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The *Employment Studies* newsletter reports on IES research on labour market and employment policy and practice in the UK and abroad. It is aimed at those interested in research to inform the development and implementation of public policy. Two other publications, *Research Digest* and *HR Insight*, provide briefings on IES employer-related work.

NEET or not: volunteering a new way forward

Becci Newton, IES Senior Research Fellow

The position of young people in our society is a significant concern since they have been disproportionately affected by the economic downturn. One in five young people aged 16 to 24 were unemployed at the start of this year¹ and many are still unable to find work. Unemployment is affecting those traditionally identified as at risk, such as the low skilled, but is also impacting on young graduates.

In recent years, much attention has focused on those young people most at risk of poor outcomes. There is a well-developed evidence base about: the causes and characteristics, of the group of 16 and 18 year olds who are not in education, employment or training (NEET); their orientations to learning, training and work; and the risks and long-term consequences of NEET. There is an emerging consensus about what is needed to secure their participation.

Social disadvantage is a strong predictor of becoming NEET that has led to the debate on early intervention and the recent Allen Review. In the meantime, however, young people who are currently unemployed require support, particularly those most vulnerable to long-term negative outcomes.

Exploring the benefits of volunteering

While IES has a strong track record of work related to the needs of low-skilled and disadvantaged young people, until recently we had little experience of working in the arena of young people's volunteering and civic engagement. This changed when we were commissioned by v, The National Young Volunteers' Service, to undertake

research to explore any unique contribution of volunteering to the development of employability skills and attributes which might assist young people's transitions.² This extensive study assessed personal development as a result of full- and part-time volunteering and explored what motivated young people to volunteer and the wider benefits they, and others, identified from their activities.

The study was based on longitudinal research with 25 young volunteers, in-depth interviews with people supporting them, and local stakeholders. The young people ranged from disadvantaged 16-to-18 year olds with few qualifications to 23-to-24 year olds with undergraduate and post-graduate qualifications. While skill levels varied, it was common for young people to have encountered social disadvantages. The sample included young care leavers and care givers, ex-offenders, and young people with disabilities and chronic health conditions. Discussing their life histories revealed that many had struggled in school and had faced bullying and isolation from peers. Focusing on the most disadvantaged young people, what was immediately impressive was that these young people were highly articulate and were motivated wholly or in

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Ben wanted to volunteer to support others because of the support he had himself received when young.

'I was in foster care and so, for me, it was quite a massive thing to give back, give something to other people.'

Natalie had been homeless and was now living in a hostel. She gained a clear sense of reward from volunteering.

'The buzz, everyone's doing it for free, and they don't care that they're not getting paid, they just like being part of something, and being one to help.'

Through volunteering Bethany was more confident about forming relationships:

'We were doing something good and meeting all the different people, I managed to fit in with them and I was friendly. When I was at school it wasn't the same because people weren't friendly towards you so I didn't feel very friendly back, but this time I felt friendly and happy so it was good.'

part to volunteer for altruistic reasons. There was a strong desire to 'help other people' to avoid the problems and challenges that they had themselves faced and to 'give back' as an appreciation of the support that they had once received.

Young people reported significant benefits arising from volunteering, which included:

- an enhanced CV, greater insight into careers and development of networks which might assist future transitions
- improved communication, team-working, problem-solving, planning and management, and time-management skills
- a chance to demonstrate commitment, motivation and enthusiasm which resulted in increased confidence and an improved understanding of capabilities.

Their mentors also reported the distance travelled by volunteers and noted that organisations had also gained. Volunteers brought fresh ideas, energy and new perspectives and their presence led to an understanding among adults that negative stereotypes of young people are unfair to many. Young people gained further confidence since their contribution was appreciated and valued.

Lasting impacts

Follow-up interviews with young people revealed that many had enrolled at college; this was notable since initially when we spoke about their life histories, they had rejected

taking their studies further. It was clear that volunteering helped young people to realise that they were capable of much more than they had previously thought. This is a highly positive finding – not just for young people, but for policy – which from 2013 will require young people to remain in education for longer. But how does it fit with evidence about what works for young people NEET?

Our evaluation of the Activity Agreements (AA) as a tool to support young people NEET identified that developing confidence was at the core of progression.³ This confirms the value of the outcomes achieved through volunteering. However, we identified some contrast between the groups of young people we encountered for each study which might prove instructive about when volunteering can assist young, unemployed people. The volunteers – even the most disadvantaged – were highly articulate and motivated to a degree, although oriented towards work more than learning. This was in stark contrast to many AA participants whose re-engagement was at an early and critical stage. This group required intensive and ongoing support in order to take a small step forward and start a journey of personal development. In essence, without support it was unlikely that they would have started and been retained within volunteering.

The way forward

In our view, volunteering can provide a supportive and critical stepping stone to full (re-)engagement, however, some young people will require personalised and tailored support from trusted adults, to be ready for volunteering. The recent public spending cuts are having a significant impact on the availability of youth services, and local authorities and their partners will determine the type and nature of support that will be available. It is too early to know if more young people NEET can be encouraged to take up volunteering as a route to gain confidence and to develop themselves in readiness for future work or learning, nor if the infrastructure will be put in place that would encourage this to happen. However, for those who do pursue volunteering, the experience is certainly valuable and worthwhile.

Newton B, Oakley J, Pollard E (2011), *Volunteering: Supporting transitions*, v, The National Volunteering Service

- 1 ONS, January 2011
- 2 Newton B, Oakley J, Pollard E (2011) *Volunteering: Supporting Transitions*, v, The National Youth Volunteering Service, London
- 3 See for example, Newton B, Levesley T, Fearn H, Oakley J, Johnson C, (2009) *Activity and Learning Agreement Pilots: Programme Theory Evaluation, Working Paper 5: Small Step Progression in the Activity Agreements*, Department for Children, Schools and Families (DCSF): Sheffield

Identifying Claimants' Needs: Research into the Capability of Jobcentre Plus Advisers

Bellis A, Sigala M, Dewson S
 Research Report 43, Department for Business, Innovation and Skills, June 2011



The identification of skills needs is a feature of government employment services and is delivered through Work-Focused Interviews (WFIs) conducted by Jobcentre Plus

Personal Advisers (PAs). In addition to helping people to prepare and look for work, PAs can refer claimants for training provision or careers advice if this is deemed necessary to make a return to the labour market.

The Departments for Work and Pensions (DWP), and Business, Innovation and Skills (BIS) commissioned the Institute for Employment Studies to undertake research to:

- explore how 'skills need' is defined by Jobcentre Plus PAs
- examine how claimants' skills needs are identified by Jobcentre Plus PAs at the present time, and
- build an understanding of how the identification of skills can be embedded within the Jobcentre Plus offer.

The research found that Jobcentre Plus PAs can, and do, understand skills, screen claimants for skills needs, and make appropriate referrals, although they do not use these words to describe what they do and it is not done systematically.

Exploring Employer Behaviour in Relation to Investors in People

Gloster R, Higgins T, Cox A
 Report 27, UK Commission for Employment and Skills, June 2011



Exploring Employer Behaviour in Relation to Investors in People attempts to develop a deeper understanding of the IIP product and service offering from the perspective of employers. The

research comprised a series of in-depth, qualitative interviews with employers who

have enjoyed continued success with the Standard, as well as those employers who have either committed or accredited to the Standard, but who have subsequently withdrawn from the IIP customer journey. The research found that long-term accredited IIP employers adapted how IIP is applied to their organisation and in doing so continued to make it relevant and ensure the longevity of its value. Some previously-accredited IIP employers felt IIP had provided a one-off benefit, but had run its useful course within their organisation.

Employment and Support Allowance: Findings from a follow-up survey with customers

Barnes H, Sissons P, Stevens H
 Research Report 745, Department for Work and Pensions (DWP), June 2011

This report presents the findings of a follow-up telephone survey with people who took part in an earlier, face-to-face survey of people claiming Employment and Support Allowance (ESA). This follow-up survey aimed to explore the progress over time of ESA claimants since the baseline survey.

The report found customers' personal and household circumstances were stable over time, although their health was more changeable, with customers equally as likely to report a deterioration in their health as an improvement. Views on Work Focused Interviews were positive, with 88 per cent finding them helpful in thinking about paid work in the future. When their claim ended 28 per cent of people found Fit for Work moved into employment and 48 per cent claimed another benefit which was usually Jobseeker's Allowance. Continuing claimants expressed a high degree of uncertainty about how long they expected to remain on ESA.

Access to Work-Related Training

Johnson C, Sissons P, Oakley J, Dewson S, Levesley T
 Research Report 42, Department for Business, Innovation and Skills, June 2011

The 2006 *Leitch Review of Skills* recommended the creation of a new integrated employment and skills service. Since then, the welfare system has undergone reform to help meet this objective, of which the Integrated Employment and Skills (IES) trials were a key element. The main components of the IES trials were the co-

location of careers services and Jobcentre Plus; skills screening and referral by Jobcentre Plus advisers; Skills Health Check interviews and Skills Action Plans delivered by nextstep (face-to-face career guidance); and work-focused skills provision. The Department for Work and Pensions and the Department for Business, Innovation and Skills (BIS) commissioned the Institute for Employment Studies to evaluate the IES trials.

The evaluation found that the IES approach is becoming embedded in adviser practice and co-location is central to an integrated service. However, despite much progress, a fully integrated, seamless service is still an unrealised goal.

Study of School Gates Employment Support Initiative

Marangozov R, Dewson S
 Research Report 747, DWP, May 2011



This report presents qualitative findings from the study of the School Gates Employment Initiative. This mostly involved qualitative research in 13 of the 25 pilot areas which

included interviews with school heads, Regional Development Agency (RDA) leads, Jobcentre Plus, local authorities (LAs) and devolved administrations, parents and parent support staff in schools. It also involved two group discussions with local partners at two practitioner events, as well as a review of evidence presented in the Management Information and the quarterly reports from the pilot areas.

The findings of this report strongly support the notion that schools, Jobcentre Plus and LA employment advisers can play a potentially important role in moving parents from low incomes towards work. School Gates' reach to potential second earners and parents on low incomes, many of whom are not on benefits and are new customers to Jobcentre Plus, has been a key strength of the pilot. Many parents engaged in the pilot were also lone parents, some of whom were also not in receipt of benefits. In this way, many school sites have provided a critical mass of families within these target groups with which Jobcentre Plus and other LA employment advisers can engage.

Wellbeing Through Work Project Evaluation

Wellbeing Through Work is an initiative in ways to reduce absence from work through ill-health and increase employment sustainably. IES has been commissioned by Remploy Ltd to assess whether Wellbeing Through Work has achieved its objectives at a project level; and to what extent Wellbeing Through Work has contributed to the aims, objectives and targets set out in the ESF's Increasing Employment and Tackling Economic Inactivity Strategic Framework

IES contact: Alice Sinclair

Trapped or Flexible: Risk Transitions and Missing Policies for Young High-Skilled workers in Europe

IES is undertaking a research project for the European Parliament, in partnership with IRS Milan, evaluating a pilot initiative to convert 'precarious' short term jobs for high-skilled young people into more sustainable employment.

IES contact: Kari Hadjivassiliou

Voluntary Equality Reporting in Small Businesses (150-250 Employees)

The Government Equalities Office (GEO) has commissioned research to establish transparency on equalities, particularly on gender gaps and workplace diversity in organisations employing between 150 and 250 employees. The research incorporates a survey of 500 establishments and qualitative interviews with 20 organisations to explore issues in more depth.

IES contact: Sara Dewson

The Safe Learner

Linda Miller, IES Senior Research Fellow

During 2010-11 there were 171 worker deaths in the UK¹. Eurostat figures indicate that between 1999 and 2007, while accidents involving older workers declined, the occurrence of accidents amongst young workers (those aged between 15 and 24) increased. Young workers are more vulnerable in the workplace because of their inexperience and physical and psychological immaturity. They are susceptible to peer pressure, often keen to please and therefore less likely to question work procedures. In addition, they often have an unrealistic perception of risk.

Together, this means that early access to good quality safety training and supervision is vital for young workers. To improve the occupational safety and health information given to young work-based learners in 2007, the Learning and Skills Council (the body that, at the time, funded all post-compulsory education and training except for higher education) introduced the Safe Learner Blueprint to guide the health and safety training provided. IES was commissioned by the Learning and Skills Council to assess the impact of the Safe Learner input on young learner safety.

In designing the research we recognised that, while training is important, many other factors also play a role in contributing to keeping young people safe at work. The learners' own attitudes, the workplace safety climate, and pressure at work can all serve to reinforce or moderate the impact of health and safety training. Therefore, as part of the project we also examined how workplace safety climate, role overload and individual differences influenced young workers' behaviour.

Three training providers who were using the Safe Learner Blueprint to structure the health and safety training they provided for apprentices assisted us in undertaking the work. Young work-based learners at these organisations were surveyed twice, once in 2007-08 and again in 2008-09, with some 234 learners participating in the first year and 325 in the second. The learners were asked for their views about the extent to which they felt the health and safety training was relevant and the extent to which it could be applied in their workplace. The questionnaire also included measures to assess organisational safety climate and role overload, supervisor involvement and measures of individual

difference (conscientiousness, propensity to cognitive failure and task focus).

Importance of organisational factors

Analyses revealed that while individual differences contributed to just under a third of the variance in predicting accidents at work, organisational factors accounted for around 70% of variance. In particular, the research revealed that supervisors have a significant impact on the extent to which young learners see health and safety issues as relevant. With time, apprentices whose supervisors did not discuss health and safety issues with them started to see health and safety issues as being of less relevance.

Several issues emerged regarding supervision of the apprentices. Looking at new learners (those in the first year of their apprenticeship), around two thirds of those in higher risk occupations – gas, construction, carpentry and joinery – reported being left unsupervised. Perversely, this was a higher proportion than those in industries we classified as lower risk: childcare, administration, hairdressing, where around half were left unsupervised at times. While most were left unsupervised for only short periods of time, seven per cent, or around one in 14 of the young learners aged 16 – 19 reported being left unsupervised for up to a day at a time.

Supervisors who left their apprentices unsupervised were – perhaps unsurprisingly – also less likely to discuss health and safety issues with them. And the learners who said they were left unsupervised were also more likely to report that they engaged in unsafe behaviours – such as not wearing their personal protective equipment – than those who were supervised. Unsurprisingly, those



young workers who engaged more regularly in unsafe behaviours were more likely to have been involved in an incident at work.

While there is a statutory duty for employers to provide health and safety training, for some of these young workers the training they received at college was the first they had received.

Around one in ten said they had had no health and safety induction at work. Just under half said their supervisor never mentioned health and safety issues to them.

In the majority of cases, of course, even in the absence of health and safety instruction, most employees remain safe, and even when incidents occur, they are largely minor. However, this is by no means always the case, and it is sobering to hear of the types of incidents that are still taking place in workplaces around Britain today. We asked our respondents if there were any issues for which they would have liked to have had more health and safety input: one young man wrote that he would have liked more information about working *'in a workshop with loud machinery as it has damaged my hearing'*. Another wrote that he had found the Safe Learner input helpful because *'when a lad fell off the scaffolding I knew who to tell'*. Another said they had been able to help a colleague who fell from a ladder.

Improving supervision of young workers

For these young workers and their colleagues, the Safe Learner training input is almost literally a lifeline in workplaces where there is clearly little adherence to safe working practices. It is perhaps appropriate to ask at this point what it would involve for employers to improve the supervision of young workers?

Would it be very costly? We asked the young learners about the sorts of things their supervisors spoke to them about and those who worked in safer workplaces said things such as 'On a job my supervisor warns me of dangerous places/things' 'Safe use of ladders and scaffolds' 'What protective equipment to wear' 'ensure hard hat is worn at all times'. These are simple things a good supervisor does as part of everyday chatting to their charges, yet it would appear there are still workplaces in which these basics are omitted.

Policy implications

The findings suggest that future policy initiatives should focus on workplaces and in particular on the role of supervisors. The research provides evidence that supervisory attitudes directly impact on the safety of workers. We have suggested that tutors should regularly discuss supervisory arrangements and pressure of work with work-based learners at their review sessions. As learners are more likely to apply information they see as relevant, ideally health and safety training should be designed to be maximally relevant to the learners' own job – the more tailored and occupation- or sector-specific the information can be made, the better. But most importantly, it is perhaps time to ask whether training for supervisors of young learners should be made mandatory.

1 HSE, 2011 <http://www.hse.gov.uk/statistics/fatals.htm>

Miller L, Jagger N (2011), *The Safe Learner: The impact of individual differences and workplace environment on attitudes to health and safety training*. Report 484, Institute for Employment Studies

Expanding and improving part-time higher education: Supply and demand issues

The Department for Business, Innovation and Skills has commissioned research to explore demand and supply issues in expanding and improving part-time higher education to support policy development around alternative modes of HE delivery. It will: collect information and data on how English institutions are encouraging and supporting part-time study for undergraduate students of all ages; provide evidence to help determine whether it is feasible to introduce policies to increase the numbers of young people who study undergraduate part-time courses; and identify likely barriers to increasing numbers and the changes/incentives that may be required. The research uses a case study approach and involves working with a number of sector experts.

IES contact: Emma Pollard

Salus & Co. comic strips and captures evaluation

The European Agency for Safety and Health at Work (EU-OSHA) has commissioned artists to produce visual materials to communicate messages about priority areas such as workplace health promotion, mental health and health promotion amongst young workers. In addition to raising awareness and informing the target audience, the images also aim to stimulate debate and discussion about occupational safety and health (OSH). EU-OSHA commissioned IES to evaluate the resulting graphics to test how well the messages were understood by different types of target audiences at EU level. The methodology for the evaluation includes two main elements: an online survey of OSH-mail participants, and face-to-face cognitive interviews with 15 university staff and students.

Understanding employees' behaviour during workplace conflicts

Andrea Broughton, IES Principal Research Fellow

Finding out what influences employees' behaviour during workplace conflicts and disputes is key to understanding why employees decide for or against making a claim to an employment tribunal. If we can better understand motives and behaviour, more can be done to try to resolve conflicts and avoid escalation, resulting in fewer claims being taken to employment tribunals. This, in turn, will help to reduce costs, time and stress for all those involved.

IES recently carried out a small-scale research project, based on a literature review, for the Department of Business Innovation and Skills (BIS), aiming to examine the key drivers behind employee behaviour during conflicts. This research is particularly pertinent in the context of a consultation carried out by BIS earlier this year, aimed at gathering views on improving the way in which workplace disputes are resolved.¹

Theories behind behavioural drivers

A number of theories can help to explain employee behaviour in a conflict situation. For example, under the theory of attribution bias, if an individual attributes the event to the personality or character of the individual who caused the event, rather than accepting that this is just the result of random events, this can lead to anger and a desire to seek to restore justice.

Under the theory of loss aversion, individuals, when faced with a sure loss, tend to gamble, even if the expected loss from the gamble is large, as they fear that, having lost everything, there is nothing more to lose. In an employment context, this may lead to those faced with job loss, particularly those with long service and therefore a greater level of emotional investment in the workplace (enhanced loss aversion), to initiate a claim.

Under the theory of reactive devaluation, individuals involved in a dispute tend to diminish the attractiveness of an offer simply because it originates from a perceived opponent. In the case of an employment

dispute, for example, a compromise proposal may be rated less positively when proposed by someone on the "other side" than when proposed by someone who is seen as neutral or an ally.

Under the theory of optimistic overconfidence, individuals are often overconfident in their predictions concerning the outcome of future events. The implication of this for dispute resolution is that disputants may be unwilling to settle a dispute if one or both parties overestimate their chances of prevailing in litigation. Analysis of the 2008 Survey of Employment Tribunal Applications (SETA 2008) investigating parties' expectations with regard to employment tribunal claims has suggested the operation of optimistic overconfidence in relation to both views of likely success at the outset of a case, and in the amount of award claimants expect to receive at a hearing, compared with the final offer made.

Organisational justice

Perceptions of organisational justice also play a part in underpinning employee behaviour in a conflict situation. We identified three types of organisational justice:

- distributive justice, which refers to the perceived fairness of outcomes;
- procedural justice, which refers to the perceived fairness of the procedures by which outcomes are determined; and
- interactional justice, which refers to the perceived fairness of interpersonal treatment.



Whilst all three appear important, it seems that procedural and interactional justice can compensate for low levels of distributive justice. For example, if an employee believes that a procedure was followed fairly, and that they were treated with dignity and respect throughout, this may compensate for the fact that the outcome of the procedure was negative for them personally.

The influence of trade unions

Trade union presence in an organisation appears to be associated with lower dismissal rates. This may be due to issues such as trade unions being able to present an employee's case to a manager in a credible way, which in turn may restrain employee actions, higher employee engagement as a result of trade union presence, enabling more disputes to be resolved at an early stage, or trade unions being able to restrain managerial action.

However, the influence of trade unions is likely to be affected by the nature and quality of their relationships with managers. In the absence of high-trust relations, union representatives may adopt more adversarial approaches in defending members.

Extraorganisational factors

We found that advice and guidance from sources such as colleagues, family and friends may encourage individuals to consider claiming. However, the most common source of advice for claimants was a lawyer, followed by trade unions and Citizens Advice.

Overall, research finds that when employees are unsure about the causes of workplace events, they are more likely to be influenced by the opinions of other people – for example, if they cannot directly attribute the cause of an event to a particular individual – meaning that the cause may be open to interpretation.

There is also evidence to suggest that, when deciding whether to follow advice, individuals are more likely to give more weight to their own opinion than that of their adviser (so-called egocentric advice discounting), although they tend to be more responsive to advice from those with greater age, education and life experience, or if they have paid for advice.

Policy implications

From our findings, we were able to make a range of policy implications. These centre around:

- encouraging more realistic expectations among employees of the outcome of a formal claim;
- encouraging the development of trust within organisations: if the parties involved in a dispute have a basis of trust, any conflict that they enter into is more likely to be resolvable without escalation;
- building empathy between individuals in the workforce, which may help to contain the escalation of conflicts;
- avoiding escalation by reinforcing procedural and interactional justice within organisations. The role of line managers is

particularly key in this regard;

- helping individuals to value the offer from the other party, by building trust and, where feasible, providing expert and impartial information, advice and guidance, either internally or externally;
- valuing and encouraging the positive role that trade unions can play in helping to resolve workplace disputes (in workplaces where there are recognised trade unions);
- considering how to encourage greater use of information, advice and guidance by ensuring it is actually followed. This could involve framing information, advice and guidance in such a way as to be influential in affecting behaviour. It could also include accurate information about the financial outcomes of and length of time spent on an employment tribunal case, and the advantages of seeking alternative ways of resolving a dispute, possibly involving testimonials or case studies.

1 *Resolving workplace disputes: A consultation*. BIS, January 2011.

Lucy D, Broughton A (2011) *Understanding the behaviour and decision making of employees in conflicts and disputes at work*, Department for Business, Innovation and Skills Research Series 119

Implementation of the posted workers Directive in the UK

IES has been commissioned by Ismeri Europa, Italy, to provide information about the UK on the application of the posted workers' Directive, to feed into an EU-wide comparative report. The work involves desk research on the application of the Directive in the UK and expert interviews with the social partners and other stakeholders in the UK.

IES contact: Andrea Broughton

The value and impact of a creative education – The case of Nottingham Trent University

Nottingham Trent University: School of Art & Design has commissioned IES to make further use of the data on their graduates gathered during a previous study entitled Creative Graduates Creative Futures study and provide additional materials on the experiences of students and graduates and set this within wider national level data to draw together evidence on the value and impact of a creative education at the University.

IES contact: Emma Pollard

Urban and Rural Issues for the Health Sector in Scotland

Skills for Health has commissioned a study that will help in developing solutions on skills development and utilisation for Scottish health care employers who are operating in sparsely and densely populated areas. It will also explore whether solutions developed in one setting might be effective in the other, and vice versa.

IES contact: Linda Miller

Further analysis of public sector interviews on the use of collective conciliation and Acas services

Acas has commissioned IES to provide in-depth analysis of the views of senior public sector HR and employment relations managers concerning the use of collective conciliation and Acas conciliation services, based on 15 interviews carried out in early 2011 by IES.

IES contact: Andrea Broughton

Evaluating Get Connected

Linda Miller, IES Senior Research Fellow

Get Connected is a funding programme that has been offered to organisations in the social care sector to improve access to ICT (information and communications technology) for service users, family carers and staff, to enhance the quality of life offered within the service and improve opportunities for learning. Currently, most social care providers make very limited use of ICT and this imposes constraints for service users and family carers in accessing services such as email or social networking; similarly it limits the ability of providers to enable staff to access technology for the purposes of training or development.

Given this limited use of ICT, the Get Connected funding provided grants to organisations within the social care sector to install or upgrade their information and communications technology. So far the majority of the grants have been in the range of £5,000-£10,000, with just a few going up to £20,000. The money is provided by the Department of Health and administered by the Social Care Institute for Excellence, or SCIE. In April 2010 SCIE invited IES, in partnership with the National Institute for Adult Continuing Education (NIACE), to examine the impact that this investment has had on staff, service users and carers/family of service users. The evaluation is focusing on the first funding round (there have been four waves of funding in total). The majority of organisations that applied for and received grants in the first round were either care or nursing homes, or providers of domiciliary care (home care services).

Benefits of Get Connected

The evaluation consists of two rounds of surveys and case study visits and to date one round of the evaluation has been conducted – the second will be conducted later this year. Originally we expected to hear about implementation issues in this early stage evaluation, with the benefits starting to emerge in the later stages. However, it is clear that the benefits are already being seen by both service users and staff. In many of the nursing and residential care homes, the money has been used to buy equipment that allows residents to use email and the web. New or

improved broadband connections have been installed to enable better use of services such as Skype. For many residents the changes had already had a real impact on their quality of life: a large proportion of the residents who replied to the survey said they now had access to email and access to the web. This was making a real difference to the things that residents could do:

'Use the internet. Use Skype. Watch films. Use the wii.'

'Check on Chelsea and Crawley football teams and be able to email my brother.'

As might be expected, there are varying skill levels amongst residents – some had used computers in their work prior to moving into the home and were confident about using the equipment – while others – in particular those with dementia or special needs – require ongoing support to use the equipment.

'I can send my son emails in Australia and I talk to him on Skype. I make cards and little notes on the computer with photos on and attach them to emails. Our activity co-ordinator helps me do this as I forget how to do it sometimes.'

The other way in which the money is being used to improve quality of care is by enabling better access to training by care staff. Within just a few months of the first round of grant allocations staff were already using the computers to access and support training and development:

Enterprise restructuring in Finland and transferring good practice to the Baltic states

IES has been commissioned to provide expert advice and assistance for a project managed by the ILO and funded by the European Commission to examine the mechanisms in place to anticipate restructuring in Finland, and to assess their transferability to the Baltic states (Estonia, Latvia and Lithuania). This will involve attending seminars in Estonia, Latvia and Lithuania and writing a synthesis report by the end of November 2011.

IES contact: *Andrea Broughton*

Study on the apprenticeship supply in Member States

IES is part of an EU-wide consortium (led by IKEI Spain) which is undertaking a study for the European Commission aimed at providing an overview of apprenticeship-type schemes in VET in all 27 Member States, especially in the context of the recent crisis. This overview will describe the main features of such schemes and discuss their effectiveness in raising employability and facilitating labour market transitions. The possible effects of the crisis on such schemes will also be examined and recommendations will be made on whether and how the availability of apprenticeship places could be increased.

IES contact: *Kari Hadjivassiliou*

Career trajectories/career profiles of care and development workers

Skills for Care and Development (SfC&D) wishes to undertake secondary research into the career trajectories/career profiles of workers in the care and development sector to help stakeholders and employers to better understand the supply of skilled labour in the sector. IES will work in partnership with researchers from SfC&D, reviewing the literature on career trajectories/career profiles and implementing an empirical analysis based on micro data from the Labour Force Survey (LFS), the Annual Population Survey (APS) and potentially the National Child Development Study (NCDS) and the English Longitudinal Study of Ageing (ELSA) for particular professions defined as the 'footprint of the sector'.

IES contact: *Stefan Speckesser*



'Access internet at work to research info for NVQ. Complete assignments. Research health or other issues for residents'

'Look up conditions on the internet to gain more of an understanding of the implications these conditions could have on the residents in my care. It has allowed me to gain a better understanding of issues I could be dealing with and has helped a lot with my training, building my confidence.'

The technology was therefore having a twofold impact on quality of care through both direct resident access and use and through better training for the staff. However, there is a third way in which the technology was starting to have an impact, and it is this that is likely to be the most important in the future. Under the Transforming Social Care (Personalisation) agenda, the way in which adult social care is planned, managed and delivered is changing to give people more choice and control over their care, to give them the freedom to assess their own needs,

plan their own support and manage their own social care money, with the help of social care staff. For some residents the technology was already helping to bring about this more active participation in planning the care they required:

'I now have an email address. I can contact my friends and family more through Facebook. I can now email my Dad who lives in America. I am working on my support plan. I am exploring opportunities that are there for me.'

The evidence from the early stage evaluation already supports the idea that this technology will help with facilitating personalisation, potentially helping with identification, purchase and management of services. We look forward to the findings of the next stage of this work.

Miller L (2011) *First survey of Get Connected Grant Recipients*, Report 485, Institute for Employment Studies

SMEs and their strategies for coping with the recession

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The economic recession of the past two years has hit businesses hard across the European Union. However, it is arguably small and medium-sized enterprises (SMEs) that are more exposed to the effects of recession, due to the fact that they have fewer resources to enable them to bridge difficult times and may find it harder to gain access to credit to help them weather temporary difficulties. IES has recently carried out a comparative study looking at the sorts of coping strategies that SMEs across Europe have put into place to help them to cope with the recession.

SMEs make an invaluable contribution to the EU economy: in most Member States, SMEs make up a significant majority of the number of firms operating in the economy and specifically in the private sector. In some countries they account for almost all companies. SMEs also employ a significant proportion of the workforce, although the percentage varies from country to country.

The economic crisis has affected the economies of the majority of EU Member States to varying degrees. The impact on SMEs has been mixed, and largely dependent on issues such as the sector in which they operate.

On a sector basis, in some countries the crisis has had a particularly negative effect on SMEs in export-oriented sectors such as manufacturing and the automotive industry. The construction sector has also suffered badly, particularly in countries such as Ireland and Slovenia.

Government measures to help SMEs

As the economic crisis of recent years has been so severe, governments throughout the EU have introduced policies to support enterprises as much as they can. Aware that SMEs have fewer defences against economic downturn, due to size and limited access to financial aid, governments in many countries have put in place specific policies and measures aimed at helping SMEs to survive the crisis. These cover a range of issues, including:

- financial measures, such as reductions in tax, provision of loans, and measures to improve access to credit;
- helping SMEs to access new markets and to invest in research, development and innovation;
- providing specific advice and consultancy to SMEs, usually on themes such as how to set up operations or financial advice;
- simplification of administrative procedures, on the basis that red tape is seen as a particularly difficult barrier to business development for SMEs;
- support for job creation, which usually takes the form of providing financial incentives, such as reduced employer social security contributions, for employers hiring unemployed people;



- enabling temporary reductions in the workforce, primarily through the provision of short-time working. This measure has been used widely throughout the EU during the recent crisis;
- supporting training. Training is recognised as a key instrument in ensuring employability, not just during an economic crisis, but throughout an employee's working life. SMEs often find it difficult to release employees for training and to fund training in general. Targeted measures can therefore help; and
- some very targeted sectoral measures, which are in place in some countries, in addition to measures specifically targeting entrepreneurship.

SME networks and partnerships

One way in which SMEs can take action themselves to help weather difficult economic times is to build partnerships and networks. Our research found a range of SME networks in EU Member States, with a variety of purposes: some are designed to help SMEs gain access to commercial markets, while others are aimed at improving information-sharing or developing systems to allow companies to share employees in some circumstances. These networks can also help SMEs deal with the impact of the crisis in terms of maintaining employment, productivity and market share, and providing other ways of pooling resources.

In some countries, SME networks take the form of business associations that provide shared services for SMEs. In Luxembourg, for example, several SME networks provide help and services to SMEs in areas such as research and innovation.

There are also some examples of individual SMEs grouping together, usually to recruit or train workers jointly. In France and Belgium, for example, companies may group together in an association to hire out staff between them as the need arises.

Employment pacts are another type of SME network, usually taking the form of agreements between parties such as employers, social partners and public authorities (government and labour market services) to enable them to act together to increase employment in a particular area or sector. Employment pacts at local or regional level are quite common in a minority of countries, such as Hungary, where they have been operating since 2002. At present, it is estimated that 47 such pacts exist at local, county or regional level in Hungary,

aimed at activating the economy and increasing employment levels. Interest in these types of pacts has increased during the crisis. Territorial employment pacts also exist in Austria, and are the predominant form of employment-related partnerships today.

Some partnerships revolve around specific issues, with training often featuring highly, with active involvement of SMEs. In France, for example, there are local partnerships, usually at regional level, that concentrate on training and skills development, usually aimed at employees in firms that are experiencing difficulties, those on short-time work, or those who have been made redundant. The idea is that training will increase the employability of the individual and the competitiveness of the region.

Conclusions

The economic crisis has hit SMEs harder than larger companies in most countries. This is evidenced by the large numbers of SMEs that have been forced into bankruptcy in the majority of EU Member States over the past couple of years. As a response to this, governments in many EU Member States have tried to put into place measures to help SMEs.

As SMEs suffer from particular difficulties that make it harder for them to weather temporary downturns in the economic cycle, let alone a major crisis such as the current one, the development of networks and local partnerships are extremely important to SMEs as a way of helping maintain employment and offer training to their workforce.

The incidence of these types of networks varies across the EU – in some countries, there are established SME networks and local partnerships, while in others the tradition is not as well established. Where networks and local partnerships are well established, they appear to be working well and have not been changed particularly with the advent of the crisis, although it could be argued that the fact that they belong to a local partnership has enabled the SMEs to cope better with the crisis and enable them to move forward in the post-recession economy.

Broughton A (2011) *SMEs in the crisis: Employment, industrial relations and local partnership*, European Foundation for the Improvement of Living and Working Conditions



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The UK labour market: still stuck in the mud?

Recent monthly releases of official UK employment figures have shown modest growth in employment, and small falls in unemployment (at least as measured by the Labour Force Survey (LFS); the claimant count measure of people claiming Jobseekers' Allowance has, in contrast, started to increase again). The figures have generated a rather confused debate in media and policy circles about the extent and nature of the labour market recovery as we emerge from recession. In particular, some commentators have struggled to reconcile the apparently improving employment data with the continued weak figures for GDP growth. The press has been full of stories of the 'remarkable' recovery in employment, and comment about how private sector jobs growth is more than compensating for the ongoing loss of employment in the public sector.

Before turning to look at this interesting tension between the economic growth data and the employment figures, it is worth briefly putting one myth to rest: there is, to date (as at July 2011), absolutely no evidence of a sustained recovery in the labour market. To see this we need only look at Figure 1 which shows the 'Beveridge curve', plotting total vacancies against total (LFS) unemployment since 2008. Throughout the first year of the recession the economy tracked down the curve, with vacancies steadily falling from 700,000 to just over 400,000, while unemployment grew from 1.6m to nearly 2.5m. Since mid-2009, there has been no real change, and the Beveridge curve has barely moved, with unemployment stuck at 2.4-2.5m and vacancies fluctuating in the 450-500,000 range. This still looks like a labour market experiencing chronic demand-deficiency. Until we see the figures moving back up the Beveridge curve in a sustainable way, it is far too early to talk of labour market recovery, not least because the bulk of public sector job loss due to public spending cuts is still to come later in the financial year.

So what about the unusual relationship between labour market and economic trends? Well, part of the confusion stems from the understandable obsession with headcount employment figures. We get a rather different picture if we look at trends not in headcount but in total hours worked, a much better

underlying indicator of labour input in the economy. When the economy goes into recession, total hours of work fall, but this reduced labour input is itself the result of two other changes: fewer workers employed (headcount), and a fall in the average number of hours worked per worker.

A key difference between the recent recession and the two previous recessions in the early 1980s and '90s is that the overall fall in labour input was smaller in the most recent recession; around 4 per cent compared with 8-10 per cent previously. And this was despite a larger fall in output this time round.

Another important difference, however, is that whereas in the two earlier recessions most of the fall in labour input was due to falling headcount, in the most recent recession much more of the fall in labour input (two thirds or more) was due to a reduction in the average number of hours worked. Put simply, in the recent recession, employers tended to protect headcount and retain staff through measures such as the use of short-time working, and a shift towards a greater use of full-time rather than part-time staff.

Figure 2 shows, therefore, that total hours worked in the economy fell rather more than total employment both during and immediately after the latest recession. But we should also note the surprising and sharp fall in hours worked in 2011; the gap between the trend in employment and the trend in total hours worked appears to be widening again, indeed total hours are now almost back down at their 2009 level.

Focusing on hours worked rather than headcount helps us resolve the apparent contradiction between the GDP and employment data. There is no real contradiction; both GDP growth and labour demand data suggest a rather weak performance. This picture is strengthened by the aggregate level of vacancies, which remains low and has also recently fallen back to levels close to those seen at the trough of the recession.

The champagne should therefore remain on ice: rather than a labour market recovery, it seems possible that we are already facing another slackening of labour demand, to be further reinforced as the full effects of public sector cuts bite.

Figure 1: Vacancies and Unemployment (2008-11) Source: ONS

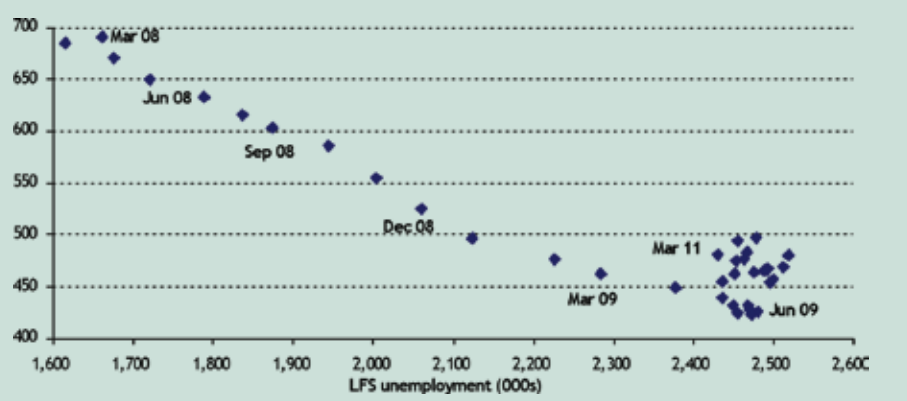


Figure 2: Trends in headcount and total hours worked Source: ONS

