

IES
Annual Review
2015–2016

Introduction

The IES mission is 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.



Nigel Meager
IES Director



David Smith
Chair, IES Board of Trustees

Welcome to the IES Annual Review 2015/16. In reporting on our activities in the financial year 2015/16, we have replaced our traditional annual review with this new style of report, which focuses more on the impact of IES's work, supplemented with a separate 'Snapshot' document which lists our activities in detail.

The Review aims to bring IES's research and consultancy activities to life, showing how they make a difference in improving employment and HR policy and practice. As a charitable research centre, devoted to public benefit, we set great store by the independence and rigour of our work. We are not a campaigning organisation or 'think-tank' and we do not take a political stance. Our aim is always to ensure that we deploy appropriate and state-of-the-art methodologies to our research and consultancy assignments, and we invest in staff training and development to support this. We also uphold high standards of research ethics in the conduct of all our activities.

IES operates across three main work streams: UK public policy research; international research and evaluation; and HR research and consultancy for employers and employer bodies. We believe we are unique in this macro-micro combination of our work, and in the synergy we gain from working both with policy-makers at national and international level, and with employers at the level at which individual employment decisions are made.

2015/16 was a good year for IES, with strong demand for our services in all three of our work streams. This was despite some upheaval in our UK public policy work programmes around the period of the UK general election, and some turbulence in our European work associated with the run-up to the EU referendum. While the financial environment makes it harder than it has been for many years for independent research centres such as IES to operate successfully, we continue to thrive in this difficult environment, and the diversity of our funding sources provides us with financial resilience as well as a unique mix of clients and projects. The work we do has never been more relevant and influential as can be seen from the examples in the pages which follow.

The success of the Institute is due to the skills, expertise and commitment of its staff, supplemented by our network of partners and associates in the UK and abroad, and the support of our Board of Trustees. We would like to thank them all for their inputs and collaboration during the year.



The range and nature of IES research mean that our role has never been more important or pertinent. The Institute's work not only continues to uncover the impacts of policy, to analyse future employment prospects, and to highlight HR challenges and opportunities, but also guides policy-making.

The Institute's original remit in the 1960s was to support decision-making in 'manpower' planning. That work has remained central to what we do in assessing skills shortages and the most effective methods of labour supply, recruitment and retention – areas which are likely to loom large for employers and the government in coming years.

The UK's unexpected decision to leave the European Union, plus its surprise new government, prompted an avalanche of predictions, ranging from doom to bloom for Britain. While the UK might have 'had enough of' experts in the run up to the referendum vote in June 2016, the need for considerable expertise and sound judgement to navigate its new relationship with Europe has arguably never been more apparent.

IES research evidence will continue to provide government departments with practical insights to help tackle potential employment issues, while enabling employers to understand what the implications of Brexit might mean for pressing issues such as labour supply, skills shortages, and employee engagement. All of these are areas where we have a European-wide research profile, including the implications of migration patterns, employee relations, and the supply of and demand for skills.

With the UK government's continued, albeit more muted, commitment to restraint in public spending, and ongoing uncertainty over Brexit terms, there will be tough choices ahead. This is just one area in which IES has already conducted a stream of work for public sector employers,

considering innovative and cost-saving structures to deliver services. Indeed, over the past year our research has touched on many of the themes that will become increasingly prominent for UK employment in future decades.

Addressing inequality in labour market opportunities will be a major priority, as the government gets to grips with levelling the playing field and opening up economic opportunities for people from different groups and from different communities. Here too, we have much to contribute through our evaluations of policy interventions to support specific groups. Our work for employers has looked at longstanding disadvantage in employment, including detailed analysis and commentary on pay differentials by protected characteristics and analysis of effective reward mechanisms and wider equality issues.

Helping organisations and individuals make choices about jobs and development opportunities is essential at a time of so much change and uncertainty, and our work on vocational qualifications, higher education and graduates, talent management, succession planning, and careers information, advice and guidance all contributes to this understanding.

Supporting people with long-term health conditions and maximising and maintaining the wellbeing of workers has always been a concern, but is now a growing issue for many employers with ageing workforces and increases in work or lifestyle-related health problems. IES research offers insights on this important issue by investigating the support that employers provide for people with mental and physical health conditions, as well as informing policy initiatives that seek to help people into work.

In these and other areas that seem to be experiencing a resurgence of interest, such as flexible working policies, raising productivity, and making best use of HR analytics, we draw from our research in the field to provide insights for both employers and policy-makers. In doing so, we continue our important work of improving employment policy and practice in the UK and across Europe.

Why our work matters

'Over the past year our research has touched on many of the themes that will become increasingly prominent for UK employment in future decades'



What we know

Our research and consultancy expertise covers a wide range of employment and human resource management topics.

- **Employee engagement**
- **Employee relations and employment conditions**
- **Equality and diversity**
- **Health, work and wellbeing**
- **Higher education and graduates**
- **The HR function**
- **Leadership**
- **Learning and employee development**
- **Organisation design and development**
- **Pay and reward**
- **Performance management**
- **Skill demand and utilisation**
- **Talent, succession and careers**
- **Unemployment and welfare**
- **Workforce planning and labour market change**
- **Young people in the labour market**

Respected experts and advisors

Alongside our research, consultancy work and dissemination, we are often called upon to support organisations, charities, and government and policy bodies with our knowledge, expertise, insights and advice.

In 2015/16, members of our team engaged in various roles to which they lent their expertise, including:



Several senior staff were expert advisors to various commissions. For example:

- Annette Cox was an Expert Witness for the Skills Commission Older Workers Evidence Session.
- Duncan Brown was an Expert Adviser to the House of Commons Select Committee for Women and Equalities.
- Andrea Broughton was a member of the LSE Commission on the Future of Britain in Europe: Evidence Session on Social Europe, EU Employment Legislation and Britain's Labour Market.
- Becci Newton presented to the Skills Commission's Spotlight on Young People during National Apprenticeships Week.

Additionally, IES Principal Associate, Wendy Hirsh, was named one of HR Magazine's most influential thinkers of 2015.

Some project highlights 2015/16

Centre for Vocational Education Research

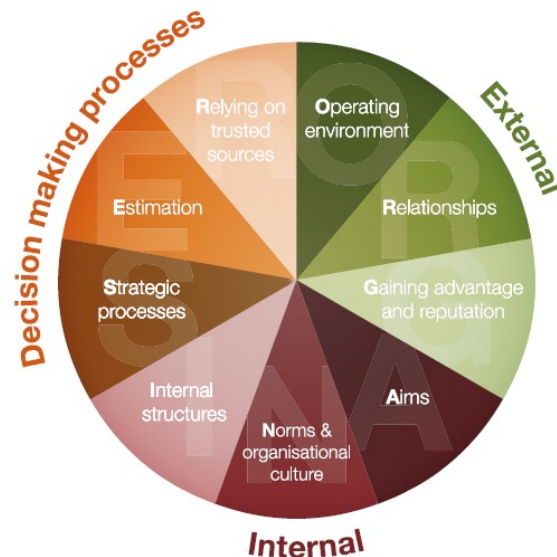


In 2015, IES and three partner institutions were commissioned to form the Centre for Vocational Education Research (CVER). Our consortium partners are: the Centre for Economic Performance at the London School of Economics; the University of Sheffield; and London Economics.

The centre aims to advance our understanding of the requirements for vocational education (VE) in Britain today, in order to address and overcome long-running structural problems and inadequacies in the existing vocational education system.

IES provides a team of experienced and highly-skilled economists to this project consortium, funded by the Department for Education. The Centre aims to be a world-class research hub with the potential to generate a step-change in our understanding of the nature, significance and potential contribution of VE to individuals and the wider economy.

Understanding the behavioural drivers of organisational decision-making



This model, called ORGANISER, will be used by government to use and promote with intermediary bodies working with organisations in delivering policy or strategy change.

It was developed by a consortium led by IES, which reviewed the evidence on factors that influence organisational behaviours and decision-making for the Department for Energy and Climate Change.

What we do

We use a range of approaches to provide insight and support to our clients, members and partners.

- Continuing professional development
- Developing tools, resources and guidance
- Evaluation
- Events
- Evidence and literature reviews
- HR Network membership
- International research and analysis
- Labour market analysis and forecasting
- Provision of expertise and advice
- Qualitative data collection and analysis
- Quantitative and econometric analysis
- Support and consultancy for employers
- Surveys

Labour market dynamics and disadvantage

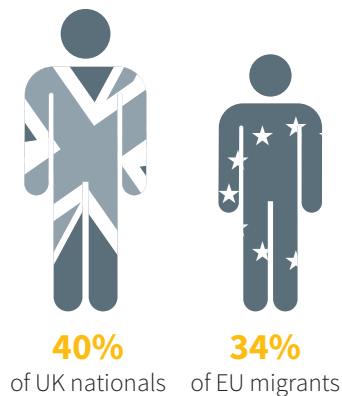
IES undertakes research on how labour markets function, both to inform national and international policy-makers, and to support individual employers' decision-making. We investigate the future workforce and labour supply, alongside active labour market policies to reduce unemployment and economic inactivity.

Workforce and skills

A recent study by IES for the Migration Advisory Committee (MAC) provided a picture of the overall nursing recruitment issues faced by the NHS and informed MAC's recommendations to Government on future recruitment policy.

For the European Foundation for Living and Working Conditions (Eurofound), we explored the impact of intra-EU mobility on staffing, budgets, demand and use of public services in a case study of the UK's experience of immigration. The report found that EU migrants are less likely to claim benefits than UK nationals, with 34 per cent of EU migrants receiving some form of benefits (in-work and out-of-work) compared with 40 per cent of UK nationals.

Benefit claimants



Productivity

IES provided research support to the UK Commission for Employment and Skills, together with SQW, IER and Cambridge Econometrics, in helping a group of business leaders across different sectors tackle productivity issues that constrain economic growth. The research fed into four sector-specific and two cross-cutting reports.

We also developed and maintained a community of influential business leaders, and provided bespoke research and facilitated events to generate insights into the views of leading UK employers on topical skills and other people management issues for the UK Commission for Employment and Skills. Our partners Ipsos Mori placed questions on employment issues into a panel survey of business leaders and IES conducted two research projects exploring employers' views and practice over zero-hours contracts and the recruitment of young people. Our findings fed into setting future priorities for action on these two areas of policy importance for the UK government.



CLIENT IN FOCUS

Department for Work and Pensions

IES has produced an influential stream of research for the Department for Work and Pensions (DWP), including our three-year evaluation of the Work Programme. In 2015/16, we worked on several projects for the Department, including:

Evaluation of the new Jobcentre Plus approach to providing support for 16-17 year olds

Jobcentre Plus, in partnership with local authorities, is implementing a new approach to providing support for 16-17 year olds who are not in education, employment or training and not in receipt of an income-based benefit. IES led a theory of change evaluation, followed by case study research to test whether the policy works as intended by policymakers, plus an impact assessment and cost-benefit analysis, together with the National Centre for Social Research.

Evaluating the impact of the Intensive Activity Programme

We evaluated the impact of a trial providing intensive support for new Jobseeker's Allowance claimants. IES researchers developed a theory of change model and undertook qualitative research to explore claimants' attitudes, experiences and behavioural change caused by the programme.

Research into Employment Support Allowance Claimant Trials

IES led research into ESA claimants' experience of three new trials designed to move participants closer to the labour market: Voluntary Early Intervention; Claimant Commitment; and More Intensive Support. Working with SPRU at the University of York, IES led interviews with claimants, observed their meetings with Work Coaches, and explored claimants' attitudes towards support received, their motivation and engagement in work-focused discussions, and how these changed during the trials.

SHARING OUR EXPERTISE



Nigel Meager presented 'The UK Labour Market after Recession' at the *University and Colleges Employers Association (UCEA) Summer Event*, in London, July 2015

Nigel Meager presented 'Self-employment: independent 'enterprise', or precarious low-skilled work? The case of the UK' at the International Conference on Microfinance, in France in October 2015.

Andrea Broughton presented 'What is undeclared work?' at *Employment Status and Undeclared Work*, in Maynooth, Ireland, in November 2015.



Nigel Meager is providing expert input to a European Commission programme that is identifying and disseminating good practice in the area of social protection and social inclusion, across EU member states.



IES director Nigel Meager jointly wrote a chapter, *Job Quality and the Self-employed: Is It Still Better to Work for Yourself?* in the book *Unequal Britain at Work* edited by Felstead A, Gallie D, Green F.

IES published three blogs on the topic of the UK labour market and employment:

- The Queen's Speech: full employment and productivity – do the numbers add up?
- Productivity tops the next government's to do list
- India and the UK: a golden opportunity?

Challenges for youth transitions

IES researches the youth labour market from school leavers to graduates. We also assess how the education and training system can support young people's entry to an ever more competitive labour market.

Careers guidance and employability skills

In January, our client STEMNET, an educational charity, submitted evidence citing IES research to the Careers Advice, Information and Guidance inquiry run by the House of Commons Sub-Committee on Education, Skills and the Economy. Our research project explored how STEMNET's STEM Ambassadors Programme and STEM Clubs Programme impact on young people's employability skills.

The Careers & Enterprise Company (CEC) commissioned IES and partners to carry out two projects:

1. As part of an ongoing project, IES tracked the impact of increased employer involvement in careers information, advice and guidance in schools to help inform CEC funding priorities. We are analysing schools' careers guidance provision and linking it to educational outcomes.
2. IES, with IFF and ICEGS, has created a self-assessment tool for schools to monitor their careers guidance provision against established benchmarks.

Unemployment and disadvantage

Our research for the homelessness charity, Centrepoin, in March 2016 fed into their recommendations to government and employers around the proposed measures to tackle youth unemployment of the most disadvantaged and homeless young people. The findings report, which was the outcome of interviews, surveys and focus groups, with employers, homeless young people, training providers, and professionals from youth homelessness charities, was launched by Centrepoin during National Apprenticeships Week.

In 2015-16, four papers were published written by IES authors working on the Strategic Transitions for Youth Labour in Europe (STYLE) project. STYLE is a long-term collaboration with our partners in 20 European countries to understand the causes of very high unemployment among young people

and gauge the effectiveness of policies to tackle it. IES team members also presented findings from the STYLE project at events run by the London School of Economics and the Democritus and Aristoteleio Universities in Greece.

Younger workers in the labour market

IES was commissioned by the Department for Business, Innovation and Skills to analyse young people's transitions to, and within, the labour market. Three resulting reports offered an up-to-date evidence base on movements and progression within the youth labour and education sectors.

Further research for the Department, into approaches to graduate recruitment, was referenced in the government's Green Paper, *Fulfilling our potential: teaching excellence, social mobility and student choice*. The study explored patterns in graduate recruitment, behaviours of graduate employers and interactions between graduate employers and universities.

SHARING OUR EXPERTISE



IES held a popular workshop presenting evidence on: trends in youth employment; apprenticeships; effective practice in graduate recruitment and getting the most out of employer – university links. Jaguar Land Rover also presented a case study of their graduate, undergraduate and apprentice recruitment approaches.



IES Principal Research Fellow Kari Hadjivassiliou was an international expert at a European Commission high-level learning exchange event, 'Designing and implementing effective strategies to support the integration and retention in the labour market of youth at risk' held in Stockholm on 18–19 February 2016.

Carers

We were commissioned to work for the Social Care Institute for Excellence (SCIE) on an evaluation of what works to keep carers in employment, specifically using assistive technology and flexible working. This evaluation of the Carers' Employment Pilot assessed pilots in nine English local authorities, evaluating their provision of support to employers as well as carers themselves.

Managing older workers

In collaboration with Eversheds we delivered a series of interactive CPD seminars for employers across the UK focusing on managing older workers. The seminars focused on four main areas: pensions, age discrimination, flexible working and workplace adjustments for older people.

Impact of working longer

IES produced an international evidence review for the Department for Education on the impacts of working longer for teachers covering sources since the late 1990s. The evidence was welcomed by the Working Longer Review Group.

Workplace health and wellbeing of older workers

IES evidence reviews produced with York Health Economics Consortium and The Work Foundation for the National Institute for Health and Care Excellence (NICE) were used to develop public health guidance for employers and employees on effective and cost-effective ways of protecting and promoting the health of older workers.

In a project for the CIPD, we looked at how employers can retain older workers by focusing on their health and wellbeing and accommodating the caring commitments of older workers.

SHARING OUR EXPERTISE



Annette Cox presented 'Managing an older workforce' at the *Working Overtime: The Ageing UK Workforce* conference, in London on 15 June 2015.

Andrea Broughton presented 'Ensuring the health and wellbeing of older workers', at the *Industrial Relations in Europe Conference (IREC) 2015* in Gothenburg, and at the *CIPD Senior Diversity Network* in November 2015.

Kate Spiegelhalter presented 'Innovative approaches to supporting carers to remain in employment' at the Public Health England *Work and Health* conference, in Manchester on 21 March 2016.



Andrea Broughton wrote an IES blog: 'Who is caring for working carers?' considering the question in the context of an ageing UK workforce.

The changing landscape for older workers

The increasing age of the population and the workforce presents new challenges for employers and policy-makers. Our work examines the reasons for extended working lives; age discrimination in employment; the relationship between health, age and employment; employers' perspectives on age; and diverse and changing patterns of retirement.

Improving health and wellbeing for workers

IES examines how employers and policy agencies make the workplace healthier and safer, including the impact of interventions and the processes and practices that contribute to employee wellbeing. Our work in this area is focused around three main topics: wellbeing in employment; health, safety and wellbeing policy; and mental health and stress.

Absence management and presenteeism

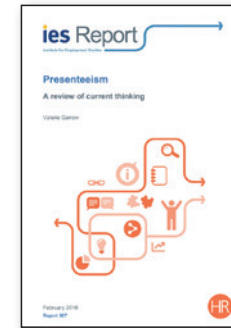
Our review of workplace policies and management practices around worker health and wellbeing for the National Institute for Health and Care Excellence (NICE) identified effective practice and fed into published guidelines. The guidelines, produced by IES in partnership with the Work Foundation and Lancaster University, make recommendations on improving the health and wellbeing of employees, with a particular focus on organisational culture and context, and the role of line managers.

A series of Fit for Work Service pilots was established in 2010 to offer support for people in the early stage of sickness absence, particularly for employees working in small and medium-sized enterprises. Our interim evaluation of the Fit for Work pilots for the Department for Work and Pensions informed a government White Paper, *Fitness for work: the Government response to 'Health at work – an independent review of sickness absence'* in 2013.

Our final report for the Department for Work and Pensions, published in July 2015, pulled together the available evidence about whether the Fit for Work pilots achieved their aims and, in particular, their effect on returning sickness absentees to work.

During 2015, the UK Government launched the Fit for Work service to provide a telephony-based occupational health assessment and health and work advice to employees who are on or at risk of entering long-term sickness absence due to ill-health, employers and GPs to help employees return to or stay in work. The Institute began an evaluation of the new service, in partnership with GfK NOP, which will continue for over three years.

Presenteeism: A review of current thinking



IES produced a review of published literature and research on wellbeing and absence management for the energy company, EDF. One of the key findings of the report was that, while senior managers are important in establishing an overall health strategy, a key focus for intervention is at the line manager/supervisor level.

The impact of cycling to work

IES was commissioned to estimate the economic benefits of the Cycle to Work scheme for employers, employees and society. Our research findings estimated that the salary sacrifice scheme generates at least £72 million worth of benefits to the UK economy – more than twice the estimated costs to the Treasury in lost tax.



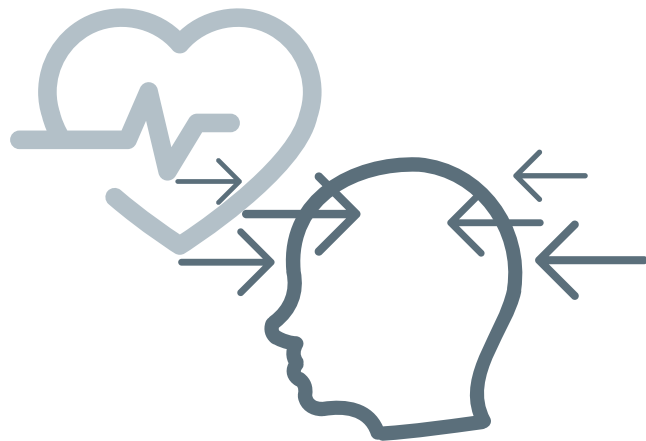
Employee welfare

IES was a member of a research consortium commissioned by a government department to deliver an evidence-based tool to provide assurance on the effectiveness of welfare provision for a group of its employees. The consortium investigated existing welfare policies and undertook a review of relevant models currently employed by other organisations.

Health and safety

The Napo Teacher Toolkits aim to introduce health and safety topics to primary school children in an educational, yet fun and imaginative way using clips and activities centring on a cartoon character called Napo. IES evaluated the initiative for the European Agency for Safety and Health at Work (EU-OSHA) to assess its effectiveness and impact.

Also for EU-OSHA, IES is providing data on work-related injuries, illnesses and deaths in the UK as part of a project collecting data from 30 European countries. The aim is to create a first step in the development of a European costing model of work-related injury and illness.



Mental health and mindfulness

We have worked with several organisations that aim to be proactive in supporting the mental health of their workers, and carried out an innovative project researching the development of employee resilience through mindfulness, for a large public sector employer.

For the Police Federation of England and Wales we undertook research to understand the management of mental health issues in the police service, and the role of various personnel involved in responding to those at risk. The project explored the demands on staff with lived experience of mental health issues to understand how available support helped them.

We assessed the work and wellbeing strand of the mental health charity, Mind's 'Blue Light' initiative, which aims to improve the awareness and management of the mental health of employees in the emergency services.

The Higher Education Funding Council for England (HEFCE) made plans to strategically engage and facilitate dialogue with the higher education sector about the issues and challenges identified by research they commissioned from IES. This research investigated institutional support provision for students with mental health problems, and other impairments with high-cost or intensive support needs. Also, on the basis of the findings from this and a parallel study looking at the support needs of students with specific learning difficulties, HEFCE increased their funding to universities to support disabled students, with the intention of helping institutions to transition to more inclusive models of provision and support.

SHARING OUR EXPERTISE



Dilys Robinson presented 'Can we be happy at work?' at *Brighton Action for Happiness*, in Brighton in September 2015.



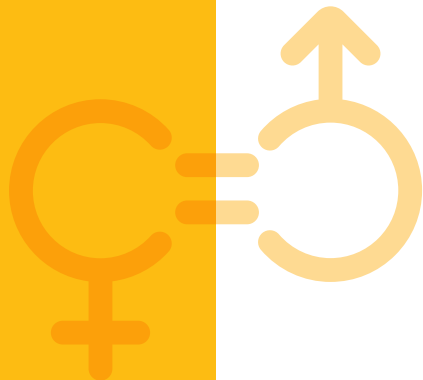
IES published three blogs on the topic of health and wellbeing:

- Workplace stress: an ongoing issue
- Laughing all the way to the bank
- Risk Management with a smile! Getting an early start on health and safety

IES Associate, Liz Hall, wrote a paper outlining what mindfulness is, the benefits, and how it can be applied in the workplace.

Striving for equality and diversity at work

IES researches the factors associated with disadvantage across different groups and in different environments. We have explored and evaluated the methods and mechanisms used to address inequalities in education and employment to create vibrant cultures, improved responsiveness to employee and customer needs, greater innovation and creativity, and to help organisations compete in an increasingly globalised marketplace.



Discrimination

IES was commissioned with IFF Research and COMPAS to carry out research for the Equality and Human Rights Commission to improve understanding of employer behaviour and practices when recruiting British and migrant workers with the right to work in Great Britain.

Gender equality

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) commissioned IES and Istituto per la ricerca sociale (IRS) in Bologna, to carry out:

- A study on the effectiveness of policy measures to support and encourage women's labour market participation in six EU Member States.
- An econometric analysis to describe trends and patterns of female labour force participation in the EU28, modelling factors which explain why women do or do not work.

A major public sector employer commissioned IES, as part of a consortium, to explore how it might ensure that it offered 'gender fair' career paths. It also wanted to understand better why some roles seemed to be relatively unattractive to women and what factors were influencing recruitment and retention.

SHARING OUR EXPERTISE



Duncan Brown facilitated a workshop on gender pay at the 'FORUM on the Future of Gender Equality in the EU',

Brussels on 20–21 April 2015, to help the European Commission develop its Gender Equality Strategy 2016–19.

Duncan presented our insights on gender pay at three events, for Employee Benefits, Fox Williams, and the Reward & Benefits Association (REBA).



Duncan Brown posted blogs for IES and People Management on gender equality and the pay gap reporting requirement:

- Gender pay gap reporting: Let's get on with it
- Is Britain in denial over waste of talented women at work?
- Opinion: Why gender pay gap reporting divides employers

Other IES blogs on the subject of diversity and equality included:

- The true cost of 'welfare tourism'
- Some questions to ask yourself on International Day of Persons with Disabilities
- Heightism: an unacknowledged bias?

Employment conditions

IES worked with IZA and IDEA Consult to produce a study on precarious work in the EU for the Employment Committee of the European Parliament. The study included a literature review of the trends relating to different forms of precarious work, data analysis and in-depth reviews in eight EU Member States.

IES leads a consortium with French and Belgian partners, which provides ongoing information-reporting services on EU-level industrial relations, working conditions and change management to Eurofound's Observatory websites.

IES organised a roundtable on behalf of the UK Commission for Employment and Skills exploring the drivers and impacts of atypical forms of work, attended by employers from both private and third sectors.

The Czech Ministry of Labour commissioned IES to carry out an overview of the regulation of flexible working in the UK

and an examination of organisational practice, which was presented at two research seminars in Prague.

Fair pay

IES carried out an evidence review for the Equality and Human Rights Commission on the effectiveness of interventions to close the gender, ethnicity and disability pay gaps. We designed and facilitated three workshops with employers and stakeholders to identify key challenges and 'what works' in reducing pay gaps.

IES produced for Eurofound a summary framework explaining the roles of institutions involved in wage bargaining systems. It also considered more widely, social institutions and economic policy regimes, and social and demographic characteristics affecting pay outcomes in different economies.

The journey towards fair pay and better employment conditions

The relationship between employers and employees, and the changing nature of work and the workplace has long been a central feature of IES's work. We also help organisations to examine how different factors may impact on pay levels. We carry out equal pay audits for clients and assist with job evaluation, pay structure reforms and pay progression to address any gaps identified.

SHARING OUR EXPERTISE



Duncan Brown presented on the subjects of equal pay and low pay at various events, including the High Pay Centre's Reforming Performance Pay conference and the Industrial Relations News annual conference.

He also presented at a series of Eversheds seminars on the impact of the National Living Wage on employers.

Andrea Broughton chaired the 'Precarious forms of employment in Europe' debate at the Industrial Relations in Europe Conference 2015 in Gothenburg. Andrea also presented on employment conditions in the international road haulage sector at a European Economic and Social Committee seminar, drawing on two IES research projects.



IES published six blogs on the subject of fair pay and employment conditions:

- Work-life balance – a win-win situation
- Firms offering innovative options for working families are coming up trumps
- Fair Pay: What do the Politicians and HR Directors want?
- Want to motivate staff on low pay? Pay more
- Will the national living wage have unintended consequences for employers?
- Big bonuses could be a force for good in society

Education and the path to employment

IES carries out research on education and training for government departments as well as for local and sectoral education and skills bodies. We conduct evaluations on the impact of public training and development policies at national and international level.



Education and training routes

For Gatsby Charitable Foundation IES is developing a UK database, based on the O*NET database of occupations from the USA, to map education and training routes into UK occupations. The project involves proofing the concept with a selection of occupations and jobs, providing visualised descriptions of the routes and specifying a full database for the UK.

Higher Education and graduates

During 2015/16 we continued to work with National Centre for Social Research on the Student Income and Expenditure Survey 2014-15, which will provide a comprehensive and robust assessment of the impact of the 2012/13 changes to student finances.

In a study for the National College of Teaching and Leadership, IES investigated why individuals choose teaching as a potential career. The project considered the decision-making process about entering initial teacher training, including leaks in the pipeline before completion.

IES is evaluating the outreach activity of the University of Oxford, which aims to improve representation and progression of under-represented groups at the university and other selective institutions as part of its widening participation strategy.

Vocational education

Our research and evaluations in this area have already informed the debate on the forthcoming apprenticeship levy in 2017, which is one of the most significant changes to vocational education funding in recent years.

Following on from our work in 2012/13, we are working with BMG Research on a further evaluation of the Apprenticeship Grant for Employers (AGE) for the National Apprenticeship Service. The new evaluation will track delivery issues and the grant's effect on employers' engagement with apprenticeships. It will also assess the effect of the enhanced London AGE.

Drawing on our EU-wide study of traineeships, the European Commission published A Guidebook for Policy Planners and Practitioners providing an overview of employment outcomes and effectiveness of the main apprenticeship and traineeship programmes in each Member State from 2007-2012. This project was carried out over two years in a consortium with IRS, led by Ecorys.

IES is providing expert advice for a toolkit design on effective practices and systems to address early leaving from vocational education and training for European policy-makers. It will show how to identify and monitor young people at risk and how to evaluate VET-related measures to address early leaving.



In 2015, IES and four partner institutions formed the Centre for Vocational Education Research (CVER). See page 4 for details.

Adult Education

A joint IES and Istituto per la ricerca sociale (IRS) project, investigated the economic and social costs of low-skilled adults in the EU for the European Centre for the Development of Vocational Education (CEDEFOP). It has developed frameworks for defining and measuring the magnitude of the low-skilled population in the EU; analysed

characteristics, causes and trends for low-skilled people across the EU; built scenarios about future supply and demand for low-skilled workers; and developed a rigorous methodological framework to define individual and social costs. The IES project team presented the findings of this research to an expert group seminar in Brussels in October 2015, and a report will follow in 2016.

CLIENT IN FOCUS

The Department for Business, Innovation and Skills (BIS) (now the Department for Business, Energy and Industrial Strategy)

On the topics of education and skills, our projects for the Department included:

The contribution of Further Education and skills to social mobility

IES reviewed published research on how taking part in further education (FE) helps people get better jobs and wages, and the effects of further education on the prospects for the children of FE learners.

Modes of study in Higher Education

We carried out a review of the current research and policy literature with qualitative case studies of higher education institutions alternative modes of study in higher education, particularly compressed degrees, to enable a more flexible institutional delivery system.

Evaluation of the Apprenticeship Trailblazers

The Department published IES's evaluation of the Apprenticeship Trailblazers in November 2015. Messages emerging from IES's evaluation assisted the Department to clarify and amend its guidance for Trailblazer networks

and to improve its communications with these and other stakeholders. Trailblazers are networks of employers and other sector and industry bodies, working together to design apprenticeship training and standards for jobs in their sector.

Mapping investment in adult skills

The findings of our study for BIS, on how funding for adult learners in England is currently targeted, and the costs and benefits of different types of provision and for different types of learner, were submitted as evidence as part of the 2015 Autumn Spending Review. The Department wanted to understand how the Adult Skills Budget allocation compares with other funding streams for adult skills, such as employer investment. We identified areas of overlap between funding streams, as well as any gaps in funding.

Evaluating mandatory maths and English training for young job-seekers

IES formed a consortium with NatCen and AlphaPlus to lead an evaluation of a pilot to mandate benefits claimants aged 18-21 without a Level 2 qualification to English and Maths skills support.

SHARING OUR EXPERTISE



Becci Newton presented 'Apprenticeships Equality, Diversity and the Reform Programme' at the Hackney Council *Community Safety Social Inclusion Scrutiny Commission*, on 9 February 2016.

Becci Newton presented 'Evaluation of the Apprenticeship Trailblazers' at a Campaign for Learning seminar, in London on 16 July 2015.

Jonathan Buzzeo presented 'Are apprenticeships delivering for young people?' at the Policy UK conference, *Creating a Generation of Apprentices: Funding, quality and a route to employment*, in London in March 2016



IES published two blogs on the subject of graduates:

- How are employers attracting the right graduates?
- How are our graduates faring?



Emma Pollard submitted evidence on behalf of IES to the NUS Commission on the Future of Work, which was referred to in the Commission's final report.

Better outcomes for employee development

IES evaluates in-company training and development programmes and helps employers to better understand their training investment in order to create a more effective development offer. Alongside researching new coaching approaches, the changing face of human resource development and the impact of workplace learning and development strategies, we also investigate the impact of government policy on employers' development programmes.



Work with employers on employee development

Coaching

IES work continued on a joint initiative with James Cook University in Australia, investigating the barriers to coaching effectiveness. Alison Carter presented the results in Australia, the United States and Canada, as well as in Europe.

Alison also led workshops and presented at events on other aspects of coaching, such as coaching for organisational change, features of a good coach, and what coachees want from coaching, in the UK, Canada and Australia.

Health coaching for behavioural change is a brand new approach to giving clinicians coaching skills so that they can help people better self-manage long-term health conditions and make the lifestyle changes that will help them. IES evaluated this NHS England Midlands and East initiative, which involved a two-day health coaching programme for clinicians and a further four-day programme for clinicians to become in-house trainers in health coaching for skills transfer and sustainability.

IES also contributed to an online toolkit by Health Education East of England which aimed to support the spread of health coaching as a social movement.

IES carried out research for a large employer that needs its employees to be able to quickly learn languages in high-pressure situations. The study evaluated various Rapid Language Learning techniques and has been highly influential in the organisation's future language learning strategy. For the same employer, we investigated whether outsourcing training services is an effective strategy.

Supporting SE London HR Network

IES is organising and facilitating meetings of senior HR leaders in local authorities in South East London, and delivering a range of sessions aimed at the next level of HR leaders and other HR potential leaders. These sessions loosely take better change management as their theme and have covered a range of challenges in creating change: new service delivery models including outsourcing, shared services, partnerships etc; service transformation and redesign; flexible working; and what constitutes good change management.

Talent management

IES was commissioned to develop a strategy and outline processes for leadership development and talent management in a county council. This work included both the development of all levels of leader to equip them to face the challenging context, plus the identification of a small pool of high potential individuals as a flexible resource to work on strategic projects.

Public policy on employee development

The Department for Business, Innovation and Skills commissioned IES to conduct a short evaluation of the Right to Request Time to Train policy, and on the impact of its potential expansion to cover employees of small and medium-sized enterprises.

IES is evaluating Round 2 of the Employer Ownership Pilots in partnership with Ipsos-MORI, for the Department for Business, Innovation and Skills. This long-term evaluation seeks to test whether giving employers direct access to public money, co-invested with their own, increases employer investment in skills, or enables employers to demonstrate more effective ways to improve skills in the workforce than they can currently achieve through mainstream funding.

Evaluating employee development

We are evaluating the Paramedic Pre-Degree Pilot on behalf of NHS Health Education England. This in-depth case study is exploring the attitudes, experiences and career intentions of students, and also aims to provide insight into whole systems issues by involving local employers and higher education providers.

IES evaluated a pilot programme for the Department for Business, Innovation and Skills and used the outcome to develop an easy-to-use toolkit of evaluation approaches and methods.

We assessed the digital literacy within a large organisation to determine the current and required levels of digital literacy, as well as any shortfalls in skills. The project aimed to provide recommendations on how the level of digital literacy could be increased and looked at how other organisations deliver digital literacy.

We developed a framework to provide advice and guidance relating to training assurance for a large organisation's

training provision. The main objective was to develop a portfolio of evidence which could be used to underpin the strategy, policy processes, practices and resourcing required to enable effective quality assurance of the organisation's training system.

We evaluated the Nye Bevan Programme for the NHS Leadership Academy. The programme is aimed at senior people who will apply for director level roles within the next year or two, or who have been appointed to such posts within the last two years. The results of the evaluation revealed many positive features. The NHS Leadership Academy plans to use some of the material, especially the case studies of successful participants, in its publicity and marketing.

A project for a large employer explored how performing a range of different jobs over time, which provide both depth and breadth of experience, can build knowledge, skills and abilities. It aimed to understand how to best utilise the experience and its contribution to performance.

SHARING OUR EXPERTISE



Becci Newton is an Associate of the Education and Training Foundation.

Penny Tamkin held a post on the Defining and Assessing Competence Evaluation Advisory Panel for the College of Policing.

Becci Newton, Emma Pollard and Stefan Speckesser are Associate Researchers for the Department for Education.

CONTINUING PROFESSIONAL DEVELOPMENT

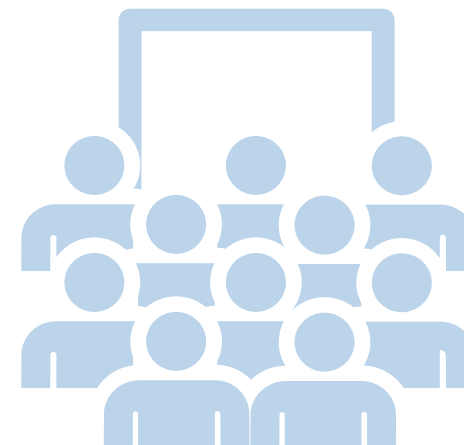
IES offers a comprehensive range of continuing professional development (CPD) activities, from individual coaching, mentoring and diagnostics, through team-based interventions such as action learning, to our popular events programme.

A key part of our offer to members and other organisations is a range of events designed to raise the skills, knowledge and reflection of line managers and HR, OD and learning and development specialists.

In-house for organisations, we offer events that give access to IES expertise on a wide range of employment-related topics.

Our most popular in-house events are 'Knowledge Knibbles': bite-sized learning events (often delivered over lunch), which present what we know about new, messy and complex people management topics in a digestible way.

Over the last 12 months IES has delivered a number of 'Knowledge Knibbles' on topics such as the current state of play in performance management, current issues on flexible working, understanding and building resilience, characteristics of leadership for change, and using HR analytics to best effect.



Supporting employers to make improvements in policy and practice

We draw from our long history of working with employers combined with research insights we have gathered into new topics to offer expertise on the full range of topics affecting organisations today. These include HR analytics and workforce planning to employee engagement, performance management and reward strategies.

Change

In the current context of public sector reorganisation, local authorities and the Local Government Association have been keen to uncover the best approaches to change. IES has been commissioned to support various projects looking at 'structured change', continuing professional development, and shared resources.

IES worked with the LGA to draw out the common experiences from local authorities which shared CEOs and services, to explore the extent to which HR and OD practices support business goals and employee needs, and to suggest practical measures to support change.

IES supported two councils which had already moved to share a chief executive to develop a joint OD strategy through facilitating in-house working groups.

IES worked with the top team at Kingston University to develop a framework for their own behaviour as leaders, further refined by feedback from its Top 200 Executive Awayday. An OD strategy was developed with active development of senior players outside the HR function, to support a period of significant change in the university.

In recognition of this demand, we published two papers, on organisational change and behavioural change, and our annual HR conference focused on organisation change.

The Local Government Association asked IES to research the experiences of ten council partnerships, involving 23 councils between them. Our report for the LGA summarised our investigation into the HR and OD capability in shared councils, in order to improve the contribution which HR and OD functions and policies make to the success of such shared arrangements.

Pay and reward

Reflecting the current context of organisational change described previously, we have carried out numerous projects advising on reward strategies and pay systems for a range of organisations including public bodies, charities, universities, and employer associations.

We supported Kingston University through the development of a new reward and performance management approach, which has seen the University nominated as finalists in the prestigious People Management Awards for 2016.

Other work for clients in this area included:

- Carrying out a third staff salary survey for the Architects Registration Board, based on a search of data sources and a bespoke survey of similar organisations.
- Conducting an evidence review for NHS Employers that looked at the nature of any relationship between total reward and employee engagement, and whether there was a link to organisational performance.
- Running a two-day reward strategy masterclass for the Universities and Colleges Employers Association on how to develop reward strategy, exploring the issues, challenges and solutions.

SHARING OUR EXPERTISE

PAY AND REWARD



Duncan Brown presented or debated on the subject of pay and reward 25 times in 2015/16. He also wrote 11 blogs and articles on the subject.

Recruitment and retention

We collaborated on a research project to help a large government department understand the levels of awareness of specific jobs amongst potential recruits; what attracts individuals to or deters them from such roles; and, once they join, how they can be nurtured and retained over time.

We helped another employer to gain a better understanding of the attitudes, expectations and values of young people who will enter the workforce in the future. The team attempted to answer this difficult research question via stakeholder and expert interviews, an evidence review, modelling future trends, and working with stakeholders to produce a SWOT analysis.



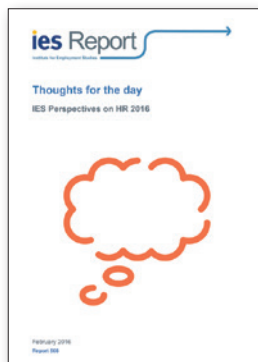
HR Function and Data Analytics

IES and partner organisations conducted research to help a large employer improve its decision-making and efficient use of manpower via the use of HR analytics. The study involved stakeholder interviews, a literature review, an audit of existing resources, a gap analysis and project workshops.

For a large government department, IES carried out an HR analytics literature review, conducted case studies, and participated in a workshop.

IES facilitated discussion between a group of borough councils on a future model of HR in their area and the extent to which there would be collaboration across council boundaries.

Following on from work IES carried out for the international development charity, Plan International, looking at the people management aspect of the strategic plans developed by individual country offices, IES was asked to support a workforce planning pilot.



Thoughts for the Day: IES Perspectives on HR 2016

In response to ongoing economic uncertainty, the Institute's annual Perspectives on HR report this year urged organisations to consider both general and strategic HR issues, as well as particular challenges. The compilation of bite-sized essays confronted and expanded on existing thinking, plans, and practices in HR and employment. It aimed to help HR leaders think about, plan for, and deal with these 'known and unknown unknowns'; challenging modern fads, reinforcing some long-standing truths and offering original and practical insights.

The report proved very popular, with 888 visitors to the download page between 22 February, the day it was published, and 31 March 2015.

SHARING OUR EXPERTISE

HR FUNCTION AND DATA ANALYTICS



IES experts presented at or chaired conferences on the subject of the HR function and analytics at nine events in 2015/16.

We held two events on the subject:

- 'HR analytics capability' on 22 October 2015
- 'HR Business Partners: yes please or no thanks?' on 16 July 2015



IES experts wrote three articles on the subject of the HR function:

- Brown D (2015), 'What does the future hold for HR?', *People Management*, 25 August
- Reilly P (2015), 'Making analytics count', *Symposium.co.uk*, 5 May
- Brown D (2016), 'What will top the HR agenda in 2016?', *People Management*, 10 March

IES published three blogs about the HR function:

- Five reasons for the death of an HR practice
- It's the job, stupid!
- HR Business Partners: Yes, please? No thanks? ...or somewhere just-right in-between?

SHARING OUR EXPERTISE

EMPLOYEE ENGAGEMENT



Dilys Robinson gave lectures on employee engagement to International Masters students at Brighton Business School, and to Mid-Sussex College CIPD students.

Duncan Brown presented 'How technology affects reward and engagement' at the *REBA Innovation Day*, in London on 25 November 2015.



IES researchers and consultants authored four articles on this topic:

- Bailey C, Madden A, Alfes K, Fletcher L, Robinson D, Holmes J, Buzzee J, Currie G (2015) 'Evaluating the evidence on employee engagement and its potential benefits to NHS staff: a narrative synthesis of the literature', *Health Services and Delivery Research*, Vol 3, No. 26.
- Brown D (2015) 'Which way forward for HR: an elitist or an engagement model of people management? Part 1: The dilemmas and contradictions' and 'Part 2: A suggested way forward', *Croner-i*
- Robinson D, 'Key issues in staff motivation', *Employee Benefits*, October 2015

One IES blog was published on the subject of employee engagement:

- New year, same old problem: Low reward, engagement and productivity

Employee engagement and motivation

IES partnered with Kent Business School, Warwick Business School and the University of Tilburg to carry out a systematic evidence synthesis of staff engagement in the NHS, on behalf of the National Institute for Health Research. The project aimed to address the questions: what evidence is there concerning the most appropriate models for engaging staff, and how can this be applied within the NHS? Six reports were published, including three guides to engagement for different practitioners.

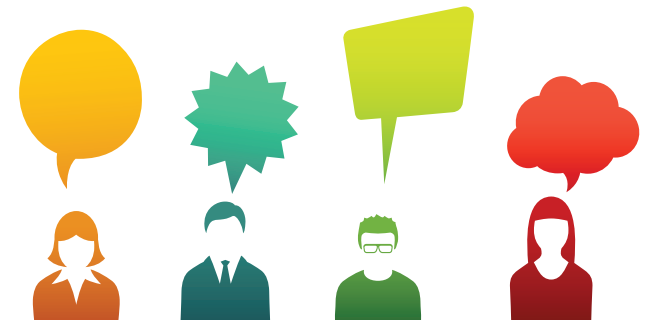
IES carried out employee engagement surveys and analysis for several large employers, including a research charity, a private sector company, and an advisory body. We offered guidance to organisations developing and benchmarking in engagement surveys and led courses for line managers focusing on the importance of engaging behaviours.

IES and Brighton Business School (University of Brighton) embarked on a joint research project, which asked the question: Getting the most out of human resource management: How can HR practices lead to better employee performance and wellbeing?

A second research study, led by Brighton Business School (University of Brighton), is piloting a short personal development programme to find out if meaningfulness improves engagement, performance and wellbeing.

IES explored and created employee value propositions for a large government department and a charity, and helped Plan International to refresh their values statement. To do this, in partnership with Roffey Park, we used the employee survey to get input from staff working at all levels, in many countries and in diverse work settings. We co-facilitated an international two-day workshop with a group of managers to draft values and behaviours that, once finalised by its governance structures, will be a key feature of Plan International over a new phase in its development.

IES is working on a joint project to help an employer to understand whether the expectations of its employees are being met, addressing employees' initial impressions of their employer, career development needs, and reasons for staying or planning to leave. The study took a particular focus on whether unmet career expectations are causing significant numbers of employees to consider leaving.



Engaging Manager

We piloted our Engaging Manager feedback tool, and launched it in September 2015.

Our employee research shows that certain management behaviours drive engagement. Managers who use such behaviours are likely to have teams with high levels of engagement.

Using sophisticated survey software that makes the assessment quick and easy to complete, the IES Engaging Manager Assessment tool gives a sound, 360° perspective on engaging behaviour. The tool generates a resulting report that offers detailed insights alongside instant visual snapshots.



HR Network and events

HR Network

Continuous learning is at the heart of our corporate membership offer. Our HR Network offers members access to IES expertise and leading-edge thinking and research via three approaches: support for the HR director; professional development for the HR team; and solution-focused assistance with organisational people management issues.

Through a comprehensive schedule of varying event formats; access to exclusive research and guidance publications; support such as critical friend sessions and team coaching; networking opportunities; and regular updates, members are supported in their development and organisational challenges.

Events 2015/16

With our events calendar we aim to offer practical guidance, stimulate thinking, and provoke debate.

Topics covered this year included:

- Performance management: change at last?
- Shared parental leave
- Ethics in HR
- HR Directors' Provocation: Beyond competencies
- HR Conference 2015: Organisational development
- Building your HR analytics capability
- HR Business Partners: Yes please or no thanks?
- Tapping into the youth labour market
- Mini-conference: Line management
- HR Directors' Retreat: Behavioural change at work
- Reflective practice skills

Flex membership launch

In January 2016, we launched a new type of membership offer. HRN Flex is a new way to get to know the IES HR Network on a pay-as-you-go basis.

Flex members can choose which events and consultancy or development services they need, and pay when they book them.

Purchasing through HRN Flex also comes with the core membership benefits of: passworded access to our website, containing all IES research; priority access to our HR consultants and experts at the reduced member rates; and advance emails about events and other news.

Honorary Fellows launch

On 25 November 2015, we held a reception to launch the IES Honorary Fellowship programme. The launch, preceded by the HR Network annual Provocation event, was addressed by Lord Ian Blair, former Commissioner of the Metropolitan Police.

Our new Honorary Fellows include those at the forefront of employment issues; organisational, trade union and HR leaders, thinkers, policy-makers and commentators. They have each made a personal contribution to sustainable improvements in employment policy and HR management; some through thought leadership; others through being leading-edge workplace practitioners or experts.

Through what we hope will be a mutually beneficial relationship, our Fellows will be ambassadors for the Institute and contribute to the discussion and debate stimulated by our work. The list of IES Honorary Fellows is on the IES website.



Dissemination and the media 2015/16

The success of IES's mission to improve policy and practice very much depends upon our research findings and knowledge and expertise being read and understood by policy-makers, employers and employer bodies.

We use many different channels to disseminate our work, including: newsletters, email, reports and papers, infographics, blogs, social media, conference appearances and writing articles and chapters.

Newsletters

We produce three newsletters for our audiences on employment policy (Employment Studies), corporate HR (HR Insight), and our HR Network (Network News). Each newsletter is published twice per year, and sent electronically as well as in print, whilst all news articles also appear on our website.



SOCIAL MEDIA CONNECTIONS 2015/16



LINKEDIN HR GROUP

320 members

LINKEDIN COMPANY PAGE

1,339 followers



TWITTER

1,351 followers

Relunched website – one year on

IES launched a new website in February 2015. The feedback has been very good, and it has encouraged more users and wider audiences to more easily access our resources and find out more about the Institute.

137,271 unique visitors in 2015/16
with over **165,000** sessions

Our publications pages received
135,239 unique page views.

Our employee engagement pages
and resources remain most popular,
with **28,397** page views.

Apprenticeships Trailblazers

One year on

Progress against aims

The Apprenticeship Trailblazers aim to achieve greater employer ownership of Apprenticeship training, as recommended by the Richard Review. Trailblazers are networks of employers and other sector and industry bodies, working together to design Apprenticeships for jobs in their sector.

IES was commissioned to lead an evaluation of the early Trailblazers, which comprised interviews and surveys with those involved in Trailblazer development. The final report was recently published by the Department for Business, Innovation and Skills.

Here, we map the progress findings from the evaluation against the ambitions that the government highlighted as important.

Aim

Progress

Redefining Apprenticeships so they target those new to a job or require training to perform the job.



Achieved!
But is Apprenticeship the appropriate form of training for each career progression individuals make?

Focusing on the outcome of the Apprenticeship rather than the process of developing competency.



Achieved!
Tensions about weight given to end-point over on-course assessment: some believe apprentices and employers need to understand progress throughout training.

Introducing trusted, independent assessment.



Work in progress
There is a range of models for independence. Unclear there is trust that an open assessment market will enable independence or be practicable.

Recognised industry Standards as the basis of Apprenticeships with links to professional registration.



Achieved!
Aim has the support of employers. Important to involve all professional bodies operating in each sector.

Requiring all Apprentices to achieve Level 2 English and maths before completion.



Achieved!
Standards at Level 3 and above include this level as desirable in entry criteria.

Infographics

We published infographics to accompany the new HR Essentials series, as well as delivering visual resources for client research projects, such as the Apprenticeships Trailblazers evaluation.

Publications

In 2015/16 we contributed to or published 51 reports and papers on a range of topics. See the full catalogue in our accompanying 'Snapshots' document.

HR Essentials series launched

We launched a series of concise guides for employers, which focus on core people management practices. The first four guides were published with accompanying infographics, and covered:

- Talent management and succession
- Workforce planning
- Organisation design
- Performance management

Blogs

Building on the success of our HR-focused blog series since 2013, we launched a second series centring on employment policy subjects.

Both series aim to offer IES expert insight into topical issues or new research, making them quickly and easily accessible to most readers. We also offer insights in the form of comment to the press on notable employment-related stories or data releases.

In 2015/16, we published 18 blogs on public employment policy topics, and 16 blogs on human resources areas of interest.

Media coverage

The Institute and its research were cited and interviewed by a wide range of media outlets during 2015/16.

Comments from Jim Hillage and Nigel Meager on the Office for National Statistics' Labour Force Survey were of particular interest, and they were quoted by, among others, the Financial Times, People Management, and EUobserver.

IES in the headlines

'Funding fears as mental health demand soars', *Times Higher Education*, 23 July 2015

'The FE and skills panto', *FE Week*, 12 December 2015

'Resilience can help young people help in the jobs jungle', *The Times*, 10 March 2016

'We Asked an Expert What Would Happen If the UK Banned Zero Hour Contracts Tomorrow', *Vice*, 11 March 2016

'UK employment at record but wages sluggish', *Financial Times*, 17 February 2016

'Increases in employment and hours worked fail to translate into more pay, ONS reveals', *People Management*, 18 February 2016

'How will the national living wage impact reward strategies?', *Employee Benefits*, 29 February 2016

'Why everyone should love HR', *HR Magazine*, 23 November 2015

'Here comes the living wage... and here come the problems', *The Independent on Sunday*, 4 October 2015

'Virgin's New Paternity Leave Policy: It's Not Quite As Great As The Hype', *Forbes*, 12 June 2015



79

Projects commissioned



76

Clients worked for



68

Partners worked with



27,438

Project hours worked

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