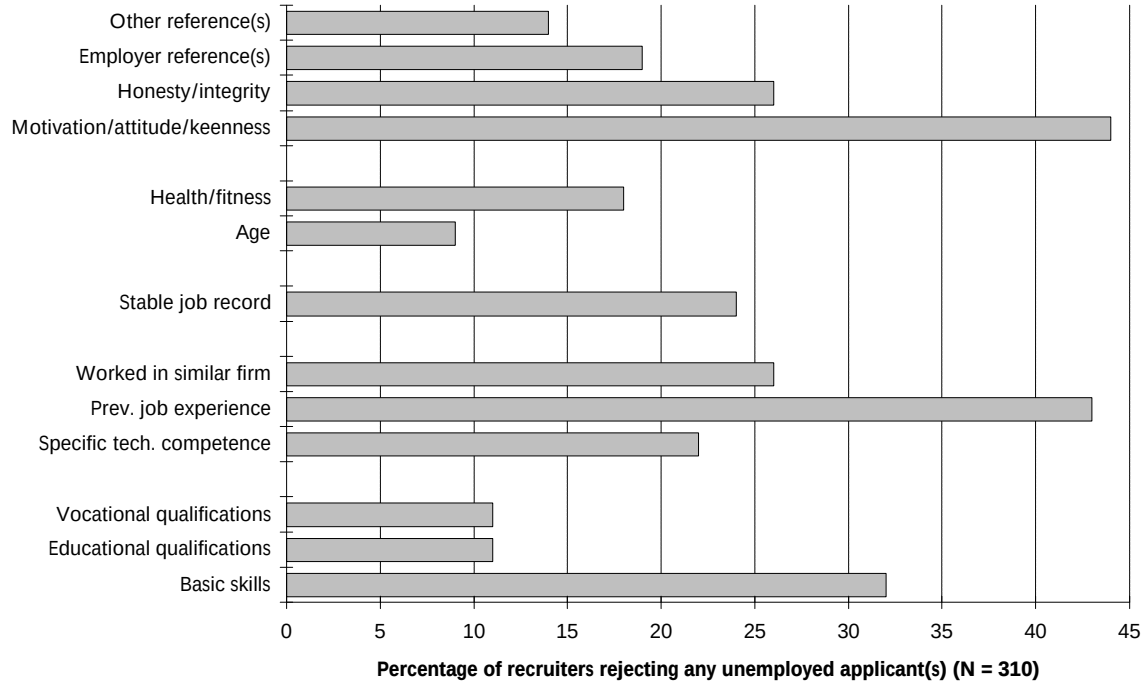
In addition to our questions about employers' *general* perspectives on the shortcomings of the unemployed, we also asked explicitly about the last occasion on which they recruited. Some 706 respondents (weighted) were able to answer this suite of questions. Of them, 310 had (and knew that they had) rejected at least one unemployed applicant during the last recruitment exercise.

These respondents were asked about the particular shortcomings of these unsuccessful unemployed applicants, and in particular, whether they had shortcomings in any of the areas which were relevant for selection to the jobs in question. Figure 6:4 shows the frequency with which they cited these shortcomings.

We can clearly see that the three most frequently cited shortcomings were:

- **motivational**: 44 per cent of these respondents had recognised a shortcoming in this desired attribute (motivation/attitude/keenness); furthermore, of those who recognised it, fully three-quarters thought that the deficiency was 'very important' in the decision not to appoint this particular person (or group of unemployed persons).

Figure 6:4 Perceived shortcomings in recently rejected unemployed job applicants



Source: IES survey

- **previous job experience**: a similar proportion (43 per cent) believed that their rejected unemployed applicant(s) lacked sufficient experience in a job similar to the one they were then filling. Just about half of them (51 per cent) thought the deficit had been 'very important' in the decision not to appoint.
- **basic skills**: one-third (32 per cent) cited shortcomings in basic skills as a perceived shortcoming of the rejected unemployed applicant(s); two-thirds thought it had been 'very important' in influencing their decision to reject.

The first shortcoming (motivational) very much confirms that the primacy attached to considerations of motivation in employers' *general* perceptions, discussed above, is strongly derived from, and carries over into, their real labour market choices.

The second and third are more specific. Shortcomings in the relevance of previous job experience might equally well derive from the similarity of the last job to the vacancy in question, or from the gap between them over time. Either way, it is compelling evidence of the importance of a demonstrable, specific and relevant work record on the part of the unemployed applicant. The third deficit, shortcomings in basic skills, is perhaps more striking by contrast to the relatively weak showing of 'educational qualifications' and 'vocational qualifications', each recognised as a shortcoming among unemployed applicants by about one in ten of those rejecting them. The importance of these factors shows close alignment with the criteria relevant to selection examined earlier (Chapter 3).

Table 6:6 Shortcomings cited by employers in rejecting unemployed applicants for last vacancy (per cent)

Shortcomings cited	All jobs	Management/ professional/ technical	Clerical/sales/ personal service	Manual (not skilled)
Basic skills	32	50	18	42
Educational qualifications	11	29	6	2
Vocational qualifications	11	27	5	4
Specific tech. competence	22	34	19	13
Prev. job experience	43	57	41	33
Worked in similar firm	26	53	15	19
Stable job record	24	28	17	34
Age	9	17	7	4
Health/fitness	18	10	22	20
Motivation/attitude/keenness	44	41	47	46
Honesty/integrity	26	6	37	28
Employer reference(s)	19	14	30	6
Other reference(s)	14	8	21	4

Base: N =297

Source: IES survey

As we might expect, there are significant differences in the incidence of these shortcomings between different occupational groups, reflecting both the different requirements sought by recruiters, and the differing degree to which unemployed applicants might fit them. This is shown in Table 6:6.

Here, we have combined the occupations into three groupings of the SOC. The first covers managerial, professional and associate professional/technical occupations (N = 82), the second, clerical/ secretarial, selling and personal service occupations (N = 143), and the third, plant and machine operatives and other unskilled occupations (N = 72).

We observe that as the skill level of the occupation increases, so generally the incidence of shortcomings in qualifications and previous experience among unemployed applicants rises too. Perceived motivational deficits remain important in all the occupational groups.

7. Attitudes Towards the Unemployed: Research Results

In this chapter, we set out our findings concerning our respondents' attitudes towards unemployment and the unemployed. It falls into two parts.

In the first part, we begin by outlining the way in which we sought to elicit their attitudes, and the groupings into which we have categorised them. We move on to look at their responses to the individual categories, and subsequently, to the three main groupings used.

Having set out what attitudes are held, and by whom, we move on to consider the relationship between these attitudes and the experience of recruiting from the unemployed.

7.1 Attitudes to, and beliefs about, the unemployed

There is clearly a considerable gap between the attitudes of recruiters and the likelihood that they might take on an unemployed jobseeker. So far as selection is concerned, an entire industry of consultants and advisers exists whose role in life is to minimise the selection effect of personal whim on the part of the recruiter, and replace it by scientific objectivity (see, for example, Anderson and Shackleton, 1986; Newell and Shackleton, 1994; Watson, 1994; Chapter 2). Furthermore, the recruiter is guided by a whole lot more consideration than his or her personal preferences, not just in terms of the procedures and processes which he/she is implementing, but also in terms of the circumstances surrounding each particular recruitment episode (the timetable, the tightness of the labour market, the attractiveness of the job, the number and characteristics of the applicants, *etc.*).

But just as no one would argue that such personal attitudes and beliefs are the principal determinant of choice in selection, so few would argue that they are irrelevant. Indeed, they may be particularly important in certain firms (small ones are an obvious example), at certain times (perhaps when timescales are pressing), or during certain phases of the recruitment process (shortlisting, for example) (*eg* Wood, 1986; Herriot, 1984). In addition, any correlation between a positive attitude towards (say) LTUs and the employment of previously LTU staff, may work both ways; it may simply reflect satisfaction with a 'good'

employee, taken on from the register, or it may have contributed to that appointment. That such attitudes and beliefs play a role is widely accepted; there is less certainty about the character and importance of their influence.

7.1.1 Categorising attitudes and beliefs

The approach adopted to identifying and assessing employer attitudes was quite simple. In consultation with DfEE and ES, and in the light of our understanding of employer views drawn from the literature (*eg* Crowley-Bainton, 1987; Meager and Metcalf, 1988; Dawes, 1993; Gallie *et al.*, 1994), we established a number of statements about unemployment and the unemployed. Respondents were asked how far they agreed or disagreed with each statement, using a standard five-point scale (from minus two for strong disagreement, to plus two for strong agreement). During the interview, both the order in which the statements were read out, and the start point, were randomised, to avoid bias.

The 12 statements were chosen to fall into three groups, each of six, as follows:

- Attitudes reflecting the **state dependence** of the unemployed: this set of beliefs about the unemployed emphasises the corrosive effects of being out of work, on motivation, aspiration, self confidence, relevance of skills and experience, *etc.* Whatever the intrinsic strengths of an individual when they become unemployed, a recruiter with state dependence views would focus on their deterioration during (and on account of) that spell of unemployment (*eg* Robinson, 1988; Chapter 4). There is considerable evidence, both academic and more accessible, to confirm this process of cumulative decline. Such a recruiter would be likely to be particularly influenced by such considerations as duration of unemployment, activity during the spell, personal motivation and character, *etc.* To some extent, in their eyes, the unemployed lack attractive attributes because they are unemployed, and the longer they remain so, the less attractive they become.
- By contrast, attitudes reflecting the **heterogeneity** of the unemployed would emphasise the competitive/selective processes of the labour market, leading to a clustering of people of relatively low value to employers among the unemployed. They too would have considerable empirical evidence to bolster this view (LTU do tend to be outside the prime age groups, sicker, less skilled, less experienced, less well provided with testimonials and references, *etc.*) (Chapter 4). In the eyes of this group, the unemployed are unemployed because they lack the attributes which make them desirable.
- A third set of beliefs turns on the degree to which the recruiter generally holds **positive or negative** beliefs about unemployment and the unemployed. Such empathy, or lack

of it, might of course arise from many different sources, perhaps specific to the recruiter (personal experience, ideological attachment, *etc.*), or to the situation (*eg* local labour market conditions).

We do not suppose *prima facie* that these are mutually exclusive or all-embracing groupings of attitudes. In the real world, it is not uncommon for people to hold internally inconsistent views, and these categories anyway represent only the crudest of approximations to the complexities found there. Nevertheless, they do seem to represent clear differences of perspective, which previous research has identified. Furthermore, their incidence and distribution among recruiters will have important implications for those who might wish to influence recruitment behaviour to the advantage of the unemployed. Thus, while we accept that the categories are simple and crude, they have resonance both for practitioners and for policy makers; they are designed to contribute to, rather than have the last word about, our understanding of job-getting by the unemployed.

If the conceptual distinction is crude, it will be evident that the operationalisation is somewhat *ad hoc*. Time and resource did not allow for extensive piloting or material development, and the statements which we derived to represent the different attitudes and beliefs have no strong basis, other than their *a priori* representation in our thinking of the beliefs in question. Nevertheless, a common sense review of the statements will clearly indicate that they do correspond to different perspectives on the unemployed.

The statements are as follows:

State dependence: *ie* attitudes indicating that duration and deterioration are key facets of unsuitability. Three negative (N) and three positive (P) statements are made. Agreement with the former, or disagreement with the latter, is taken to be indicative of state dependent attitudes:

- People's skills tend to deteriorate the longer they are out of work. (N)
- Unemployed people get demotivated the longer they are out of work. (N)
- The longer people are unemployed, the more they lose the attitudes and disciplines which are needed at work. (N)
- The longer people are unemployed, the more determined they are to find work. (P)
- Unemployed people never lose their skills and ability to do the job. (P)
- unemployed people generally retain their self confidence throughout unemployment, and perform well at interview. (P)

Heterogeneity: *ie* attitudes indicating a belief in sifting — that the unemployed are those with least to offer an employer. Again, three negative, and three positive statements are given. Agreement with the former, and disagreement with the latter indicate attitudes consistent with heterogeneity*:*

- We generally get enough applicants who are already in work that we don't need to consider the unemployed. (N)
- If somebody consistently fails to get a job, then either they don't really want one or there is something wrong with them as a suitable recruit. (N)
- People who are unemployed generally tend not to have the right sort of skills or experience for us to take them on. (N)
- Recruiting an unemployed person is no more risky than recruiting an employed one. (P)
- Unemployed people do offer skills which employers like us need. (P)
- Anybody can be unemployed; it doesn't tell you anything about them. (P)

In the two following sections, we look in turn at employer attitudes towards the unemployed by reviewing in turn their attachment to state dependent and then heterogeneous perspectives.

7.2 State dependent attitudes and beliefs among respondents

In analysing the attitudes demonstrated by our respondents towards the unemployed, we begin by looking at each statement separately, and then move on to group them as discussed above.

We begin by considering three statements overtly focused on perceived deterioration (of skills, of motivation, and of attitudes/ work disciplines) of attributes as a spell of unemployment lengthens. The tables which follow show the distribution of respondents for each of the statements.

Table 7:1 'People's skills tend to deteriorate the longer they are out of work'

	%	N
Strongly agree	3	28
Agree	53	423
Neither agree nor disagree	11	87
Disagree	27	214
Strongly disagree	2	15
Don't know	4	33

Base: All respondents (N = 800)

Source: IES survey

Table 7:2 'Unemployed people get demotivated the longer they are out of work'

	%	N
Strongly agree	17	139
Agree	54	435
Neither agree nor disagree	10	84
Disagree	14	112
Strongly disagree	2	12
Don't know	2	19

Base: All respondents (N = 800)

Source: IES survey

Table 7:3 'The longer people are unemployed, the more they lose the attitudes and disciplines which are needed at work'

	%	N
Strongly agree	8	62
Agree	46	366
Neither agree nor disagree	15	123
Disagree	24	193
Strongly disagree	4	32
Don't know	3	23

Base: All respondents (N = 800)

Source: IES survey

Table 7:1 shows that clearly, over half our respondents believe that skills do deteriorate during the course of a spell of unemployment.

Similarly, close on three in four employers believe that unemployed people become more demotivated the longer they are out of work (Table 7:2).

In Table 7:3, we observe a similar result for the perceived deterioration in work disciplines and attitudes needed for work, with again just over half our respondents believing that the longer people are unemployed, the more they lose the attitudes and disciplines which are needed at work.

Quite clearly, most employers believe that the positive attributes of unemployed jobseekers, which they presumably value, do deteriorate as durations lengthen, and this is particularly marked for jobseeker motivation. However, this perspective is not universally shared, as the next set of tables show.

Thus, we observe that about one-third of employers believe that motivation to find work increases, rather than declines, as

durations of unemployment rise (Table 7:4). Furthermore, some 43 per cent believe that skills and ability to do the job are never lost, irrespective of the length of time out of work (Table 7:5). However, very few employers, only 17 per cent, agree that unemployed people generally retain their self-confidence throughout unemployment, and perform well at interview (Table 7:6).

Table 7:4 'The longer people are unemployed, the more determined they are to find work'

	%	N
Strongly agree	3	22
Agree	33	263
Neither agree nor disagree	28	220
Disagree	30	241
Strongly disagree	2	18
Don't know	4	35

Base: All respondents (N = 800)

Source: IES survey

Table 7:5 'Unemployed people never lose their skills and ability to do the job'

	%	N
Strongly agree	3	24
Agree	40	320
Neither agree nor disagree	14	115
Disagree	37	298
Strongly disagree	3	21
Don't know	3	22

Base: All respondents (N = 800)

Source: IES survey

Table 7:6 'Unemployed people generally retain their self-confidence throughout unemployment, and perform well at interview'

	%	N
Strongly agree	1	6
Agree	16	127
Neither agree nor disagree	19	155
Disagree	55	437
Strongly disagree	5	43
Don't know	4	32

Base: All respondents (N = 800)

Source: IES survey

Table 7:7 Summary scores for attitudes associated with state dependence perspective

	All	Public sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./rare rec. LTU	Never rec. LTU
People's skills tend to deteriorate the longer they are out of work	0.31	0.76	0.27	0.44	0.40	0.34	0.18	0.42	0.34
Unemployed people get demotivated the longer they are out of work	0.74	0.95	0.67	0.98	0.89	0.76	0.52	0.75	1.00
The longer people are unemployed, the more they lose the attitudes and disciplines which are needed at work	0.30	0.31	0.29	0.37	0.20	0.31	–0.29	0.29	0.31
The longer people are unemployed, the more determined they are to find work	0.04	–0.01	0.09	–0.18	0.04	0.06	–0.08	0.02	–0.22
Unemployed people never lose their skills and ability to do the job	0.04	–0.06	0.07	–0.04	–0.29	0.04	0.29	–0.13	0.58
Unemployed people generally retain their self-confidence throughout unemployment, and perform well at interview	–0.50	–0.94	–0.44	–0.74	–0.73	–0.74	–0.73	–0.56	–0.30

Base: All respondents (N = 800)

Source: IES survey

We have tried to simplify these responses, and so facilitate a review of their distribution across different kinds of employer, by calculating a mean score for each. This is done simply by excluding the (relatively small percentage of) 'don't knows' for each statement, and then weighting as follows: strong agreement (+2), agreement (+1), Neither/nor (0), disagree (–1), strongly disagree (–2). Thus, the higher the score, the greater the agreement.

We observe the relatively high level of agreement with the view that motivation declines with duration of unemployment, and the relatively high level of disagreement with the idea that self-confidence and interview performance hold up well. There is modest agreement that skills and attitudes do deteriorate, and on average there is only a very slight tendency to agree with notions that determination to find work and skills/ability to do the job hold up.

We can also see that public sector respondents seem most likely to hold relatively strong and positive attitudes towards these deterioration effects. Smaller establishments generally reflect more benign attitudes. Scheme participants respond very much as the average, but are more inclined to report declining self-confidence with duration. Those who report that they usually or often recruit LTU, appear least to recognise deterioration in skill, motivation and work disciplines.

7.3 Heterogeneous attitudes and beliefs among respondents

In this section, we pursue the same course as in the former, looking first at the distribution of separate attitudes and beliefs, and then drawing them together as 'scores' to review their distribution between different kinds of employer.

Attitudes tending towards a heterogeneous view of unemployment and the unemployed indicate a belief in the sifting powers of the labour market; people are unemployed because in some sense they are less able, suitable, valuable *etc.* as an employee than those in work.

The first statement carries the implication that the calibre of unemployed applicants may be assumed to be lower than those in work, but it also pre-supposes a reasonably competitive position in the labour market. There is very little difference in this result between those establishments reporting recruitment difficulties and those free of them, and as a result, we feel that the former emphasis is sound. This is not a view very much supported among our respondents, with well over half disagreeing, and only two per cent strongly agreeing (Table 7:8). Thus, it

Table 7:8 'We generally get enough applicants who are already in work that we don't need to consider the unemployed'

	%	N
Strongly agree	2	19
Agree	13	107
Neither agree nor disagree	12	93
Disagree	56	446
Strongly disagree	14	111
Don't know	3	25

Base: All respondents (N = 800)

Source: IES survey

Table 7:9 'If somebody consistently fails to get a job, then either they don't really want one, or there is something wrong with them as a suitable recruit'

	%	N
Strongly agree	4	31
Agree	29	228
Neither agree nor disagree	15	119
Disagree	41	328
Strongly disagree	9	71
Don't know	3	22

Base: All respondents (N = 800)

Source: IES survey

would seem that relatively few employers feel that the difference between employed and unemployed applicants is so great as to rule out the latter from the outset.

The next statement is a rather more brutal formulation of the same notion, but bringing in the idea of volition and motivation as desirable attributes, as well as more objective ones. 'There must be something wrong with them', would suggest a precautionary view of the unemployed state, and indicate the possible use of current employment status as a filter in selection. We observe that almost one-third of our respondents agree, albeit not strongly, with this statement. As before, just half reject it (Table 7:9).

Relatively few employers are sceptical about the relevance or value of the skills held by the unemployed. Two in three disagree with the idea that the generality of unemployed people lack relevant/valuable skills, and so are not recruitable on these grounds (Table 7:10).

In correspondence with this, rather few employers see a greater risk in recruiting someone who is unemployed than an employed one; fully three-quarters see it as intrinsically no more risky to take on the unemployed (Table 7:11).

Table 7:10 'People who are unemployed generally tend not to have the right sort of skills or experience for us to take them on'

	%	N
Strongly agree	3	22
Agree	16	127
Neither agree nor disagree	14	115
Disagree	52	418
Strongly disagree	12	98
Don't know	2	20

Base: All respondents (N = 800)

Source: IES survey

Table 7:11 'Recruiting an unemployed person is no more risky than recruiting an employed one'

	%	N
Strongly agree	14	113
Agree	63	506
Neither agree nor disagree	8	66
Disagree	12	97
Strongly disagree	1	7
Don't know	1	11

Base: All respondents (N = 800)

Source: IES survey

Table 7:12 'Unemployed people do offer skills which employers like us need'

	%	N
Strongly agree	9	72
Agree	63	507
Neither agree nor disagree	14	110
Disagree	10	81
Strongly disagree	2	13
Don't know	2	17

Base: All respondents (N = 800)

Source: IES survey

Table 7:13 'Anybody can be unemployed; it doesn't tell you anything about them'

	%	N
Strongly agree	28	226
Agree	58	463
Neither agree nor disagree	4	34
Disagree	7	60
Strongly disagree	1	6
Don't know	2	12

Base: All respondents (N = 800)

Source: IES survey

In fact, only just over one in ten employers think that the skills offered by the unemployed are not the ones they need (Table 7:12), and even fewer think that the fact of unemployment tells something about an applicant; three in four think that it does not, and that anybody can be unemployed (Table 7:13).

Combining these distributions into a single 'score' allows us more easily to observe variation in these attitudes between different types of employer. We can see that generally speaking, attitudes suggesting heterogeneity are more likely to be held by those who occasionally/rarely recruit LTU, and more so among those who never do so. Such views are less strongly observed in the public sector, and similarly among those who have participated in public programmes of some kind.

7.4 The interaction of attitudes, beliefs and practices

We can concatenate the six attitudinal variables into a single combined indicator for both heterogeneous and state dependent attitudes. Each of the two pairs of six attitude statements is ranked from +2 (strong agreement) to –2 (strong disagreement); by simply adding the scores together, and adjusting for the fact that half of the statements are negative, we can derive a combined score running from –12 (strong disagreement with

Table 7:14 Summary scores for attitudes associated with heterogeneity perspective

	All	Public Sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./rare rec. LTU	Never rec. LTU
We generally get enough applicants who are already in work that we don't need to consider the unemployed	–0.67	–0.95	–0.60	–1.00	–0.67	–0.85	–1.00	–0.60	–0.72
If somebody consistently fails to get a job, then either they don't really want one or there is something wrong with them as a suitable recruit	–0.23	–0.71	–0.16	–0.50	–0.44	–0.32	–0.36	–0.24	0.04
People who are unemployed generally tend not to have the right sort of skills or experience for us to take them	–0.57	–0.61	–0.53	–0.68	–0.84	–0.67	–0.88	–0.54	–0.49
Recruiting an unemployed person is no more risky than recruiting an employed one	0.79	0.98	0.80	0.76	0.72	0.91	1.00	0.69	0.34
Unemployed people do offer skills which employers like us need	0.70	0.75	0.66	0.81	0.84	0.85	1.09	0.60	0.40
Anybody can be unemployed; it doesn't tell you anything about them	1.07	1.02	1.11	0.89	1.14	1.05	0.84	1.10	0.97

Base: All respondents (N = 800)

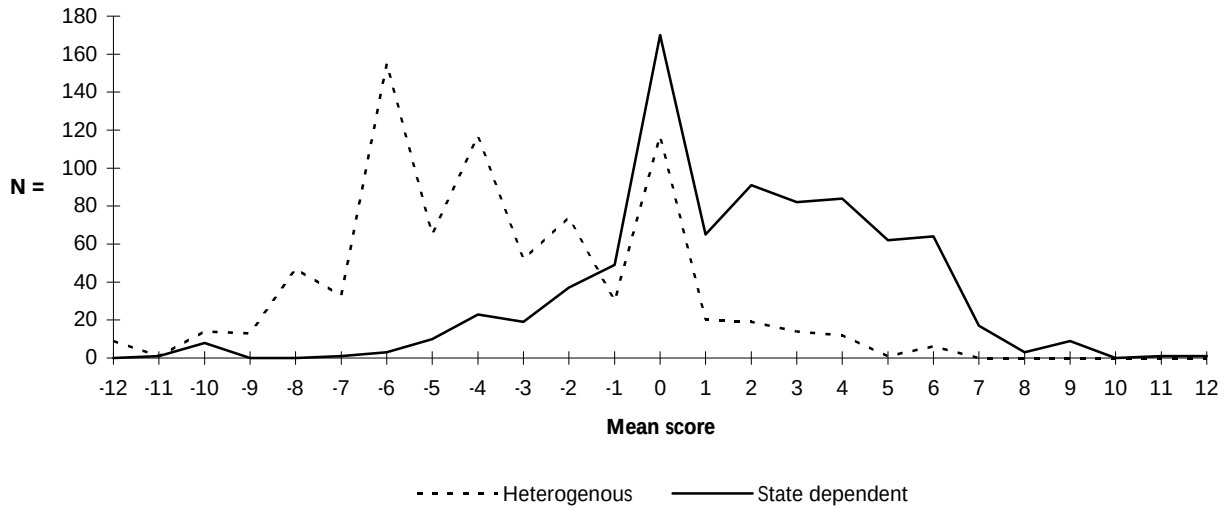
Source: IES survey

either state dependent or heterogeneous attitudes) to +12 (strong agreement). Each of our 800 (weighted) cases may then be plotted on this combined scale. The results are shown in Figure 7:1.

We can see that, despite a fairly jagged profile, both distributions have a similar shape, with the majority of respondents clustering at certain points on the axis. Extreme agreement or disagreement is notable by its virtual absence. However, the frequency distribution underpinning the heterogeneous curve is skewed well to the left, indicating a widespread measure of disagreement with heterogeneous perspectives. By contrast, the state dependent distribution is skewed to the right, revealing a relatively strong attachment to state dependent views.

The question which obviously arises is: 'to what extent do these clusters relate to different kinds of employer?' Or, by contrast, 'are these attitudes held in tandem?'. To answer this, regression analysis was used on the combinations of heterogeneous and state dependent views expressed by our respondents. The results are shown in Figure 7:2, with each of our 800 respondents'

Figure 7:1 Distribution of combined heterogeneous and state dependent scores (N = 800)



Source: IES survey

combined state dependence score on the x axis, and their related heterogeneity score on the y axis. Neither variable is unconstrained, with each having only 24 possible scores, and thus with the entire matrix offering some 576 combinations. However, as many of these are untenanted, and there is considerable clustering, we have represented the number of respondents at each point by a 'sunflower': the more petals it has, the more popular is that combination, The regression line has been calculated using simple linear regression.

We can see that, far from being opposites, the two combined variables are positively related, albeit not strongly (correlation coefficient of 0.0417). Thus, our respondents do not generally fall into two camps, characterised by their holding different views about the unemployed, rather they tend not to hold heterogeneous views anyway, most often combined with an attachment to state dependent ones. However, in some small measure, the more strongly they hold the former, the more strongly they hold the latter too, and as we shall see, this combination is the least fertile for a readiness to recruit among the LTU.

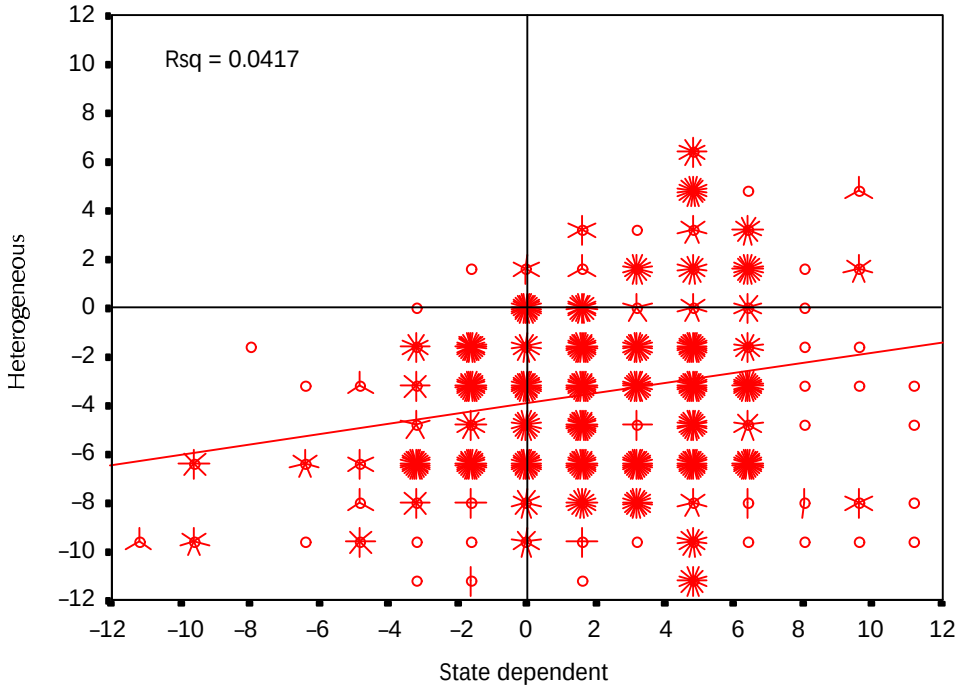
Figure 7:2 can be seen as dividing up the sample into four groups of respondent. Moving clockwise from the top left hand quadrant, we observe the following combinations of attitudes, to which we have applied brief (and admittedly crude) descriptions.

Quadrant 1:

Unemployed are poor to start with (heterogeneous >0)
but
u/e doesn't make them any worse (state dependence <0)

Quadrant 1 is virtually uninhabited, and in what follows, we will be concerned solely with the other three.

Figure 7:2 Scatter plot of heterogeneous and state dependent combined variables (N = 800)



Source: IES survey

Quadrant 2:

Unemployed are poor to start with (heterogeneous >0)
and
u/e makes them worse (state dependence >0)

Quadrant 3:

Unemployed average to start with (heterogeneous <0)
but
u/e doesn't make them any worse (state dependence <0)

Quadrant 4:

Unemployed average to start with (heterogeneous <0)
but
u/e makes them worse (state dependence >0).

The distribution of respondents between them is shown in Table 7:15 and Figure 7:3.

We can see that Quadrant 2 contains about 12 per cent of respondents, Quadrant 3 some 25 per cent, and Quadrant 4 the remainder, close to two-thirds. Public sector respondents are much more likely than average to be found in Quadrant 3, and less likely to be in Quadrant 2. The same is true for scheme participants; both groups are more likely to be averse to heterogeneous perspectives and to share a state dependent one.

Table 7:15 Occupancy of Quadrants 2, 3 and 4 (per cent)

	All	Public sector	Small (1-49)	Medium (50-249)	Large (250+)	Scheme particip.	Usually rec. LTU	Oc./rare rec. LTU	Never rec. LTU
Quadrant 2	12	8	13	6	2	6	3	32	64
Quadrant 3	25	14	28	13	23	23	32	20	66
Quadrant 4	64	79	59	81	75	71	65	40	20

Base: All respondents (N = 800)

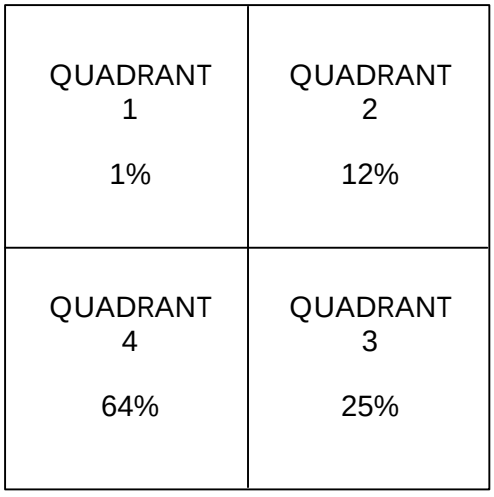
Source: IES survey

By contrast, not shown in Table 7:15, 60 per cent of private sector employers, and 58 per cent of non-participants, are likely to be in this quadrant.

Large and medium sized establishments are more likely to be in Quadrant 4, although the size effect is not marked. It is among those with a different history of recruiting the long term unemployed that we note a more significant difference. The less inclined they are to do so, the more likely are they to be missing from Quadrant 4 and appear in Quadrant 2, in which both sets of beliefs (heterogeneous and state dependence) combine to the disadvantage of the LTU applicant.

The attitudes most commonly held testify to a marked reluctance among UK employers to make any negative inferences from the fact of a person being unemployed *per se.* Indeed, attitudes reflecting the supposedly heterogeneous character of unemployment are relatively weakly demonstrated in our results. Taking all six representative statements together, the mean heterogeneity score overall is negative (–3.6, out of a possible +/–12). It is therefore not particularly surprising that three of the four most strongly reported attitudes are:

Figure 7:3 Distribution of respondents



Source: IES survey

- anybody can be unemployed; it doesn't tell you anything about them (1.07)
- recruiting an unemployed person is no more risky than recruiting an employed one (0.79), and
- unemployed people do offer skills which employers like us need (0.70).

It is, of course, entirely possible that respondents do not like to speak ill of people whom they observe to be disadvantaged. Generally speaking, we observe a higher level of agreement with positive statements about the unemployed than we do with negative ones. But this is unlikely to be a sufficient explanation, because these attitudes are reflected in day-to-day recruitment and selection practice; the more strongly they are held, the more likely are we to observe evidence of recruiting both short and long term unemployed individuals. Their expressed beliefs cannot just be dismissed as empty rhetoric because they concur with observed practice.

Indeed, we do appear to have identified supporting evidence in this study that establishments have been recruiting the unemployed.

However, it is equally clear that state dependent attitudes are even more pronounced; for the six statements reflecting these attitudes the overall score is positive (+1.7, again out of a possible +/–12). We observe only the very weakest attachment to the idea that skills and nascent abilities hold up well as the duration of unemployment lengthens, and in particular, we find strong support for the view that motivation, self confidence and the work disciplines are perishable; our respondents demonstrate a fairly widespread perception that these behavioural characteristics deteriorate with lengthening spells of unemployment.

It should not be forgotten that it is precisely these motivational and subjective aspects of a jobseeker's presentation which also rank highest in the recruiters' estimates of the desirable attributes of their recruit (Chapter 3). Furthermore, they are the most frequently cited factor militating against the recruitment of unemployed applicants for the most recent vacancy which these respondents filled (Chapter 6). Again then, there is a reasonable degree of consistency between attitudes and practices; concern to recruit motivated and keen employees, allied to a view that such attributes are diminishing assets as the demotivating effects of unemployment take their toll on applicants, naturally fit with a reluctance to hire those so affected.

It is where both state dependent and heterogeneous beliefs are held together, and applied to a wide range of attributes (skills, motivation, attitudes, discipline, self-confidence, *etc.*), that the disinclination to take on particularly the long term unemployed is

most pronounced. But this combination is relatively uncommon, accounting for only one in ten (12 per cent) of our respondents. For most respondents, state dependent beliefs do not start from a heterogeneous base, and as a result, lengthening duration of spell, and the perception that this is accompanied by a deterioration in at least some desirable attributes, remains the dominant feature of employer perspectives.

8. Conclusions

This work has aimed to update and extend our knowledge about how unemployed applicants are viewed and treated by employers when they apply for vacancies. As a result, the bulk of the preceding seven chapters have been expository, setting out our empirical findings and relating them to contemporary labour market context and policy concerns. We have intentionally limited our interpretation of these findings, and their implications for both the broad thrust and detailed implementation of labour market policy in the main body of the report. This chapter breaks with the earlier ones in that the main emphasis here is our interpretation of the results and our views of their meaning.

We begin by re-capitulating what we take to be the most significant findings of the current research.

8.1 Summary of main findings

We have shown in Chapter 7 that UK employers generally agree with fairly benign views about the unemployed. Relatively few of them appear to believe that the unemployed are intrinsically less worthwhile as potential employees than other, employed applicants. This viewpoint is certainly consistent with the growth of unemployment in the last two decades, such that more and more people have had direct or perhaps familial experience of unemployment. It is also undoubtedly consistent with the experience of many personnel professionals, who are very likely themselves to have rendered perfectly adequate employees into unemployment. Unemployment *per se* seems no longer to count seriously against job applicants in the judgement of their likely recruiters.

There are two important points to add to this. The first is strongly evidenced, and is concerned with the effect of remaining unemployed, rather than just being unemployed. We discuss this below. The other is less clearly observed, perhaps because less palatable. While it is true to say that most of our respondents do not seem to hold the fact of being unemployed *seriously* against an applicant, it was nevertheless something they were aware of. Indeed, they consciously sought it out fairly early in the recruitment process. Unemployment appeared to raise for them a number of questions which would either not have applied, or undoubtedly applied less stringently, to an

employed applicant. For example, why had they become unemployed? What had they been doing while unemployed? How frequently had they been unemployed? All of these questions came onto the agenda with perhaps more force than they would for someone who was not unemployed. Employers were thus shrouding the issues surrounding unemployment that they were interested in, within more general indirect lines of questioning. Most unemployed applicants, of course, would have little difficulty in answering such questions satisfactorily. For those, however, who either could not, or had not troubled to pre-empt them in their application, then they might face a selection filter no less serious for being somewhat veiled.

Longer durations of unemployment, both extended, unbroken spells, and repeated discontinuous ones, were matters likely to be taken more seriously and widely into consideration by recruiters. Although only a minority agreed that duration of unemployment *alone* was something that would strongly influence their decision, there is clear evidence that most employers believe that motivation, behaviour and skills (in that order) deteriorate during unemployment, and would thus be looking for indications of this (one way or the other) among longer term unemployed applicants.

Chapter 6 has shown what they would be on the lookout for. Both regarding their general responses, and those centred on their most recent recruitment exercise, our respondents were most concerned about the motivation, attitudes and keenness of longer term unemployed job applicants, and subsequently about the skills and experience which they deployed. The former was widely seen as somewhat fragile, and likely to deteriorate *because* of extended unemployment. The latter was seen as partly intrinsic (especially the concern about basic skills) and partly acquired (as LTU applicants would have less recent work experience on which to base a claim of proven ability to do the job).

Chapter 5 has demonstrated the highly selective impact of these selection considerations. Fully half of our respondents who had recruited in the past year had taken on at least one unemployed person, and two-thirds of them found unemployed recruits 'no different from average/about average'. Satisfactory participation in public programmes to assist the unemployed is positively correlated with this effect. It would seem that at least some unemployed applicants were able to pass these various selection filters with little or no difficulty, to the extent that many recruiters regarded the unemployed as a potential catchment area not qualitatively different from, or inferior to, any other.

Chapter 3 adds further evidence to ubiquity of unemployed people as potential recruits. They had applied for at least half, and possibly three-quarters, of the most recent vacancies, and showed considerable success in securing appointment. The variety of notification methods employed by these recruiters

was considerable, and only about one in five vacancies was wholly restricted to informal methods. Our results on selection methods show two important things. Firstly, selection appears to be a good deal less scientific than a lot of the prescriptive and nominative models suggested in the personnel management literature (*eg* Thomason, 1978; Torrington and Hall, 1991). Relatively few employers appeared to be using very sophisticated approaches, and almost all were relying strongly on some combination of sifting through application form, face-to-face scrutiny at formal interview, and confirmation through references. Secondly, the desired attributes among recruits generally mirror those areas of concern identified above: that is to say with motivation/reliability, basic skills, and previous experience well to the fore.

8.2 Implications for policy

Our research has focused on employers' perspectives and practices, and our conclusions derive from those perspectives. We recognise that they are not, of course, the only or sole viewpoint and that other important participants, not least the unemployed themselves, should be considered in any broader discussion of this area and the implementation of labour market policy. Nevertheless, in drawing together our conclusions of this study, we have not sought to go beyond the constituency we have researched. Furthermore, whilst our work will provide specific lessons for particular public programmes, or particular labour market interventions, it has not been our main purpose to tease out every possible application or connotation from our findings. Rather, we have simply sought to indicate the *general* conclusions and trends. We believe there are four main conclusions.

The timing of intervention

Firstly, our findings strongly support the 'tiered' or 'phased' perspective which underpins current orthodoxy on active labour market programmes. That is to say, they confirm that the normal workings of the labour market will generally cope adequately with most short term unemployment. While there may be a shortage of vacancies (in a particular local labour market, or at a particular time), there seem to be no qualitative reasons why many or indeed most unemployed people should be significantly disadvantaged in both finding and securing work early in a spell.

Those who do not succeed, however, face multiple disadvantage, which is acquired and intensifies as the duration of their employment extends. Whatever factors prevent them securing work early in a spell of unemployment are significantly amplified and supplemented in employers' eyes. This appears to be mainly through the corrosive effect of unemployment on their personal traits, perhaps confirming any objective deficiency (such as basic skill shortcomings), and possibly also signalling some (non-

specific and possibly illusory) defect ('there must be something wrong with them . . . ').

This leads us to three conclusions about the general policy climate:

1. New entrants to unemployment should be encouraged and assisted to participate in effective jobsearch as quickly as possible. This is not to say that they should be dragooned into applying for and taking jobs which they feel themselves unsuited for, but it is to insist that the going will only get harder the longer they remain out of work. Nor is it to suggest that most of them are likely to need any special effort to make them do so; but it is to insist that the administrative system which they encounter should make it both possible and necessary for this to be their most important early priority, rather than (say) establishing their title to benefit.
2. Those who face particular difficulties in such engagement (perhaps because of poor jobsearch skills) or who obviously lack an indispensable attribute (reference, home address, literacy, *etc.*) should be identified for early and focused assistance, directed at this specific difficulty. We might take this further, arguing that those who might be expected to face such difficulty (rather than just those who evince it) ought to be targeted for more early support. Either way, the important role for early and effective assessment and counselling is suggested. We recognise that there are real operational difficulties implied here. On the one hand it does not follow that just because individuals demonstrate these characteristics they will fail to find work quickly; quite the reverse. Many will find work despite such disadvantages. Thus, timing of any intervention would be crucial; too soon, and dead-weight will be high; too late, and individuals may be getting stuck into an extended spell. Our study has thrown some light on when such targeted help might best be focused: at six months on the register, a significant proportion of employers have begun to take this into account.
3. The extension of a spell of unemployment ought to call forth more profound action. Thus, on the one hand, the discretion allowed to individuals ought properly to diminish as their preferred course of action fails to produce results. On the other, the assistance available to them ought to become more substantive, as their evident need for it increases. It might be felt that these two considerations go hand in hand: a more *dirigiste* regime is more easily justifiable if the assistance it offers is more genuine.

Keeping in touch with workplace-like culture

A second general conclusion which we draw from this work is that most unemployed people are likely to benefit most (in the

eyes of their putative recruiters) from activity which takes place close to, and closely resembles, a work-like environment. The loss of general work-related disciplines (timekeeping, task-centred activity, inter-personal skills, *etc.*) are those most widely feared as a result of exclusion from the workplace. This is evident at just about every level of employer assessment. Thus, it is broadly true to assert that they are more impressed by the candidate who has set out most systematically and professionally to find the kind of job they want to do, rather than the one who will take anything going. They are more taken by the applicant who has perhaps engaged in voluntary or charity work, or retraining, during unemployment than one who has apparently done nothing. They are more impressed by workplace-based employment/training schemes than by community/college based ones. In other words, if they cannot get a job, they should do something that looks as much like one as possible.

This is not to argue that there is no place for off-the-job training as a means of re-entry to the labour market at a later stage and from a more advantageous position. Indeed, for some people this kind of reskilling would be vital, if they are not simply to drift downwards in the labour market which no longer requires their present skill. Insofar as such interventions are appropriate (say, for example, where technological change has simply rendered some skills entirely obsolete), they too are most likely to be valued by employers where employers' needs, the curriculum, and the learning environment are more closely aligned.

Pressed 'jobseekers' and the primacy of motivation

A third conclusion centres on the importance which employers evidently attach to motivation and attitude among potential recruits. This represents one of the most important things they are looking to secure from a recruit, and it is one of the things that they most fear the unemployed lose, as they remain out of work. Employers' means of recognising it when they see it are undoubtedly imperfect, and we should surely want to regard it as a necessary rather than a sufficient attribute among unemployed jobseekers. Indeed, the unemployed jobseeker must be shown the importance of demonstrating the right attitude and motivation to prospective employers.

Keeping programme-participation a positive experience

Finally, even if the importance of employer-centricity is not accepted, it remains true that most public employment and training programmes require considerable employer participation if they are to be successful. Our research shows there to be a strong and positive link between participation in such programmes and the experience of recruiting among the unemployed both through and without them. If we are unable to offer a definitive conclusion about the direction of causation, that is

because it works both ways. A positive experience of 'employing' a previously unemployed person (directly or through a programme) seems to lead quite easily to a readiness to take on more unemployed people (either through a programme or directly). A more negative or unsatisfactory experience with an unemployed individual, however, particularly if accessed through a public programme, can have quite the opposite effect and deter employers from the unemployed. This suggests that programme managers should place particular stress on the selection and appropriate placement of such individuals through their programmes. There is some reason to believe that pressure to meet scheme volume targets may have led scheme managers to underplay this, particularly for repeat-business employers, rather than new entrants to a programme.

Appendix 1: Research Methodology

In this chapter, we outline the methodology adopted for the study. We adopted a two stage methodology, involving:

- **a quantitative study**, intended to provide hard, reliable and up to date quantitative information on employer policies, practices and attitudes towards the unemployed. This involved a telephone interview with 800 employing establishments, selected randomly, but structured to provide a representative picture of UK employers.
- **a qualitative follow-up study**, intended to provide qualitative information and assessment from face-to-face interviews with a smaller sub-sample of employers, chosen to reflect differing attitudes and practices towards a) recruiting from the unemployed, and b) taking part in public programmes. We undertook 20 such follow-up interviews.

The two elements are addressed in turn.

Quantitative study: sampling strategy

The characteristics of the employer are known to be a critical influence on the character of the recruitment process adopted, and on the criteria which employers seek from recruits. Thus, the sample for the study represents the diversity between different kinds of employer.

Recruitment of the relatively low level jobs which most LTU take, is almost always conducted at establishment level but may, to a lesser or greater degree, be structured by company/ organisational rules/procedures. Thus, we recommended that the sample be an establishment sample, but that the questioning would draw out the degree of 'nesting' within a larger organisation, and the influence of these organisational norms on the recruitment and selection process.

In particular, the sample takes account of:

- **different sizes of employing organisation**; reflecting the different degree of formality attached to the recruitment process between large and small employers

- **different sectors/activities**; reflecting the different occupational and sectoral norms attached to job and person specifications
- **different locations**; reflecting both areas where there is a high level of long term unemployment, and those where the labour market is relatively tight.

Initially, we structured the sample by sector, such that the number of establishments in each sector was equivalent to the importance of that sector in UK employment.

Subsequently, the sample was structured by establishment size, oversampling the larger employers to reflect their importance in the recruitment flow, but their relatively low representation in any random sample. We divided the target sample evenly between the following three size bands:

10 to 49 small firms, probably without personnel functions or significantly formal procedures *or* branches of larger businesses

50 to 250 still small businesses, but more formal procedures and functions in place

over 250 very large sites, formal arrangements, large numbers of recruits, may engage in mass recruitment.

Subsequent reweighting of the results then re-established the representativeness by size of establishment.

Finally, the sample was drawn from a national database, BT's *Connections in Business*, to provide a reasonable spread of different local labour market conditions.

Quantitative study: pilot

A small scale pilot was conducted in early November 1995, with some ten respondents. There were some minor changes to the questionnaire at this stage, but broadly the pilot confirmed the practicability of the method chosen.

Quantitative study: survey procedures

The sample was initially contacted by letter, alerting them to the study, and asserting the *bona fides* of the researchers. Subsequently, respondents were approached by telephone, and an appointment made to conduct the interview. The telephone survey was implemented by Research Services Limited (RSL), working as a sub-contractor to IES. All interviewing was conducted using Computer Assisted Telephone Interviewing (CATI) at RSL's Harrow Telephone Survey Centre.

Quantitative study: response rates

A response rate of 56 per cent was achieved.

Total sample issued		1,500
No longer in business	*10*	
Duplicate	*12*	
Unobtainable	*37*	
Total eligible for interview		1,441
Refused	*431*	
No outcome	*210*	
Achieved interviews		800
Response rate 56 per cent		

Quantitative study: weighting

The weighting factors applied are shown in Table A1:1.

Qualitative interviews

The sample of respondents was generated through the telephone survey results, so that interviewing was able to draw on the individual results already collected from the survey. The face-to-face interviews thus allowed for more detailed questioning, and provided an opportunity to probe answers more fully.

The aim of this exercise was to supplement and flesh out the quantitative data. We did not require large numbers of interviews; what we did require was:

- carefully selected ones, which cover a range of respondent types, and
- sensitively conducted ones, with scope to allow probing questions into the issues coming up from the data analysis.

The telephone survey was adopted to include questions which allowed us to assess both the utility of any putative interview, and the willingness of the respondent to undertake it.

The interviews were carried out using an open-ended discussion guide, which was drawn up in consultation with DfEE.

Table A1:1 Weighting matrix (per cent)

SIC Code	11-49 Actual	11-49 Achieved sample	11-49 Weight	50-199 Actual	50-199 Achieved sample	50-199 Weight	200+ Actual	200+ Achieved sample	200+ Weight
A	0.3	0.7	0.43	0.1	0.1	1.0	*	—	—
B	*	—	—	*	—	—	*	—	—
C	0.2	—	—	0.1	0.2	0.5	0.1	0.1	1.0
D	10.3	7.5	1.37	3.2	4.2	0.76	1.0	1.9	0.53
E	0.3	—	—	0.2	0.1	2.0	0.1	0.1	1.0
F	3.7	3.8	0.97	0.8	0.2	4.0	0.1	0.2	0.5
G	16.0	11.8	1.36	2.4	2.4	1.0	0.5	1.9	0.26
H	8.2	16.2	0.51	0.7	0.8	0.88	0.1	0.2	0.5
I	3.7	5.7	0.65	1.2	0.7	1.71	0.3	0.2	1.5
J	3.9	2.1	1.86	0.8	0.7	1.14	0.2	2.1	0.1
K	9.0	10.1	0.89	2.0	2.3	0.87	0.4	1.2	0.33
L	2.8	0.7	4.0	1.4	0.3	4.67	0.4	1.6	0.25
M	7.4	3.3	2.2	1.8	2.4	0.75	0.2	0.7	0.29
N	8.7	8.0	1.09	1.6	1.6	1.00	0.4	0.3	1.33
O	4.5	3.0	1.5	0.7	0.3	2.33	0.1	0.1	1.00
P	—	—	—	—	—	—	—	—	—
Q	—	—	—	—	—	—	—	—	—

Base: 'Actual' column based on 1993 Census of Employment. 'Achieved sample' column based on the survey sample weighted according to weighted scheme 1 (weighted base = 575)

*Note: * = less than 0.05%*

Source: IES survey

Appendix 2: The Achieved Sample Structure

The characteristics of the achieved sample are shown below:

Table A2:1 Size structure of achieved sample

Size	Unweighted N	Unweighted %	Weighted N	Weighted %
1-49	262	33	626	78
50-249	246	31	146	18
250+	284	35	25	3
N/A	8	1	3	—

Source: IES survey

Table A2:2 Sectoral composition of achieved sample

Sector	Weighted N	Weighted %
A: Agriculture/hunting	3	0.4
C: Mining/quarrying	1	0.1
D: Manufacturing	115	14.4
E: Electricity/gas/water	0	0.1
F: Construction	36	4.5
Production	**155**	**19.4**
G: Wholesale/retail	152	19
H: Hotels/restaurants	73	9.1
I: Transport/storage	43	5.4
J: Financial intermediation	40	5
K: Real estate/renting	90	11.2
L: Public administration	44	5.5
M: Education	73	9.2
N: Health & social work	85	10.6
O: Other community	44	5.5
Services	**645**	**80.6**
Total	800	100

Source: IES survey

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