

**Department for Work and Pensions**

**Research Report No 295**

# **What employers look for when recruiting the unemployed and inactive: skills, characteristics and qualifications**

**Becci Newton, Jennifer Hurstfield, Linda Miller, Rosie Page and  
Karen Akroyd**

A report of research carried out by the Institute for Employment Studies on  
behalf of the Department for Work and Pensions

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First Published 2005.

ISBN 1 84123 911 9

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Printed by Corporate Document Services.

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# Acknowledgements

The authors wish to thank Paul Selby, Jacqui Hansbro, Richenda Solon, Aisha Riaz, Lawrence Mahmoud, and Carol Beattie at the Department for Work and Pensions, for their contribution to the scoping of, and evidence for, this project, and their contribution to the identification of the key contacts for the interviews. Our thanks also go to Gill Howd and Polly Green at the Institute for Employment Studies (IES) for their assistance in preparing this report.

We would like to acknowledge the organisations that contributed expert and contextual knowledge to the research, specifically:

Department for Work and Pensions, Jobcentre Plus, Tomorrows People, Third Age Employment Network, Help The Aged, Education and Learning Wales, Learning and Skills Council, East Midlands Development Agency, National Institute for Adult Continuing Education, Employers Organisation for Local Government, Employers Forum on Disability, Welsh Development Agency, Scottish Enterprise, Centre for Research for Older Workers, Department for Education and Skills, Sector Skills Development Agency.

Finally, we wish to thank the research team at IES: Becci Newton, Jennifer Hurstfield, Linda Miller, John Atkinson, Jim Hillage, Penny Tamkin, Rosie Page and Karen Akroyd.

# The Authors

**Becci Newton**, is a research fellow at the Institute for Employment Studies (IES), in the learning and skills research team. Since joining IES in 2004, Becci has worked on a range of projects that review adult and work-based learning in the UK, for example, the evaluation of the Employer Training Pilots, Department for Employment and Skills (DfES), and Adults Learner Week Evaluation, National Institute for Adults Continuing Education (NIACE). She is currently working on the qualitative evaluation of the Intensive Activity Pilots for New Deal 25 Plus clients aged over 50, Department for Work and Pensions (DWP). Her research interests include age and learning, e-learning, and experiential learning methodologies e.g. action learning.

**Jennifer Hurstfield**, is a Principal Research Fellow at the IES. Since joining IES in 2002 she has led a number of research projects on employment policy and labour market disadvantage issues. She has particular expertise in equal opportunities and diversity policies and practices, the implementation of disability discrimination legislation, the barriers to employment for disadvantaged groups, and employers' policies towards older workers.

**Linda Miller**, is a Senior Research Fellow at the IES. Her research interests include factors affecting individuals' decisions about training and choice of qualification, and she has a particular interest in gender segregation in education, training and employment. Her past research has included an investigation of the impact of the national minimum wage on employer training decisions, and identification of good practice using the assess-train-assess approach to workforce development.

**Rosie Page**, is a research fellow at IES with three years experience in local economy and labour market research. Since joining IES in 2005, Rosie has worked on a range of projects, including an examination of the barriers to employment among the Pakistani and Bangladeshi communities and UK employers' use of migrant labour. She is also involved in the evaluation of the 2005 Adult Learner Week. Her research interests include local and regional economic development and evaluation, and adult learning in later life.

**Karen Akroyd**, is a research officer at IES. She is interested in issues of labour market disadvantage, especially with regard to gender and age. Recent projects include a qualitative study for the Equal Opportunities Commission about equal pay reviews, an evaluation of the intensive activity pilots for New Deal clients aged over 50, for the DWP, and a study for HESA regarding the retention and recruitment of staff in higher education institutions.

# Summary

## Aims of the research

This study aims to examine what employers seek when recruiting, and the extent to which government provision meets their needs. The focus is on unemployed and inactive adults aged between 16 and State Pension Age (SPA)<sup>1</sup>. A secondary aim is to explore whether there are differences in employers' requirements by age.

The findings are the result of two strands of research: a review of the policy, evaluation and academic literatures, and 22 qualitative interviews with individuals, drawn from 16 organisations which have particularly in-depth knowledge or expertise that qualifies them to comment on relevant issues. These included government departments, regional agencies, and voluntary sector organisations such as the Third Age Network, National Institute for Adults Continuing Education (NIACE) and Help the Aged.

## Findings from the literature

- The evidence demonstrates that employers continue to face recruitment difficulties. One-fifth of reported vacancies could not be filled due to a lack of applicants with the necessary skills (Learning and Skills Council (LSC), 2003). However, employers may not place an emphasis on developing the skills they need 'in-house'.
- Assessments suggest that recruitment opportunities for unemployed and inactive groups are likely to improve only where workforce development and advancement exists, to access lower, or less specifically, skilled vacancies (Hogarth and Wilson, 2003).
- Employers' skills requirements vary by region, sector and occupation (LSC, 2003; Bunt, 2005). Indeed, the definition and understanding of the term skills can be complex with overlaps between skills, qualifications and characteristics.

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<sup>1</sup> SPA is currently 60 years old for women and 65 years old for men.

- Overall, employers are less demanding of technical skills, considering them trainable, if candidates exhibit employability and soft skills, and positive attributes (Winterbotham *et al.*, 2001).
- There is then a greater emphasis on soft skills (e.g. interpersonal and communication skills) but assessing how these are measured precisely is problematic. Often measurement is based on employers' perceptions of their interaction with candidates at interview (Hogarth and Wilson, 2003).
- Amongst core characteristics employers look for are motivation and flexibility. These include willingness to work and learn, and appearance, behaviour, confidence, and positive gestures and mannerisms (Bunt, 2005). These may, however, be context specific (Taylor, 2005).
- Qualifications do not appear to be important for a large number of employers and jobs, consistently ranking beneath characteristics and soft skills in recruitment frameworks (Bunt, 2005; Jenkins and Wolf, 2005). They are most often used to inform the screening process.
- However, legislative requirements for certification of competence in different occupations and sectors, means that the role of qualifications varies, and has greater importance for some occupations e.g. care and security.
- The unemployed (and some inactive groups) can be disadvantaged by employers' recruitment methods. Where employers use informal methods of advertising, such as word of mouth, those without contacts in the workplace are unlikely to hear about job opportunities (Hogarth and Wilson, 2003). Such strategies also limit the diversity of the workforce (Canny, 2004).
- Age stereotypes persist about older and younger workers (and other inactive groups) and while they benefit some groups, they disadvantage others. Older adults may be perceived as being good with customers but also as 'hard to train'. There is little evidence to support such views (Meadows, 2003).
- Young people are perceived as lacking maturity – but more receptive to learning. Employers may overlook a lack of qualifications if young adults demonstrate positive attributes (Canny, 2004).
- Overall, the evidence suggests that a focus on qualifications would appear not to contribute to an individual's employment outcomes, due to low emphasis on these in recruitment. Developing soft and generic skills is likely to be more important.
- However, this is a complex picture, and the extent to which, for instance, CV's are used for screening for qualifications and other attributes is unclear. This is an area that is under-explored in surveys.
- Long duration of worklessness appears to be an important factor with some employers perceiving that such candidates lack any work preparedness – and are more likely to quit at short-notice (Devins and Hogarth, 2005).

## Expert views about training

- The respondents interviewed for this study emphasised the need for well-developed soft skills in applicants, and identified that soft skills were linked, in employers' minds, with positive characteristics and attributes.
- The interviewees noted that the use of qualifications is heavily sector dependant, and often important only where legislation requires competency to be demonstrated through qualifications.
- When no legislation drivers exist, employers consider that personal characteristics and soft skills are more important than qualifications.
- Work trials were emphasised as a way of developing work and employability skills in unemployed and inactive people, and offering employers an opportunity to test whether the person is appropriate for the job.



# 1 What employers look for when recruiting unemployed and inactive people

## 1.1 Introduction

The aim of this study is to examine the evidence relating to what employers are looking for when recruiting, and the extent to which government provision meets their needs. The focus is thus on unemployed and inactive people of all ages, and a secondary aim is to explore whether there are differences in employers' requirements by age. The following four areas were identified for this review.

- What sort of characteristics, skills and qualifications do employers look for when recruiting employees?
- How important are qualifications to employers?
- Are employers more interested in soft skills/employability skills? If so, how do employers recognise soft skills in the interview process and afterwards?

Through answering these questions, an objective was to assess the extent to which the training provided and funded by Jobcentre Plus meets employers' needs.

There are a number of programmes in the UK aimed at facilitating the entry or return of individuals into work. These programmes are a key element in the Government's Welfare to Work strategy. The New Deal programmes are targeted at specific groups in terms of age or activity status, e.g. New Deal for Young People (NDYP) is aimed at unemployed people aged between 18 and 24; whilst unemployed people aged 25 and over access New Deal 25 Plus. New Deal 50 Plus is aimed at getting older unemployed people back into work and is a voluntary programme. New Deals

for Lone Parents and Disabled People are also voluntary. Many of these programmes include access to a training element aimed at preparing individuals for work. Our previous report<sup>2</sup> reviewed levels of training engagement amongst, and barriers experienced by, the different groups in the unemployed and inactive community.

In this report we examine the available evidence of employers' views on recruitment, and use this evidence to assess the kinds of skills (and qualifications) development that people currently outside the labour market can focus on to increase their chances of finding work. The main divisions within this population are those who are unemployed (i.e. seeking employment and claiming Jobseeker's Allowance (JSA)) and those who are economically inactive (aged between 16 and State Pension Age (SPA)), claiming non-JSA benefits, who may or may not be seeking work e.g. lone parents or those who are sick or disabled).

Where evidence relates to a specific group, such as to older people who are unemployed, rather than to unemployed and inactive people overall, this distinction is made in the report. Where finer detail is available such as differences between groups who fall under the inactive category, we report this.

The Institute for Employment Studies (IES) has conducted two previous studies in this series about age and training. The first study, *Practical tips and guidance for training a mixed age workforce* examines training participation, and barriers to participation, amongst people who are currently employed and was commissioned by the Age Partnership, at the Department for Work and Pensions (DWP). This was published in May 2005 (<http://www.agepartnership.gov.uk>). The second report, *Training participation amongst unemployed and inactive people* was produced for the Extending Working Lives division, and similarly examines training participation and the barriers to it, but its focus is on people outside the labour force. This report is to be published in autumn 2005.

### 1.1.1 Methodology

This report is the culmination of two strands of research activity:

- A review of the current policy, evaluation and academic literatures. This included published evaluations of the range of government programmes, policy documents, and analysis drawn from government departments. Searches were also conducted of the academic journal databases (Ingenta and Zetoc) using combinations of key words, detailed in Table 1.1. In addition, the websites of research institutes with particular interests in employment, training or age were searched using the same keyword criteria. The Project Steering Group, and the national experts, also identified some sources of literature for review.

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<sup>2</sup> Newton *et al.* (forthcoming) Training participation amongst unemployed and inactive people, DWP.

**Table 1.1 Terms used in the evidence search**

|                  |   |
|------------------|---|
| Skills +         |   |
| Qualifications + | Employers, young, older, unemployed/inactive people, recruitment            |
| Basic skills +   |   |
| Soft skills +    | Employers, young, older, unemployed/inactive people, recruitment, measuring |
| Survey +         | Employers, skills   |
| Recruitment +    | Unemployed, inactive  |
| Training +       | Unemployed, inactive, employers   |
| New Deal +       | Employers, skills   |

Source: IES 2005.

- In-depth qualitative interviews with twenty-two representatives of sixteen national organisations who have expertise in the areas of age, employment, unemployment and/or inactivity, disadvantaged groups, or government provision including DWP, Department for Education and Skills (DfES), Learning and Skills Council (LSC), Scottish Enterprise, Education and Learning Wales/Welsh Development Authority (WDA), and Third Age Employment Network (TAEN). Interviews lasted approximately one hour covering the aims of this study about employers' views, as well as the issues for the second report in the series about training participation amongst unemployed and inactive people. A topic guide was used in these interviews (Appendix), and included coverage of employers' views of the value of the training element of entry or return to work programmes; what employers look for when recruiting unemployed or previously inactive individuals; barriers faced by workless people in obtaining training; and attitudes of these groups towards different types of training provision.

In Chapter 3, we explore experts' views of employers' recruitment practices, the characteristics, skills and qualifications they seek – and the relative balance of these elements – and particularly any differences in practice dependent on age or economic status.

## 1.2 Structure of this report

The research findings are reported in Chapters 2 to 3. In Chapter 2 we review the academic, evaluation and policy literatures to identify the issues as they apply to younger or older people in the unemployed or inactive communities, and to other groups within this community when appropriate, for example, lone parents or people with disabilities.

In Chapter 3 we explore the issues and concerns reported in the interviews as they relate to the recruitment of people from different economic groups.

We conclude this first chapter with a discussion of definitions relevant to the current research.

## 1.3 Definitions

### 1.3.1 Age

In our earlier reports (Newton *et al.* 2005; Newton *et al.* forthcoming), we found evidence to suggest that most people consider 'older' to be around 15 years above their current age. We also found that there appears to be a consensus amongst statisticians that the term 'older' refers to people aged 50 and over. We have adopted this definition in this and the previous reports and note its fit with current government age-segmented programmes for the unemployed, e.g., New Deal 50 Plus. Where any evidence is reported that varies from this definition, we have ensured that this is noted within the text.

The definition of 'young' people tends to be people aged up to 25 and most policymakers and authors agree with this definition. Again this matches government segmentation, for instance, the NDYP available to those up to the age of 25. Where authors vary from this definition, we note this in the text.

### 1.3.2 Learning and training

Consistent with our previous reports, we have used the term 'training' throughout this report. However, we note that this term is viewed by some to have limitations when considering the lifelong learning agenda, since the term 'training' is usually understood to apply mainly to shorter and task-specific learning, rather than to broader development. We appreciate the distinction, and that self-motivated participation in further education (FE)/higher education (HE) or extramural learning will communicate as much to an employer about an individual's attitude and motivation, as participation in a government-provided training programme would. However, since in most instances the evaluation literature focuses on government actions, we consider that training is the most appropriate term to use in this report.

### 1.3.3 Skills and qualifications

A further point to note is the distinction between skills and qualifications. Individuals may have high levels of skills and knowledge and may yet be unqualified. While in many cases individuals may be able to demonstrate or prove their skills, through evidence of work performed in the past, or through a previous employer's reference, the absence of a qualification can lead to difficulties for individuals in being considered as an appropriate job applicant.

One of the reasons for making national vocational qualifications (NVQs and, in Scotland, SVQs) assessment-based and not tied to a particular curriculum was the view of the Government at that time that there were many skilled individuals in the working population who nonetheless were unqualified. NVQs were designed so that they could be awarded on the basis of an assessment of the individual's skill and knowledge demonstrated in the performance of their job. While some individuals (who were either new to the job or were currently working at a less skilled level)

might need training to help them reach the standards of performance expected, more experienced individuals were expected to be able to access these awards largely on the skills and knowledge they had acquired over a lifetime of work.

Academic qualifications in the past tended to concentrate on building a body of knowledge, and there were often criticisms from employers that graduates did not have the necessary skills required to be effective workers. This changed with the introduction of the Enterprise in HE funding initiative for universities (Employment Department, 1991), which led to a greater focus on the development of skills and to more efforts to identify and label the types of skills that were developed in graduates. In recent years some sectors (e.g. community justice, nursing/care, environmental conservation) have started to move to a dual-accreditation route in which graduates typically attain either some NVQ units or a whole NVQ as well as a degree.

The vocational and academic qualifications now fit into a national framework and are judged as being at certain levels. Table 1.2 is the Qualifications and Curriculum Council's understanding of what is implied by the various levels.

It is important to note the distinction between competencies and characteristics here. Competency is normally used to refer to an observable behaviour performed to a specified level and therefore provides a basis for the assessment of performance. Attributes, qualities and characteristics generally refer to an individual's non-skill-based capabilities and behaviours, although characteristics can sometimes be used to describe a workplace/job-specific requirement.

#### **1.3.4 Skills shortages and skills gaps**

Given the focus on employers' experiences at recruitment – and some of their difficulties therein – it is important to understand the differences between skills shortages and skills gaps in the labour force. Employers are understood to have skills shortages when the external labour market of applicants has a deficit of the experience, skills or qualifications required by the vacancies employers are seeking to fill. In this sense, shortages are caused by a supply-side deficit in the range of potential new recruits to an employer.

**Table 1.2 Understanding qualification levels**

| <b>Framework level</b> | <b>Level indicators</b>  |
|------------------------|--|
| Entry                  | Entry level qualifications recognise basic knowledge and skills and the ability to apply learning in everyday situations under direct guidance or supervision. Learning at this level involves building basic knowledge and skills and is not geared towards specific occupations.   |
| Level 1                | Level 1 qualifications recognise basic knowledge and skills and the ability to apply learning with guidance or supervision. Learning at this level is about activities which mostly relate to everyday situations and may be linked to job competence.   |
| Level 2                | Level 2 qualifications recognise the ability to gain a good knowledge and understanding of a subject area of work or study, and to perform varied tasks with some guidance or supervision. Learning at this level involves building knowledge and/or skills in relation to an area of work or a subject area and is appropriate for many job roles.  |
| Level 3                | Level 3 qualifications recognise the ability to gain, and where relevant apply a range of knowledge, skills and understanding. Learning at this level involves obtaining detailed knowledge and skills. It is appropriate for people wishing to go to university, people working independently, or in some areas supervising and training others in their field of work.   |
| Level 4                | Level 4 qualifications recognise specialist learning and involve detailed analysis of a high level of information and knowledge in an area of work or study. Learning at this level is appropriate for people working in technical and professional jobs, and/or managing and developing others. Level 4 qualifications are at a level equivalent to Certificates of Higher Education.   |
| Level 5                | Level 5 qualifications recognise the ability to increase the depth of knowledge and understanding of an area of work or study to enable the formulation of solutions and responses to complex problems and situations. Learning at this level involves the demonstration of high levels of knowledge, a high level of work expertise in job roles and competence in managing and training others. Qualifications at this level are appropriate for people working as higher grade technicians, professionals or managers. Level 5 qualifications are at a level equivalent to intermediate Higher Education qualifications such as Diplomas of Higher Education, Foundation and other degrees that do not typically provide access to postgraduate programmes. |
| Level 6                | Level 6 qualifications recognise a specialist high level knowledge of an area of work or study to enable the use of an individual's own ideas and research in response to complex problems and situations. Learning at this level involves the achievement of a high level of professional knowledge and is appropriate for people working as knowledge-based professionals or in professional management positions. Level 6 qualifications are at a level equivalent to Bachelors degrees with honours, graduate certificates and graduate diplomas.  |

Continued

**Table 1.2 Continued**

| Framework level | Level indicators  |
|-----------------|---|
| Level 7         | Level 7 qualifications recognise highly developed and complex levels of knowledge which enable the development of in-depth and original responses to complicated and unpredictable problems and situations. Learning at this level involves the demonstration of high level specialist professional knowledge and is appropriate for senior professionals and managers. Level 7 qualifications are at a level equivalent to Masters degrees, postgraduate certificates and postgraduate diplomas. |
| Level 8         | Level 8 qualifications recognise leading experts or practitioners in a particular field. Learning at this level involves the development of new and creative approaches that extend or redefine existing knowledge or professional practice.  |

Source: National Qualifications Framework, Qualifications and Curriculum Authority (QCA).

Skills gaps relate to a deficit of skills in the employers' internal labour market i.e. their current workforce. Skills gaps are experienced where some of an employers' staff are not considered fully proficient to carry out all the requirements of their jobs. In this case it might be expected that employers would provide training to help 'plug' such gaps.

The focus of this report is on employers' recruitment policies and needs, and the extent to which groups in the workless community meet the requirements of the vacancies employers are seeking to fill.

Thus, our emphasis, when searching the available evidence, has been on skills shortages rather than skills gaps, although skills gaps have some relevance in explaining employers' decisions, so in places evidence on this has been included.

### **1.3.5 Occupational groups**

A final consideration is to define some of the terms used to describe the various occupations that exist. These are normally classified in research via standard occupational classification. In Table 1.3 we provide an overview based on information available on the Office for National Statistics' website.

**Table 1.3 Examples of job roles in occupational categories**

| <b>Occupation classification</b> | <b>Examples</b>   |
|----------------------------------|---|
| Elementary                       | Farm labourers; forestry workers; labourers in construction or foundries; goods handling and storage; couriers; hospital and hotel porters; waiting and bar staff; security guards and related occupations; shelf fillers.  |
| Operative                        | Food, drink and tobacco process operatives; plant and machine operatives; manufacturing assemblers; scaffolders, staggers, riggers; heavy goods vehicle drivers; fork-lift truck drivers.   |
| Sales                            | Sales and retail assistants; retail cashiers and check-out operators; roundsmen/women and van salespersons; call centre agents/operators; customer care occupations.  |
| Personal services                | Nursing auxiliaries and assistants; childminders and related occupations; veterinary nurses and assistants; sports and leisure assistants; hairdressers, barbers, and beauticians; caretakers.  |
| Skilled trades                   | Farmers; metal plate workers, shipwrights, riveters; metal machining setters and setter-operators; motor mechanics, and auto engineers; electricians, electrical fitters and telecommunications engineers; bricklayers and masons; weavers and knitters; originators, compositors and print preparers; furniture makers and craft woodworkers.  |
| Administrative and secretarial   | Civil service administrative officers and assistants; accounts and wages clerks, bookkeepers, and other financial clerks; transport and distribution clerks; communication operators; general office assistants/clerks; personal assistants and other secretaries.  |
| Associate professionals          | Engineering technicians; architectural technologists and town planning technicians; IT operations and user support technicians; nurses, midwives and paramedics; physio and occupational therapists; police officers (sergeant and below); sports coaches, instructors and officials; air traffic controllers; financial and accounting technicians; estate agents, and auctioneers; personnel and industrial relations officers. |
| Professionals                    | Biological scientists and biochemists; engineers; IT strategy and planning professionals; medical practitioners; teaching professionals and researchers; solicitors and lawyers, judges and coroners; chartered and certified accountants; social workers.  |
| Managers and senior officials    | Senior officials in national government; directors and chief executives of major organisations; production, works and maintenance managers; personnel, training and industrial relations managers; customer care managers; transport and distribution managers; hospital and health service managers; natural environment and conservation managers; hotel and accommodation managers; property, housing and land managers.       |

Source: Office for National Statistics.

## 2 Findings from the academic, policy and evaluation literature

### 2.1 Key findings

- The evidence demonstrates that employers continue to face recruitment difficulties. One-fifth of reported vacancies could not be filled due to a lack of applicants with the necessary skills (LSC, 2003). However, employers may not place an emphasis on developing the skills they need 'in-house'.
- Assessment suggests that recruitment opportunities for unemployed and inactive groups – who are looking at lower, or less specifically skilled, vacancies – are likely only to improve where workforce development and advancement exists.
- Employers' skills requirements vary by region, sector and occupation (LSC, 2003; Bunt, 2005). Indeed, the definition and understanding of the term 'skill' can be complex, with overlaps between skills, qualifications and characteristics.
- Overall, employers are less demanding of technical skills, considering them trainable, if candidates exhibit employability, soft skills, and positive attributes (Winterbotham *et al.*, 2001).
- Employers place greater emphasis on soft skills (e.g. interpersonal and communication skills) but assessing how soft skills are measured precisely is problematic since this is often based on employers' perceptions of their interaction with candidates at interview (Devins and Hogarth, 2005).
- There are core characteristics employers look for: motivation and flexibility, including willingness to work and learn, and appearance, behaviour, confidence, and positive gestures and mannerisms (Bunt, 2005). However these may be context specific (Taylor, 2005).

- Qualifications do not appear to be important for a large number of employers and jobs, consistently ranking beneath characteristics and soft skills in recruitment frameworks (Bunt, 2005; Jenkins and Wolf, 2005). They are most often used to inform the screening process.
- However, legislative requirements for certification of competence in different occupations and sectors, mean that the role of qualifications varies, and have greater importance for some occupations, e.g. care and security.
- The unemployed (and some inactive groups) can be disadvantaged by employers' recruitment methods. If employers use informal methods of advertising, such as word of mouth, those without contacts in the workplace are unlikely to hear about job opportunities (Devins and Hogarth, 2003). Such strategies also limit the diversity of the workforce (Canny, 2004).
- Age stereotypes persist about older and younger workers (and other inactive groups) and while they benefit some groups, they disadvantage others. Older adults may be perceived as being good with customers but also as 'hard to train'. There is little evidence to support such views (Meadows, 2003).
- Young people are perceived as lacking maturity but as more receptive to learning. Employers may overlook a lack of qualifications if young adults demonstrate positive attributes (Canny, 2004).
- Overall, the evidence suggests that a focus on qualifications would appear not to contribute to an individual's employment outcomes, because of low emphasis on them in recruitment. Developing soft and generic skills is likely to be more important.
- However, this is a complex picture, and the extent to which, for instance, CVs are used for screening for qualifications and other attributes is unclear. This is an area that is under-explored in surveys.
- Long duration of worklessness appears to be an important factor, with some employers perceiving that such candidates lack any work preparedness and are more likely to quit at short-notice (Devins and Hogarth, 2003).

## 2.2 Skills and employment in the UK economy

Recent research has demonstrated that UK employers face significant problems in finding the skills they seek in recruitment. In 2003 the National Employers Skill Survey, 2003 (NESS)<sup>3</sup> found that one-fifth of job vacancies could not be filled because of a lack of applicants with the appropriate skills (LSC<sup>4</sup>, 2003). Data from

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<sup>3</sup> Based on 72,100 telephone interviews with a representative sample of establishments in England (excluding only establishments with no other employees than the proprietors employed).

<sup>4</sup> Learning and Skills Council.

the previous year of this survey showed that the extent of skills deficiencies reported by employers had not fallen in the past three years. While technical and practical skills remain important, there are growing problems in soft skills such as communication and customer handling, reflecting changes in the relative balance of sectors in the economy (LSC, 2002).

The impact of the skill deficits is to constrain growth, innovation and investment in the economy (HM Treasury 2004; Sidnick, 2004). However, the lack of skills is not a new problem. Historically the UK has a poorer skill mix than other countries, particularly at basic and intermediate levels. The situation is also more polarised than elsewhere: 7.8 million people aged between 16 and State Pension Age (SPA) have low or no skills at all, a higher proportion than in other comparable countries (HM Treasury, 2004).

In parallel to their difficulties recruiting people with the required skills, employers are also facing a change in workforce demographics. It is predicted that in twenty years time, people aged between 50 and 64 will form just under one-third of the workforce, an increase of four per cent compared to their current proportion (Urwin, 2004).

Over one-third of employers currently identify that the age of their key workers is increasing<sup>5</sup> (SSDA<sup>6</sup>, 2004). These employers are concerned that this age increase could lead to future difficulties, although establishments with a business or training plan in place were slightly less likely to agree that an ageing workforce was a problem (SSDA, 2004).

The stereotypes about older adults, such as a 'slowing down' with age, and an inability to deal with change or to learn new skills do not help the situation (Department for Work and Pensions (DWP), 2001; Newton *et al.*, 2005). In fact, there is no detectable deterioration in work performance with age, except where older adults do not receive the same level of training as their younger (prime age) counterparts (Meadows, 2003; McNair, 2005).

However, despite such findings, a recent report (Bootle, 2005) predicts, more broadly, a slowing in economic and employment growth as a result of the ageing population demographic. Similarly, an earlier set of projections of occupation employment by sector (Wilson *et al.*, 2003) predicts little change in the overall rate of employment, but also that some of the most disadvantaged groups will continue to face the greatest barriers:

*'With employment opportunities growing at almost the same pace as the labour force, the projection is for little change in unemployment levels... Problems of long duration unemployment will remain concentrated in particular localities and in certain parts of the community (e.g. ethnic minorities and older, less skilled, workers).'*

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<sup>5</sup> Based on 13,620 telephone interviews with a representative sample of employers.

<sup>6</sup> Sector Skills Development Agency.

Actions are being taken to raise skill levels for employed adults, and to improve skills development for younger people. For young people, there have been changes in the curriculum to enhance skills development, and alongside this, targets to widen participation in post-compulsory education through provision of new routes such as foundation degrees (academic) and modern apprenticeships (MAs) (vocational).

The Government has also recently announced the entitlement to funding for a first level two qualification for adults in its White Paper on Skills: *Getting on in Business, Getting on at Work* (2005). For those in employment, the national employer training programme will be the vehicle through which low skilled workers will gain funding to study while in work. In some cases, this funding may be transferable to support a first level three qualification. Should an employee wish to study outside work, tuition fee subsidies will also be made available.

However, offering appropriate preparation and training for those currently outside the labour force is a key concern and programmes such as the New Deals have aimed to provide opportunities for, most frequently, skills development. As well as these however, the Government has made allowance for adults who are not in work, to access free tuition to develop basic skills in literacy, language and numeracy, and wherever possible, to achieve their first level two qualification. Similar to those in employment, there will be more opportunities to achieve level three qualifications through subsidised training (White Paper on Skills, 2005).

Unemployment in the UK, estimated at 4.7 per cent of the population aged over 16, is at a record low for the over 50s. Overall, 2.7 per cent in this age group are unemployed, with male over 50s unemployment at 3.2 per cent. However, inactivity amongst this group has risen (Labour Market Trends, 2005<sup>7</sup>). Low skilled young adults now compete with older and more experienced people who have similar or slightly better skills and experience (Atkinson and Williams, 2003). There is also evidence of low employment confidence amongst low-/non-qualified unemployed and inactive adults at either end of the age spectrum, who are likely to feel they are the employers' last choice when they apply for work (Beatty and Fothergill, 2002; Lakey *et al.*, 2001).

Ford (2005) argues that older adults have been more severely affected by changes in the economy and labour market: new technologies, and the concentration of older adults' employment in declining sectors, have meant that the skills they have acquired are no longer wanted; they were also targeted by employers for redundancy and early retirement in the late 1980s and early 1990s. The 2005 Skills White Paper similarly recognises the barriers faced by older adults, noting they are not only less likely to possess qualifications but are also more likely to need greater support (because of such factors) when they do engage in learning.

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<sup>7</sup> Based on LFS data, February to April 2005.

As well as the barriers older adults face, analyses have shown a more general decline in training participation by age, and more strongly amongst those without work than those in employment (Newton *et al.*, 2005 and forthcoming; National Institute for Adults Continuing Education (NIACE), 2004). While legislation, combined with the ageing demographic, will make it more difficult for employers to discriminate on the basis of age both in recruitment and training, the need remains for a pool of applicants who possess the kinds of skills, qualifications and attributes they seek. If older (and for that matter, younger) unemployed and inactive adults are to be encouraged to extend their range of skills and qualifications, a key issue is to provide them with training that is valued by employers to promote (re-)entry to work, and to clarify the value to individuals of continued learning.

A summary of the range of programmes and actions available at the time of reporting, which identifies the associated training elements and the barriers to training and work experienced by the different groups is provided in Newton *et al.* (forthcoming). Here overlaps were found between the different kinds of provision: cross cutting themes such as actions to address basic or employability skills, each of which requires a different approach. The kinds of training currently available are usefully summarised by Anderson *et al.* (2003) in their examination of the labour market effects of the work based learning for adults programme. Below we reproduce their categorisation.

- **Basic employment training.** Aimed at people who fall below the Basic Skills Agency entry level. Under work-based learning for adults, training typically lasts 26 weeks and aims to raise literacy and numeracy to entry level. Participants also receive support to develop the employability and basic occupational skills required by employers.
- **Short job-focused training.** Full-time job-focused training, soft skills development, job search support and work placements, tailored to meet the needs of local employers, over a maximum of six weeks. Aimed at those who lack the specific work-related skills needed by employers but who are otherwise job ready<sup>8</sup>.
- **Longer occupational training.** Occupational training (often to qualification level) and soft skills acquisition and updating to meet needs of local employment market, and supported job search. The average duration of training is 14 weeks, although it is possible for participants to receive training for up to one year.

We should also note a further option, **full-time education and training**, which is available to young people. This training is intended to address longer-term barriers to employment arising from a lack of qualifications. Participants may study for up to one year to achieve a first level two qualification, while remaining on Jobseeker's Allowance (JSA) benefits.

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<sup>8</sup> Those who can move directly into work i.e. it is considered that there are no 'supply-side' barriers to work.

## 2.3 The demand for skills

The British Chambers of Commerce Skills Taskforce (Sidnick, 2004) found that 'skills shortages are endemic in many sectors of the economy' and the problem is at its most acute in 'micro' firms where the extent of engagement with training in the internal labour market is particularly low<sup>9</sup>.

There are both internal and external benefits of work-based training. If training is embedded in the workplace, the internal labour force is more able to adapt to changing skill requirements; in addition, with worker mobility/staff attrition, increased work-based training is generally likely to lead to an increase in the available level of skills in the external labour market.

The Taskforce assesses the key demands of the labour market to be:

- **demand for skills** – high levels of demand for skilled people in traditional craft and technician occupations like construction, engineering and in new service occupations e.g. financial services, insurance and information technology support;
- **managerial skill** – the need for good supervisors and managers at all levels;
- **key skills** – an increasing requirement by employers for the general skills of communication, numeracy skills, working in teams, using computers at all levels of employment, but critically in lower level occupations;
- **knowledge economy** – there has been a growth in occupations across all sectors which require general and detailed knowledge and the use of complex information;
- **flexibility** – the continuous changes and improvements to products, services, and processes result in the need for flexibility in both learning and management.

Source: Sidnick (2004)

The SSDA (2004) reports that '*half (49 per cent) of all employers... agreed that the education system was failing to deliver the skills that they required*'. Again, the relationship between firm size and training was demonstrated: the smallest establishments with least training engagement agreed most strongly.

These employers were also questioned about the extent to which new recruits arrive with the skills needed to perform their job. Overall, one in eight employers reported that their recruits arrived with the necessary skills for the job, and a further one-third

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<sup>9</sup> Measured by whether they have a training plan, conduct training needs assessments and staff appraisals, and have delivered any form of training over the past 12 months. However, 'invisible' forms of work-related learning may have a stronger hold in smaller firms: 'informal training practices, such as allowing employees to spend time watching others and 'role-stretching', are slightly more widespread'.

of these employers reported that recruits had most of the skills required but would need some in-work development. However, the remaining half of the employers in the survey felt that their recruits needed more extensive skills development (SSDA, 2004).

A smaller survey of 4,500 employers that had recruited, or had tried to recruit, in the past 12 months confirms this view (Bunt *et al.*, 2005). Three-fifths of these employers identified that they currently faced, or anticipated, recruitment challenges over the next two to three years. When questioned about the nature of these challenges, the most common response was a lack of suitably skilled/qualified candidates.

The speed of change in skills requirements is also notable: in the SSDA survey (2004), just 15 per cent of establishments agreed that the skills needs barely changed in the past few years, suggesting that 85 per cent of establishments had experienced at least some change in their skills requirements. The drivers of the changing skills requirements are new technology (55 per cent of employers); new legislative and regulatory requirements (54 per cent); introduction of new working practices (47 per cent) and/or development of new products or services (46 per cent).

Recent work by Felstead and his colleagues (2002) has shown that aligned to the speed of change in skills requirements, there has been 'a significant increase in employers' requirements for qualifications'. In addition, the numbers of workers possessing higher qualifications than their job requires has risen. The authors attribute this to employers demanding higher standards of qualifications at recruitment. However, there is little evidence of change in the job role itself. The authors note that this is particularly the case for qualifications at levels 1 to 3. In contrast, however, the research also shows that the number of jobs requiring no formal qualifications is currently more than double the supply workers who do not possess any qualifications.

Beatty and Fothergill (2002) have noted the concentration of older unemployed and inactive males in former industrialised areas such as Northern England, Wales and Scotland, illustrating that there are regional and sectoral (if you consider sectors spread across regions) differences to skill demand and supply. We have already reported Wilson and his colleagues' (2003) predictions of an employment rate plateau and the implications of continued barriers for disadvantaged groups such as older people. So, to what extent do skills requirements vary across regions and what, more precisely, are the skill demands of both the declining and the growth sectors?

### **2.3.1 The range of skills**

Before reviewing regional and sectoral differences in skill demands, it is worth giving definition to some of the commonly used phrases to describe skill (Table 2.1).

Here skills are presented as a hierarchy, with basic skills given first. In each grouping, several terminologies are commonly used, which denote similar capabilities. The overlaps in the understanding of these terms are illustrated in the later sections of the report, and notably in the commentary from the experts interviewed.

As you move up through the hierarchy, basic skills are expected to be demonstrated at higher levels.

**Table 2.1 Different skills types referred to in this report**

| Skill                 | Description  |
|-----------------------|--|
| Basic skills          | The ability to read, write and speak in English and to use mathematics at a level necessary to function and progress at work and in society in general (Basic Skills Agency) |
| Core skills           | Working with others; communication; numeracy; problem-solving  |
| Key skills            | Communication; application of number and information technology; working with others; improving own learning and performance; problem solving                                |
| Employability skills  | Motivation; communication; problem solving; positive attitudes and behaviours; adaptability, and working with others   |
| Soft skills           | Teamwork; communication; problem-solving; leadership ability; customer service orientation   |
| Transferable skills   | Communication; organisation, planning and research; working with and leading other people; dealing with conflict; problem-solving  |
| Hard/technical skills | Occupation/job-specific skills   |
| Intermediate skills   | e.g. demonstrated by level 3 qualifications; BTEC HNC/HND; City and Guilds; MAs  |
| Higher skills         | e.g. demonstrated by level 4 qualifications and above (Degree or Higher Education Diploma etc); membership of professional institutions                                      |

Source: IES, 2005.

## 2.4 Regional, sectoral and occupational differences in recruitment demand

To provide a summary of the regional, sectoral and occupational trends in recruitment and skill shortages particularly, we have combined evidence from two major surveys, NESS and Working Futures (2003).

NESS was commissioned by the LSC in partnership with the SSDA and the Department for Education and Skills (DfES). NESS is the largest survey of its kind, involving 72,100 interviews with a representative sample of employers in England. In particular, it provides robust estimates of skills deficiencies and workforce development needs for each of the 47 local LSCs and for 27 industries.

The differences between skills and qualifications should be noted here (see Section 1.3) i.e. that skills shortages should not be assumed to indicate a shortage of applicants with the desired qualifications.

The 2004 survey was published in June 2005, which limited its use in the current study. However we have noted any relevant headline findings which have changed.

Working Futures, 2003, is a set of projections that aims to provide a range of useful labour market information and intelligence, and a sound statistical foundation for the deliberations of the SSDA and the LSC. The results take account of new data from the Census of Population 2001 and other sources such as the Labour Force Survey (LFS).

The findings from these two major surveys are supported by relevant evidence from other sources reviewed for this project.

### **2.4.1 Regional perspective**

NESS (2003), found that one-third of surveyed employers expected to grow their workforce over the next 12 months, with five per cent of these expecting significant growth (LSC, 2003). There are regional variations to anticipated employment growth: employers in the South West and North West were most likely to predict growth, although those in the South East were more likely to anticipate significant growth. Areas where employment prospects were least buoyant were the West Midlands, London, the North East and the East of England.

In terms of volume, the authors found that hard-to-fill vacancies (HtFVs)<sup>10</sup> were relatively evenly spread, although noted that the South East accounted for a large proportion of these vacancies, while the North East and East Midlands had a smaller proportion overall. The density of these vacancies, measured as a proportion of total regional employment, revealed that hard-to-fill vacancies are at their most dense in the South West and least dense in London (LSC, 2003).

However, when the number of skills shortage vacancies<sup>11</sup> are compared with hard-to-fill vacancies there are some notable differences: while in the South East generally skills shortage vacancies are a minority of hard-to-fill vacancies, in London they account for three out of four hard-to-fill vacancies. In the South West it appears that employers face greater difficulties with the supply of labour generally, but fewer immediate challenges in terms of the supply of skills (LSC, 2003).

In the West Midlands skills shortage vacancies form an above-average proportion of hard-to-fill vacancies, whereas in the East of England their proportion is below average. While in the North East the ratio of skills shortage vacancies to hard-to-fill vacancies is consistent with national average findings, their numbers were by far the smallest when compared to the rest of the England (LSC, 2003).

Overall, by region, the proportion of employers with hard-to-fill vacancies and skills shortage vacancies were the same in the 2001 and 2003 surveys, although slightly reduced in 2004 (LSC, 2003; LSC 2004). It would seem that the problems of skills shortages may not be getting any worse, however the evidence suggests that

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<sup>10</sup> Classified by respondents as 'hard to fill'.

<sup>11</sup> A sub-set of hard-to-fill vacancies where applicants do not have the required skills, experience or qualifications.

neither are they improving very quickly. This may imply that there is much opportunity for unemployed and inactive people to (re-)engage with work but another implication may be that employers are not satisfied with the quality of applicants from New Deal and other programmes. As we will explore, however, there is greater complexity in employers' perceptions than this.

### 2.4.2 Sectoral perspective

Using data from the NESS (LSC, 2003), the sectors experiencing the highest numbers of HtFVs were health and social work, hotels and catering, miscellaneous services, retail, construction and other business services sectors. While retail and other business services experience close to average density of hard-to-fill vacancies, the other sectors in this grouping had above average difficulties recruiting staff (LSC, 2003).

Looking specifically at the extent of skills shortage vacancies, the sectoral perspective shows that business services and construction face some of the greatest obstacles. Large proportions of skills shortage vacancies were also found in miscellaneous services, health, and hotel and catering sectors (although the scale of employment in these sectors affect these results). Sectors that also experienced difficulties with the quality of available labour, but to a lesser degree than those above, were engineering, transport, wood/paper manufacture and computer and related services.

Looking more generally at employment, and regarding the needs of sectors that we understand as being in decline, such as more traditional manufacturing, Wilson *et al.* (2003)<sup>12</sup> find a requirement for young new entrants to maintain the industry status quo i.e. to maintain a level of effective productivity. Thus while these sectors are not growing, and new technology is affecting the levels and nature of employment, there remains a need for a supply of labour to maintain the current market position. Similarly, English Heritage reports the need for continued supply of traditional built environment craft skills in the construction sector to maintain and conserve the architectural heritage of the UK. Likewise, work undertaken for the Tomorrow Project by the Moynagh and Worsley (2005) has identified that 'old economy' skills will remain important over the next 20 years at least, since these skills underpin the new economy. Notable here, is the prediction of a shift away from unskilled labour in such sectors.

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<sup>12</sup> Projections based on the use of Cambridge Econometrics' multi-sectoral, regional macroeconomic model combined with occupational employment and replacement demand models developed by the Institute for Employment Research. Results incorporate the sectoral employment data from ONS, including 2001 Annual Business Inquiry, Labour Force Survey 2001, and headline results from the Census of Population for 2001. The model is a combination of orthodox time-series econometric relationships and cross-sectional input-output relationships.

Wilson and his colleagues (2003) also report that employment is expected to continue to decline in the primary and utilities sector. Agriculture is not expected to change significantly, mining and quarrying will be affected by the gradual decline of North Sea gas and oil. Employment in the utilities sector will continue to be affected by the pressures to reduce costs, although employment decline here may be at a slower rate than in previous years (Wilson *et al.*, 2003). In the longer term, increases in the numbers employed in construction are expected, however in the shorter-term employment is projected to decline slightly.

Distribution and transport, as a sector, is predicted to see employment growth, however many of these jobs are likely to be in retail, and also likely to be part-time (Wilson *et al.*, 2003). The authors suggest this is likely to benefit women returners. We would also suggest older adults, those with eldercare responsibilities, those with health issues that affect the amount of work they can do, or those who simply wish to reduce working hours as they near retirement may also benefit from part-time opportunities. Similarly any adult seeking more flexible employment options – e.g. students supporting their studies through part-time work – would also benefit.

The situation is fairly buoyant in hotels and catering, with the authors predicting increases as a result of recovery of international tourism. Longer-term employment growth is predicted for transport and communications with what is described as a 'modest recovery' leading to further jobs. Shorter term, however, the prospects in this sector are not so good.

In business and other services, and in non-marketed services, prospects are mixed. The prospects for banking and insurance are set to improve slightly, however, increases in investment in IT are likely to offset employment growth. In public administration and defence, employment growth is not expected because of the pressure to cut government spending on administration. However, this decline is likely to be offset by strong growth in education and health services (Wilson *et al.* 2003).

### **2.4.3 Occupational perspective**

The LSC (2003) reports that the occupations with the highest proportions of hard-to-fill vacancies are elementary occupations, skilled trades, personal services, sales and customer services, associate professional, and transport- and machine-operative occupations (see Table 1.2 for examples of occupations in these categories). As a proportion of total employment, the occupations facing the most severe problems are skilled trades and personal services, although associate professionals and transport and machine operatives face considerable difficulties as well.

The occupations reporting the greatest proportion of skills shortage vacancies are again, skilled trades, associate professionals, personal services and transport- and machine-operatives. However when balancing skills shortages against total employment, occupations more severely affected are: personal services and skilled trades and to a lesser degree, associate professionals and transport- and machine-operatives (LSC, 2003).

Wilson and his colleagues (2003) predict a diminishment in the need for low skilled jobs – particularly for manual/blue collar labour – and in the long-term for occupations where IT use is likely to replace the need for specific skills e.g. secretarial and administrative jobs. Overall, they predict rising employment for higher level, white-collar occupations such as managers and senior officials, professional and associate professional and technical roles. Rapid increases are likely for leisure-related and personal service occupations.

The SSDA (2003) reviewed the extent of skills development required by occupations and found employers with core employees in occupations such as administrative, personal services, sales and customer services and elementary roles were most likely to report that recruits needed skills development. However, this report finds that despite the need for skill developments, employers are least likely to provide formal training for sales and customer staff, and elementary staff. It is suggested that the rationale behind this finding, is that these skills are best acquired on the job.

#### **2.4.4 Unemployment and hard-to-fill and skills-shortage vacancies**

Devins and Hogarth (2003) report analysis of the data from NESS (2001) by region to assess the relationship between hard-to-fill vacancies and unemployment/inactivity. Their findings suggest that in areas of high unemployment, hard-to-fill vacancies are associated with less skilled occupations, positions which they suggest unemployed people could fill – if other factors in the employment decision were equal. Overall however, these authors report that if the recruitment of unemployed people is to have a role in filling skills shortages, this is likely to result from indirect strategies, i.e. upgrading existing unskilled or semi-skilled workers to fill skills shortage vacancies, and recruiting from the external labour market to the post they vacate.

The study (Devins and Hogarth, 2003) builds on three strands of work undertaken as a result of the NESS 2001, drawn together into a synthesis report (Hogarth and Wilson, 2003). The first of these was a spatial analysis of the characteristics of vacancies, including hard-to-fill vacancies and skills shortage vacancies at the level of local LSCs using data from the ESS 2001. The second study built on the first and involved a multivariate econometric analysis of the same data set to identify the factors associated with the incidence and intensity of recruitment problems, including the influence of unemployment rates at local level. The third strand of work was a set of qualitative case studies to understand the experience of employers facing recruitment difficulties in local areas where unemployment was high but also where hard-to-fill vacancies were high.

Generally, the first study found a relationship between hard-to-fill vacancies and low unemployment rates. However, in most instances, using average data for LLSC areas, this relationship was not statistically significant. Indeed, the finding that drove the decision for further econometric analysis was that there were a number of LLSC areas that, on average, had both high levels of unemployment and high numbers of employers reporting recruitment difficulties.

However, the econometric analysis revealed that this finding, i.e. that certain local LSC areas had both high unemployment and high hard-to-fill vacancies/skills shortage vacancies, was likely to be obfuscated by other underlying factors such as industrial structure and labour market composition. Despite this, the existence of high unemployment aligned to recruitment difficulties was considered to be an issue that warranted a more detailed examination.

The case studies in areas where this existed found that employers facing recruitment problems reported that they did not discriminate against unemployed people. However, very few of these employers reported that they viewed this group as being able to supply the skills they needed. It seemed more likely from this study that employers would look to economically inactive groups, e.g. lone parents, retired people, or migrant labour to fill vacancies.

The authors also report employers' understanding of the term 'unemployed'. They suggest that most equate unemployment with long-duration unemployment. Only in industries affected by labour turnover was unemployment equated with short-duration spells. People who experienced short-duration unemployment (most likely because of changes in the sector in which they had previously worked) were least likely to be affected by employers' negative perceptions. Of those that had employed a longer term unemployed person, many reported their hesitation at doing so again, since such recruits had demonstrated themselves to lack work motivation.

Evidence from Moss and Arrowsmith (2003) confirms a negative perception of long-duration unemployment. These authors found that employers' perceptions about potential job applicants were influenced by how long the client had been unemployed. Their evidence suggests that some employers view long-term unemployment as synonymous with unemployable, and that employers question the employability skills of these applicants.

Returning to the work by Hogarth and Wilson (2003), they found that while the employers felt they did not discriminate, they also did not communicate vacancies in ways that unemployed people were likely to access them i.e. there was little use of Jobcentre Plus. Of the stock of labour available to fill employer vacancies, the long-term unemployed are just one group and face competition in the labour market from women returners, the early retired or retired, students, and migrant workers.

The informal mechanisms often used for communicating vacancies had a tendency to reach out to these groups, rather than the long-term unemployed. So, the authors find, the long-term unemployed are often disadvantaged through a 'host of occupational, social, demographic and psychological reasons. The reality is that there is only a very partial overlap between that part of the labour market where people are becoming unemployed and that part of the market that is generating new employment'. (Hogarth and Wilson, 2003).

We reported the drivers of change in employers' skills demands, in Section 2.2 but also noted that employers felt their recruits needed substantial training and development (SSDA, 2003). As Keep (2004) summarises, despite the growth of the knowledge economy, there has been a decline in the value of qualifications as signifiers of skills for employers. He attributes this to 'a growing prioritisation of 'softer' social skills and personal attributes' which are not amenable to certification through qualification routes. This reflects the change of balance in the economy towards growth in the service sector.

We can conclude then, that employers currently face (or believe they face) a range of difficulties when they seek to recruit. In addition, when they have recruited, employers still report the need to train and develop recruits to enable them to perform their job proficiently.

It also appears that despite the availability of labour, employers' expectations may exceed the skills they believe are available from unemployed people (although this group is only a small part of the available labour force at any one time) despite the fact that the jobs that are often available may not be 'skill' demanding.

So, what is it that employers look for when they are recruiting, and what is the balance between skills, qualifications and an individual's characteristics and attributes?

## 2.5 The characteristics, skills and qualifications employers look for when recruiting

When recruiting, employers are likely to assess a range of characteristics, skills and qualifications. The importance of each of these factors is likely to vary by occupation being filled. In the next sections, we give an overview of employers' needs relating to these categories and the role they play in the recruitment process.

### 2.5.1 Characteristics

Atkinson and Williams (2003), in their examination of the perceptions, attitudes, practices and strategies employers adopt towards the staff in low-status, low paid work, found that certain personal traits such as reliability, motivation, honesty, and keenness were found to be valued highly for such roles. Basing their study on a review of the available evidence, and qualitative interviews with employers and employers' representatives, they cite findings from a survey of 900 employers in the US (Holzer, 1998) where employers were asked to rate the importance of gaining assurances about the characteristics possessed by individuals. Nine out of ten employers reported they would seek formal or informal references that an individual's absenteeism, attitude and substance abuse did not present problems (although they were less concerned about basic skills and criminal behaviour). Job skills were ranked the lowest with only one in four employers seeing them as very important.

A smaller study<sup>13</sup> which reviews recruitment of young workers in Cumbria (Canny, 2004) found that the kinds of traits and attributes employers sought were enthusiasm for the work, basic work discipline and a positive attitude. Employers from different sectors had different balances in their recruitment requirements. For instance, those in manufacturing tended to place more emphasis on technical skills than on characteristics.

Earlier studies have also revealed the importance of personal characteristics. For example, Dench *et al.* (1998) point out, in their study of employers' perceptions of key skills, 'A theme running throughout our interviews is the emphasis employers place on attitude and personality in the recruitment process, and the role these play as an indicator of other abilities'. This study, based on 50 in-depth interviews with employers, found that many said they would look at attitudinal factors over technical or occupational competence, as they would offer in-work training for these skills if they could recruit someone with the 'right attitude'. This suggests there has been little change in the emphasis on personal attributes, rather than skills and qualifications, overtime, particularly in the recruitment process for low skilled and low paid occupations.

Reviewing employer requirements in Australia, particularly in the recruitment of young people, Taylor (2005) citing Wooden 1999, finds the attributes employers rank highly are maturity, adaptability, trainability, a willingness to take initiative, cleanliness, good manners, interest in the job and a respect for authority.

Taylor (2005) also reports a competency-based employability framework developed for the Australian National Training Authority and the Commonwealth Department of Education, Science and Training (see Table 2.2). The report *Employability Skills for the Future* (2002), which was undertaken by the Business Council of Australia and the Australian Chamber of Commerce and Industry, differentiates between personal attributes and the skills central to employment.

However, Taylor cautions that if attributes, particularly such as these, are to be measured, there has to be a great deal more clarity about the precise nature of each and how they apply within the culture of the employing organisation (Taylor, 1996).

Bunt *et al.* (2005) help to clarify the situation in Britain. In this study, 4,503 interviews were conducted with representatives from establishments in Great Britain that had recruited from the external labour market in the past 12 months. The sample covered Jobcentre Plus target sectors (retail; hospitality/leisure; manufacturing;

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<sup>13</sup> Based on telephone survey, using structured interviews, of 103 Cumbrian employers of all sizes; contacts were owners/MDs/heads of HR and were concentrated in tourism/hotel/restaurant trade/manufacturing sectors; 80 of these employers recruited young people, 23 did not.

health; public sector; construction; transport; security and call centres<sup>14</sup>) as well as sectors falling outside their immediate targets (finance; other business services; other). The achieved sample also represented establishments from all Great Britain regions.

**Table 2.2 Employability skills framework summary**

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**Attributes**

- Loyalty
- Commitment
- Honesty and integrity
- Enthusiasm
- Reliability
- Personal presentation
- Common sense
- Positive self-esteem
- A sense of humour
- A balanced attitude to work and home life
- An ability to deal with pressure
- Motivation
- Adaptability

**Skills**

- **Communication** that contributes to productive and harmonious relations across employees and customers
  - **Teamwork** that contributes to productive working relationships and outcomes
  - **Problem-solving skills** that contribute to productive outcomes
  - **Self-management skills** that contribute to employee satisfaction and growth
  - **Planning and organising** that contribute to long- and short-term strategic planning
  - **Technology skills** that contribute to effective execution of tasks
  - **Learning skills** that contribute to ongoing improvement and expansion in employee and company operations and outcomes
  - **Initiative and enterprise skills** that contribute to innovative outcomes
- 

Source: Employability skills for the future, 2002.

Key characteristics sought by employers across occupations were motivation and flexibility, 50 per cent mean across occupations (enthusiastic; willing to work and learn; and proactive) and self-presentation, 30 per cent mean across occupations (appearance; behaviour; confidence; and non-verbal language, i.e. positive gestures and mannerisms).

However, while this information is useful to understanding the kinds of preparation people might need in the (re-)entry to work, the problem of measurement of these attributes clearly remains and, as suggested by Taylor, may well be occupation or employer specific.

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<sup>14</sup> Assessed as sectors with vacancies in occupations that were most likely to be suited to the customers for whom they are seeking employment. Target occupations are skilled trades, sales and customer services, process and machine operatives and elementary roles.

### 2.5.2 Skills

As we have noted above, employers can view technical and occupation specific skills as trainable if job candidates exhibit characteristics and other more generic/transferable skills. The study by Bunt *et al.* (2005) examines the skills requirements for the main occupational groups identified in their survey (presented in Table 2.3) and this provides a useful summary. We should note here that the study considered the role of professional/academic qualifications, and attributes/characteristics such as motivation and flexibility, as well as skills within this question, and these are shown in the table.

**Table 2.3 Critical skills required in recruitment, by occupation (per cent)**

|                                      | Elementary* | Operative* | Sales* | Personal services* | Skilled trades* | Admin and secretarial | Associate professionals | Professionals | Managers | Mean |
|--------------------------------------|-------------|------------|--------|--------------------|-----------------|-----------------------|-------------------------|---------------|----------|------|
| Verbal communications                | 35          | 24         | 66     | 58                 | 25              | 59                    | 62                      | 66            | 64       | 51   |
| Motivation and flexibility           | 38          | 40         | 49     | 55                 | 41              | 44                    | 58                      | 62            | 60       | 50   |
| Interpersonal skills and team work   | 42          | 25         | 53     | 65                 | 36              | 50                    | 56                      | 59            | 66       | 50   |
| Job specific                         | 11          | 30         | 12     | 26                 | 45              | 25                    | 46                      | 66            | 44       | 34   |
| Written communications               | 7           | 11         | 22     | 26                 | 13              | 52                    | 41                      | 60            | 43       | 31   |
| Self-presentation                    | 34          | 14         | 37     | 39                 | 16              | 25                    | 34                      | 29            | 39       | 30   |
| Basic skills                         | 23          | 20         | 44     | 33                 | –               | –                     | –                       | –             | –        | 30   |
| Problem solving                      | 11          | 11         | 14     | 18                 | 31              | 24                    | 40                      | 57            | 51       | 29   |
| Management and leadership            | –           | –          | –      | –                  | –               | –                     | 13                      | 18            | 48       | 26   |
| Academic/professional qualifications | –           | 3          | 4      | 23                 | 15              | 10                    | 30                      | 62            | 18       | 21   |
| Vocational qualifications            | –           | 14         | 3      | 24                 | 20              | 9                     | 17                      | 29            | 15       | 16   |
| <i>N</i>                             | 1,822       | 758        | 1,410  | 586                | 632             | 1,075                 | 469                     | 508           | 277      |      |
| <i>Mean demand in occupation %</i>   | 25          | 19         | 30     | 37                 | 27              | 33                    | 40                      | 51            | 55       |      |

Source: Bunt et al. (2005) Jobcentre Plus Employer (Market View) Survey 2004. \*denotes Jobcentre Plus target occupations

As the table demonstrates, there are considerable variations in skills requirements by occupation. Overall, employers had the lowest expectations of skills amongst elementary and process operatives, however, it must be remembered that these are generally considered unskilled jobs. Despite these lesser expectations, certain skills remain important: for elementary roles, more generic skills such as interpersonal and teamwork, and verbal communications were seen as most critical; whereas for operatives, employers highlighted a need for job-specific experience and interpersonal and team-working skills. In skilled trades, job-specific experience and interpersonal and team-working skills were similarly highly valued, however in relation to operatives, expectations of these skills were higher.

Unsurprisingly, in sales and customer service occupations, verbal communication skills are seen as the most critical, and notably in the same proportion as professional occupation groups. Interpersonal and team-working skills were also of key importance for these employers when recruiting sales and customer service staff (Bunt *et al.*, 2005).

For professionals, the table shows that the skills most likely to be considered critical were verbal communication; job specific experience; written communication and problem-solving. The authors note a considerable overlap between managers and professionals in generic skills, although there is a greater need for interpersonal and team work skills in management roles (Bunt *et al.*, 2005).

Administrative and secretarial roles have very similar demands for verbal and written communications skills and interpersonal and team-working skills. Given the nature of work in these roles, this is not surprising. The need for problem-solving and job specific skills is also quite strong.

Notable is that across all the Jobcentre Plus target occupations, motivation and flexibility, and interpersonal and team-working skills are in the top three critical skills that employers seek. This suggests that any training that develops these attributes and skills is likely to be valued by employers.

Winterbotham *et al.* (2001) in their evaluation of the WBLA scheme found that amongst employers who had recruited from the programme, requirements were for employability skills rather than technical competency. The authors found that while employers may be willing later on to train their recruits in the hard/technical skills, at entry they expect recruits to possess good levels of employability skills.

The earlier work by Dench and her colleagues (1998) identified that, to a large extent, employers see key skills as the skills that underpin occupation specific skills. If recruits displayed these skills then employers viewed them favourably. However, there are some exceptions, such as engineering where the technical, occupational and sector-specific skills mean that employers place higher value on technical ability. In this study it was found that employers used key skills as an indicator of an ability to learn and to develop occupational skills. In some occupations it was reported that '*key skills were indistinguishable from occupational skills, and that personal and inter-personal key skills underpinned the occupation specific skills*'.

### 2.5.3 Qualifications

The value employers place on qualifications varies considerably according to sector and occupation. Clearly, certain qualifications are a prerequisite for some jobs, especially for more highly skilled or technical roles, or where legislation requires a level of qualification to perform a job role. From the evidence presented by Bunt and her colleagues (2005) we can assess the situation amongst occupational groups. Before doing so, we should note here, that in this study vocational qualifications are defined as job or industry specific qualifications and include qualifications such as national vocational qualifications (NVQs), e.g. in customer services or care as well as 'trade'-related qualifications such as CORGI registration.

Overall, it seems from this survey that qualifications have a relatively low level of importance in recruitment, ranking tenth and eleventh when averaged across occupation groups (Table 2.3). We should note, however, that in this aspect of the survey, requirements were assessed through prompted questioning; if unprompted questioning had been used, it is possible a different balance may have been achieved. Also notable is that amongst the four in ten employers who expressed dissatisfaction with the Jobcentre Plus service in the survey, the most frequently cited reason was a lack of suitably qualified candidates. This perhaps is an indication of the complexity of the use of qualifications in the recruitment process.

To return to the occupational perspective, employers recruiting to professional and associate professional roles are most likely to report a need for academic qualifications (62 per cent and 30 per cent respectively). Vocational qualifications can be seen to have less importance to employers when recruiting to these roles.

However, for management jobs the differentiation between vocational and academic qualifications is less strong (15 and 18 per cent respectively, Bunt *et al.*, 2005). This may represent the linkage between, for instance, professional body qualifications such as Chartered Management Institute, and NVQs 4 and 5 in management.

There is no great preference amongst employers for academic over vocational qualifications in sales, personal service or administrative occupations (Bunt *et al.*, 2005, *ibid*). However qualifications are more important in personal services, but this is likely to reflect legislation requirements for level 2 in certain positions, e.g. care.

For operatives and skilled trades, in this survey (Bunt *et al.*, *ibid*) the preference is for vocational qualifications over academic qualifications although between these groups the disparity is at its strongest for operatives. This may be attributable to their greater relevance to work and certainly, for operatives, job specific experience is also a valued factor in recruitment.

So, what precisely is the nature of qualifications in the recruitment process and what do employers use them to demonstrate? In the next section we review the evidence to provide some answers to this question.

## 2.6 The role of qualifications in recruitment

In the UK there is a range of technical, vocational and academic qualifications available in many subject areas and at varying levels of difficulty, and this can make it difficult to assess the value that employers place on them in general terms.

Broadly, findings suggest that 'educational qualifications significantly increase an individual's chance of being in employment. In fact, individuals with qualifications are not only more likely to be in employment, but also less likely to be economically inactive or unemployed than individuals with no qualifications' (O'Leary *et al.*, 2005).

Other evidence suggests that an employer's emphasis on qualifications in the recruitment process is likely to depend broadly on a number of factors, such as business strategy and occupational/sector demands (e.g. legislation requires level 2) and more specifically differ by the nature of the qualification since each type of qualification is likely to indicate different skills and abilities (Jenkins and Wolf, 2005).

In addition, Jenkins and Wolf (2005) assess that overall, there are indications that in a considerable number of jobs, graduates are now sought where in the past non-graduates would have met the criteria. They suggest that this is despite little change in the requirements of the job itself. Once again this is an example of the credentialism discussed earlier. The authors posit that this is due to over-education in the labour market generally: that as the supply of labour becomes better qualified, employers ramp up their qualification requirements. This trend is identified by Felstead and his colleagues (2002) who found that the importance of level three qualifications<sup>15</sup>, had fallen by seven per cent, despite employers' rising skill requirements.

Overall this is likely to disadvantage a certain number of the Department for Work and Pensions (DWP) customer groups since, as we have already noted, older people particularly are less likely to possess formal qualifications.

One difficulty of the growing numbers of people with formal qualifications and more extensive education, is that the value to the individual is relative to the number of other applicants possessing that same qualification.

*'Education is a 'positional good'...one which gains much of its value from whether you have more than other people – and it is not just about acquiring skills in some absolute way. The rewards your education brings are as much to do with being labelled a 'top' or a 'near-the-top' sort of person as they are to do with the curriculum you studied. And not everyone can be top.'*

(Wolf, 2002)

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<sup>15</sup> Using comparable data for 1986 and 2001.

We can assume that, during the recruitment process, employers may use qualifications to differentiate between applicants. With rising qualification levels generally, higher levels are likely to provide this differentiation. This may partly account for employers' increasing demands in this respect.

Other evidence has shown consistently higher returns for the individual from academic qualifications, despite vocational qualifications taking a similar time to complete. However, there is greater value to an NVQ level 2 undertaken at the employing organisation, suggestive of their role in accrediting current capabilities rather than demonstrating newly gained knowledge. Despite the disparity between what we might surmise are employers' views of vocational qualifications, compared to people with no qualifications, those with vocational qualifications see more positive returns (Dearden *et al.*, 2004).

### 2.6.1 The importance of qualifications

The extent to which qualifications are important to employers depends on a number of factors, including whether employers are familiar with course content and understand courses' relevance to their business, the nature of the job and its pay, legislative requirements and the perceived reputation of the awarding institution. The value and emphasis that employers place on a qualification can also be based on their knowledge, understanding and experience of what the qualification covers and how it is useful in a business situation. For example, 'employers like the qualification (HND engineering/construction) because of its familiarity; they often, especially in small and medium sized enterprises (SMEs), hold it themselves,' (Learning and Skills Development Agency, 2003).

However evidence suggests that qualifications are not the most important selection criteria for employers. In a survey of over 2,000 British companies<sup>16</sup> employers reported that of the factors they considered when recruiting, qualifications ranked fifth (66 per cent), behind experience (89 per cent), skills (87 per cent), motivation (86 per cent), and references (73 per cent). Factors that were less important than qualifications were the candidate's availability (52 per cent), whether they had been recommended by an existing employee (36 per cent), and notably for a fifth of these employers, the candidate's age (cited in Jenkins and Wolf, 2005).

In their earlier study, Atkinson *et al.* (1996) found qualifications were rated as 'irrelevant' or of 'minor importance' by over half of employers and were ranked 12th and 13th respectively of a set of 15 recruitment criteria, ahead only of age and history of employment. For these employers, attitude and motivation, integrity and reliability, and basic skills were of highest importance.

Similarly, the more recent work by Bunt *et al.* (2005) found qualifications ranked tenth and eleventh out of twelve factors that employers consider when recruiting (see Table 2.2). This is suggestive of little change in employers' views of qualifications generally over time.

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<sup>16</sup> Based on analysis of Workplace Employee Relations Survey (WERS 98).

We should note here that in each of the above surveys, the reported question used a list of prompts to guide respondents in their answers. While this may partly account for the lack of prioritisation of qualifications since unprompted questioning may have produced different results and/or factors, it can be argued that through triangulation, the trend is established.

Whether or not qualifications are sufficient to enable candidates to be short-listed for interview can depend on the extent to which employers use qualifications to set minimum standards of entry. Of the 700 employers interviewed for Atkinson *et al.* study (1996) only 28 per cent said they set minimum standards for academic qualifications when recruiting and just 16 per cent set minimum standards for vocational qualifications. This implies that nearly three in four employers do not have minimum academic standards, and less than one in five employers do not demand vocational qualifications.

In contrast, the possession of qualifications at a higher level than that required, can mean that employers choose **not** to short-list candidates (Dench *et al.*, 1998). The authors suggest that employers doubt that an over-qualified person will be committed to company and the job and on this basis, exclude them from the recruitment process.

The Learning and Skills Development Agency (LSDA) (2003) found in their survey, that some companies did not feel they could rely on specific HE qualifications to indicate that an individual had certain skills or attributes and therefore did not necessarily use qualifications as a screening device in the recruitment process. Smaller companies were more likely to say that there is a gap between qualifications and practical application in a business setting and it is the latter they seek on recruiting. However, 'small businesses do not necessarily understand what set of practical skills and knowledge, academic knowledge and general skills any specific qualification signifies'. Smaller companies tended to say that newly qualified people were often unable to explain in the recruitment process how their qualification would translate to a practical business setting, (LSDA, 2003).

The evidence suggests then that although qualifications are of some importance to employers they are largely not used to select or reject candidates in isolation. However, they can be important in short-listing and screening processes, so what is it precisely that they indicate?

### **2.6.2 What qualifications demonstrate**

When employers use qualifications to help them make recruitment and selection decisions, they are likely to use them as a screening devices and view them in two ways. Firstly, qualifications may be used as an indicator of an individuals' ability, and to some extent future trainability; or secondly, as an indicator of skills and productivity. (Gasteen and Houston, 2005). Evidence suggests that it is this second usage that is most common (Gasteen and Houston, 2005; Jenkins and Wolf, 2005).

The evidence shows that employers may also use qualifications as indicators of characteristics such as motivation, and willingness to learn. We have noted the work by Bunt and her colleagues (2005) which indicates great concern amongst employers that these characteristics are embedded. However Jenkins and Wolf (2005) note that although employers (may) treat qualifications as signals of general traits such as these, they also use them as signals of specific skills, but this is likely to depend on the occupation and sector.

#### *A measure of skills*

To return to Gasteen and Houston's (2005) survey of 225 Scottish employers, these authors found the most prevalent use of qualifications to be as an indicator of skills, with 80 per cent of employers agreeing that they use qualifications in this way (Gasteen and Houston, 2005). However, beneath this they find a more complex picture, with two-thirds of employers saying they use qualifications to assess a combination of factors including skills, motivation and intellect, and one-third of employers report that they use qualifications to assess all three of these characteristics simultaneously, (Gasteen and Houston, 2005).

In this survey, employers expected that all levels of qualification should guarantee basic skill competencies, particularly literacy, numeracy and verbal communications. However, these employers report that qualifications do not always meet their expectations in terms of employability or soft skills, such as team working, or problem solving, and therefore these are often measured in other ways during the recruitment process, (Gasteen and Houston 2005).

#### *A measure of knowledge and technical ability*

Dench *et al.* (1998) found that employers use qualifications as an assurance of the knowledge and technical ability of candidates and as an indicator of their ability to learn. Employers felt that 'most qualifications focus on an academic subject or the technical skills required in an occupation' and therefore do not help to develop or demonstrate a candidate's soft skills, which are measured in other ways.

However, there is little evidence to support the conclusion that such usage is widespread. The LSDA (2003) find this common only in sectors where there is a demand for high level knowledge and practical skills, e.g. construction and manufacturing.

#### *A measure of productivity*

Employers may use qualifications to inform recruitment decisions if the qualification provides useful information about a potential employee's productivity (Jenkins and Wolf, 2005). So, the use of qualifications in this way depends largely, on employers' knowledge and experience of the qualifications, as noted by the LSDA above (2003).

Jenkins and Wolf (2005) suggest that the correlation between higher qualifications and earnings indicates that employers see qualifications as a powerful signal of productivity. However, they cite evidence relating to the recruitment of young people (Spilsbury, 2002) for whom it might be assumed qualifications would be more important as this kind of signal. It was found however, that only a few employers (around 20 per cent) in the Spilsbury study reported that qualifications were important.

It would seem then that while qualifications have some uses in the early stages of the recruitment process, e.g. for short-listing or screening applicants, and their use is primarily as an indicator of skills, the qualification alone does not provide the basis for recruitment. We have noted the likelihood of strong variation in this finding by industry and occupation, and explore these differences in the next section.

### **2.6.3 Industry dimensions to the importance of qualifications**

Generally employers use qualifications as a proxy for skills, but in different sectors place different value on qualifications in the recruitment process and also what they demonstrate.

A study carried out by the LSDA (2003), explores sectoral differences in the value that employers place on certain qualifications in the recruitment process. It is based on interviews with careers advisers and teaching staff in HE and Further Education (FE) colleges, group discussions with students and employees, interviews with 28 employers, 12 with industry representative bodies and six with individuals drawn from professional bodies. The study has as its focus a limited number of sectors, namely computing, construction, engineering, hospitality, and general business.

In construction and engineering, vocational HE qualifications are valued, a finding replicated in Scotland (Gasteen and Houston, 2005). However, in other sectors, such as computing, vocational HE qualifications seem to be less valued by employers as a direct route into employment. Employers in these sectors tend to find that vocational HE qualifications are 'insufficiently responsive to their skills requirements', (LSDA, 2003).

Certain sectors are characterised by low-skilled, low paid work. Hotel and catering is one example of this. In the study by Canny (2004), only a few employers mentioned formal qualifications as a requirement for young people's entry to tourism, hotels, the restaurant trade, and manufacturing sectors, a finding influenced by the low-skilled jobs available in these sectors.

The authors also found that employers are willing to disregard qualifications if young people display other positive attributes, such as adaptability to demands of the job, good customer service skills, communication skills, enthusiasm, a positive attitude, and basic work discipline (Canny, 2004). Similarly, Nickson *et al.* (2005)<sup>17</sup>

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<sup>17</sup> In a study of 147 employers in Glasgow.

find qualifications are less important in the retail and hospitality industry than soft skills and, particularly, self-presentation (aesthetic labour) is a key requirement.

We can conclude that the use of qualifications is limited in the recruitment process. There are indications that while they may help individuals (more or less depending on the sector) to gain access to an interview, other factors, such as soft skills, may be of greater importance.

## 2.7 The role of soft skills and how these are measured in recruitment

When a vacancy arises, an employer must first select a method to advertise that they perceive will generate interest among suitable candidates. Employers use a variety of ways to advertise their vacancies and generate applications. These methods include placing adverts at Jobcentre Plus, in local or national newspapers, using recruitment agencies, word-of-mouth and the Internet (Bunt *et al.*, 2005). The method chosen to generate applications depends on the nature of the job and the employers' perceptions of the quality and suitability of candidates that each method is likely to generate.

Once an employer has identified suitable candidates they then use selection techniques, such as interviews, to differentiate between candidates and to assess their skills, qualifications and attributes. While some of the criteria used by employers, qualification levels for example, are easy to measure, others, such as soft skills, are less so.

Soft skills, which are also sometimes referred to as employability, core or key skills, are the skills that an individual uses to interact with, interpret or inform their social and physical environments (Costin, 2002). Soft skills are diverse and include team-working, communication, leadership ability, customer-service orientation, motivation, willingness to learn and problem-solving.

### 2.7.1 The importance of soft skills to employers

During the recruitment process, the importance employers place on soft skills depends on the nature and requirements of the job. For example, communication skills are seen by employers as the single most important soft skill, but this is particularly the case where employees are dealing with members of the public, internal or external customers (Kodz *et al.*, 1998). The transition to a service-based economy is likely to mean that the importance of soft skills to employers increases in future (Moynagh and Worsley, 2005).

For some occupations sufficient technical skills and qualifications are a prerequisite, legislation requires a gas fitter to be Corgi registered, for example. Whereas for other occupations, such as sales or customer service occupations, employers often look for attitude rather than technical or 'hard skills' competence. Employers report that technical and occupational skills can be taught on-the-job if the recruit has the

right soft skills, such as motivation and willingness to learn (Dench *et al.*, 1998). Kodz and her colleagues (1998) also find that employers use soft skills as an indicator of peoples' ability to learn occupational skills.

Although hard-skills are undoubtedly important to employers, particularly for technical occupations, more recent work (Costin, 2002) has found that hard skill performance is often dependent upon soft skill capacity, primarily because learning itself is a soft-skill. This implies that a competent evaluation of a potential employee's soft-skills is likely to be more indicative of future performance than any measure of hard skills alone.

The prominence employers place on assessing soft skills in the recruitment process not only depends on the job, but can also depend on the nature of the candidate. For example, a recent study by Johnson and Burden (2003) found employers expected younger people to be less likely to have work experience and therefore they 'tend to focus upon 'softer skills' and behavioural attitudes in the recruitment process, with a less prominent role played by qualifications'.

### **2.7.2 Measuring soft skills in the recruitment process**

Qualifications are commonly used as a proxy for skills. However, as we have seen, soft skills (such as communication) cannot be easily assessed using a qualification proxy alone. This is primarily because soft skills are 'intensely human and tend to defy objective analysis, particularly when analysis comes from outside the context in which they are performed' (Costin, 2002). For example, an applicant may be excellent at communicating with people in certain situations, such as giving formal presentations, but may be less confident at networking. Therefore, employers' assessments of applicants' soft skills will take the context and situation into account.

The nature and the diversity of soft skills means that measuring and evaluating them during recruitment can be challenging. Employers utilise a variety of recruitment techniques to help them assess applicants' soft skills: from interviews to trial periods. The chosen techniques depend for example, on the sector and occupation, the job's duration, its associated benefits (such as salary) and its nature (Dench *et al.*, 1998).

Although not always explicitly stated, employers often have a 'recruitment framework' which incorporates a mixture of skills, qualifications, work experience and personal qualities, the mix of which is tailored to reflect the job's competencies and requirements. These qualities can be assessed using a range of recruitment methods. For example, work experience is likely to be assessed from the application form and personal traits are most commonly assessed by subjective judgement in the interview process (Atkinson *et al.*, 2003).

The quality and nature of the position can affect whether an employer uses formal recruitment methods and assessment techniques, such as competency based interviews, or more informal methods like recommendations from existing employees (Kodz *et al.*, 1998).

### 2.7.3 Informal assessment of soft skills

Recent work by Bunt and her colleagues (2005) found that in the past 12 months one in four companies that tried to recruit staff externally had used word-of-mouth. This was the third most frequently used method, behind newspapers (47 per cent) and advertising in Jobcentre Plus (43 per cent). However, Sanderson (2003) suggests that word-of-mouth recruitment may be in decline against an increase in the use of private agencies and the Internet. The key factors driving employers' choice of recruitment channel include the quality of service it offers, how it meets employer needs and its ability to produce the most suitably qualified candidates (Bunt *et al.*, 2005).

When vacancies are communicated by informal mechanisms, there is a tendency for the vacancy to reach similar people to those already in employment, as employees communicate the vacancy through their networks of friends, family and contacts (Canny, 2004). Therefore, long-term unemployed people can be disadvantaged when employers recruit in this way as they may have fewer contacts in employment or growth sectors. 'There is only a very partial overlap between that part of the labour market where people are becoming unemployed and that part of the market that is generating new employment' (Hogarth and Wilson, 2003).

Recruitment methods for low paid work are more likely to be cheap, quick and informal, and without particularly objective selection procedures. Informal recruitment methods are most commonly used by smaller employers, when hiring rates are high, and when occupational skills are low (Atkinson *et al.*, 2003; Devins and Hogarth, 2005).

For example, studies of the service industry such as the hospitality sector, consistently report high levels of informality in recruitment and selection, including the use of methods such as word of mouth, referrals and casual callers (Nickson *et al.*, 2005). An evaluation of work-based learning for adults found that a third of participants said that someone had had an influential role in getting them employment. This was most frequently a friend or relative, or an employee in the company (Anderson *et al.* 2005).

If a position is temporary then recruiters tend to be sensitive about the time delay between advertising the vacancy and recruiting, and between recruiting and gaining full productivity. This not only affects the recruitment method, but can affect the skills employers are seeking, such as work-readiness (Atkinson and Williams, 2003).

In addition to a general assessment made using informal recruitment methods, evidence of suitability or competence in the form of an employer reference is also highly sought after by employers recruiting lower paid staff as an illustration of their employability (Atkinson and Williams, *ibid*).

#### 2.7.4 Formal assessment of soft skills

When choosing where and how to advertise vacancies, one key consideration is the quality and suitability of the candidates likely to be generated. Employers use Jobcentre Plus as a recruitment channel less frequently for managerial and professional jobs relative to other occupational groups. In recent years there has been a shift away from 'higher skilled' jobs being advertised in Jobcentre Plus, which has meant that there are a high proportion of vacancies in low and unskilled occupations advertised in Jobcentre Plus (Sanderson, 2003). This decline is perhaps linked to employers' perceptions of the quality of Jobcentre Plus candidates in times of relatively high employment rates and their likely suitability for high level positions.

This is supported by the findings from a recent employer survey, with recruitment agencies and national newspaper advertisements seen as most effective by employers recruiting to senior managerial and professional occupations and employers recruiting to manual occupations stating that local newspapers and Jobcentre Plus are the most effective recruitment channels (CIPD, 2005). If employers do not communicate job openings at the Jobcentre Plus then they would be unlikely to encounter many applications from unemployed people (Hogarth and Wilson, 2003).

The chosen recruitment channel perhaps also reflects the labour market from which employers expect to recruit, i.e. local, regional or national, and the extent to which the employee is likely to perceive that the salary will offset travel costs. Analysis of the Census 2001 shows that people in senior and managerial occupations are likely to commute further than people in lower and unskilled occupations. Therefore for lower skilled jobs, employers are likely to need to attract applicants from the local labour market, and local press and Jobcentre Plus are likely to be appropriate channels to do this.

Employers are more likely to use formal recruitment methods and procedures to recruit to more highly paid and permanent positions. Employers report that a structured panel interview is the most effective way to recruit for higher level positions. As we have seen, such positions have more critical skills that need to be assessed (Bunt *et al.*, 2005). One in four employers say this is their preferred recruitment and selection method for higher level positions (CIPD, 2005). In general, the greater the benefits of the position, the more formalised and extensive employers' recruitment methods tend to be. This is likely to be because a poor senior appointment could be more costly than a poor temporary or lower paid appointment, in terms of, for example, lost productivity, salary costs and poor management of other staff.

Once applications have been generated the employer needs to deploy techniques to help them distinguish between the candidates. The way in which the recruitment processes are used by employers will vary with each appointment. Management theory suggests that the length of the recruitment process needs to be weighed up against the potential that the longer it is, the more likely able candidates will find jobs elsewhere (Rees and Porter, 2003). However, most organisations rely on the

'classic trio' of recruitment methods: application forms and/or CVs, interviews and references (Nickson *et al.*, 2005).

Jenkins and Wolf (2005) also identify the extent to which employers now use tests over qualifications in the recruitment process. Their analysis of the situation suggests the prevalence of tests as attributable to equal opportunities. By testing candidates, rather than relying on historical evidence presented in a CV/application, employers feel they are on safer ground.

The most recent CIPD employer survey (2005) found that the most common selection method is interviews, following a CV or application form (68 per cent). Tests for specific skills (50 per cent) and literacy and numeracy tests (39 per cent) were also common. Telephone interviews were also used (30 per cent), however, these were found to be most frequent in call centres, given their particular relevance to the skills needed for the job.

This survey of over 700 employers also found that one-to-one interviews are most common in the private sector (with 50 per cent of companies using them, compared to an average of 41 per cent overall in this survey). Academic references are most commonly used by the public sector (with 29 per cent of organisations using them, compared to an average of 13 per cent) and structured interviews with a selection panel are most frequently used for senior and managerial roles (CIPD, 2005).

So how do employers use these various methods when trying to measure and gain evidence of soft skills? In the following section we review each formal method in turn to understand how this is done.

### *CV/application form*

When an employer uses formal recruitment methods, a written CV or application form is likely to be the first contact between the potential candidate and the employer. This document can be the initial way in which employers measure or infer the applicant's level of soft or employability skills and whether or not to interview them (Dench *et al.*, 1998; Kodz *et al.*, 1998).

CVs are used by the employer to infer and assess soft skills. For example, by looking at the written content they can make some assessment of the applicant's motivation in terms of interest in the position or company, and their written communication assessing how they express their skills and attributes. In addition employers often make an assessment about how the CV or application form is presented (spelling, grammar, presentation etc.) which gives them a further indication of the applicant's motivation for the job (Dench *et al.*, 1998).

However, Jenkins and Wolf (2005) warn that it is not clear how employers use CVs, for example, to what extent do they look at qualification levels when assessing an individual's CV? The authors suggest that this issue is hard to unpick as most surveys, such as the one administered by the CIPD, do not explore with employers how CVs are used.

Once the CVs and application forms have been used for putting together a short-list of the best potential candidates, interviews are commonly used and can be supplemented by other assessment techniques, depending on the job and employer preferences. Management theory recommends using a variety of selection methods to give the best result and allow individuals to shine in different areas where they may have personal preferences (Taylor, 1996).

Recent employer research has found growing use of IT in the recruitment process. The 2004 CIPD survey found an increase in the acceptability among employers of emailing application forms, with over half of companies able to handle applications in this way. Over a third of employers in the 2005 CIPD Recruitment, Retention and Turnover survey had accepted on-line applications in the past year. This highlights the growing importance of IT skills, not only to seek job opportunities, but also to apply for them. If IT-literacy is not an important element of the job then it is important that employers have other application options so they do not inadvertently reduce the pool of candidates that can apply.

#### *Interviews from shortlist*

From a series of qualitative interviews with employers, Kodz *et al.* (1998) found that employers saw the interview as the most important recruitment method in which to measure and assess the employability and suitability of recruits. More recent work has found that the interview enables employers to particularly assess personality and communication skills which they report they cannot adequately appraise via the application form or CV (Hogarth and Devins, 2005).

The interview can take different forms depending on the nature of the job. For temporary or seasonal posts the interview can be quite informal and with one manager, and the candidate can be shown the employment site. For more senior posts it is likely that two or more senior staff will undertake the interview and it is common for it to be combined with a formal presentation (Dench *et al.*, 1998). Management theory suggests that presentations are useful in evaluating candidates' ability to group complex information and draw out crucial points, their communication skills and ability to argue a case (Taylor, 1996).

The importance of communication as a soft skill to employers and the ease of assessing it during the interview perhaps explains why employers so frequently utilise interviews as a means of assessing soft skills and selecting the best candidates.

Oral communication is generally assessed through the interview process and managers often note how the candidate expressed themselves, their vocabulary, and how 'chatty' or sociable they were when faced with an interview panel. Listening, ability to be inquisitive, and the absorption of information are also assessed via this method (Dench *et al.* 1998). It is likely that the balance employers look for between the sub-characteristics of communication will be affected by the nature of the job. For example, different communication skills are likely to be sought for a sales position than for a counsellor.

Although commonly used by employers, the British Psychological Society quotes the predictive validity coefficient of 0.25 for structured interviews and 0.00 for interviews undertaken without a pre-planned structure. 'This means that even the best interviews are only 25 per cent more accurate than picking names out of a hat' (Taylor, 1996).

The Kodz *et al.* (1998) study also found that employers are making increasing use of competency frameworks during the interview, or at least being specific about criteria against which they assess candidates. As a recruitment tool this may help the employer to apply more objectivity to what can otherwise be a fairly subjective assessment of candidates' soft skills.

A competency based approach means that the skills and knowledge a person needs to do the job are outlined before the interview and these are sometimes split into levels. Each applicant is then scored against these criteria. Management theory suggests that structuring thinking in this way can focus the employer on the qualities that are essential to do the job well and provide a more objective assessment of the candidate's skills (Rees and Porter, 2003).

Employees are often required to work in teams, so team-working skills are frequently assessed in the recruitment process. Employers assess this skill in a number of ways. For example, during the interview respondents could be asked to give examples of their experience of working in teams that have been successful or problematic or to explain how they would resolve hypothetical team working situations (Dench *et al.* 1998). Role play or assessment centres are also common ways in which soft skills and particularly communication skills are assessed.

#### *Assessment Centres and role play*

After shortlisting from applications and an interview process, employers sometimes deploy a technique called assessment centres to distinguish between candidates (Dench *et al.* 1998). A recent survey of over 700 employers found that 34 per cent of employers use assessment centres as part of their recruitment and selection methods, and that they are most common in the service-sector (CIPD, 2005). However, it should be emphasised here that this is a high cost process generally not used in recruitment for low-skilled work.

Assessment Centres are particularly good for assessing soft skills, such as team-working as they usually comprise a number of exercises or simulations which have been designed to replicate the tasks and demands of the job for which a candidate is being considered. The candidate(s) will be observed by assessors while they are undertaking the exercises. Job simulation exercises also achieve the best validity rating of selection techniques (Taylor, 1996).

Lewis *et al.* (2002) conducted 40 qualitative interviews with employers and found examples of several companies that designed group activities to observe applicants' team-working skills, or to role-play dealing with customers. The employers often commented that skills-based tests were a fairer way to assess aptitude of soft skills as it provided a more realistic setting, rather than being purely hypothetical.

### *Employer references and previous experiences*

As well as assessing candidates' soft skills during the interview process it is common for employers to seek a reference from the applicant's current or most recent employer. Over three in four (77 per cent) of employers interviewed for the CIPD Recruitment, Retention and Turnover Survey 2005 reported that they always took up employer references for potential employees. The purpose of this is to support the employers' initial perceptions of the candidates' ability, to be a sign of the candidates' employability, and to be evidence of the applicants' skills and abilities applied to a work setting. Holzer (1998) found that for low paid, low status occupations, references were valued by nine out of ten employers and were used to assess an individual's absenteeism and attitude.

Previous work experience can help candidates to demonstrate evidence of their employability across a range of selection methods. Employers see work experience as very important in assessing soft skills because, 'many of the employability skills that employers are seeking can only be learned in 'real life' employment situations, even on a temporary basis, such as work placements of two or three weeks' (Johnson and Burden, 2003).

Previous experience can play an important role in getting people shortlisted for interview. Indeed, 'it is often the case that if people have been in the labour market for a while, it is the quality and nature of experience which is important in helping them to change jobs, rather than qualifications' (Dench *et al.*, 1998). However, in this study, some employers also cited that work experience could be perceived as negative if it had been with a company that the recruiting employer understood to have a poor reputation.

However, management theory advocates that care be taken when using a person's past experience to assess whether or not they would perform well in a new role. This is particularly the case when the job has more responsibility (Rees and Porter, 2003).

Some employers feel that educational institutions focus too strongly on academic skills and qualifications at the expense of employability (Johnson and Burden, 2003). In this study, employers reported that work experience for young people (either through formal programmes at school, college or university, or through part-time work) was extremely valuable. Employers said they felt young people with experience of work were better equipped for the world of work than young people without it.

Employers in the study by Dench and her colleagues (1998) reported that they prefer applicants to demonstrate attributes and characteristics with work-related examples than through educational work or related social and sporting activities. Whether or not a young person has had work experience impacts on their ability to use real work examples in the recruitment process to demonstrate their soft skills and those without it may be at a disadvantage if employers place great emphasis on this method.

The importance of work-based demonstration of soft-skills and an employer reference may mean that people who have been out of work for a long period of time, some of whom will be the client group for the DWP, are likely to find it more difficult than those currently in employment to excel when employers assess an applicant's level of soft skills using these methods.

### *Trial period*

Employers sometimes use a trial period to assess candidates' suitability for the job. This can range from a short session meeting other colleagues to a four-week trial placement. A trial enables both the employer and potential employee to gain a greater understanding of each other and to assess soft skills, such as the ability to communicate within the work environment. The trial period is most likely to be used for lower paid jobs or those of a temporary nature (Kodz *et al.* 1998), but progression onto a permanent contract with extended company benefits is also common in higher paid professions after an initial probationary period.

### *Other recruitment methods*

The most common recruitment methods that employers use to assess candidates' soft skills have been discussed. Other less commonly used assessment tools include recommendations or referrals from a college, measuring skills against a set of internally developed competencies, reviewing a student's college portfolio, or examining their record of achievement (Kodz *et al.* 1998).

An employer may choose to supplement the information gleaned from the interview with other methods to assess soft skills. These could include tests, asking candidates to provide an example of previous written or project work or taking up references from a previous employer. Tests are also a common technique employers use for assessing applicants' competencies for technical occupations, such as secretarial jobs. Recent employer research found that 50 per cent of employers use this as part of their recruitment and selection technique (CIPD, 2005).

In recent years, the use of psychometric testing as part of the recruitment process has been increasing. These tests are commonly used to measure and assess a candidate's level of verbal and numerical reasoning and can try to quantify soft skills (Wolf and Jenkins, 2002).

Individual employers are likely to have their own preferences about the most appropriate recruitment methods for the job, and those which will be most likely to enable candidates to demonstrate soft skills relevant to their company or to the position.

## 2.8 Recruiting from different groups

There is evidence to suggest that stereotypes mean that employers do not always perceive applicants from sub-groups of the available labour force (such as lone parents, economically inactive, and older people) to be equally as likely to have the same levels of competency in the mix of skills, qualifications and attributes they seek. Some of these myths and stereotypes are likely to increase the employment chances of particular groups while others are likely to harm them. As the Employers Forum for Age (2004) puts it:

*'When you attach positive stereotypes to one group, it is inevitably implied that the converse is true of another group. The consequence of older people being 'better' is that younger people are 'worse' – thereby creating a whole new set of negative stereotypes.'*

Employers Forum for Age (2004)

Newton *et al.* (2005) find consistent stereotypes about older workers in their review of the evidence. Positive stereotypes include perceptions that older workers are more loyal and reliable however, more negatively, they are less adaptable to change. Other work by the DWP for its Age Positive Campaign (2001) highlights employers' perceptions of the enhanced life-skills, reliability and commitment of older workers compared to other groups and the business benefits this can bring, such as reduced staff turnover and ability to handle challenging customer situations effectively.

The implications of these stereotypes of older people are borne out in the perceptions of young people. The Newton *et al.* 2005) study found that positively, young(er) people were considered to be innovative, up-to-date with technology and energetic. But they were also negatively perceived as immature and unreliable, putting their social life first, and likely to not remain with the company as they were at the start of their career.

Other groups are also affected by employers' perceptions and stereotypes. For example, in an evaluation of the New Deal programme, Lewis *et al.* (2000) found that employers perceived candidates on the New Deal for Lone Parents (NDLP) more favourably than those on other New Deal programmes. The NDLP was seen as a source of more mature and experienced workers, and because the programme is voluntary, employers felt that applicants would be more work-ready and motivated employees than on other New Deal programmes where participation is compulsory.

However, again there were negative associations which included how these parents would cope with the demands of work and childcare, and thus particularly how flexible they would be in the workplace. However, this was most strongly an issue in sectors with changing shift patterns or unsociable hours (Lewis *et al.*, 2000).

With regard to the employment of people with disabilities, the pattern is slightly different and appears less related to the skills, characteristics and qualifications they might possess. For example, Dewson and her colleagues in their survey of employers

who have recruited from the New Deal for Disabled People (NDDP) (forthcoming) find that employers perceive benefits to include an improved image of the organisation to its customers; improved staff relations and morale; and improved retention rates. However, where disadvantages were identified these included higher rates of absence and sickness, as well as lower levels of productivity. Ruggeri Stevens (2002) adds some context to the point about absence in his survey of 120 employers of people with disabilities in the South East. For these employers there was an appreciation that when an employee with disabilities called in sick, this was likely to be genuine. However, while this is a useful point, we reiterate the effect of stereotypes, and note the implication that for other employees, self-reported sickness absence may be considered less than legitimate.

Duration of unemployment is also likely to be a factor in employers' perceptions. The study by Devins and Hogarth (2005) found that many employers reported that they did not have negative perceptions of applicants who were unemployed. This was especially the case in the IT sector, where redundancies have been common in recent years. However, consistent with such changes in their industry, these employers tended to equate the term 'unemployment' with short duration unemployment, and there was little evidence of an engagement with the recruitment of longer term unemployed or inactive people. While this in itself does not suggest a negative concept of unemployment, it may indicate that the long-term unemployed are not considered part of the potential labour force available to these employers.

However, further to this, Devins and Hogarth (2005) highlight that employers who had looked to recruit from the long-term unemployed reported that their experience meant that they would not seek to do so again. These employers found that their long-term unemployed recruits lacked any serious preparedness to take up work opportunities and there was also a tendency amongst this group to quit work without giving employers sufficient notice.

Other evidence suggests that the extent of an employer's informal recruitment strategies make a large contribution to the (lack of) diversity in the workforce they seek (Canny, 2004). By relying on word-of-mouth/informal strategies e.g. asking the current workforce for referrals, an employer is likely to replicate the current diversity (or lack of it) within their workforce.

So, what is it that employers look for when recruiting from different groups? In the next section we draw together the evidence relating to older people. In Section 2.8.2 we consider the experience of younger people.

### **2.8.1 Older people**

The importance that employers place on soft skills, and the balance between soft skills and qualifications, may affect the extent to which older people are able to compete effectively for positions.

Older people are more likely than young people to have no or low qualifications levels (Newton *et al.*, 2005; NIACE, 2004; Census 2001) and this may mean that they are excluded from jobs which shortlist for interview based on qualifications alone. However, with work experience and past employer references, older people may fare better in jobs where employers rank soft skills more highly than qualifications.

If an employer is using qualifications to screen and assess applicants it is likely that they will feel that they are essential to perform well in the job. Older people are less likely to have formal qualifications (50 per cent of people aged 50-74 have no formal qualifications)<sup>18</sup>, and so, as such, are likely to be precluded from the latter stages of an employer's recruitment process.

In addition, older people who do have formal qualifications may struggle to demonstrate to employers their current value or transferability, 11 per cent of people aged between 50 and 74 have other formal qualifications where the level is unknown, compared to four per cent of people under 50<sup>19</sup>.

However, the extent to which employers place importance on qualifications, in isolation of other skills and characteristics, is questionable. The earlier work by Taylor and Walker (1994) argues that many employers tend to feel that older workers lack the skills that they are seeking, such as creativity, good IT skills, flexibility and being open to training and learning. Their study however, revealed certain sectoral differences with regard to older workers and employer perceptions about whether they tend to possess appropriate skills mix.

For instance, service sector organisations were more likely to report that older workers are more productive (i.e. have the skills required) than those in the manufacturing sector. Service sector organisations were also less likely to say that older people were 'hard to train' and 'lacked creativity'. Maturity is regarded as a big advantage in retail, particularly because a mature attitude is seen to be good for customer service (Taylor and Walker, 1994).

Again, some sectors may take a specific approach to the recruitment of 'older' workers, depending on factors such as skills shortages, changes in the labour market, and changing demographics. Arrowsmith and McGoldrick's paper (1996) evaluates various organisational approaches to the recruitment of older workers. For example, a National Health Service (NHS) hospital in Greater Manchester introduced a scheme in the 1990s, designed to recruit older nurses for the mammography screening programme, which targeted women aged 50-64.

The programme had stimulated extra demand for nurses and radiographers. More mature candidates were sought for three reasons: firstly, because of the experience and medical expertise they could bring to the role. Secondly, it was also felt that

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<sup>18</sup> Census 2001, data available from [www.statistics.gov.uk/census2001/default.asp](http://www.statistics.gov.uk/census2001/default.asp)

<sup>19</sup> Census 2001, data available from [www.statistics.gov.uk/census2001/default.asp](http://www.statistics.gov.uk/census2001/default.asp)

older applicants would commit to the job, rather than seek career advancement elsewhere. Third (and similar to the claims of customer recognition currently being made by large players in the retail sector) was that 'older workers could be better able to relate to and manage the client group of 50-64 year olds, given potentially greater development of life skills and 'common sense', and so deliver high standards of quality assured work' (Arrowsmith and McGoldrick, 1996).

Interestingly, however, Arrowsmith and McGoldrick (1996) found that most candidates were aged between 30 and 40, and managers felt that applicants older than this, i.e. in their mid-fifties, were too old. The perception here is that older people 'could not offer the longevity and may not be able to cope with the technology and training requirements, nor the pressures of the job itself'.

Where employers have recruited older adults from government programmes, their views depend almost entirely upon the 'quality of the candidates that they have recruited or provided a work placement for, and how they compared with their expectations.' If their experiences had been unsuccessful, employers generally recognised that this was down to the candidate, rather than as a result of the programme (Winterbotham *et al.*, 2002; Hogarth and Wilson, 2003).

Where employers were negative about the New Deal 25 Plus they tended to focus on employee issues and characteristics, such as poor timekeeping, poor motivation and commitment, and poor interpersonal skills. When recruiting from the New Deal 25 plus programme, employers were looking for soft skills, such as motivation and commitment (Winterbotham *et al.*, 2002).

Winterbotham and colleagues (2002) also reported on the qualities and attributes that employers seek in potential recruits. The recruitment methods utilised by employers varied from one-off interviews to a series of interviews to formal assessment tests. Some companies designed group activities to observe applicants' team-working skills, or role-plays to demonstrate skills for dealing with customers. The employers in this study felt that skills-based tests were a fairer way to assess aptitude of these skills than interviews.

### **2.8.2 Young people**

There is some evidence of differing employer requirements, depending on the age of candidates applying for roles, and these have often evolved from stereotypes. As Snape (1998) reports, employers perceived positive contributions that young people make to the workforce as: helping to maintain a balanced workforce age profile; receptiveness to learning and training; flexibility; and their costs (they can often be paid less than older people).

Less favourable views of the young include the perception that young people have less life-experience; that they may not be able to handle certain types of jobs and that they may be more expensive in terms of training and the level of staff supervision they require (Snape, 1998).

Evidence suggests that employers' assumptions about young people underlie their responses to them in the recruitment process and influence the characteristics, and skills, that they are looking for from them. 'It is clear that to some extent age is taken as a 'proxy' indicator of other things (i.e. maturity, reliability, ability to cope with different circumstances, commitment to work etc.)' (Fuller *et al.*, 2005).

Perhaps for these or similar reasons, with regard to younger people, employers may be willing to disregard qualifications if applicants display other positive attributes (Canny, 2004). Indeed, when recruiting younger people, Jenkins and Wolf (2005) report that employers ranked qualifications as the fourth most important factor (20 per cent), behind personality, attitude, flexibility and reliability (45 per cent), interest, enthusiasm and willingness to learn (24 per cent) and specific skills to do the job (20 per cent). A much lower percentage specified that qualifications were important for young people (20 per cent) than for older adults in the working population over all (66 per cent).

In addition, employers do not always look for the possession of well-developed soft skills in candidates, rather they look for a potential to develop these (Dench *et al.* 1998). Younger people with little or no work experience may be judged on their extra curricula activities, such as sporting or volunteering achievements, which employers feel they can use to assess employability and soft skills, such as motivation, to some extent, although they prefer work examples if possible.

Fuller and colleagues (2005) review employers' perceptions of young people's skills, focusing on MAs. They found a general preference amongst employers for young people already in employment as they are perceived as lower risk since they can demonstrate they have recent work experience, i.e. indications of their ability and motivation.

Employers in this study reported that they look for someone they can train to fully perform the job requirements, and who they could mould to fit the organisation's culture. Candidates who demonstrated willingness and motivation to learn were also preferred. Employers also sought evidence of candidates' dependability and commitment. These were likely to be measured by an assessment of school attendance rate, and school references (Fuller *et al.*, 2005).

However, despite these findings relating to soft(er) skills, qualifications remain important, certainly in the MA recruitment process. Employers set minimum qualification requirements, such as four or five GCSEs at grades A\* to C in English, Maths and Science and will often require applicants who meet the minimum qualification requirements to sit a series of aptitude tests, as well as attending an interview (Fuller *et al.*, 2005).

Employers in this study chose to use aptitude tests because of what they perceived as the 'low educational attainment of the young people applying'. The tests, complemented by interviews, are a route to determining a candidate's potential against the backdrop of the minimum qualification criteria. The authors give as an

example of this; the Construction Industry Training Board (CITB) construction skills which has developed a 'skills test' for providers to use to help distinguish between candidates (Fuller *et al.*, 2005).

As we have noted already, an employers' decision about whether to take on a young person through the MA route is likely to vary by sector: a blue chip company would have different recruitment requirements to a construction company, for instance. In their study<sup>20</sup>, Speilhofer and Sims (2004) found that in some cases, employers favour a younger candidate as they can be trained to 'fit in' to the company. However, for those employers who want to see a 'track record', this presents a problem to a young person who will find themselves in a Catch-22 scenario, i.e. unable to gain a job because they have never had one (Speilhofer and Sims, 2004).

These authors found that very few employers said they regularly recruited 16-24 year olds who would be eligible for the MA route (Speilhofer and Sims, 2004). The main reason for not recruiting school leavers is that employers said they wanted people with experience, and an established 'track record', preferably with other 'blue chip' companies.

*'There is no reason why we couldn't [take on school or college leavers], but the risk is that we wouldn't know their track record. Without previous work experience it is hard to establish whether they're good at time keeping, and coping with the day-to-day pressures of work. Will they fit in? Coming from school, young people tend to be quite raw and overwhelmed by the size of the organisation and they don't understand what is involved in working in such a place'.*

Speilhofer and Sims (2004)

Turning to a different aspect of young people's recruitment, Elam and Snape (2000) report that employers do not always use the same standards when recruiting from NDYP as they would if recruiting generally from the external labour market. For example, employers 'were not looking for people with specific job-related skills and experience'. Rather they tended to seek people with potential, a good attitude to work and who are willing to train and learn the ropes, someone who is 'work ready rather than job ready' (Elam and Snape, 2000).

The earlier work by Snape (1998) also explored employer's views of the NDYP, which is available to 18 to 24 year olds following six months of unemployment. The study is based on 24 qualitative interviews with employers participating in NDYP, and others that were not.

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<sup>20</sup> Based on qualitative interviews with employers from: investment banking, media, local government, business law, property and estate management, mobile communication, and further education sectors. All employers had over 1,000 employees, were based in London, and had some experience of MAs.

Snape (1998) found that employers described a range of characteristics that they specifically look for in young job applicants and that these often reflected the stereotypes of the advantages and disadvantages presented by young people. Common screening criteria for young applicants included approach to work (timekeeping, hardworking, motivation, commitment); approach to training (ambition, willingness to learn); personal characteristics (stable personal circumstances, reasonably mature, initiative in non-working life); and skills (basic literacy and numeracy, social skills, job-specific skills).

Other qualities that were less frequently mentioned included experience of related work, life experience and linguistic skills. The study found that smaller employers were also likely to report that using initiative and being able to carry out tasks without high levels of supervision were also valued (Snape, 1998).

There is evidence to suggest that employers value work experience and training, which when combined they felt would enhance young people's longer-term employability (Elam and Snape, 2000). However, these employers also expressed a number of concerns about the training element of the NDYP programme. A key concern was the six month subsidised period may not be long enough for the candidate to complete their qualification. This either meant that the recruit might leave without a recognised qualification after six months, or that the employer would have to fund the qualification once the subsidy has finished (Elam and Snape, 2000).

Another concern in this study, was that some subsidised training was seen as irrelevant to the employer's work situation and therefore of limited value. A variety of reasons was mentioned for this. For example, a relevant sector based course, such as a specialist manufacturing course not being available in the local area, or the most valuable course to the employer not being listed on the New Deal list of approved courses. This reflects the tension between the requirement to deliver NVQs and the practical training needs and requirements of employers, such as forklift truck driving. (Elam and Snape, 2000).

## 2.9 Conclusions

Given employers' strong focus on characteristics and soft skills, any preparation that leads candidates to improve and hone these are likely to contribute to a positive employment outcome. A focus on qualifications would not appear to contribute greatly to an individual's employment outcomes since, overall, employers place quite a low emphasis on these in recruitment (although as we have seen, this does vary by occupation).

However, this is a complex picture, and it remains unclear how far, for instance, CVs are used to assess qualifications and similarly, the extent to which qualifications are used to indicate attributes such as motivation and learning orientation. Another consideration with regard to the raising of qualifications levels generally is how that affects employers' views on their value (Wolf, 2002). These are issues that warrant further investigation.

Unemployed, and to some degree inactive, people may continue to face barriers due to employers' perceptions of long duration worklessness. However, the evidence suggests (as well as the expert input, reported below) that recent work trial/ experience may help to get over such barriers and should remain a focus of Jobcentre Plus provision.

Age stereotypes remain prevalent amongst employers and while these can benefit some groups, they imply negative traits in others. However, greater change in these may be seen over the next 20 years as the numbers of older adults in the workplace increases and, if the widening participation targets are achieved, the numbers of younger people available for full-time work contracts.

A greater difficulty unemployed candidates may face is actually in their access to vacancies. If employers continue to use informal methods of advertising, jobseekers are likely to remain excluded from the recruitment as more of the same people (i.e. similar to those in the employers' current workforce) apply to vacancies.

### 3 Expert views of employers' needs on recruitment

In this section, we report the findings from in-depth qualitative interviews with individuals, representing a wide range of organisations that have particularly in-depth knowledge or expertise that qualifies them to comment on relevant and salient issues. These organisations included government departments, regional agencies, and voluntary sector organisations.

Organisations and specific people were selected for this aspect of the research on the basis of recommendations from the Department for Work and Pensions (DWP) Steering Group and from the Institute for Employment Studies (IES) research team. Sixteen organisations were selected to provide expert contribution to the project, and in total, 22 individuals participated in this phase of the research. The organisations, from which interview respondents were drawn, are listed below:

- Centre for Research on Older Workers (CROW);
- Department for Education and Skills (DfES);
- Department for Work and Pensions;
- Jobcentre Plus;
- East Midlands Development Agency (EMDA);
- Education and Learning Wales (ELWa);
- Employers' Forum on Disability;
- Employers' Organisation for Local Government;
- Learning and Skills Council (LSC);
- National Institute for Adult Continuing Education (NIACE);
- Scottish Enterprise;
- Sector Skills Development Agency (SSDA);

- The Tomorrow Project (an independent charity undertaking a programme of research, consultation and communication about change in people's lives in Britain over the next twenty years);
- Third Age Employment Network (TAEN);
- Help the Aged;
- Welsh Development Agency (WDA).

The interviews lasted for around one hour and the scope was wide-ranging, including: the barriers faced by unemployed or inactive people in obtaining training; attitudes of these groups towards different types of training provision; employers' views of the value of the training element of entry or return to work programmes; what employers look for when recruiting unemployed or previously inactive individuals; assessment of the quality of different return to/entry to work training programmes; and the sustainability of a case for age segmented training programmes such as New Deal 50 Plus, in the light of the forthcoming age discrimination legislation.

In the previous phase of the research project, we reported on the experts' views on:

- barriers to training for unemployed and inactive people, and how these barriers are affected by age and other characteristics including gender and disability;
- views on the suitability of existing training provision, and on any ways in which the current programmes could be improved;
- examples of training initiatives that were seen as effective in reaching unemployed or inactive people;
- the sustainability of age segmented training programmes.

In this phase of this research we have examined the research evidence on the question of what skills and attributes employers look for in potential employees and which they consider to be the most important. In this chapter we report on the experts' views on the questions that follow:

- What characteristics, skills and/or qualifications do employers look for when recruiting people?
- What is the relative importance of qualifications and soft skills to employers?
- What differences are there in recruitment attitudes between employers in different sectors or size of establishment?
- How do employers view the value of different types of training provision when recruiting unemployed or previous inactive individuals?

It should be stressed that our interviewees were specialists who usually had expertise in some, but not all, of the subjects covered. Not all organisations had a specific employer focus, and we have therefore only included those with expertise in this

area. In the discussion below, we have drawn out some of the key themes that emerged from the interviews and identified, where relevant, any differences of viewpoint or emphasis. The interviews also informed the content of the literature review by identifying additional research reports that have been included.

### 3.1 Key findings

- The respondents interviewed for this study emphasised the need for well-developed soft skills in applicants, and identified that soft skills were linked, in employers' minds, with positive characteristics and attributes.
- The interviewees noted that the use of qualifications is heavily sector dependant, and often important only where the legislation requires competency to be demonstrated through qualifications.
- When no legislation drivers exist, employers consider that personal characteristics and soft skills are more important than qualifications.
- Work trials were emphasised as a way of developing work and employability skills in unemployed and inactive people, and offering employers an opportunity to test whether the person is appropriate for the job.

### 3.2 The characteristics, skills and qualifications employers look for when recruiting

The interviewees were asked for their views on what employers look for when recruiting unemployed or previously inactive people, and the relative value that they attach to different skills and qualifications. In general, they highlighted the importance of certain characteristics and soft skills rather than qualifications.

#### 3.2.1 Characteristics and skill requirements

Several interviewees identified particular personal characteristics that employers required in job applicants. Reliability, confidence, flexibility and motivation were frequently mentioned. In many cases these attributes were linked to soft skills which are seen as equally important by employers. The interviewee from the Employer Marketing team of Jobcentre Plus said that they found:

*'Employers are most interested in candidates who can demonstrate flexibility and have soft skills such as customer focus, team working, work motivation and the basic skills to perform the job.'*

Other interviewees from Jobcentre Plus also stressed the importance to employers of an applicant's attitude towards work:

*'It is not necessarily the qualifications that they [employers] are looking for. It's the attitude. Are they going to turn up? Are they going to be able to do the work? Have they got the right kind of level of loyalty to the company? I think the employers' perceptions are, you send somebody and we will give them the particular skills set that they need to do that particular job, as long as they have got the right kind of attitudes and they are motivated, especially in the service sector'.*

The respondent from the WDA believed that employers might argue that they wanted 'oven-ready' skilled employees. But when you actually get into a close dialogue with employers, you realise that what they want is the core key transferable skills. They want people to have the ability to learn quickly, because our industrial profile is changing faster than it has ever changed before'.

Generally the interviewees saw a clear association between the individual characteristics that employers sought, and the soft skills that they also required. This overlap between individual attributes, such as being reliable or motivated, **and** having soft skills, such as the ability to communicate with customers, appears to reflect employers' requirements for both. The respondent from EMDA gave the example of an employer who said that the qualities they required were: 'maturity and to be able to understand and empathise with people's problems and to be customer focused and reliable.'

One of the problems for both employers and job applicants is how these characteristics and skills can be demonstrated in the recruitment process. The interviewee from EMDA pointed to the success of work trials and work placements in enabling individuals to show 'their attributes and personal qualities that are often difficult to write about in an application but can be quite evident in the workplace'. In the following section, the value of work trials to employers is discussed in more detail.

### **3.2.2 The value attached by employers to qualifications**

The literature review has examined research findings on the extent to which the importance of qualifications to employers is affected by a number of factors, including the nature of the business, employers' familiarity with the qualification, and legislative requirements. Several respondents also highlighted sectoral variations in the value attributed to qualifications. The interviewees generally agreed that in many sectors employers did not appear to place much emphasis on formal qualifications unless they required graduates, or there were legislative requirements for employees to have, e.g. NVQ level 2.

The interviewee from the LSC pointed to the differences between sectors such as care where there are statutory requirements for qualifications; sectors such as engineering where technical qualifications are required; and some service sector jobs where training happens on the job and qualifications are often not necessary.

Some expressed the view that employers were only interested in qualifications that were specifically tailored to their organisation's needs, rather than vocational qualifications. According to the interviewee from the SSDA:

*'Much of the training for people who are employed is actually purchased by their employers. It's not necessarily qualifications based. It's short. Its bite-sized chunks and it is very much relevant to the job. That's not the kind of training that's done by unemployed people in the main, who would be doing full courses, which might be leading to particular qualifications. But those qualifications are not necessarily as valued by employers in the workplace, as are shorter courses, particularly those run by private training providers that they might use.'*

Similarly, a respondent from Jobcentre Plus held that employers were not really interested in level 2 qualifications, unless they had been taken in a company or sector that directly related to the current employer. This reflects the findings in the literature review e.g. Dearden *et al.* (2005) about the returns to vocational qualifications and how these are higher for the individual when the qualification is taken with an employer rather than in college.

The interviewees from Scottish Enterprise, who run the Training for Work – the equivalent of work-based learning for adults in England, made a similar point:

*'A lot of employers don't fully understand vocational qualification levels whereas industry-specific qualifications are perhaps better understood. However, Training for Work delivers a range of qualifications from VQs to industry specific which are designed to meet the needs of both the individual and the employer.'*

Apprenticeships, however, were considered to be highly valued by employers as being industry-specific. According to the interviewee from the DfES:

*'A lot of employers and employer organisations tell the Government regularly that they like apprenticeships. I think maybe it's a combination of things. Maybe it's because they feel that the skills and qualifications that the apprentice comes out with are directly relevant. They know what they are getting, because they know that the qualification will be directly relevant to the job. There are quite a lot of apprenticeship participants who don't complete their apprenticeship because the employer just says, forget the qualification. We'll give you a job.'*

Overall, there was a consensus amongst the respondents that employers tended to see personal characteristics and soft skills as more relevant than qualifications when recruiting, unless operating in sectors where qualifications were required by legislation.

The attitude towards qualifications was thus seen as directly related not only to the skill levels required, but also to willingness to train within the organisation. Larger employers were felt to be more willing to train someone in the technical job skills required if they appeared to have the aptitude to learn and the soft skills required for the job, such as the ability to communicate or to work in teams – and evidence in the literature (e.g. Dench *et al.*, 1998) certainly suggests this is the case. However, respondents pointed out that this applied more to some sectors than others. As the

interviewees from Jobcentre Plus emphasised, employers in the manufacturing sector may be looking for someone who has served an apprenticeship and spent a long time learning how to use particular machines, compared with check out operators who can be trained relatively quickly.

An employer's willingness to train was also affected by the size and resources of the organisation, according to the same interviewees. Whereas employers, such as those in the retail sector or call centres, taking on large numbers of employees, could provide in-house training, *'it's much more difficult when you've got a very small business, particularly a one- or two-man operation and what you are looking for is someone who is going to walk straight into the job, pick it up and do it immediately. They haven't got the training capacity, and their need is that much more urgent.'*

Thinking more generally about the requirement for qualifications in the recruitment process, the interviewee from CROW pointed to the recent research it had carried out for the Department for Trade and Industry (DTI) (McNair and Flynn, 2005). This discusses potential age biases when qualifications are required, and which human resource managers will need to address to comply with the forthcoming age discrimination legislation. If an employer requires a level of qualifications, for example, that is not necessary for the job, this practice may indirectly discriminate against applicants on the basis of age since older people are less likely to have a degree (or, as we noted in the literature review, any formal qualifications). Similarly, if a certain length of work experience is required this may discriminate against younger applicants who have not had the time to develop that extent of work experience.

However, the respondent at the LSC felt that removing all chronology from the application process might inhibit employers' ability to infer qualities on the basis of recent qualifications and training. Rather than conflicting with the view of the respondent from CROW, this makes the case for asking for such information in a different way:

*'If [employers] look at somebody's career history, and see evidence of recent study, even if it's nothing to do with the job, it shows a certain dimension to their thinking, that they're willing to step outside the box, or up-skill themselves. It does tend to reinforce a positive impression.'*

### **3.2.3 Employers' views on recruiting unemployed or inactive people**

In the recruitment process, it may be apparent to the employer that the applicant has been outside the labour market for some time. This is particularly the case if the application form asks for a number of years' recent experience, which, as we noted above, may need reconsideration in light of the age legislation. Some respondents argued that employers were not concerned whether a job applicant was currently unemployed or in another job. The employer was seen as simply concerned with whether the person was 'fit for the job'. Others thought that long-term unemployment was seen by an employer as a barrier to getting a job and that some employers would discriminate on that basis.

The Jobcentre Plus interviewee from the Employer Marketing team said that larger employers could often cope better than smaller employers with recruiting individuals who had been unemployed for a long period:

*'This is because those with the greatest barriers form a small part of the total workforce. The pressure for small employers recruiting from such groups is likely to be greater – there is less capacity in the company and workforce to make allowances for these new workers to adapt and conform to company standards.'*

The same respondent noted that generally large employers also had more flexible recruitment processes and could, for example, make decisions such as deferring tests and introducing a probationary period of, for example three months, to build knowledge and confidence prior to testing.

Many of the interviewees considered that work experience was more important to an employer than the employment status of the job applicant. This was discussed in the phase 2 report in the context of the types of training provision particularly valued by employers. The same issue is clearly relevant to the recruitment process and we review below some of the interviewees' views on employer attitudes towards the training that has been undertaken by unemployed or previously inactive job applicants.

### 3.3 Employers' views of training

As discussed in the phase 2 report, respondents perceived employers as having a strong preference for recruiting job applicants who had already taken part in some form of work-based training, particularly work trials.

The interviewee involved in the DWP Skills Strategy said:

*'Lots of employers are saying that work trials are 'the best kept secret' of Jobcentre Plus. Where Jobcentre Plus has worked closely with employers to come up with a tailored package then that is likely to be very successful, and the further the training is from the demand side, employers see it as being less relevant. Also where the training is close to the period of employment it is more successful, and less successful when it is completed ages in advance of employment. It needs to have currency.'*

Another respondent from Jobcentre Plus suggested that work trials may be particularly effective in assisting people on Incapacity Benefit back to work depending on the local labour market situation. In addition, in areas where unemployment is low, people on Jobseeker's Allowance (JSA) may also be able to get a job relatively easily without a trial:

*'But if in your area all JSA customers can get jobs, it doesn't necessarily mean that is the same for people slightly more distant from the labour market. You may have somebody on Incapacity Benefit who is extremely well qualified, extremely well experienced but has been out of the labour market through illness, and work trials would seem an ideal way to convince an employer that they can do the job and have the skills.'*

In the case of job applicants with disabilities, the interviewee from the Employers' Forum on Disability said that employers were more likely to overcome any preconceptions about recruiting a person with disabilities if they had either been on a work placement or participated in training clearly relevant to the job:

*'If resourced adequately, both work preparations and work-based learning can be very useful ways of ensuring successful recruitment. We held workshops quite recently that looked at what employers saw as helpful, and they said that work placement and work preparation training created a more manageable step into employment and is more attractive to us as employers.'*

The interviewees from Scottish Enterprise also highlighted the importance of work placements combined with training tailored directly to the employers' requirements in the local job market. An example was given of a successful partnership initiative with employers in the care sector in one region:

*'We approached employers to work with Jobcentre Plus and local authority basic skills people. We took people with a low level of basic skills and we funded the vocational side, the local authority funded the basic skills and the employers took them in on placement. Most of those people got jobs. The basic skills were delivered within a vocational setting and we adapted the materials to the care sector so it was all geared to the job requirements.'*

Even if the work placement does not directly result in employment, participants in work trials have the opportunity to get a reference from the employer that can help them gain in a subsequent recruitment process.

The intermediate labour market initiatives referred to by the WDA have also integrated work experience with training through subsidised employment schemes. Such schemes provide temporary, subsidised employment to economically inactive people for periods of up to six months. To be eligible an individual has to have been out of work for at least six months. The WDA respondent saw the value of intermediate labour market activities as providing individuals with the kind of work experience that employers were looking for:

*'It provides them [the participants] with the school of hard knocks kind of essential, transferable skills learning that they need, and the employability skills that they need... People have help with job search and with CV building. They have all of that plus they are actually doing a job.'*

Overall, many interviews highlighted the importance of partnerships between employers, training providers, Jobcentre Plus and other organisations to provide greater opportunities for unemployed or inactive people to be successful in getting into, or re-entering, employment.

### 3.4 Summary

The interviewees identified the high value placed by employers on job applicants possessing certain soft skills such as the ability to communicate with customers. However, they also suggested a strong linkage in employers' minds between such skills and more general attributes and characteristics, such as motivation or reliability. Rather than such attributes being more important to employers than soft skills or vice versa, the interviewees considered that employers were seeking recruits who, ideally, could demonstrate both.

The extent to which employers also attached importance to the qualifications possessed by job applicants was considered by the interviewees to be heavily sector dependent, i.e. often linked to legislative requirements, or a need for technical skills. Where neither the level of skill requirements, nor the legislative drivers existed, interviewees felt that employers tended to see personal characteristics and soft skills as more relevant to their business needs than vocational qualifications.

The size and resources of the organisation also affected employers' attitudes towards qualifications. Larger employers were more likely to have the capacity to provide training for new recruits. Smaller organisations, without that training capacity, might be more concerned to recruit someone who already had the necessary skills.

Some respondents thought that employers generally saw long-term unemployment status as a barrier to gaining work. Several respondents perceived participation in work trials as an effective strategy to overcome employers' concerns about recruiting long-term unemployed or inactive people. There was a widely held view that work experience and work trials were highly valued by employers, especially when they were combined with short focused training tailored to the employers' requirements. Work placements could also provide job applicants with an opportunity to demonstrate the soft skills and personal characteristics that were difficult to demonstrate in a formal interview.



# Appendix

## Discussion guide for expert interviews

The experts who contributed perspective and opinion to this project were interviewed for around one hour using the following topic guide. Not all of the experts had in-depth knowledge of each area covered in the guide so the focus of the interview was adapted to take account of their expertise. The interviews were recorded and transcribed, and the content analysed. The analysis is reported in Chapter 4.

### Age and training: the issues and barriers to participation for unemployed and inactive people – discussion guide

#### **Introduction**

Introduce Institute for Employment Studies, the project and clarify whether the project briefing the interviewee has received has been sufficient in explaining the aims of the research. Check if they have any questions about the focus of the project before the interview starts.

- To begin with, would you tell me about your role, your organisation, and the extent of your involvement with unemployed or inactive people, or age-related issues and barriers?
- From your knowledge and experience, are there any particular issues around the training that is available for unemployed or inactive people of different ages that you believe the research review should focus on?

**Barriers to training (also barriers to work where there is overlap)**

- Do you believe there are any barriers that make it more difficult for unemployed or inactive people to obtain training (compared to those in employment)?

*Which barriers affect whom, multiple barriers and self-erected barriers*

- Do you think any of these barriers are greater for either younger or older unemployed or inactive individuals? Do unemployed people of different ages experience different barriers?
- Apart from age, do you think that there are any other factors that affect participation by unemployed or inactive people in training – such as gender, ethnicity, family status etc?
- To what extent do you think unemployed/inactive individuals erect their own barriers to training (*probe on the nature and impact of the barriers*)?
- Are there any groups that you consider face multiple barriers to training? How do these barriers combine to affect the ability of unemployed/inactive people to train?

**Attitudes to training amongst unemployed and inactive, and differences between the employed**

- Do you believe there are any differences in the attitudes towards training held by unemployed or inactive people? Do these vary by age? (i.e. comparing these two). Has any particular experience led you to form this view? Are there any data or publications we should look at on this topic?
- Have you found that unemployed and/or inactive people are particularly attracted by any particular type(s) of training programme or opportunity? What appears to be preferred? Is there any variation in preference depending on the age of the individual or whether they are unemployed or inactive?
- (*If not volunteered as part of previous answer*): Do you have any idea why this is the case, or do there seem to be any reasons for people's preferences regarding the training that is on offer?
- Do you think that unemployed or inactive people see the back-to-work training programmes as being valuable? If not, what do they see as being the shortcomings of these programmes? Do you think this varies by age or does it vary by other factors e.g. employment history?

### **Impact of training on entry/return-to-work and quality of provision**

- How well do Jobcentre Plus and training providers ensure that their programmes meet the needs of all clients (e.g. 50+ as well as people with disabilities or lone parents)? To what extent are providers aware of the issues and barriers for different client groups? How does Jobcentre Plus take action to assure this? Do unemployed/inactive individuals ever comment to you on the value of the training element of return-to/entry-to-work programmes? Do responses to the training element vary by age group?
- Do you have any views on the types of training provider that offer return-to/entry-to-work training for unemployed or inactive people? What makes good quality return-to/entry-to-work training? (*Probe on content e.g. soft skills, technical skills, and qualifications*). How many providers meet this standard? How is this measured? Have there been any quality inspection reports or other evaluations of quality of provision that we should be aware of in this research? Does any type of provider seem better at providing training for different age groups? Why do you think this is the case?
- Are you aware of any evidence relating to the impact of training on participants' entry or return to work? Do some programmes seem more useful in this respect than others? (*If not volunteered: Why is this, do you think?*) How important a factor is age in the entry-to-work/return-to-work training? Are you aware of any data or publications that make this case?

### **Employers' views on the training offer, and progression to workplace training**

- Do employers ever comment to you about the value of the training element of entry or return to work programmes? What are their views on the value of work trials/work experience in terms of assessing suitability to work. (*If not raised in previous answer,*) Do you feel that there are particular types of training or qualification that employers look for when considering recruiting an unemployed individual? Do these vary with the age of the potential recruit?
- (*If not explicitly mentioned in response to main question*) Do you think unemployed/inactive people experience age discrimination from employers? What forms of discrimination face which groups?
- Do you believe that employers' recruitment decisions are affected by whether unemployed or previously inactive applicants have had pre-work training? Is there any evidence of the way in which decisions are affected? Is this at all levels of recruitment or at what levels do you think it is most prevalent? Does this apply just to recruits in certain age groups or across the board? Are you aware of any data or publications that make this case?

- Has your organisation conducted any research into the evidence that employers look for when recruiting unemployed or previously inactive individuals? Are employers influenced by whether unemployed or previously inactive individuals have undertaken a training programme since becoming unemployed/inactive? What types of training seem to be valued? Is there any difference in what is valued depending on the individual's age? Are employers influenced more by voluntary programmes than mandatory or is there no difference?
- Do you think that employers have any different attitude to developing (training) recruits who were previously unemployed or inactive, than those moving from a different employer or job role? Does age have any influence on their attitude to providing training either for those who have been unemployed or inactive, or those who have moved from another job?
- Do you find that there are sectoral variations in employers' views on recruiting unemployed or previously inactive individuals? Is there any difference in their attitudes towards recruiting unemployed applicants for jobs at different levels within the organisation or in different local labour market conditions (e.g. labour shortages)? Is pre-employment training seen as more or less important in those different situations? Is there any difference in what is valued depending on the individual's age?

### **Government programmes and sustainability**

- Do you think that any particular government policies have been influential in getting unemployed or inactive people to take up training options? Is there anything that prevents current policies being more effective? If so, can you think of any way these policies could be made more effective?
- How sustainable are the age segmented programmes (e.g. New Deal 50 Plus) given the upcoming age discrimination legislation?

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